TriVen

ANNUAL REPORT
For the year ended 31 January 2004

TriVen VCT plc

Company Registration Number: 3707697

Contents

Investment Objective

The objective of TriVen VCT plc (TriVen) is to provide shareholders with an attractive investment return, principally by maximizing the stream of dividend distributions from the income and capital gains generated by a portfolio of investments in a wide variety of unquoted companies in the UK.

As a multi-manager VCT, the fund combines the specialist investment skills and industry knowledge of three independent management teams, each specialising in different sectors of the economy to select its investments.

Chairman's Statement

I am pleased to present to shareholders the Annual Report of the Company for the year ended 31 January 2004.

Net Asset Value

At 31 January 2004, the Company's Net Asset Value (NAV) per share was 51.8 pence after providing for a final dividend of 0.25 pence per share. The Company, including the proposed final dividend of 0.25 pence per share detailed below, will have distributed accumulated dividends of 4.1 pence per share since the Company's launch. This compares with a subscription price of 100 pence and an initial NAV (after expenses of issue) of 95.25 pence per share.

Economic Background

Equity stock markets in the United Kingdom last year enjoyed sharp rises. Further increases are anticipated this year as prospects for economic recovery in the UK improve. Some areas of the economy in which we have invested have already enjoyed some improvements but, in the main, more favourable economic conditions have yet to show through in the financial results of most companies, particularly in the technology arena. It is difficult, therefore, to predict the short-term outlook for the portfolio.

TriVen's Portfolio

The environment outlined above is inevitably reflected in the performance of the components of the Company's portfolio during the year under review.

A number of technology based investments in the component of the portfolio managed by Elderstreet Private Equity Limited (Elderstreet) have been affected by the difficult environment and have been written down in value. These include ComponentSource Holding Corporation, Sapphire International Limited, Shopcreator plc, sparesFinder Limited and Travelstore.com Group plc. European Telecommunications & Technology Limited (ET&T) continues to trade well although a reduction has been made to its valuation. In September 2003 a further investment of £27,772 was made into Mediasurface plc.

In contrast, a number of companies in the GLE Development Capital Limited (GLE) managed component of the portfolio are progressing well. Higher Nature plc, Maven Management Limited and T J Brent Limited all deserve mention in this respect. Higher Nature continues to show good growth and a further investment of £125,000 was made during the year. In August 2003, Maven redeemed the final instalment of its preference shares and although a slight downward revision has been made to the residual valuation, we continue to enjoy a significant unrealised gain. T J Brent has enjoyed another year of revenue and profit growth and there is a strong prospect of early repayment of a large proportion of TriVen's loan stock investment over the coming months.

The Nova portfolio continues to experience some difficulties as provisions to the investments in both Watkins Books Limited and Caxton Publishing Group Limited have had to be made, although Watkins Books has now sold its loss making publishing arm. HLM Limited went into administration in December with recoveries from this investment not expected to exceed £25,000. In contrast, TriVen received liquidation proceeds of £290,000 from its investment into Machinery & Automated Systems Technology Limited. We do not expect any further significant recoveries from this company.

Revenue Account

Gross revenue has fallen, due firstly to a fall in loan stock interest, as two loans are no longer paying interest and secondly, due to the closure of the Cazenove portfolio and subsequent movement of these funds to the OEIC money market funds which generate a lower level of income. These funds are, however, not exposed to the same fluctuations in value that applied to the fixed-interest portfolio.

Fund management fees are linked to the valuations of each Investment Manager's portfolio which have fallen over the year. Overhead expenditure has declined by a net 11.8% in the year, reflecting the Board's continuing determination to control these costs. My statement last year referred to a review of the Company's costs, and that there would be reduced fee rates payable to each of the three Investment Managers with effect from 1 February 2004. A new agreement with our Administrators, Matrix-Securities Limited, also came into effect from 1 February 2004. This will have the beneficial effect of linking these costs to the funds being managed.

The net revenue return available to shareholders is £26,656, which is similar to last year's level.

Directors

Following the recent announcement by Matrix Group Limited that it had reached agreement to acquire the whole of the issued share capital of GLE, Helen Sinclair offered her resignation as a Director of the Company in order to avoid any potential conflicts of interest. It is with considerable regret that the Board has felt it necessary to accept her resignation but has agreed with her that it is in the best interests of all concerned if her resignation only takes effect when a suitably qualified replacement can be found.

Dividend

The Company's revenue return per Ordinary Share was 0.14 pence per share. Your Board will be recommending a final dividend of 0.25 pence per Ordinary Share in respect of the year under review at the Annual General Meeting to be held on 26 May 2004. The dividend will be paid on 9 June 2004 to shareholders on the Register on 14 May 2004.

Colin Hook
Chairman
30 March 2004

Investment Portfolio Summary

Investments by valuation at 31 January 2004

	Ordinary Shares		Other Investments			Total	
	Cost at 31-Jan-04 £	Valuation at 31-Jan-04 £	Cost at 31-Jan-04 £	Valuation at 31-Jan-04 £	Cost at 31-Jan-04 £	Valuation at 31-Jan-03 £	Valuation at 31-Jan-04 £
Eldersteet Private Equity Limited							
European Telecommunications & Technology Ltd Telecom service integrator providing enterprise *network solutions to corporate customers*	300,244	464,846	–	–	300,244	781,302	464,846
Mediasurface plc[1] Developer of web content management software	25,077	0	225,695	180,478	250,772	223,000	180,478
Computer Software Group plc[2] Provider of software solutions on the IBM iSeries platform	309,452	169,376	–	–	309,452	94,350	169,376
SIFT Group Limited Developer of on-line community software and services	125,000	126,852	–	–	125,000	62,500	126,852
Cashfac Limited Provider of virtual banking application software	260,101	32,828	–	–	260,101	32,828	32,828
Netstore plc Enterprise Application Service Provider	50,000	12,567	–	–	50,000	7,167	12,567
Other investments in the portfolio[4]	1,205,562	0	–	–	1,205,562	420,914	0
Total	2,275,436	806,469	225,695	180,478	2,501,131	1,622,061	986,947
GLE Development Capital Limited							
T J Brent Limited Utiltity contractor	123,992	912,876	776,008	776,008	900,000	1,505,975	1,688,884
Higher Nature plc Formulator and distributor of mineral, vitamin and food supplements	500,000	709,147	625,000	625,000	1,125,000	1,000,000	1,334,147
Maven Management Limited[3] Market research agency	175,000	840,436	–	–	175,000	1,333,226	840,436
Letraset Limited Manufacturer and distributor of graphics arts products	150,000	248,050	350,000	350,000	500,000	500,000	598,050
F - M Image Management Limited Provider of software based solutions for document management	161,129	0	375,968	375,968	537,097	537,097	375,968
Inca Interiors Limited Designer, supplier and installer of contract kitchens	50,000	0	300,000	200,000	350,000	350,000	200,000
BG Consulting Group Limited Provider of financial training and outplacement services	22,034	0	177,966	176,299	200,000	200,000	176,299
Other investments in the portfolio[4]	455,000	0	1,265,000	0	1,720,000	0	0
Total	1,637,155	2,710,509	3,869,942	2,503,275	5,507,097	5,426,298	5,213,784
Nova Capital Management Limited							
Caxton Publishing Group Limited Book publisher in the reprint and remainder sector	1,000,000	750,000	–	–	1,000,000	1,000,000	750,000
Watkins Books Limited Supplier of books and information in the alternative sciences, health, philosophy and related sectors	149,400	0	850,600	0	1,000,000	850,600	0
HLM Limited Developer, manufacturer and servicer of laminating machinery for the aerospace, automotive and other industries	250,000	0	500,000	0	750,000	250,000	0
Other investments in the portfolio[4]	1,025,000	0	975,000	0	2,000,000	0	0
Total	2,424,400	750,000	2,325,600	0	4,750,000	2,100,600	750,000
Investment Managers' totals	***6,336,991***	***4,266,978***	***6,421,237***	***2,683,753***	***12,758,228***	***9,148,959***	***6,950,731***
Fixed interest portfolio					0	2,546,548	0
Total					12,758,228	11,695,507	6,950,731

[1] The Company made an additional investment of £27,772 in Mediasurface plc in September 2003
[2] The Company made an additional investment of £35,266 in Computer Software Group plc in May 2003
[3] Maven Management Limited redeemed £200,000 of its preference shares during the year
[4] *Other investments in the portfolio comprises those investments that have been valued at nil and from which the Directors only expect to receive small recoveries ie ComponentSourc* on the Go Limited in the GLE portfolio; and LeSac Limited, Machinery and Automated Systems Technology Limited and Zynergy Group Limited in the Nova portfolio.

Interest receivable in period £	Dividends receivable in period £	Unrealised gains/(losses) in period £	Realised gains/(losses) in period £	Proceeds in period £	% of equity held	% of portfolio by value	Description of loan stock/ Preference shares
–	–	(316,456)	0	0	4.66%	6.69%	
–	–	(70,294)	0	0	2.21%	2.60%	Preferred ordinary shares
–	–	39,760	0	0	0.04%	2.44%	
		64,352	0	0	0.63%	1.83%	
–	–	0	0	0	4.08%	0.47%	
		5,400	0	0	0.04%	0.17%	
–	–	(420,914)	3,250	3,250		0.00%	
–	–	(698,152)	3,250	3,250		14.20%	
61,917	14,632	182,909	0	0	7.71%	24.30%	Unsecured variable rate convertible loan stock 2006
45,252	–	209,147	0	0	11.25%	19.19%	8.25% secured convertible loan stock 2004 and variable rate unsecured loan 2004
–	14,134	(292,790)	0	200,000	34.60%	12.09%	
42,762	–	98,050	0	0	17.35%	8.60%	Variable rate secured convertible loan stock 2006
	–	(161,129)	0	0	12.59%	5.41%	9% unsecured subordinated 'A' loan stock 2005 and 5% unsecured subordinated 'B' loan stock 2007
18,000	13,512	(150,000)	0	0	9.75%	2.88%	9% secured subordinated loan stock 2006 and preference shares
14,143	–	(23,701)	0	0	4.33%	2.54%	Variable rate unsecured loan notes 2007 and preference shares
–	–	0	0	0		0.00%	
182,074	42,278	(137,514)	0	200,000		75.01%	
–	–	(250,000)	0	0	49.00%	10.79%	
–	–	(850,600)	0	0	37.40%	0.00%	8% unsecured convertible loan stock 2004 and 2005
–	–	(250,000)	0	0	36.00%	0.00%	Variable rate unsecured convertible loan stock 2004
–	–	0	282,490	290,000		0.00%	
0	0	(1,350,600)	282,490	290,000		10.79%	
182,074	**42,278**	**(2,186,266)**	**285,740**	**493,250**		**100.00%**	
46,682	-	-	(9,895)	2,536,653		0.00%	
228,756	**42,278**	**(2,186,266)**	**275,845**	**3,029,903**		**100%**	

e Holding Corporation, Sapphire International Limited, Shopcreator plc, SparesFinder Limited and Travelstore.com plc in the Elderstreet portfolio; Glencora Holdings Limited and Food

Investment Managers' Review

TriVen has adopted a multi-manager approach. Its portfolio comprises a number of diverse investments over a wide range of different business sectors, thus spreading risk by avoiding over-concentration in any one sector.

The principal investments in the portfolio as at 31 January 2004 are detailed below, under the appropriate Investment Manager.

Elderstreet Private Equity Limited

European Telecommunications & Technology Limited (ET&T) Valuation £464,846

London
Telecom service integrator providing enterprise network solutions to corporate customers

ET&T's business model is based on being an independent expert able to choose the right network technology, negotiating the best prices with the network operators and balancing this with ensuring that the resultant network meets the customer's service level requirements. ET&T is able to buy space from the new network suppliers who are keen to build volumes of traffic, thus avoiding high overhead costs. The fall in the price of bandwidth provision in the telecoms sector also works to the benefit of ET&T.

TriVen made its initial investment of £200,000 in the company in August 1999 and a further investment of £100,244 was made in July 2000. The valuation is based on ET&T's trading performance relative to comparable listed companies and the valuation of a third party financier, discounted for illiquidity.

Audited accounts for the year ended 31 December 2002

Turnover	Loss before tax	Net liabilities
£13,099,000	£2,800,000	£566,000

Mediasurface plc Valuation £180,478

Newbury, Berkshire
Developer of web content management software

The company sells enterprise web content management software to large corporates, government agencies and local government. In the last 15 months the company has been completely re-structured and is now trading at broadly break-even on a quarterly basis. The company has recently launched a new product and initial market reaction is encouraging.

TriVen invested £223,000 in the company in September 2002, and a further £27,772 as part of a £1 million fund raising in September 2003. The investment is held at a valuation that takes into account priority returns to the later stage investors.

Audited accounts for the year ended 30 September 2002

Turnover	Loss before tax	Net assets
£5,756,000	£7,976,000	£766,000

Computer Software Group plc Valuation £169,376

London
Software Vendor

The company has three divisions; CSL which provides CRM and ticketing software on the IBM i-series platform; Integra, which provides Membership Management Software to trade associations; and Chorus which provides financial and business software on both the i-series and NT platforms. The company is trading profitably and is pursuing a 'buy and build' strategy in the software sector.

TriVen made its initial investment of £250,000 in the company in August 2000 and it has invested a further £59,452 in additional 'placings'. The value of TriVen's investment as at close of business on 31 January 2004 is based on a share price of 40.33 pence, using a discount for market illiquidity.

Audited accounts for the year ended 28 February 2003

Turnover	Loss before tax	Net assets	Loss per share
£3,584,000	£1,399,000	£2,505,000	0.95 pence

Sift Group Limited Valuation £126,852

Bristol
Developer of online community software and services

Sift is a provider of online professional community software and services. The company has two divisions; one is a media company which owns 'accountingweb', a global community of accounting professionals; and the other, a software and services division selling digital community e-solutions.

TriVen made its initial investment of £125,000 in the company in October 2000. The investment is held at a valuation that takes into account priority returns to the later stage investors.

Audited accounts for the year ended 31 December 2002

Turnover	Loss before tax	Net assets
£3,121,000	£1,473,000	£78,000

CASHFAC Limited — Valuation £32,828

London

Provider of virtual banking application software

CASHFAC owns core technology which facilitates the straight through processing for integrated management of payments, receipts, client money and finance. CASHFAC eliminates the manual processes and rekeying of transaction origination and execution, allocation of receipts, cash accounting and reconciliation. The new financial year has started positively and a distribution deal has been signed with a major customer.

TriVen invested £250,000 in the company in July 1999. It participated in a rights issue during the year investing a further £10,101 in June 2002 (to avoid significant dilution of its holding). The valuation is based on a price of 10 pence per share as per the latest funding round.

Audited accounts for the year ended 30 September 2002

Turnover	Loss before tax	Net assets
£1,104,000	£3,241,000	£503,000

Netstore plc — Valuation £12,567

Bracknell, Berkshire

Enterprise Application Service Provider

Netstore has pursued an aggressive acquisition strategy during the last eighteen months and it now provides Managed IT Services, with particular expertise in the local authority market. The company recently announced its interim results for the six months ended 31 December 2003 showing EBITDA of £280,000 and £12,200,000 cash in the bank.

TriVen invested £50,000 in the company in April 2000. Netstore is listed on the LSE and is not a qualifying investment for VCT status. The value of TriVen's investment as at close of business on 31 January 2004 is based on a share price of 37.7 pence.

Audited accounts for the year ended 30 June 2003

Turnover	Profit before tax	Net assets	Basic Earnings per share
£14,197,000	£5,265,000	£13,304,000	5.33 pence

Further details of the investments in the Elderstreet portfolio may be found on Elderstreet's website: www.elderstreet.com.

GLE Development Capital Limited

T J Brent Limited — Valuation £1,688,884

Bodmin, Cornwall

Utilities contractor

T J Brent has continued to perform well over the past year and increased pre-tax profits by 80% in the year ended 31 March 2003. The current year has shown further advances in turnover and the company anticipates a further increase in profitability. T J Brent has been successful in broadening its customer base and appears well placed to take advantage of the infrastructure opportunities anticipated following the approaching Water Review.

TriVen invested £900,000 in the MBO of the company in December 2000. The investment is valued on an earnings basis at a discount to the relevant market sector PE multiple of the FTSE Actuaries Share Indices.

Audited accounts for the year ended 31 March 2003

Turnover	Profit *before tax*	Net *assets*
£74,000,000	£1,358,000	£1,631,000

Higher Nature Plc — Valuation £1,334,147

Burwash Common, East Sussex

Formulator and distributor of mineral, vitamin and food supplements

Tighter market conditions during the early part of the year restricted Higher Nature's growth to just over 6% for the year ended 31 March 2003. The current year has demonstrated further growth with profit well ahead of budget. Although sales are just 5% ahead of last year, costs have been well contained. During the year, TriVen advanced a further £125,000 to fund the costs of marketing the company's natural medicine to potential pharmaceutical partners.

TriVen originally invested £1,000,000 in the company in November 1999. The investment is valued on an earnings basis at a discount to the relevant market sector PE multiple of the FTSE Actuaries Share Indices.

Audited accounts for the year ended 31 March 2003

Turnover	Profit before tax	Net assets
£6,638,000	£100,000	£2,672,000

Investment Managers' Review

Maven Management Limited — Valuation £840,436

High Wycombe, Buckinghamshire
Market research agency

Maven had a disappointing second half to its financial year as new business gains failed to compensate for the loss of one large contract. At the same time it was decided to make a substantial investment in sales and marketing resource, which increased costs during this period. Since the year end this commitment has begun to bear fruit with a number of significant new contracts being won. Profits are returning to the levels of previous years.

TriVen originally invested £550,000 in the MBO of the company in February 2000. As anticipated, the company has now redeemed in full TriVen's £375,000 preference share investment. The investment is valued on an earnings basis at a discount to the relevant market sector PE multiple of the FTSE Actuaries Share Indices.

Audited accounts for the year ended 31 July 2003

Turnover	Profit before tax	Net assets
£3,232,000	£158,000	£1,098,000

Letraset Limited — Valuation £598,050

Ashford, Kent
Manufacturer and distributor of graphic arts products

The company has generated solid profitability from its core graphic arts-based products portfolio. Investment in the past year in product development is now leading to new opportunities in the growing hobby and craft markets. On the back of its continued strong cash generation Letraset has been able to re-finance the original MBO debt facilities on improved terms.

TriVen invested £500,000 as part of the MBO in June 2001. The investment is valued on a discounted earnings multiple.

Audited accounts for the year ended 31 May 2003

Turnover	Profit before tax	Net assets
£4,560,000	£182,000	£698,000

F-M Image Management Limited — Valuation £375,968

Andover, Hampshire
Provider of software-based solutions for document management

The year ended 31 March 2003 proved disappointing with losses exceeding budgeted levels as anticipated turnover failed to materialise. The move into new premises has benefited operational efficiency and coupled with a resumption of growth has led to above budget performance on sales over 30% ahead of last year.

TriVen made its initial investment of £450,000 in the company in February 2000 and invested a further £87,097 in April 2002 totaling £537,097. The investment is held at Fair Value equivalent to the cost of TriVen's loan stock investment.

Audited accounts for the year ended 31 March 2003

Turnover	Loss before tax	Net liabilities
£2,059,000	£598,000	£1,045,000

Inca Interiors Limited — Valuation £200,000

Ashford, Kent
Designer, supplier and installer of contract kitchens

Costs have been cut over the last few months as the first signs of a slowdown in site completions suffered by Inca's major customers began to affect the company. This was exacerbated by the overhead expansion arising from the new unit near Reading. Despite this the order book remains strong and the company anticipates stronger performance in the second half of 2003-4.

TriVen invested £350,000 in the MBO of Inca in October 2001. The investment is held at Fair Value equivalent to the cost of TriVen's loan stock investment.

Audited accounts for the year ended 31 May 2003

Turnover	Profit before tax	Net assets
£9,148,000	£324,000	£1,070,000

BG Consulting Group Limited — Valuation £176,299

London
Provider of financial training and outplacement services

The fortunes of the business closely track those of its major clients, the City-based financial institutions, and accordingly performance since investment, especially in training, has been depressed. However, there are now signs of improving prospects in this division although efforts will continue to be devoted to maintaining cost controls across the group and to reduce the seasonality inherent, particularly in the training division.

The investment is held at Fair Value equivalent to the cost of TriVen's loan stock investment.

*Audited accounts for the period from 23 May 2002 to 30 November 2002**

Turnover	Profit before tax	Net assets
£1,207,000	£36,000	£420,000

*The company was incorporated for the purpose of acquiring the career management and training business, together with related assets, from Whitehead Mann and commenced trading on 26 September 2002.

Further details of the investments in the GLE portfolio may be found on GLE's website: www.gledevelopmentcapital.co.uk

Nova Capital Management Limited

Caxton Publishing Group Limited Valuation £750,000

London

Book publisher in the reprint and remainder sector

Caxton is a publishing house in the fast-growing reprint and remainder sector of book publishing. Trading conditions have been difficult in this sector due to an increased level of competition. There has continued to be delays in launching new titles and generally sales have been below expectations. Preliminary results of the year to 31 December 2003 are not yet available but are likely to show a small loss before tax with sales around 3% below 2002. Discussions are in progress with the managing director (who has majority control) in order to establish a plan to increase profitability. The company had cash balances of £1.0 million and net assets of £2.6 million at the end of 2003.

TriVen invested £1,000,000 in the company in July 1999. The investment is held at a valuation which equates to a 25% provision against cost. A cost less impairment valuation has been used because the fair value cannot be reliably measured.

Audited accounts for the year ended 31 December 2002

Turnover	Profit before tax	Net assets
£3,090,000	£185,000	£2,932,000

Watkins Books Limited Valuation Nil

London

Supplier of books and information in the alternative sciences, health, philosophy and related sectors

Watkins is a leading UK supplier of books and information in the alternative sciences, health, philosophy and related sectors. It also developed a publishing imprint in this sector though this was closed down during 2003 as it was absorbing a significant amount of the company's funding resources and could not demonstrate a rapid turnaround to profitability. The retail part of the business showed a small decline in sales in the 9 months to 31 December 2003 in contrast to the comparable period of 2002 resulting in a small profit before interest costs. Discussions are in progress with the management as to whether this niche book retailing business has real growth potential.

TriVen invested £1,000,000 in the company in October 1999. A full provision has been made against both the equity and the loan stock. TriVen's 2003 accounts valued the loan stock at cost (£850,600) with a full provision on the equity. The company's accounts for the year to 31 March 2003 have still to be finalised.

Audited accounts for the year ended 31 March 2002

Turnover	Loss before tax	Net liabilities
£1,272,000	£187,000	£105,000*

* The net liabilities figure shown above includes a liability in respect of convertible loan stock of £1,300,600.

HLM Limited Valuation Nil

Andover, Hampshire

Developer, manufacturer and servicer of laminating machinery for the aerospace, automotive and other industries

The company continued to struggle during 2003 with a combination of an inadequate level of new orders but, more significantly, with an inability to complete orders to the satisfaction of the customer. This particularly affected a large contract related to Airbus production. A possible sale of the company as a going concern to an identified potential purchaser was being pursued in the final months of 2003 but the company's bankers withdrew their support following additional contract completion delays and an administrator was appointed on 30 December 2003. The key assets, excluding the property, have already been sold and the principal issue now is the timing and price of the sale of the company's premises in Andover. Initial indications are that c. £25,000 may be recovered from this administration process

TriVen invested £750,000 in the company in May 1999. Given the administration process a 100% provision has been made pending realisation of the property. No accounts have been submitted for the year to 31 March 2002 or 2003.

Audited accounts for the year ended 31 March 2001

Turnover	Loss before tax	Net assets
£984,000	£19,000	£170,000*

* The net assets figure shown above includes a liability in respect of convertible loan stock of £500,000.

Further details of the investments in the Nova portfolio may be found on Nova's website: www.nova-cap.com

Board of Directors

Colin Hook

Status: Independent, Non-Executive Chairman
Age: 62

Experience: Colin has wide industrial and commercial experience including a strong emphasis on strategic planning. He has directed fund management operations for more than ten years and his City involvement includes flotations, mergers and acquisitions and general corporate finance. From 1994 to 1997 he was Chief Executive of Ivory & Sime plc. Currently his interests include the management of a portfolio of venture capital investments, particularly in the technology and internet sectors, and non-executive directorships in a number of these companies.

Last re-elected to the Board: Standing for re-election at the Annual General Meeting in 2004
Committee memberships: Management Engagement Committee (Chairman), Nominations and Remuneration Committee (Chairman), Audit Committee, Investment Committee
Number of Board and Committee meetings attended 2003/04: 23/23
Remuneration 2003/04: £27,500
Relevant relationships with the Investment Managers or other service providers: None
Shared directorships with other TriVen Directors: TriVest VCT plc (Chairman)
Shareholding in the Company: 10,000 Ordinary Shares

Christopher Moore

Status: Independent, Non-Executive Director
Age: 59

Experience: After qualifying with Price Waterhouse, Christopher worked for Robert Fleming Inc., Lazards, Jardine Fleming and then Robert Fleming, latterly as a main board director for 9 years (1986-95). During this period he was involved in various unquoted and venture capital investments and remained chairman of Fleming Ventures Limited, an international technology venture capital fund until 2003. His recent advisory roles included acting as senior adviser to the chairman of Lloyds, the insurance group, for 4½ years. He was also chairman of Calderburn Plc from 1996 to 1999, and led a successful turnaround and sale of the group's businesses.

Last re-elected to the Board: Elected to the Board in June 2002
Committee memberships: Audit Committee (Chairman), Investment Committee, Management Engagement Committee, Nominations and Remuneration Committee
Number of Board and Committee meetings attended 2003/04: 23/23
Remuneration 2003/04: £23,333
Relevant relationships with the Investment Managers or other service providers: None
Shared directorships with other TriVen Directors: TriVest VCT plc
Shareholding in the Company: Nil

Helen Sinclair

Status: Independent, Non-Executive Director
Age: 38

Experience: Helen has extensive experience of investing in a wide range of small and medium sized businesses. She graduated in Economics from Cambridge University and began her career in banking. After an MBA at INSEAD business school, Helen worked from 1991 to 1998 at 3i plc based in their London office. She was a founding director of Matrix Private Equity Limited when it was established in early 2000 and has since raised two funds, the Matrix Venture Fund VCT plc and the Matrix Enterprise Fund. Helen is also a non-executive director of Signature Brands Group plc and Paul Costelloe Collections Limited.

Last re-elected to the Board: Elected to the Board in June 2003
Committee memberships: Investment Committee (Chairman), Audit Committee, Management Engagement Committee, Nominations and Remuneration Committee
Number of Board and Committee meetings attended 2003/04: 20/22
Remuneration 2003/04: £21,250 paid to Matrix-Securities Limited
Relevant relationships with the Investment Managers or other service providers: Director of Matrix Group Limited which owns 100% of the capital of Matrix-Securities Limited, Promoter, Company Secretary and Administrator to the Company.
Shared directorships with other TriVen Directors: TriVest VCT plc
Shareholding in the Company: Nil

Directors' Report

The Directors present the Annual Report and Audited Accounts of the Company for the year ended 31 January 2004.

Business and Principal Activities

The principal activity of the Company during the year was the investment in unquoted or AIM-quoted companies in the United Kingdom.

The ordinary shares of 5 pence each in the capital of the Company (the 'Ordinary Shares') were first admitted to the Official List of the UK Listing Authority and to trading on 9 March 1999.

The Company is an Investment Company as defined by section 266 of the Companies Act 1985 ("the Act"). It has satisfied the requirements for full approval as a Venture Capital Trust by the Inland Revenue under section 842AA of the Income and Corporation Taxes Act 1988 throughout the year ended 31 January 2004. It is the Directors' intention to continue to manage the Company's affairs in such a manner as to comply with this Section.

Details of the principal investments made by the Company are given in the Investment Portfolio Summary and the Investment Managers' Review on pages 2-7, of this Annual Report. A review of the year is contained in the Chairman's Statement.

Future Developments

The objective of the Company continues to be to provide shareholders with an attractive investment return, principally by maximizing the stream of dividend distributions from the income and capital gains generated by a portfolio of investments in a wide variety of unquoted companies in the United Kingdom. The Directors intend to continue to pursue this objective throughout the coming year.

Issue and Buy-back of Shares

The Company has not issued any shares during the year.

During the year the Company bought back 75,500 Ordinary Shares (representing 0.4% of the shares in issue at the year end) at a total cost of £32,959. These shares were subsequently cancelled by the Company.

The issued ordinary share capital of the Company as at 31 January 2004 was £950,984 and the number of Ordinary Shares in issue as at this date was 19,019,679.

Results and Dividend

The revenue return attributable to equity shareholders for the year to 31 January 2004 was £26,656 after taxation and the Directors will be proposing a dividend of 0.25 pence per Ordinary Share at the Annual General Meeting to be held on 26 May 2004 to shareholders on the register on 14 May 2004 payable on 9 June 2004. This leaves £20,704 to be transferred from reserves.

Directors and their Interests

The Directors who held office throughout the year under review and their interests in the issued Ordinary Shares of the Company as at 31 January 2004 were:

Director	5p Ordinary Shares held at 31 Jan 2004	5p Ordinary Shares held at 31 Jan 2003
Colin Hook	10,000	10,000
Christopher Moore	0	0
Helen Sinclair	0	0

The Board appointed Helen Sinclair as a Director of the Company with effect from 1 February 2003 and she was elected a Director at the Annual General Meeting held on 22 May 2003. Helen Sinclair has no interest in the issued Ordinary Shares of the Company.

Graeme MacLennan retired by rotation at the Annual General Meeting held on 22 May 2003 and did not offer himself for re-election.

Colin Hook will retire by rotation at the Annual General Meeting to be held on 26 May 2004 and being eligible offers himself for re-election.

There have been no changes in the continuing Directors' share interests since 31 January 2004. No options over the share capital of the Company have been granted to the Directors during the year. No Director has a service contract with the Company. The Company does not have any employees.

The Directors' interests in the shares of investee companies are as follows:

Director	Investee company	Shares held
Colin Hook	Mediasurface plc	2,992 Preferred Ordinary Shares 624 Ordinary 10p Shares 848,764 Deferred Ordinary 1p Shares

It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest.

Directors' Report

Management

Elderstreet Private Equity Limited, GLE Development Capital Limited and Nova Capital Management Limited have been appointed as investment managers (the 'Investment Managers') to the Company.

The principal terms of the Company's Investment Services Agreement with the three Investment Managers are set out in note 3 to the Financial Statements. The Board entered into a new Investment Services Agreement with the three Investment Managers at a reduced fee rate of 1.6 per cent per annum with effect from 1 February 2004.

It is the policy of the Investment Managers to exercise voting rights attaching to the securities in which they invest on all possible occasions, even in respect of routine resolutions. Unless they believe it to be against the best interest of the shareholders to do so, it is the Investment Managers' policy to support the boards of the companies in which they invest.

The Company ended the Discretionary Fixed Income Securities Agreement, under which Cazenove Fund Management Limited was appointed to manage the Company's portfolio of gilts and other fixed interest securities, on 11 June 2003 in order to eliminate the fluctuations resulting from investment in fixed interest securities. The portfolio was liquidated on this date and £2.6 million was invested in two Dublin based OEIC liquidity funds managed by the Royal Bank of Scotland.

Matrix-Securities Limited has been appointed as Company Administrator and Company Secretary to the Company under an agreement dated 8 February 1999. The agreement was for an initial period of five years and may be terminated thereafter by either party by giving not less than one year's notice in writing. Fees were payable quarterly in arrears equal to 0.25% of the gross proceeds of the Offer, subject to a minimum fee of £35,000 per annum. The Company has now agreed revised terms with Matrix-Securities Limited with effect from 1 February 2004 under which fees are payable quarterly in arrears equal to 0.375% of the value of the net assets at the end of the current quarter, subject to a minimum fee of £35,000 per annum.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office and resolutions to reappoint them as auditors to the Company and to authorise the Directors to determine their remuneration will be proposed at the Annual General Meeting.

VCT Status Monitoring

The Company has retained PricewaterhouseCoopers LLP to advise on its compliance with the legislative requirements relating to VCTs. PricewaterhouseCoopers LLP review, for VCT status purposes, new investment opportunities as appropriate and carry out regular reviews of the Company's investment portfolio.

Substantial Interests

As at the date of this report the Company had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Creditors' Payment Policy

The Company has no trade creditors but it is the Company's policy is to pay all creditors' invoices within 30 days of the invoice date, or as otherwise agreed.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' liability insurance policy.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held on 26 May 2004 is set out on pages 31-33 of this Annual Report.

Authorities for the Directors to allot shares (Resolution 6) and disapply pre-emption rights (Resolution 7) under sections 80 and 95 of the Companies Act 1985 ("the Act").

These two resolutions grant the Directors the authority to allot shares for cash to a limited and defined extent otherwise than pro rata to existing shareholders in accordance with section 89 of the Act. The resolutions will give the Directors the authority to launch a further Offer for Subscription to raise an amount equal to 10% of the existing share capital of the Company should they decide that the time is appropriate to raise additional funds for the Company.

Resolution 6 will enable the Directors to allot up to an aggregate nominal amount not exceeding £142,648 representing approximately 15% of the issued ordinary share capital of the Company. This resolution is proposed as an ordinary resolution and unless previously renewed or revoked, will expire on the fifth anniversary of the date of the passing of this resolution.

Under Section 89 of the Act, if the Directors wish to allot any of the unissued share capital for cash or sell any shares which the Company holds in treasury following a purchase of its own shares pursuant to the authority in Resolution 8 below, they must first offer such shares to existing shareholders in proportion to their current holdings. Resolution 7 will enable the Directors to allot equity securities or sell treasury shares for cash up to an aggregate nominal value of £95,098 (being 10% of the issued ordinary share capital of the Company immediately following the passing of this resolution) without first offering the securities to existing shareholders. The resolution also disapplies the statutory pre-emption provisions in connection with a rights issue and allows the Directors, in the case of a rights issue, to make appropriate arrangements in relation to fractional entitlements or other legal or practical problems which might arise. This resolution is proposed as a special resolution and unless previously renewed or revoked, will expire on the earlier of the Annual General Meeting of the Company to be held in 2005 and the date which is eighteen months after the date on which this resolution is passed.

The Directors may continue to allot securities after the expiry of these authorities in pursuance of offers or agreements made prior to the expiration of the authorities. Both resolutions renew previous authorities approved on 12 June 2002. The Directors have no immediate intention of exercising these powers.

Authority for the Company to Purchase its Own Shares (Resolution 8)

This resolution will authorise the Company to purchase its own shares in the capital of the Company pursuant to section 166 of the Act. The authority is limited to a maximum number of Ordinary Shares of 1,901,968 representing 10% of the issued share capital of the Company and will expire on the earlier of the conclusion of the Annual General Meeting to be held in 2005 and the date which is eighteen months after the date on which this resolution is passed. The maximum price that may be paid for an Ordinary Share will be an amount that is not more than 5% above the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for the five business days preceding such purchase. This resolution will re-new an existing authority granted at the Annual General Meeting held on 22 May 2003 that will expire at the conclusion of this Annual General Meeting. Company law has been changed recently to allow the Company to hold in treasury any shares purchased by it using its distributable profits; in such event such shares will remain in issue and capable of being re-sold by the Company. However, the Company has no immediate plans to hold shares in treasury and intends to continue its practice of cancelling any shares which are re-purchased.

As at 30 March 2004, the only outstanding options to subscribe for Ordinary Shares are those vested in the Investment Managers and Matrix-Securities Limited who jointly hold options over 2,864,277 Ordinary Shares, representing 15% of the Company's issued share capital following the initial fundraising. If the authority given by resolution 8 were to be fully used, these would represent 16.7% of the Company's Ordinary issued share capital.

The cancellation of the share premium account of the Company confirmed by an Order of the High Court dated 5 September 2001 has provided the Company with a special reserve which can now be used, inter alia, to fund buy-backs of Ordinary Shares.

All venture capital trusts experience restricted market liquidity in their shares. The Board believes that it is in the best interests of the Company and its shareholders for the Company to be in a position to make occasional market purchases of its Ordinary Shares. It is the Board's policy to buy-back shares from members in distressed circumstances and from the estates of deceased members. This resolution, to be proposed as a Special Resolution, will enable the Directors to carry out this policy.

Shareholders should note however, that the Directors do not intend to exercise this authority unless in the light of prevailing market conditions, to do so would result in an increase in net asset value per share and would be in the interests of shareholders generally. Any shares so purchased will be cancelled and the number of shares in issue reduced accordingly.

By order of the Board

Matrix-Securities Limited
Secretary
30 March 2004

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of Schedule 7A of the Companies Act 1985. A resolution to approve the report will be proposed at the Annual General Meeting to be held on 26 May 2004. The Company's independent auditors are required to give their opinion on the information provided on Directors' emoluments below and this is explained further in their report to shareholders on pages 17.

Remuneration Committee

The remuneration of individual Directors is determined by the Nominations and Remuneration Committee within the framework set by the Board. The Committee comprises the full Board and is chaired by Colin Hook. The Committee meets at least once a year and is responsible for reviewing the remuneration of the Directors. It held two formal meetings during the year under review. The Committee has access to independent advice where it considers it appropriate. However, it was considered that it was not necessary to take such advice during the year under review.

Remuneration Policy

The remuneration policy is set by the Board. The Directors' fees are reviewed annually by the Nominations and Remuneration Committee which determines the amount of fees to be paid the Directors. When considering the level of Director's fees, the Committee takes account of remuneration levels elsewhere in the Venture Capital Trust industry and other relevant information. The Company's Articles of Association state that the aggregate of the remuneration (by way of fees) of all the Directors shall not exceed £90,000 per annum. Details of the Directors' remuneration are disclosed below and in the Notes to the Accounts. No portion of the fees paid to any of the Directors is related to performance. All the Directors are non-executive and the Company does not provide pension benefits to any of the Directors. The Company has not granted any Director any options over the share capital of the Company and the Company does not operate any long-term incentive plans for the Directors.

Terms of appointment

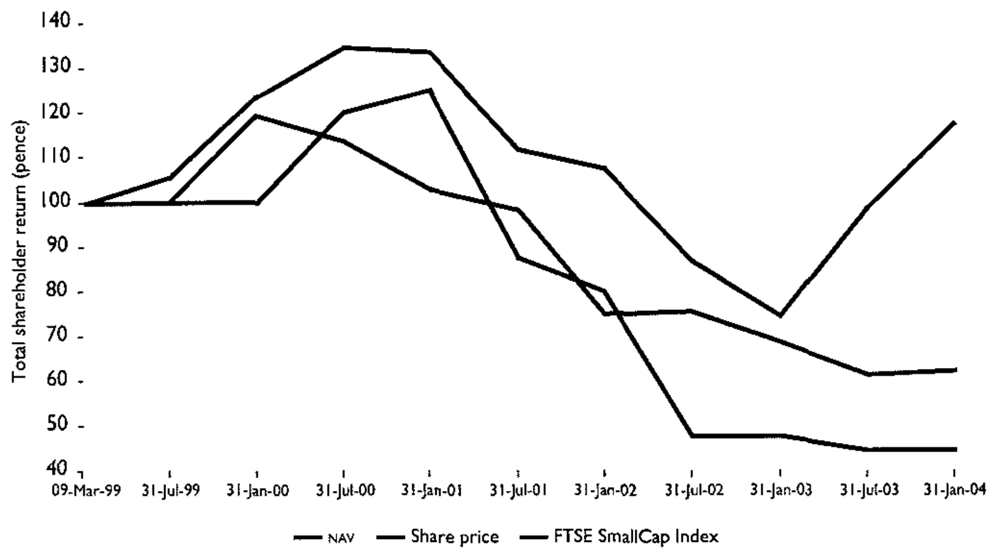
The Articles of Association provide that Directors may be appointed either by an ordinary resolution of the Company or by the Board provided that a person appointed by the Board shall be subject to election at the first Annual General Meeting following their appointment. One-third of the Directors retire from office by rotation at each Annual General Meeting and the retiring Directors then become eligible for re-election in accordance with the Articles of Association. All Directors receive a formal letter of appointment setting out the terms of their appointment and their specific duties and responsibilities. A Director's appointment may be terminated on three month's notice being given by the Company and in certain other circumstances. All of the Directors are non-executive and none of the Directors has a service contract with the Company. No arrangements have been entered into between the Company and the Directors to entitle any of the Directors to compensation for loss of office.

Total Shareholder Return

The following graph charts the total cumulative shareholder return of the Company (assuming all dividends have been re-invested) since the shares were first admitted to the Official List of the UK Listing Authority on 9 March 1999 compared to the FTSE SmallCap Index. The FTSE SmallCap is an industry recognised index of listed companies. The index comprises companies with the smallest capitalisation of the capital and industry segments and represents approximately 2% of the UK market capitalisation. An explanation of the performance of the Company is given in the Chairman's Statement and Investment Managers' Review.

The net asset value per share (NAV) has been shown separately on the graph because the Directors believe it is a more accurate reflection of the Company's performance.

Total shareholder return since 9 March 1999 compared to the FTSE SmallCap Index



Audited information

Details of Individual Emoluments and Compensation

The emoluments in respect of qualifying services of each person who served as a Director during the year were as set out in the table below. The Company does not have any schemes in place to pay any of the Directors bonuses or benefits in addition to their Directors' fees. Expenses paid to the Directors during the year amounted to £1,600 (2003: £2,000) in total.

	Total emoluments year to: 31 Jan 2004 £	30 Jan 2003 £
Colin Hook	27,500	21,875
Christopher Moore (appointed 01.04.02)	23,333	15,000
Helen Sinclair (appointed 01.02.03)	21,250	-
Graeme MacLennan (resigned 22.05.03)	6,666	20,000
David Atterton (resigned 31.03.02)	-	5,625
Gordon Howe (resigned 31.01.03)	-	13,750
Prudence Leith (resigned 31.01.03)	-	13,750

Aggregate emoluments in respect of qualifying services amounted to £78,749 (2003: £90,000).

Sums Paid to Third Parties in Respect of a Director's Services

Helen Sinclair's Directors' fees of £21,250 were paid to Matrix-Securities Limited in respect of her services as a Director.

By order of the Board
Matrix-Securities Limited
Secretary
30 March 2004

Corporate Governance

The Directors have considered the principles detailed in the Combined Code of Corporate Governance (the Combined Code) issued in 1998

The Directors believe that, insofar as they are relevant to the Company's business, the Company has complied with the provisions of Section 1 of the Combined Code throughout the financial year ended 31 January 2004, with the following exceptions:

- The Company has not appointed a senior non-executive director, other than the Chairman. The Board believes that as all the Directors are non-executive and are independent of the Investment Managers, such an appointment is unnecessary.
- The Directors all retire by rotation and are therefore not appointed for specific terms.

The Board is reviewing the requirements of the new Combined Code on Corporate Governance published by the Financial Reporting Council in July 2003.

The Board

The Company has a Board of three non-executive Directors. All the Directors are independent from the Investment Managers and the Company does not employ a chief executive. The Board meets at least quarterly and is in regular contact with the Investment Managers between these meetings. The Board held ten formal meetings during the year and met informally on numerous other occasions.

All Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

The Board has agreed a schedule of matters specifically reserved for decision by the Board and a procedure by which individual directors can seek independent professional advice in the furtherance of their duties at the expense of the Company is in place. The Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring board procedures are followed.

A formal training programme has not been required during the year under review as all the Directors were experienced directors of listed companies.

Internal Control

The Board acknowledges that it is responsible for the Company's system of internal control. Internal control systems are designed to manage the particular needs of the Company and the risks to which it is exposed and can by their nature only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated, contractually to third parties, the management of the investment portfolio, the custodial services (which include the safeguarding of the Company's assets), the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts were entered into after full and proper consideration by the Board of the quality and cost of services offered, including financial control systems in operation in so far as they relate to the affairs of the Company. The Board receives and considers regular reports from the Investment Managers and ad hoc reports and information are supplied to the Board as required. It remains the role of the Board to keep under review the terms of the Investment Services Agreement with the Investment Managers.

The Directors are responsible for the internal control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information used for publication and upon which business decisions are made, and that the assets of the Company are safeguarded. The financial controls operated by the Board include the authorisation of the investment strategy and regular reviews of the financial results and investment performance.

The Board has put in place ongoing procedures for identifying, evaluating and managing the significant risks faced by the Company. As part of this process an annual review of the control systems is carried out in accordance with the Turnbull guidelines for internal control. The review covers a consideration of the key business, operational, compliance and financial risks facing the Company. Each risk is considered with regard to: the controls exercised at board level; reporting by service providers; controls relied upon by the Board; exceptions for consideration by the Board; responsibilities for each risk and its review period; and risk rating.

This system of internal controls and the procedure for the review of control systems referred to above has been in place and operational throughout the year under review and up to the date of this report. The assessment of the effectiveness of internal controls in managing risk was conducted on the basis of reports from the relevant service providers. The last review took place on 30 March 2003. The Board has identified no significant problems with the Company's internal control mechanisms that warrant disclosure in the Annual Report.

Board Committees

The Investment Committee comprises all three Directors, Helen Sinclair (Chairman from 22 May 2003), Colin Hook, Christopher Moore. Graeme MacLennan resigned from the Committee and as Chairman with effect from 22 May 2003. The Committee meets as necessary to discuss the investment proposals put forward by each of the Investment Managers. It is the policy of the Directors not to participate in decisions concerning investee companies in which they hold an interest. Investment guidelines have been issued to each of the Investment Managers and the Committee ensures that these guidelines are adhered to. The Committee held six formal meetings during the year and met informally on numerous other occasions.

The Audit Committee comprises all three Directors, Christopher Moore (Chairman), Colin Hook and Helen Sinclair. The Committee meets at least twice a year to review the half-year and annual financial statements before submission to the Board, including meeting with the independent auditors. It is responsible for monitoring the effectiveness of the Company's internal control systems and for reviewing the scope and results of the audit and ensuring its cost effectiveness. The Audit Committee held four formal meetings during the year and met informally on other occasions.

The Management Engagement Committee comprises the full Board and is chaired by Colin Hook. The Committee meets annually to review the Investment Services Agreement and at other times as and when necessary. It has held one formal meeting during the year and met informally on other occasions.

The Nominations Committee and Remuneration Committee comprises the full Board and is chaired by Colin Hook. The Committee meets at least once a year and is responsible for proposing candidates for appointment to the Board and for reviewing the remuneration of the Directors. The Committee held two formal meetings during the year and met informally on other occasions.

All the Committees have written terms of reference, which detail their authority and duties.

Directors' Remuneration

A Directors' Remuneration Report, prepared in compliance with the Directors' Remuneration Report Regulations 2002, is contained on pages 12-13 of this Annual Report.

Investor Relations

The Company communicates with shareholders and solicits their views where it is appropriate to do so. All shareholders are welcome at the Annual General Meeting which provides a forum for shareholders to ask questions of the Directors and to discuss with them issues affecting the Company.

The Board as a whole approves the terms of the Chairman's Statement and the Investment Managers' Review which form part of the Annual and Interim Reports to shareholders in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects.

The notice of the Annual General Meeting accompanies this Annual Report which is sent to shareholders. Separate resolutions are proposed for each substantive issue.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the accounts is set out on page 16 of this Annual Report.

The report of the independent auditors is set out on page 17 of this Annual Report.

Internal Audit

The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Investment Managers and the Administrator, and the work carried out by the Company's external independent auditors, provide sufficient assurance that a sound system of internal financial control, which safeguards shareholders' investments and the Company's assets, is maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the accounts as the Company has adequate financial resources to continue in operational existence for the foreseeable future.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the return for that year. In preparing such statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The financial statements may be published on websites that are managed by an organisation other than the Company. In particular they may be published on the websites of the Investment Managers or the Promoter. The Auditors have represented to your Board that their work does not involve any consideration of the maintenance and integrity of such websites and accordingly the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were approved. Visitors to any website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

Independent Auditors' Report to the Members of TriVen VCT plc

We have audited the financial statements which comprise the Statement of Total Return, the Balance Sheet, the Cash Flow Statement and notes 1-22. We have also audited the disclosures required by Part 3 of Schedule 7A to the Companies Act 1985 contained in the Directors' Remuneration Report ('the auditable part').

Respective Responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities. The Directors are also responsible for preparing the Directors' Remuneration Report.

Our responsibility is to audit the financial statements and the auditable part of the Directors' Remuneration Report in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the auditable part of the Directors' Remuneration Report have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Directors' Report, the unaudited part of the Directors' Remuneration Report, the Chairman's Statement, the Investment Managers' Review and the Investment Portfolio Summary, the Corporate Governance Statement and the Board of Directors.

We review whether the Corporate Governance Statement reflects the Company's compliance with the seven provisions of the Combined Code issued in 1998 specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

Basis of Audit Opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the auditable part of the Directors' Remuneration Report. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the auditable part of the Directors' Remuneration Report are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- The financial statements give a true and fair view of the state of the Company's affairs at 31 January 2004 and of its total return and cash flows for the year then ended.
- The financial statements have been properly prepared in accordance with the Companies Act 1985.
- Those parts of the Directors' Remuneration Report required by Part 3 of Schedule 7A to the Companies Act 1985 have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
30 March 2004

Statement of Total Return
(incorporating the Revenue Account of the Company) for the year ended 31 January 2004

	Notes	Year ended 31 January 2004 Revenue £	Capital £	Total £	Year ended 31 January 2003 Revenue £	Capital £	Total £
Unrealised losses on investments		-	(2,186,266)	(2,186,266)	-	(961,128)	(961,128)
Realised gains and (losses) on investments	1	-	277,922	277,922	-	(10,949)	(10,949)
Income	2	339,859	-	339,859	409,302	-	409,302
Investment management fees	3	(38,931)	(116,794)	(155,725)	(57,344)	(172,034)	(229,378)
Other expenses	4	(271,217)	-	(271,217)	(369,371)	-	(369,371)
Return on ordinary activities before taxation		29,711	(2,025,138)	(1,995,427)	(17,413)	(1,144,111)	(1,161,524)
Tax on ordinary activities	6	(3,055)	3,055	-	47,468	(13,991)	33,477
Return on ordinary activities after taxation		26,656	(2,022,083)	(1,995,427)	30,055	(1,158,102)	(1,128,047)
Dividend	7	(47,360)	-	(47,360)	(47,738)	-	(47,738)
Transfer from reserves		(20,704)	(2,022,083)	(2,042,787)	(17,683)	(1,158,102)	(1,175,785)
Return per Ordinary Share	8	0.14p	(10.62)p	(10.48)p	0.16p	(6.06)p	(5.90)p

All revenue and capital items in the above statement derive from continuing operations

The revenue return as stated does not differ materially from that under historical cost and is the profit and loss account for the Company.

The notes on pages 21 to 30 form part of these financial statements

Balance Sheet

as at 31 January 2004

	Notes	as at 31 January 2004 £	£	£	as at 31 January 2003 £	£	£
Fixed Assets							
Investments	9			6,950,731			11,695,507
Current Assets							
Debtors	10	138,898			378,168		
Investments	11	2,871,292			79,180		
Cash at bank and short term deposits	19	43,808			38,206		
			3,053,998			495,554	
Creditors: amounts falling due within one year							
Other creditors		76,383			104,202		
Accruals		108,071			190,838		
	12		(184,454)			(295,040)	
Net current assets				2,869,544			200,514
Net assets				9,820,275			11,896,021
Capital and reserves							
Called up share capital	14			950,984			954,759
Capital redemption reserve	15			3,775			-
Special reserve	15			17,200,439			17,233,398
Capital reserve - realised	15			(2,622,812)			(1,813,528)
Capital reserve - unrealised	15			(5,807,497)			(4,594,698)
Revenue reserves	15			95,386			116,090
				9,820,275			11,896,021
Net Asset Value per share	17			51.6p			62.3p

The financial statements on pages 18 to 20 and the notes on pages 21 to 30 were approved by the Board of Directors on 30 March 2004 and were signed on its behalf by:

Colin Hook
Director

Cash Flow Statement
for the year ended 31 January 2004

	Notes	Year ended 31 January 2004 £	£	Year ended 31 January 2003 £	£
Operating activities					
Net investment interest		439,374		507,907	
Dividend income		28,598		29,743	
Investment management fees paid		(132,829)		(152,885)	
Other cash payments		(300,863)		(346,517)	
Net cash inflow from operating activities	18		34,280		38,248
Taxation					
UK Corporation tax paid		-			(23,184)
Investing activities					
Acquisition of investments		(185,961)		(3,348,521)	
Disposal of investments	9	3,029,903		2,219,823	
Other cash receipts		-		23,920	
			2,843,942		(1,104,778)
Dividends					
Payment of dividend			(47,549)		(95,476)
Cash inflow/(outflow) before financing and liquid resource management			2,830,673		(1,185,190)
Financing					
Shares purchased for cancellation			(32,959)		-
Management of liquid resources					
(Increase)/Decrease in monies held pending investment			(2,792,112)		806,325
Increase/(Decrease) in cash for the year	19		5,602		(378,865)

The notes on pages 21 to 30 form part of these financial statements

Notes to the Accounts
for the year ended 31 January 2004

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and previous year, is set out below

a) Basis of accounting

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable accounting standards and with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies' 2003.

b) Investments

Listed investments and investments traded on AIM are stated at middle market prices as at 31 January 2004. Unlisted investments are stated at Directors' valuation, in accordance with the British Venture Capital Association ("BVCA") guidelines published in July 2003. Comparative figures are stated in accordance with the BVCA guidelines that existed before 1 August 2003.

Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the BVCA guidelines:

(i) *Investments which have been made in the last 12 months are valued at cost in the absence of overriding factors.*

(ii) Investments in companies at an early stage of their development are also valued at cost in the absence of overriding factors.

(iii) Where investments have gone beyond the stage in their development in (ii) above, the shares may be valued by applying a suitable price-earnings ratio to that company's historic, current or forecast earnings (the ratio used being based on a comparable listed company or sector but the resulting value being discounted to reflect lack of marketability);

(iv) Where a value is indicated by a material arms-length transaction by a third party in the shares of a company, this value will be used.

Capital gains and losses on investments, whether realised or unrealised, are dealt with in the capital reserve.

Although the Company holds more than 20% of the equity of certain companies, it is considered that the investments are held as part of an investment portfolio. Accordingly, and as permitted by FRS 9 'Associate and Joint Ventures', their value to the Company lies in their marketable value as part of that portfolio. It is not considered that any of our holdings represents investments in associated companies.

c) Income

Dividends receivable on quoted equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted equity shares are brought into account when the Company's rights to receive payment is established and there is no reasonable doubt that payment will be received. Fixed returns on non-equity shares are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective yield. Provisions are made against such income receivable as soon as it is considered doubtful that such income will be received.

d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment, which are included within the cost of the investment or deducted from the disposal proceeds as appropriate, and with the further exception that 75% of the fees payable to the Investment Managers are charged *against capital. This is in line with the Board's intended long-term split of returns from the investment portfolio of the Company.*

e) Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax is measured on a non-discounted basis.

Any tax relief obtained in respect of management fees allocated to capital is reflected in the capital reserve – realised and a corresponding amount is charged against revenue. The tax relief is the amount by which corporation tax payable is reduced as a result of these capital expenses.

Notes to the Accounts
for the year ended 31 January 2004

2 Income

	2004 £	2003 £
Interest receivable		
– from fixed interest securities	46,682	123,496
– from loan stock	182,074	219,472
– *from bank deposits*	3,194	32,547
Total interest receivable	231,950	375,515
Dividends		
– from investments – all unlisted securities	42,278	33,787
– from OEIC money market funds – listed overseas	65,631	-
Total dividends	107,909	33,787
Total income	339,859	409,302

3 Investment Managers' fees

	Revenue 2004 £	*Capital* 2004 £	*Total* 2004 £	*Revenue* 2003 £	*Capital* 2003 £	*Total* 2003 £
GLE Development Capital Limited	25,110	75,329	100,439	24,267	72,801	97,068
NOVA Capital Management Limited	2,898	8,693	11,591	11,035	33,106	44,141
Elderstreet Private Equity Limited	9,943	29,830	39,773	19,110	57,330	76,440
Fixed interest manager's fees	980	2,942	3,922	2,932	8,797	11,729
	38,931	116,794	155,725	57,344	172,034	229,378

Included in the above is irrecoverable VAT of £23,193.

Elderstreet Private Equity Limited, GLE Development Capital Limited and Nova Capital Management Limited ("the Investment Managers") advise the Company on investments in qualifying companies.

For the year ended 31 January 2004 the original Investment Services Agreement dated 8 February 1999 (as amended by supplemental agreements) applied. Under this Agreement fees were paid to each of the Investment Managers as follows:- to Elderstreet a fee equal to one quarter of 2.5% of the amount of their allocation value; to GLE and Nova a fee equal to one quarter of 1.875% of the amount of their respective allocation values.

The Company entered into a revised Investment Services Agreement with the three Investment Managers on 19 November 2003 with effect from 1 February 2004. Under the new Agreement, fees equal to one quarter of 1.6% of the amount of their respective allocation values are payable quarterly in arrears to each of the Investment Managers. The aggregate amount of the fees payable to the Investment Managers shall not exceed an aggregate amount of 2% of the adjusted net asset value of funds allocated to the Investment Managers in any one year.

The agreement may be terminated by either party giving to the other previous written notice of not less than twelve months so as to expire at the end of any calendar month following the first anniversary of the Agreement. No termination fee shall be payable to any of the Investment Managers.

Cazenove Fund Management ("Cazenove") managed the Company's portfolio of gilts and other fixed interest securities under an agreement dated 8 February 1999. The agreement was terminated on 11 June 2003. Cazenove received an annual fee of 0.15% of funds under management, with a minimum of £10,000 per annum plus VAT.

The Investment Managers and Matrix Securities Limited (" the Promoter") will receive a performance related incentive, if, by the date of payment of the final dividend in respect of the Company's accounting year ending 31 January 2006 cumulative dividend payments (including any related tax credits) on each Ordinary Share of the Company are not less than 80 pence. The Investment Managers and the Promoter will be entitled to subscribe at par for such number of additional Ordinary Shares as shall in aggregate be equal to 15% of the ordinary share capital of the Company, as enlarged by this subscription. Upon exercise of the performance related incentive, 87.5% of the Ordinary Shares will be allotted to the Investment Managers and 12.5% to the Promoter. If cumulative dividend payments do not achieve 80 pence per Ordinary Share by the date of payment of the final dividend in respect of the Company's accounting year ending 31 January

2006 but are achieved by a later date the proportion of the enlarged ordinary share capital of the Company that maybe acquired by the Investment Managers on exercise of the option will be scaled down as follows:

31 January 2007 13.5% – 31 January 2008 12% – 31 January 2009 10.5% – 31 January 2010 9%

The option will lapse on the date of payment of the final dividend in respect of the Company's accounting year ending 31 January 2010 unless exercised prior to that date.

4 Other expenses

	2004 £	2003 £
Directors' remuneration (including NIC)	88,106	97,914
IFA trail commission	28,645	37,522
Administration fees	46,862	45,817
Broker's fees	4,406	7,344
Auditors' fees – audit	23,500	28,788
– other	12,421	23,547
Professional fees	17,242	6,921
Registrar's fees	6,951	6,447
Printing	4,568	14,231
Sundry	27,935	27,445
Provision against loan interest receivable	10,581	73,395
	271,217	369,371

Other fees earned by the auditors were VCT status monitoring fees of £8,153, tax services of £3,017 and other advice of £1,251.

The expenses disclosed in notes 3 and 4 are struck after applying a cap on annual expenses set at 3.5% of opening net assets, in accordance with the agreements with the Investment Managers and the Promoter. The excess of expenses this year is £57,410 (2003: £100,952). This is borne 75% between each of the three Investment Managers pro rata to each Investment Manager's share of the fees for the year and 25% by the Promoter.

5 Directors' remuneration

		2004 £	2003 £
Directors' emoluments			
Colin Hook		27,500	21,875
Christopher Moore		23,333	15,000
David Atterton	(resigned 31.03.02)	-	5,625
Gordon Howe	(resigned 31.01.03)	-	13,750
Prudence Leith	(resigned 31.01.03)	-	13,750
Graeme MacLennan	(resigned 22.05.03)	6,666	20,000
		57,499	90,000
Amounts paid and payable to third parties for the services of:			
Helen Sinclair	(appointed 31.01.03)	21,250	-
		78,749	90,000
Employer's NIC or irrecoverable VAT on above (as appropriate)		9,357	7,914
		88,106	97,914

Helen Sinclair is a director of Matrix Group Limited which owns 100% of the capital of Matrix-Securities Limited. Matrix-Securities Limited acted as Promoter to the Company (for which it received no remuneration during the year under review) and provided administration services to the Company as disclosed in Note 4 above.

No pension scheme contributions or retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all the Directors are non-executive, the other disclosures required by the Listing Rules are not applicable.

The Company has no employees other than Directors.

Notes to the Accounts
for the year ended 31 January 2004

6 Taxation on ordinary activities

	Revenue 2004 £	Captial 2004 £	Revenue 2003 £	Capital 2003 £
Current year				
UK Corporation tax on profits for the year*	3,055	(3,055)	-	-
Adjustment in respect of prior periods	-	-	(47,468)	13,991
Total current tax (relief)/ charge	3,055	(3,055)	(47,468)	13,991

*Corporation tax is based on a rate of 19% (2003: 19.17%)

Note b: Factors affecting tax charge for the year

The tax for the period is lower than the standard small company rate of corporation tax in the UK. The differences are explained below:

	Revenue 2004 £	Captial 2004 £	Revenue 2003 £	Capital 2003 £
Profit/(loss) on ordinary activities before tax	29,711	(2,025,138)	(17,413)	(1,144,111)
Profit on ordinary activities multiplied by standard small company rate of corporation tax in the UK of 19%(2003:20%)	5,645	(384,776)	(3,308)	(217,381)
Effect of:				
Expenses/losses not deductible for tax purposes	5,443	362,585	7,129	184,695
UK dividends	(8,033)	-	(6,420)	-
Change in tax rate	-	-	(30)	(1,945)
Unrelieved expenses	-	19,136	2,629	34,631
Adjustment to tax charge in respect of prior periods	-	-	(47,468)	13,991
Current tax (relief)/charge for period	3,055	(3,055)	(47,468)	13,991

Tax relief relating to investment management fees is allocated between Revenue and Capital where such relief can be utilised.

There is no taxation in relation to capital gains or losses. No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments. The Company is exempt from such tax as a result of qualifying as a Venture Capital Trust.

No deferred tax asset has been recognised for surplus management fees. At present, it is not envisaged that any tax will be recovered in the foreseeable future. The deferred tax asset not recognised is £56,396 (2003: £37,260).

7 Dividends

	2004 £	2003 £
Dividends on equity shares		
Ordinary – over-accrued in previous year:	(189)	-
– final proposed of 0.25p (2003: 0.25p) per share:	47,549	47,738
	47,360	47,738

8 Return per Ordinary Share

The revenue return per Ordinary Share is based on the net revenue from ordinary activities after taxation of £26,656 (2003: £30,055) and on 19,037,054 (2003: 19,095,179) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

The capital return per Ordinary Share is based on net capital losses of £2,022,083 (2003: £1,158,102 loss) and on 19,037,054 (2003: 19,095,179) Ordinary Shares, being the weighted average number of Ordinary Shares in issue during the period.

The above figures represent basic and diluted return per share.

9 Investments

Movements in investments during the year are summarised as follows:

	Traded on AIM £	Unlisted or traded on OFEX £	Preference Shares £	Loan stock £	Traded on Full Market £	Fixed Interest Securities £	Total £
Valuation at 31 January 2003	94,349	5,066,901	501,667	3,478,875	7,167	2,546,548	11,695,507
Unrealised (gains)/losses	212,337	982,567	10,000	3,380,000	42,833	(33,039)	4,594,698
Cost at 31 January 2003	306,686	6,049,468	511,667	6,858,875	50,000	2,513,509	16,290,205
Purchases at cost	35,265	9,588	25,695	125,000	-	-	195,548
Sales – proceeds	-	-	(200,000)	(293,250)	-	(2,536,653)	(3,029,903)
Realised gains/(losses)	-	(114,016)	-	(606,750)	-	23,144	(697,622)
Unrealised losses	(172,575)	(1,860,005)	(156,884)	(3,580,600)	(37,433)	-	(5,807,497)
Valuation at 31 January 2004	169,376	4,085,035	180,478	2,503,275	12,567	-	6,950,731
Book cost at 31 January 2004	341,951	5,945,040	337,362	6,083,875	50,000	-	12,758,228
Unrealised losses at 31 January 2004	(172,575)	(1,860,005)	(156,884)	(3,580,600)	(37,433)	-	(5,807,497)
Valuation at 31 January 2004	169,376	4,085,035	180,478	2,503,275	12,567	-	6,950,731

10 Debtors

	2004 £	2003 £
Amounts due within one year:		
Accrued income	65,873	204,570
Prepayments	73,025	173,598
	138,898	378,168

11 Current investments

These comprise investments in two Dublin based OEIC money market funds, managed by Royal Bank of Scotland. £128,877 of this sum is subject to same day access while £2,742,415 is subject to two day access. These sums are regarded as monies held pending investment. The 2003 figure of £79,180 represented cash held at Cazenove.

	2004 £	2003 £
Investments	2,871,292	79,180

Notes to the Accounts
for the year ended 31 January 2004

12 Creditors: amounts falling due within one year

	2004 £	2003 £
Other creditors	28,834	56,464
Accruals	108,071	190,838
Proposed dividend	47,549	47,738
	184,454	295,040

13 Significant interests

At 31 January 2004 the Company held significant investments, amounting to 3% or more of the equity capital of an undertaking, in the following companies:

	Equity investment £	Investment in loan stock and preference shares £	Total investment £	Percentage of investee company's total equity £
Machinery & Automated Systems Technology Limited	100,000	900,000	1,000,000	49.90%
Caxton Publishing Group Limited	1,000,000	-	1,000,000	49.00%
Watkins Books Limited	149,400	850,600	1,000,000	37.40%
HLM Limited	250,000	500,000	750,000	36.00%
Maven Management Limited	175,000	-	175,000	34.60%
Food on the Go Limited	215,000	355,000	570,000	29.00%
Letraset Limited	150,000	350,000	500,000	17.35%
F-M Image Management Limited	161,129	375,968	537,097	12.59%
LeSac Limited	275,000	475,000	750,000	11.30%
Higher Nature Plc	500,000	500,000	1,000,000	11.25%
Inca Interiors Limited	50,000	300,000	350,000	9.75%
T J Brent Limited	123,992	776,008	900,000	7.71%
European Telecommunication & Technology Limited	300,244	-	300,244	4.66%
BG Consulting Group Limited	22,034	177,966	200,000	4.33%
Cashfac Limited	260,101	-	260,101	4.08%

All of the above companies are incorporated in the United Kingdom

14 Called up share capital

	2004 £	2003 £
Authorised		
Ordinary Shares of 5p each: 80,000,000 (2003: 80,000,000)	4,000,000	4,000,000
	4,000,000	4,000,000

	2004 £	2003 £
Issued: (allotted and fully paid)		
Ordinary Shares of 5p each: 19,019,679 (2003: 19,095,179)	950,984	954,759

During the year the Company purchased 75,500 of its own shares for cash (representing 0.395% of the shares in issue at the year end) at the prevailing market price for a total cost of £32,959.

		£
Purchased		
75,500	25 April 2003	3,775
	Nominal value	3,775

15 Reserves

	Special reserve (see below) £	Capital Redemption reserve £	Captial reserve (realised) £	Captial reserve (unrealised) £	Revenue reserve £
At beginning of period	17,233,398	-	(1,813,528)	(4,594,698)	116,090
Realisation of previously unrealised depreciation	-	-	(973,467)	973,467	-
Gain on disposal of investments	-	-	275,845	-	-
Arrangement fee credited to capital	-	-	2,077	-	-
Change in unrealised investment valuations	-	-	-	(2,186,266)	-
Capitalised management fees less tax charge	-	-	(113,739)	-	-
Own shares purchased during the year	(32,959)	3,775	-	-	-
Retained net revenue reserve for the year	-	-	-	-	(20,704)
At 31 January 2004	17,200,439	3,775	(2,622,812)	(5,807,497)	95,386

Notes to the Accounts
for the year ended 31 January 2004

The cancellation of the Company's share premium account (as approved by Resolution 6 of the Annual General Meeting held on 20 June 2001 and order of the Court dated 5 September 2001) has provided the Company with a special reserve out of which it can fund buy-backs of Ordinary Shares as and when it is considered by the Board to be in the interests of the shareholders. Under Resolution 6 of the Annual General Meeting held on 22 May 2003, the shareholders authorised the Company to purchase its own shares pursuant to section 166 of the Companies Act 1985. This authority is limited to a maximum number of 1,909,518 Ordinary Shares representing approximately 10 per cent of the issued share capital of the Company and will unless previously revoked or renewed expire on the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2004 and the date which is eighteen months after the date on which the resolution was passed. The maximum price that may be paid for an Ordinary Share will be an amount that is not more than 5 per cent above the average of the middle market quotations of the Ordinary Shares as derived from the Daily Official List of the London Stock Exchange for the five business days preceding such purchase. The authority provides that the Company may make a contract or contracts to purchase its own shares prior to the expiry of the authority which may be executed in whole or part after the expiry of such authority and may purchase its shares in pursuance of any such contract. A resolution to re-new this authority will be proposed at the Annual General Meeting to be held on 26 May 2004.

16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Balance brought forward	11,896,021	13,071,806
Purchase of shares	(32,959)	-
Total recognised gains and losses for the year	(1,995,427)	(1,128,047)
Dividends on equity shares	(47,360)	(47,738)
	9,820,275	11,896,021

17 Net asset value per Ordinary Share

Net asset value per Ordinary Share is based on net assets at the end of the period, and on 19,019,679 (2003: 19,095,179) Ordinary Shares, being the number of Ordinary Shares in issue on that date.

18 Reconciliation of net revenue before taxation to net cash inflow from operating activities

	2004 £	2003 £
Net revenue before taxation	29,711	(17,413)
Investment management fees charged to capital	(116,794)	(172,034)
Professional fees charged to capital	(7,510)	(26,819)
Decrease in debtors	239,270	99,614
(Decrease)/Increase in creditors and accruals	(110,397)	154,900
Net cash inflow from operating activities	34,280	38,248

19 Analysis of changes in net funds

	Cash £	Liquid Funds £	Total £
At 1 February 2003	38,206	79,180	117,386
Cash flows	5,602	2,792,112	2,797,714
At 31 January 2004	43,808	2,871,292	2,915,100

20 Financial instruments

The Company's financial instruments in both years comprise:

- Equity and non-equity shares and fixed interest securities that are held in accordance with the Company's investment objective as set out in the Investment Managers' Review.
- Cash, liquid resources and short-term debtors and creditors that arise directly from the Company's operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are due to fluctuations in market prices and interest rates. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These risks and the Board's approach to the management of the risks are unchanged from the prior year.

Risk

Credit Risk: Failure by counter-parties to deliver securities which the Company has paid for, or pay for securities which the Company has delivered.

Market risk: Market price risk arises from uncertainty about the future prices of financial instruments held in accordance with the *Company's investment objectives. It represents the potential loss that the Company might suffer through holding market positions in* the face of market movements.

The investments in equity and fixed interest stocks of unquoted and AIM listed companies the Company holds are thinly traded and as such the prices are more volatile than those of more widely traded securities. In addition, the ability of the Company to realise the investments at their carrying value may at times not be possible if there are no willing purchasers. The ability of the Company to purchase or sell investments is also constrained by the requirements set down for Venture Capital Trusts.

Interest Rate: The Company's fixed interest securities, its equity and non-equity investments and net revenue may be affected by interest rate movements. Investments are often in start up businesses, which are relatively high risk investments sensitive to interest rate fluctuations. Due to the short time to maturity of some of the company's fixed rate investments, it may not be possible to re-invest in assets which provide the same rates as those currently held.

Currency risk: All assets and liabilities are denominated in sterling and therefore there is no currency risk.

Management of risk

Credit Risk: All transactions are settled on the basis of delivery against payment.

Market Price: The Board manages the market price risk inherent in the Company's portfolio by maintaining an appropriate spread of market risk, and by ensuring full and timely access to relevant information from the Investment Managers. The Investment Committee meets regularly and reviews the investment performance and financial results, as well as compliance with Company's objectives. The Board seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities, *which are sufficient to meet any funding commitments that may arise. The Company does not use derivative instruments to hedge* against market risk.

Interest Rate: The Company's assets include fixed interest stocks, the values of which are regularly reviewed by the Board, as referred to above.

Notes to the Accounts
for the year ended 31 January 2004

Financial Assets
The interest rate profile of the Company's financial assets (excluding short-term debtors and creditors) at 31 January 2004 was:

	Financial assets on which no interest paid £	Fixed rate financial assets £	Variable rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	4,266,978	-	-	4,266,978	-	-
Preference Shares	-	180,478	-	180,478	-	-
Loan stocks	-	2,503,275	-	2,503,275	8.69	2.0
OEIC money market funds	-	-	2,871,292	2,871,292	3.80	-
Cash	-	-	43,808	43,808	-	-
Total	4,266,978	2,683,753	2,915,100	9,865,831		

The interest rate profile of the Company's financial assets (excluding short-term debtors and creditors) at 31 January 2003 was:

	Financial assets on which no interest paid £	Fixed rate financial assets £	Floating rate financial assets £	Total £	Weighted average interest rate %	Average period to maturity (years)
Equity shares	5,368,417	-	-	5,368,417	-	-
Preference Shares	-	301,667	-	301,667	7.00	0.9
Bonds	-	2,546,548	-	2,546,548	5.12	0.7
Loan stocks	-	3,478,875	-	3,478,875	8.68	2.5
Cash	-	-	117,386	117,386	-	-
Total	5,368,417	6,327,090	117,386	11,812,893		

Floating rate cash earns interest based on LIBOR rates.

Fixed asset investments are valued according to the methods detailed in the accounting policies in note 1, which the Directors consider approximate to their fair value.

The Company has no undrawn committed borrowing facilities.

21 Segmental analysis
The operations of the Company are wholly in the United Kingdom, from one class of business.

22 Post balance sheet event
On 29 March 2004 Matrix Group Limited announced that it had reached agreement to acquire the whole of the issued share capital of GLE Development Capital Limited, one of the Company's Investment Managers. Helen Sinclair is a Director of Matrix Group Limited and she has subsequently offered her resignation from the Board of the Company to avoid any potential conflicts of interest. The Board has accepted her resignation which will take effect when a suitably qualified replacement can be found.

TRIVEN VCT PLC

(Registered in England and Wales No. 3707697)

NOTICE of the ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Annual General Meeting of the Company will be held at Gossard House, 7-8 Savile Row, London W1S 3PE on Wednesday, 26 May 2004 at 12.00 noon for the transaction of the following business:

ORDINARY BUSINESS

As ordinary business to consider and, if thought fit, to pass the following resolutions, numbers 1 to 6 of which will be proposed as ordinary resolutions and number 7 of which will be proposed as a special resolution.

1. To receive the audited annual accounts of the Company for the financial year ended 31 January 2004 together with the Directors' Report and the auditors' reports on those accounts and on the auditable part of the Directors' Remuneration Report.
2. To approve the Directors' Remuneration Report for the year ended 31 January 2004 which is set out in the annual report of the Company for the year ended 31 January 2004.
3. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration.
4. To re-elect Colin Hook as a Director of the Company.
5. To declare and approve the payment of a final dividend for the year ended 31 January 2004 of 0.25 pence per ordinary share.
6. **THAT** for the purpose of section 80 of the Companies Act 1985 (the "Act") (and so that expressions used in this resolution shall bear the same meanings as in the said section 80) the Directors be and are generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities up to a maximum nominal amount of £142,647.60 to such persons and at such times and on such terms as they think proper during the period expiring on the fifth anniversary of the date of the passing of this resolution unless renewed, revoked or varied by the Company in general meeting (except that the Company may, before such expiry, make offers or agreements which would or might require relevant securities to be allotted after such expiry and notwithstanding such expiry the Directors may allot relevant securities in pursuant of such offers or agreements).
7. **THAT** the Directors be and are empowered in accordance with section 95 of the Companies Act 1985 ("the Act") to sell treasury shares (as defined in section 162 of the Act) and, subject to the passing of Resolution 6 set out in the Notice convening this Meeting, make other allotments of equity securities (and the expression "allotment of equity securities" and like expressions used in this resolution shall have the meaning given to them by virtue of section 94 of the Act) for cash, pursuant to the authority conferred on them to allot relevant securities (as defined in Section 80 of the Act) by that resolution, in each case as if section 89(1) and sub-sections (1)-(6) of section 90 did not apply to any such sale or allotment, provided that the power conferred by this resolution shall be limited to:-

   (i) the allotment of equity securities in connection with the issue or offering in favour of holders of equity securities and any other persons entitled to participate in such issue or offering (other than the Company itself in respect of any shares held by it as treasury shares) where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory;

   (ii) the allotment of equity securities pursuant to the Subscription Share Option Agreement entered into between the Company and the Optionholders (as therein defined) dated 8 February 1999; and

   (iii) the allotment, otherwise than pursuant to sub-paragraphs (i) and (ii) above, of equity securities with an aggregate nominal value not exceeding £95,098.40 (representing 10 per cent of the issued ordinary share capital of the Company immediately following the passing of this resolution).

NOTICE of the ANNUAL GENERAL MEETING

and this power, unless previously renewed or revoked, shall expire on the earlier of the end of the next Annual General Meeting of the Company and the date which is eighteen months after the date on which this resolution is passed save that the Company may, before expiry of this power, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot securities in pursuance of any such offers or agreements as if the power conferred hereby had not expired.

SPECIAL BUSINESS

As special business to consider and, if thought fit, to pass the following resolution, which will be proposed as a special resolution:

8. THAT the Company be and is hereby generally and unconditionally authorised for the purpose of section 166 of the Companies Act 1985 ("the Act") to make a market purchase or market purchases (as defined in section 163 of the said Act) of Ordinary Shares of 5p each in the capital of the Company ("Ordinary Shares") at any time or times provided that:-

(i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,901,968 (representing 10 per cent of the issued ordinary share capital of the Company immediately following the passing of this resolution);

(ii) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5p per Ordinary Share, being the nominal value of an Ordinary Share);

(iii) the maximum price (exclusive of expenses) which may be paid for any Ordinary Share shall be an amount equal to 5% above the average of the middle market quotations for such shares taken from The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the purchase is made;

(iv) the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the end of the next Annual General Meeting of the Company and the date which is eighteen months after the date on which this resolution is passed; and

(v) the Company may make a contract or contracts to purchase its own Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may make a purchase of its own Ordinary Shares in pursuance of any such contract.

Registered Office
Gossard House
7-8 Savile Row
London W1S 3PE

BY ORDER OF THE BOARD
Matrix-Securities Limited
Secretary

Dated: 30 March 2004

NOTES:

(i) A member entitled to receive notice of, attend and vote at the above meeting is entitled to appoint one or more proxies to attend and on a poll, vote in his place. A proxy need not be a member of the Company.

(ii) To appoint a proxy you may use the form of proxy enclosed with this Notice. To be valid the enclosed form of proxy, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy thereof must be deposited by 12.00 noon on 24 May 2004 at the offices of the Company's Registrars, Capita IRG Plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

(iii) Completion and return of the enclosed form of proxy will not prevent you from attending and voting in person at the Annual General Meeting.

(iv) The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the Register of Members of the Company as at midnight on 24 May 2004 or, in the event that the Meeting is adjourned, in the Register of Members 48 hours before the time of any adjourned Meeting, shall be entitled to attend or vote at the Annual General Meeting in respect of the number of shares registered in their name at the relevant time. Changes to entries in the Register of Members after midnight on 24 May 2004 or, in the event that the Meeting is adjourned, in the Register of Members less than 48 hours before the time of any adjourned Meeting, shall be disregarded in determining the rights of any person to attend or vote at the Meeting.

(v) In the case of joint holders, the vote of the senior holder who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the relevant joint holding.

(vi) The Register of Directors' Interests shall be available for inspection at the place of the Annual General Meeting for at least fifteen minutes prior to and during the Meeting.

FORM OF PROXY
ANNUAL GENERAL MEETING OF TRIVEN VCT PLC

I/We ....

of (address) ....

being a member/members of the Company hereby appoint the Chairman of the Meeting, or

of (address) ....

as my/our proxy to vote on a poll in my/our name and on my/our behalf at the Annual General Meeting of the Company to be held on 26 May 2004 at 12.00 noon at Gossard House, 7-8 Savile Row, London W1S 3PE and at any adjournment thereof (see note 1).

Please indicate with an 'X' in the boxes below how you wish your votes to be cast. Should this Form of Proxy be returned duly signed but without a specific direction, the proxy may vote or abstain as he/she thinks fit. On any other business at the Annual General Meeting (including any motion to amend any resolution or adjourn the meeting) the proxy will vote or abstain from voting at his or her discretion.

The proxy is directed to vote on the resolutions set out in the notice convening the Annual General Meeting, of which resolutions 1 to 6 are proposed as *Ordinary Resolutions and resolutions 7 and 8 are proposed as Special Resolutions, as follows:*

ORDINARY BUSINESS

		For	Against
Resolution 1	To receive the audited annual accounts of the Company for the year ended 31 January 2004 together with the Directors' Report and the auditors' reports on those accounts and on the auditable part of the Directors' Remuneration Report.		
Resolution 2	To approve the Directors' Remuneration Report.		
Resolution 3	To re-appoint PricewaterhouseCoopers LLP as auditors of the Company and to authorise the Directors to determine their remuneration.		
Resolution 4	*To re-elect Colin Hook as a Director of the Company.*		
Resolution 5	To declare and approve the payment of a final dividend for the year ended 31 January 2004 of 0.25 pence per Ordinary Share.		
Resolution 6	To authorise the Directors to allot shares under section 80 of the Companies Act 1985.		
Resolution 7	To disapply pre-emption rights under section 89 of the Companies Act 1985. (Special Resolution)		
SPECIAL BUSINESS			
Resolution 8	To authorise the Company to make market purchases of its own Ordinary Shares. (Special Resolution)		

Signed .... Dated 2004

NOTES AND INSTRUCTIONS

1. The Notice of Meeting is set out on pages 31-33 of the Annual Report of the Company for the year ended 31 January 2004.
2. A proxy need not be a member of the Company but must attend the meeting to represent you. You may appoint as your proxy a person of your own choice by inserting his name in the space provided. If no name is inserted, the proxy will be deemed to have been given in favour of the Chairman of the Meeting.
3. To be effective, this Form of Proxy and any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority must be completed and deposited at the office of the Company's Registrars, Capita IRG Plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no less than 48 hours prior to the time fixed for the holding of the Meeting.
4. In the case of joint holders, the vote of the first-named in the Register of Members of the Company will be accepted to the exclusion of that of other joint holders.
5. The completion and return of this Form of Proxy will not preclude you from attending and voting at the Meeting should you subsequently decide to do so.
6. In the case of a corporate shareholder, this Form of Proxy should either be sealed by the Company in question or signed by a director or a duly authorised officer or attorney.

First Fold

Third Fold (Tuck-in)

BUSINESS REPLY SERVICE
LICENCE No. MB122

1

Capita IRG Plc
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Second Fold

First Fold

Corporate Information

Directors

Directors (Non-executive)
Colin Hook (Chairman)
Christopher Moore
Helen Sinclair

Secretary
Matrix-Securities Limited
Gossard House
7-8 Savile Row
London W1S 3PE

Company's Registered Office and Head Office
Gossard House
7-8 Savile Row
London W1S 3PE

Company Registration Number: 3707697

Promoter and Administrator
Matrix-Securities Limited
Gossard House
7-8 Savile Row
London W1S 3PE

Registrar
Capita IRG Plc
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Solicitors
Travers Smith Braithwaite
10 Snow Hill
London EC1A 2AL

Sponsor
Singer & Friedlander Limited
21 New Street
Bishopsgate
London EC2M 4HR

Independent Auditors and VCT Status Advisor
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Bankers and Custodians
National Westminster Bank plc
City of London Office
PO Box 12264
Princes Street
London EC2R 8PB

Stockbroker
Teather & Greenwood Limited
Beaufort House
15 St Botolph Street
London EC3A 7QR

Investment Managers

Elderstreet Private Equity Limited
32 Bedford Row
London WC1R 4HE
www.elderstreet.com

Elderstreet are responsible for selecting investments primarily in the UK information technology, software and computer services sectors.

GLE Development Capital Limited
52/54 Southwark Street
London SE1 1UN
www.gledevelopmentcapital.co.uk

GLE are responsible for selecting investments in a range of industrial and commercial sectors.

Nova Capital Management Limited
36 Dover Street
London W1S 4NH
www.novacap.org

Nova are responsible for selecting investments primarily in industrial and media related businesses.