

ProVen VCT plc
Annual Report and Accounts
for the year ended 29 February 2012



Managed by
Beringea LLP

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ProVen VCT plc

Principal Investment Objectives

- to achieve a total return significantly greater than that available from direct investment in quoted businesses by investing in a portfolio of carefully selected smaller companies with excellent growth prospects;
- to minimise the risk of each investment and the portfolio as a whole; and
- to obtain and maintain VCT status in order to secure the substantial tax benefits available for investment in a VCT.

Financial Highlights

163.4p	Ordinary Share net asset value total return per share since launch (net asset value at 29 February 2012 plus cumulative dividends paid)
9.5p	Average annual Ordinary Share dividends paid since launch
92.2p	'C' Share net asset value total return per share since launch (net asset value at 29 February 2012 plus cumulative dividends paid)
1.0p	Average annual 'C' Share dividends paid since launch
86.4p	'D' Share net asset value total return per share since launch (net asset value at 29 February 2012 - No 'D' Share dividends paid to date)

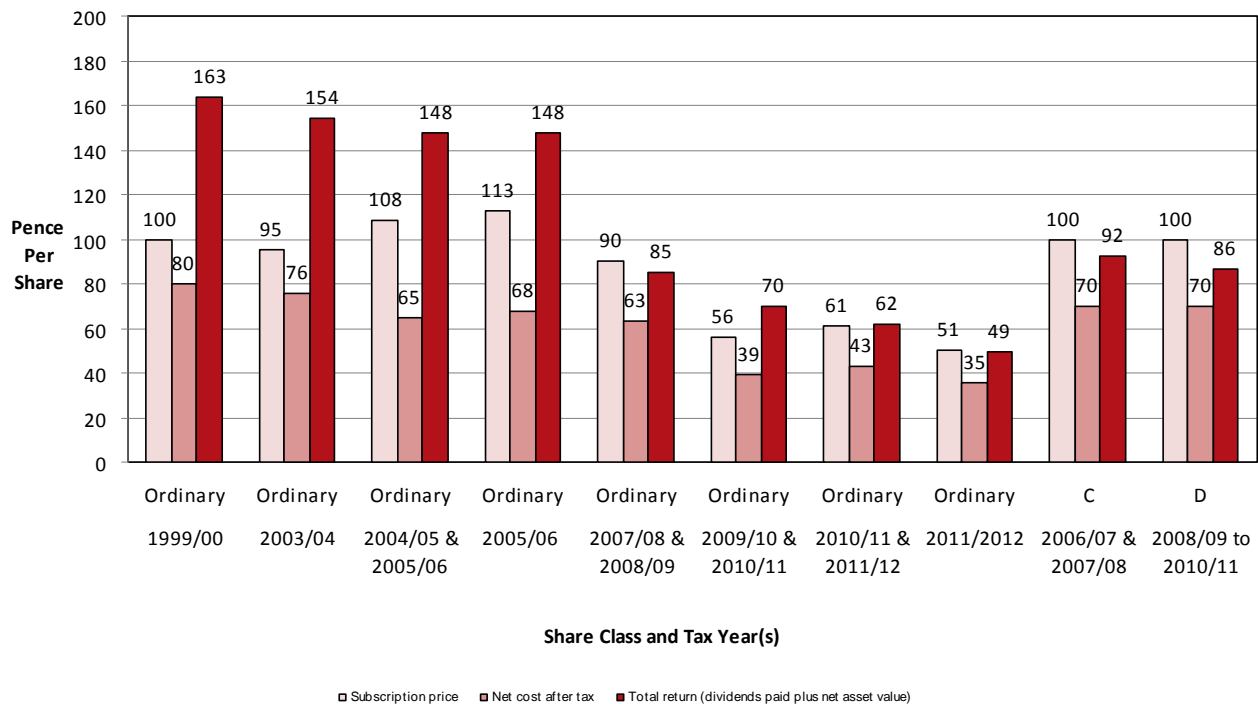
Fund Overview

Financial summary

	Ordinary Shares		'C' Shares		'D' Shares	
As at 29 February	2012	2011	2012	2011	2012	2011
	pence	pence	pence	pence	pence	pence
Net asset value per share	49.4	61.0	87.4	76.8	86.4	90.0
Dividends paid since launch	114.0	101.5	4.8	4.8	-	-
Total return (net asset value plus dividends paid since launch)	163.4	162.5	92.2	81.6	86.4	90.0
Year on year change in:						
Net asset value per share (adjusted for dividends)	1.5%		13.0%		-4.0%	
FTSE All Share Index total return	1.5%		1.5%		1.5%	

Shareholder investment and returns analysis

The chart below shows the original subscription price, net cost after tax (assuming full income tax relief at the rate ruling at the time of the investment), and total return (net asset value and dividends paid) for each share class and tax year fundraising, as at 29 February 2012. Funds raised under the offer open at 29 February 2012 are excluded as no shares had been issued. The Ordinary Share funds raised in 2005/2006 were issued at either 108.15p per share, prior to 13 May 2005, or 112.91p per share, after 13 May 2005. No account has been taken of the possible benefit of any capital gains tax deferral (available for new investments up to and including tax year 2003/2004) or of additional shares that may have been available through early bird or financial intermediary discounts.



Chairman's Statement

I am pleased to present the Annual Report for ProVen VCT plc for the year ended 29 February 2012.

The year saw a continuation of the difficult economic conditions, with renewed fears of a Eurozone crisis fuelling more volatility in stock market prices and hindering a recovery in investor confidence. Although some of the Company's portfolio companies have been impacted by this climate, a number of the stronger portfolio companies have been able to make headway, such that the more mature share pools have seen an increase in Total Return (i.e. NAV plus dividends paid) over the year (after adjusting for dividends paid).

Net asset value

Ordinary Shares

At 29 February 2012, the Company's Ordinary Share net asset value ("NAV") stood at 49.4p per share. This represents an increase of 0.9p or 1.5% since 28 February 2011 after adjusting for the dividends of 12.5p which were paid during the year. The total return (NAV plus dividends paid to date) to Ordinary Shareholders that invested at the Company's launch now stands at 163.4p per Ordinary Share, equivalent to an IRR of 8.8% per annum. Investment performance since original investment for the various groups of Shareholders that now hold Ordinary Shares is summarised on page 2.

'C' Shares

The NAV of the Company's 'C' Shares stood at 87.4p at 29 February 2012, an increase of 10.6p or 13.0% since 28 February 2011. The total return (NAV plus dividends paid to date) to 'C' Shareholders that invested at the launch of the 'C' Share pool now stands at 92.2p per share. No dividends were paid to 'C' Shareholders during the year.

'D' Shares

The NAV of the Company's 'D' Shares stood at 86.4p at 29 February 2012, a decrease of 3.6p or 4.0% since 28 February 2011. No dividends have been paid to 'D' Shareholders to date. The fall in NAV is partly a function of the fact that the 'D' Share pool is still in the process of being invested and uninvested cash does not provide sufficient income to cover running costs.

Portfolio activity and valuation

Ordinary Share pool

The Ordinary Share pool is effectively fully invested and, accordingly, had limited investment activity during the year. The pool disposed of one investment, AIM-quoted, Coolabi plc, which was the subject of a venture capital-backed MBO.

The Board reviewed the valuations of the unquoted investments at the year end which produced a net unrealised gain for the year of £889,000.

'C' Share pool

The 'C' Share pool made three new and five follow on investments during the year at a total cost of £2.5 million. The pool also exited from two investments, including Steak Media, which has generated a profit to date of £321,000 against cost with potential for further proceeds dependent on performance.

As with the Ordinary Share pool, the Board similarly reviewed the valuations of the unquoted investments in the 'C' Share portfolio at the year end. The net unrealised gain was £1,282,000 for the year, as a result of strong performance by a number of investee companies.

'D' Share pool

The 'D' Share pool made two new and two follow on investments during the year at a total cost of £530,000.

As with the other share pools, the Board has reviewed the unquoted valuations at the year end and made some adjustments to the carrying values. This has resulted in a small net unrealised loss of £147,000.

Further details on investments in all pools are provided in the Investment Manager's Review and the Review of Investments.

Results and dividends

The total return on ordinary activities for the year was as follows:

	Revenue £'000	Capital £'000	Total £'000
Ordinary Shares	218	73	291
'C' Shares	203	1,320	1,523
'D' Shares	(42)	(257)	(299)
	379	1,136	1,515

The Board is not proposing to pay any further interim or final dividends in respect of any share class for the year ended 29 February 2012. Two interim dividends were paid to Ordinary Shareholders during the year, totalling 12.5p per share.

'C' Shares - tender offer and conversion to Ordinary Shares

In the prospectus published in November 2006 in connection with the offers for subscription for the 'C' Shares, the intention was set out that, within approximately 5½ years of the close of the offers, the Company would launch a tender offer to buy in 'C' Shares at a price equivalent to the latest published NAV. The terms of the tender offer were to return at least 20p per £1 invested such that the investors had received a minimum overall cash return to date of 25p per £1 invested. The Company has paid tax free dividends to date of 4.75p per 'C' Share and the tender offer will therefore return 20.25p per 'C' Share to those Shareholders who wish to participate. The tender offer is conditional upon resolution 10 being passed at the forthcoming AGM and resolution 4 being passed at the Class Meetings, which will also be required. The Company will also be publishing a circular shortly relating to the tender offer which will be sent to Shareholders along with the Annual Report.

The 'C' Share prospectus also set out plans that, following the tender offer, the 'C' Shares would convert into Ordinary Shares. Arrangements have now been put in place for this conversion to take place in October 2012, based on the relative NAVs of the Ordinary Shares and 'C' Shares as at 31 August 2012. The Board is proposing that the formula for conversion currently in the Company's Articles of Association is simplified to ensure it produces the intended result. Resolution 12 will be proposed at the AGM and resolution 6 at the Class Meetings to this end.

'D' Shares - conversion to Ordinary Shares

In considering the planned conversion of 'C' Shares into Ordinary Shares, the Board has also reviewed plans for the 'D' Share class. The Board believes that also converting the 'D' Shares into Ordinary Shares gives all Shareholders exposure to a broader range of investments and reduces the potential impact of underperformance of any one investment. It also brings some significant benefits to the Company in simplifying management of the investments, reporting to Shareholders and administration. In view of these benefits, the Board will put proposals to all Shareholders to convert 'D' Shares into Ordinary Shares at the same time as the 'C' Share conversion noted above. It is proposed that the 'D' Shares will be converted based on the relative NAVs of the Ordinary Shares and 'D' Shares as at 31 August 2012.

Ordinary Shares - share consolidation

The substantial dividends paid to date on the Ordinary Shares (113.95p in total) have resulted in a reduction in the Ordinary Share NAV to around 50p, despite the total return to Shareholders who invested at launch being 163.35p per share. Given the proposed merger of the 'C' and 'D' Share classes, the Board has decided to rebase the NAV of the Ordinary Shares to around £1 and is proposing to undertake a share consolidation to take place immediately before the conversion of the 'C' Shares and 'D' Shares in order to achieve this.

A resolution in respect of the share consolidation will be put to Shareholders at the forthcoming AGM and Class Meetings, together with a resolution amending the Company's articles of association so that the conversion of the 'C' Shares takes into account the consolidation of the Ordinary Shares.

If the various proposals above are approved, the Company will have one share class (New Ordinary Shares) going forward with an NAV close to £1 per share.

Chairman's Statement (continued)

Share buybacks

In order to ensure liquidity in the market in the Company's shares, the Company has operated a policy of buying in its own shares that become available in the market. During the year, the Company made market purchases of 995,887 Ordinary Shares for cancellation at an average price of 48.4p per share, 100,719 'C' Shares for cancellation at an average price of 70.4p per share and 20,510 'D' Shares for cancellation at an average price of 85.1p per share.

The Board intends to continue to make purchases of its shares when they become available in the market and has a current policy of purchasing Ordinary Shares and 'C' Shares at a price equivalent to a 10% discount to the latest published NAV and at a 5% discount in respect of 'D' Shares in accordance with the policies set out in the relevant prospectuses. If the proposed conversion of 'C' and 'D' Shares into Ordinary Shares described above is approved, the Company will have only Ordinary Shares following the conversion. The discount of 10% to NAV will then apply to all share buybacks.

A special resolution to allow the Board to continue to purchase shares for cancellation will be proposed at the forthcoming AGM and Class Meetings.

Shareholders who are considering selling their shares are reminded that they should consider contacting the Company's Administrator, Downing LLP, prior to selling their shares. Downing is able to provide details of close periods and of the prices at which the Company has bought in shares.

Dividend Policy

The subject on which I receive most correspondence is dividends. In the survey conducted last year, the Board asked Shareholders whether they would prefer (i) profits on investment disposals to be distributed as they arise or for dividends to be smoothed, and (ii) distribution of the maximum amount each year, even if this reduces the NAV, or an amount which maintains or increases the NAV. Of the Shareholders who responded, a majority of the Ordinary Shareholders, who are generally the Shareholders who have held their shares the longest, preferred the highest distributions. Among the 'C' and 'D' Shareholders, who have held shares a lesser time, opinion was more evenly split. In general, the shorter the holding period has been, the greater the tendency towards smoothing dividends and maintaining or increasing the NAV. Since the questionnaire there has been a further issue of Ordinary Shares, whose holders I expect to hold similar views to other more recent Shareholders.

In anticipation of the merger of the Ordinary, 'C' and 'D' Share classes proposed for later this year, the Board has decided to adopt a consistent dividend policy for all share classes. With the diversity of opinion expressed in the survey, it is impossible to provide a distribution policy which will satisfy all individual preferences. The Board has therefore decided to set an objective of paying a distribution each year which will equate to a yield of approximately 5% of net asset value. The ability to achieve this objective will, however, depend on there being sufficient reserves available for distribution, which in turn will depend on the level and timing of profitable realisations. It therefore cannot be guaranteed. In the event of there being a realisation from the portfolio which results in an exceptionally large gain, the Board may decide to pay a special dividend which is significantly in excess of the target yield of 5%.

The Board believes that this objective is consistent with the NAV remaining broadly stable or increasing over time, although this will clearly depend on the returns from the Company's investments and cannot be guaranteed.

The Board reminds Shareholders who do not want dividends of the advantages of taking part in the dividend re-investment scheme. For those Shareholders who wish to sell their shares, the share buyback policy remains in place, dependent on there being sufficient liquidity.

Ordinary Share tender offer and fundraising

On 8 December 2011, the Company launched an Ordinary Share offer for subscription seeking to raise up to approximately £15 million. The Company also offered existing Ordinary Shareholders the opportunity to sell their shares back to the Company at a price approximately equal to NAV on the basis that they agreed to reinvest the proceeds in the new share offer. Shares in the new offer were issued to participating Shareholders at a premium of approximately 3.5% to NAV.

On 13 February 2012, 655,309 Ordinary Shares were purchased under the tender offer at a price of 47.7p per Ordinary Share. On 15 February 2012, 631,318 new Ordinary Shares were issued to the tender offer participants at an effective price of approximately 49.5p per Ordinary Share (after taking into account additional shares given to the participants).

The offer for subscription was extended on 17 May 2012 and will now close on 30 August 2012 (or earlier if fully subscribed). A total of 21.6 million Ordinary Shares have been issued to date under the offer at an average price of 50.5p per Ordinary Share, producing net proceeds of £10.7 million.

Annual General Meeting and Class Meetings

The Annual General Meeting (“AGM”) of the Company will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11:00 a.m. on 21 August 2012.

Seven items of special business will be proposed at the AGM as follows:

- two resolutions in connection with authority for the Directors to allot shares
- one resolution in respect of share buybacks,
- one resolution in connection with the ‘C’ Share tender offer,
- one resolution in connection with the Ordinary Share consolidation,
- two resolutions in connection with amendments to the Company’s articles of association.

Each of these items will result in changes to the issued share capital of the Company or will amend the Company’s articles of association. The Company’s articles of association are currently worded such that approval for the Company to either increase or decrease the issued share capital or amend the articles of association is required at a meeting of all Shareholders and also meetings of each separate share class (“Class Meetings”). Therefore the AGM will be followed by separate share class meetings to approve the seven resolutions detailed above as follows:

Share Class Meeting	Start time
Ordinary Shares	11:05 a.m.
‘C’ Shares	11:10 a.m.
‘D’ Shares	11:15 a.m.

Notices of the Annual General Meeting and Class Meetings are at the end of this document. The Company will also be publishing a Shareholder circular shortly, which will seek Shareholder approval for the ‘D’ Share conversion into Ordinary Shares as described above.

Shareholder event

I would like to take this opportunity to draw your attention to the Investment Manager’s annual Shareholder presentation which is expected to be held in central London later in the year. This event provides Shareholders with an opportunity to meet the Investment Manager and, additionally, to hear directly from some of the portfolio companies and to meet other VCT shareholders. Further details of the event will be communicated to Shareholders in due course.

Outlook

The coming months are expected to be busy with the Company implementing the proposals for the ‘C’ Share tender offer and, subject to the approval of Shareholders, the merging of all shares classes into one. Once complete, all Shareholders will have a stake in a share class which holds a more diversified investment portfolio than previously and has a significant level of funds available for new investments.

With no clear prospects for improved economic conditions in sight and uncertainties created by regulators and legislators, new investment activities are expected to remain challenging. The Manager reports an attractive flow of potential investment opportunities, albeit at full prices, in sectors which have delivered good results for the Company in the past. I believe that we have a number of interesting investments that have the potential to show meaningful profits and that the Manager has the skill to deliver them.

Andrew Davison

Chairman
25 June 2012

Introduction

Beringea is a specialist venture capital management company which manages £200 million in the UK and USA on behalf of a number of clients. In the UK, Beringea has a dedicated investment team managing over £90 million across four VCTs.

ProVen VCT has been managed by Beringea since its inception in 2000 and in that time has invested over £45 million in over 50 small and medium sized companies. At present, the Company has investments in 27 companies, with an average cost of approximately £800,000 per investment. ProVen VCT and other VCTs like it continue to make an important contribution to the development of UK business particularly at a time when traditional lenders are reluctant to advance credit. This support extends beyond purely financial support with our investment executives providing ongoing mentoring and strategic advice and introducing new directors who can both support individual businesses and drive them to the next level.

Review of the year

The Company invested £3.6 million during the year (2011: £4.6 million). There were three new investments and further funding was provided to seven existing companies. The Company realised its investments in three companies: Coolabi, Steak Media and Lazurite. The existing portfolio showed net unrealised gains of £2.0 million across the share classes including upwards revaluations from Think, Donatantonio and Blis Media (formerly Breeze Tech). Offsetting this were valuation reductions for a number of investments including those in Fjordnet, Senselogix and Overtis. It is worth pointing out that these reductions can reflect both the performance of the individual companies and/or the wider performance of comparable sectors/companies used in valuing the investments.

Ordinary Share pool - portfolio activity and valuation

At 29 February 2012, the Company's Ordinary Share pool held investments in 15 companies, of which 13 were unquoted and two quoted, at a valuation of £12.4 million and original acquisition cost of £10.7 million. In addition, the share pool had cash and liquidity funds of £4.6 million, including £3.2 million of cash from the current fundraising. Further funds raised since the end of the financial year have increased cash and liquidity fund resources to over £10 million.

No new companies were added to the Ordinary Share portfolio during the year but further investments were made in Think, Tossed and Overtis. The Company disposed of its holding in Coolabi plc when it delisted from AIM and became a private company.

Espresso Group continues to form a significant part of the Ordinary Share portfolio and continues to perform well as a provider of digital content to schools both in the UK and overseas. The company's strong cash flow generation in the UK has provided a firm base for expansion into overseas territories. Digital media agency, Think, has shown a large uplift in value following its selection as the lead agency for "Pottermore", the online reading experience created by J.K. Rowling and based around the Harry Potter books, and strong client wins from the likes of Sony, Formica and Warner Brothers. We took the opportunity to invest a further £800,000 from the Ordinary and 'C' Share pools to fund future growth.



'C' Share pool - portfolio activity and valuation

At 29 February 2012, the Company's 'C' Share pool comprised 20 companies, all of which were unquoted, at a valuation of £11.1 million and original acquisition cost of £8.8 million. In addition, the share pool had cash and liquidity funds of £2.4 million.

C' Share pool - portfolio activity and valuation (continued)

Two new investments were made from the 'C' Share pool: Cross Solar, a residential rooftop solar energy company, and Utility Exchange, which provides utility (electricity, gas and telecommunications) price comparison and contract switching for small businesses. The generation of renewable energy from solar installations which benefit from government backed feed-in tariffs has been well documented and Cross Solar is managed by one of the most experienced teams in this sector in the UK. Some of the funds for this investment came from another 'C' Share company, Lazurite, and it also received funding from other ProVen VCTs. Utility Exchange has a similarly experienced team with over 20 years' background in delivering business telecommunication services and 10 years' experience delivering business electricity and gas to all sizes of customers, from SMEs to large corporates.



Further investments were made in a number of companies including Think, Blis Media and Overtis Group.

We were pleased to conclude the disposal of Steak Media in May 2011, which we reported on in last year's annual report. The investment has to date returned 1.8 times the initial investment cost with the potential for further receipts dependent on future performance.

The strong performance of Think has given rise to an unrealised multiple of 2.7 times the initial investment cost. This is split equally between the Ordinary and 'C' Shares and, in the 'C' Share pool, is the largest qualifying investment by value. There was continued good performance from Donatantonio and Blis Media performed very strongly, resulting in upwards revaluations to both these companies.

'D' Share pool - portfolio activity and valuation

At 29 February 2012, the Company's 'D' Share pool comprised nine unquoted companies at a valuation of £2.0 million and original acquisition cost of £2.3 million. In addition, the share pool had cash and liquidity funds of £5.1 million.

New investments were made in Utility Exchange (described above) and APM Healthcare. Further follow-on funding was provided to Tossed and Senselogix. APM Healthcare is the holding company of Community Pharmacies (UK) Limited (CPL) which is aiming to become a prominent niche player in the prescription pharmacy sector in partnership with GP practices. Since our investment, CPL has opened five new pharmacies. Staffed by professional pharmacists, the business encourages operating freedom to allow each outlet to provide exactly what local customers need, with support and expert guidance from a centralised head office.

The 'D' Share pool is valued near cost although at the individual company level there has been strong performance from the jewellery brand Monica Vinader which has enabled an upwards revaluation. MatsSoft is the largest qualifying investment in the 'D' Share pool, representing 9% of total 'D' Share investments.



Investment Manager's Review (continued)

Post year end developments

In April 2012, the 'D' Share pool received shares in Long Eaton Healthcare Limited, a Midlands based GP-centre pharmacy, by virtue of its investment in APM Healthcare. Funding for this investment was provided by ProVen Planned Exit VCT plc which is also managed by Beringea. Further follow on funding was also provided directly to APM Healthcare and to Utility Exchange, both in line with the original investment proposal.

In June 2012 the Company took the opportunity to realise its investment in Ashford Colour Press with realisation proceeds exceeding the valuation at 29 February 2012.

Overtis Group went through a technical restructuring after the year end whereby it entered administration and its assets and intellectual property were acquired by a new entity called Vigilant Applications. ProVen VCT rolled over £399,000 of its loan note investment in Overtis Group into the new entity. The investment in Overtis had been fully provided for at the year end and there is therefore no impact on the Company's net asset value.

Outlook

We continue to see an attractive flow of investment opportunities in a variety of sectors. Digital media continues to be an attractive area and one in which we have historically done well, with companies such as Mergermarket, Saffron Media and ILG Digital, and in which we think there are further good opportunities. Our experience and network of contacts in the sector makes us a natural choice for those digital media businesses seeking funding. Despite the challenges facing many UK businesses, the portfolio continues to perform well overall. We are also confident that further good investment opportunities lie ahead.

Beringea LLP

25 June 2012

Investment activity during the year is summarised as follows:

Additions	Cost £'000
Ordinary Share pool	
Think Limited	400
Tossed Limited	110
Overtis Group Limited	100
	610
'C' Share pool	
Cross Solar PV Limited**	1,016
Think Limited	400
Blis Media Limited**	291
Overtis Group Limited	283
Campden Media Limited	227
Senselogix Limited	112
Tossed Limited	80
Utility Exchange Online Limited	64
	2,473
'D' Share pool	
Utility Exchange Online Limited	234
APM Healthcare Limited	187
Senselogix Limited	69
Tossed Limited	40
	530
Total	3,613

Disposals	Cost £'000	Market value at 01/03/11 £000	Disposal proceeds £'000	(Loss)/gain against cost £'000	Total realised (loss)/gain during the year £'000
Ordinary Share pool					
Coolabi plc**	300	72	74	(226)	2
	300	72	74	(226)	2
'C' Share pool					
Steak Media Limited**	456	531	777	321	246
Lazurite Limited	1,000	968	941	(59)	(27)
	1,456	1,499	1,718	262	219
Total	1,756	1,571	1,792	36	221

** Partially non qualifying investment

All of the above investments, with the exclusion of Think Limited, were also held by ProVen Growth & Income VCT plc of which Beringea LLP is the investment manager.

APM Healthcare Limited was also held by Proven Health VCT plc of which Beringea LLP is the investment manager.

Cross Solar PV Limited and Campden Media Limited were also held by Proven Planned Exit VCT plc of which Beringea LLP is the investment manager.

Investment Portfolio - Ordinary Share Pool

as at 29 February 2012

Ordinary Share portfolio of investments

The following investments were held at 29 February 2012:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Espresso Group Limited	1,317	3,567	236	20.9%
Think Limited**	803	2,195	1,054	12.9%
SPC International Limited**	1,619	1,754	94	10.3%
Eagle Rock Entertainment Group Limited**	1,010	1,158	(151)	6.8%
Campden Media Limited	1,289	1,101	(69)	6.5%
Donatantonio Limited	582	996	268	5.8%
Tossed Limited	578	622	44	3.6%
Ashford Colour Press Limited	500	382	(51)	2.2%
Pilat Media Global plc**	173	276	(160)	1.6%
Fjordnet Limited	200	235	(111)	1.4%
	8,071	12,286	1,154	72.0%
Other venture capital investments	2,633	156	(265)	1.1%
Total venture capital investments	10,704	12,442	889	73.1%
Liquidity funds		900		5.3%
Cash at bank and in hand		3,681		21.6%
Total Ordinary Share investments		17,023		100.0%

Other venture capital investments at 29 February 2012 comprise: UBC Media Group plc, Sports Holdings Limited*, Overtis Group Limited, Isango! Limited and Baby Innovations S.A. t/a Steribottle*.

* Non qualifying investment

** Partially non qualifying investment

With the exclusion of Pilat Media Global plc and UBC Media Group plc, which are quoted on AIM, all venture capital investments are unquoted.

All of the above investments, with the exclusion of Think Limited, were also held by ProVen Growth & Income VCT plc of which Beringea LLP is the investment manager.

Campden Media Limited was also held by Proven Planned Exit VCT plc of which Beringea LLP is the investment manager.

All venture capital investments are registered in England and Wales, with the exception of Baby Innovations S.A., which is registered in Madeira.

Review of Investments - Ordinary Share Pool

as at 29 February 2012

Further details of the ten largest investments (by value) are set out below:

Espresso Group Limited

espresso
for schools



www.espresso.co.uk

Espresso Group develops and delivers multimedia education content for schools. Over 9,000 primary schools, equal to approximately 45% of the UK primary school market, now subscribe to its flagship "Espresso for Schools" product. Following the acquisition of 4 Learning, the educational business of Channel 4, the company expanded into the UK secondary schools market. The company has now embarked on an international expansion strategy. It has an established presence in Sweden and a rapidly growing market penetration in the US.

Cost:	£1,317,000	Valuation at 29/02/12:	£3,567,000	
Investment comprises:		Valuation at 28/02/11:	£3,331,000	
Ordinary shares:	£681,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£574,000			
'B' ordinary shares:	£62,000			
Audited accounts:	31/07/11	31/07/10	Dividend income:	-
Turnover:	£13.3m	£13.3m	Loan note income:	n/a
Loss before tax:	£(669,000)	£(3,000)	Proportion of equity held:	20.1%
Net assets:	£5.8m	£6.5m	Diluted equity:	19.4%

Think Limited

THINK

www.think.eu

Think Limited is an award winning digital media agency with operations in Newcastle and London. The company has developed a reputation for delivering digital solutions that combine excellent creativity, cutting edge technology and an impressive understanding of the user experience. Its clients include the BBC, Sage, Lloyds and Blackberry.

Cost:	£803,000	Valuation at 29/02/12:	£2,195,000	
Investment comprises:		Valuation at 28/02/11:	£741,000	
Ordinary shares:	£75,000	Valuation method:	Earnings multiple	
'A' Ordinary shares	£125,000			
Loan stock:	£603,000			
Audited accounts:	31/10/10	31/10/09	Dividend income:	£109,099
Turnover:	Unpublished information		Loan note income:	£15,572
Profit before tax:	Unpublished information		Proportion of equity held:	14.5%
Net assets:	£1.2m	£0.6m	Diluted equity:	14.5%

SPC International Limited

SPC
international

www.spcint.com

SPC specialises in the repair and refurbishment of electronic equipment in the IT, banking and retail sectors. ProVen VCT plc invested £950,000 in June 2003 and £223,000 in November 2004. A further £875,000 was invested in March 2008, £863,000 in the form of a loan secured on the company's property assets.

Cost:	£1,619,000	Valuation at 29/02/12:	£1,754,000	
Investment comprises:		Valuation at 28/02/11:	£1,660,000	
Ordinary shares:	£196,000	Valuation method:	Earnings multiple	
'A' Ordinary shares	£190,000			
'B' Ordinary shares:	£7,000			
Loan stock:	£1,226,000			
Audited accounts:	30/09/10	30/09/09	Dividend income:	-
Turnover:	£15.1m	£12.7m	Loan note income:	£65,706
Profit/(loss) before tax:	£419,000	£(366,000)	Proportion of equity held:	22.6%
Net assets:	£3.1m	£2.8m	Diluted equity:	22.6%

Review of Investments - Ordinary Share Pool (continued)

Eagle Rock Entertainment Group Limited



eagle rock entertainment ltd

www.eaglerockent.com

Eagle Rock is a leading independent producer, publisher and distributor of music programming for television and DVD, comprising live concerts and documentaries. Eagle has an extensive catalogue of audio-visual IPR, which is available for multi-media exploitation including broadcast, broadband and telephony.

Cost:	£1,010,000	Valuation at 29/02/12:	£1,158,000	
Investment comprises:		Valuation at 28/02/11:	£1,310,000	
Ordinary shares:	£101,000	Valuation method:	Earnings multiple	
Preference shares:	£378,000			
Loan stock:	£531,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	£13,230
Turnover:	£27.0m	£27.3m	Loan note income:	£42,478
Loss before tax:	£(578,000)	£(643,000)	Proportion of equity held:	10.5%
Net assets:	£15.6m	£16.9m	Diluted equity:	10.5%

Campden Media Limited



www.campdenmedia.com

Campden Media is a magazine publisher and event organiser in the healthcare and private wealth management sectors. The company publishes a range of titles, many of which are endorsed by the relevant professional bodies. The business has a strong and proven management team and operates in sectors which are regarded as more resilient to adverse macro-economic movements.

Cost:	£1,289,000	Valuation at 29/02/12:	£1,101,000	
Investment comprises:		Valuation at 28/02/11:	£1,170,000	
Ordinary shares:	£195,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£2,000			
Loan stock:	£1,092,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	£6.8m	£5.6m	Loan note income:	£75,728
Loss before tax:	£(94,000)	£(651,000)	Proportion of equity held:	11.0%
Net liabilities:	£(1.3)m	£(1.2)m	Diluted equity:	11.0%

Donatantonio Limited



www.donatantonio.com

Donatantonio Limited is the UK market leader in the import and distribution of premium quality, authentic Mediterranean ingredients to the UK food manufacturing and food service sectors. Donatantonio's state-of-the-art facilities allow it to provide certification of food quality once the goods reach the UK. This means that the products supplied to food manufacturers are ready for immediate incorporation into finished products and do not require further testing by the manufacturer before production can begin.

Cost:	£582,000	Valuation at 29/02/12:	£996,000	
Investment comprises:		Valuation at 28/02/11:	£728,000	
Ordinary shares:	£7,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£89,000			
Preference shares:	£19,000			
Loan stock:	£467,000			
Audited accounts:	31/01/11	31/01/10	Dividend income:	-
Turnover:	£18.7m	£17.9m	Loan note income:	-
Profit/(loss) before tax:	£87,000	£(150,000)	Proportion of equity held:	10.3%
Net liabilities:	£(156,000)	£(159,000)	Diluted equity:	10.3%

Tossed Limited



www.tosseduk.com

Tossed operates a series of takeaway focused healthy eating establishments. There are currently eight locations in operation, including one franchise location, all based in London. ProVen VCT invested £1 million in April 2010 and a further £230,000 in July 2011, alongside ProVen Growth & Income VCT plc.

Cost:	£578,000	Valuation at 29/02/12:	£622,000
Investment comprises:		Valuation at 28/02/11:	£468,000
Ordinary shares:	£203,000	Valuation method:	Earnings multiple
Preference shares:	£156,000		
Loan stock:	£219,000		
Audited accounts:	31/03/11	Dividend income:	-
Turnover:	Unpublished information	Loan note income:	£1,059
Profit before tax:	Unpublished information	Proportion of equity held:	10.7%
Net assets:	£1.0m	Diluted equity:	10.7%

Ashford Colour Press Limited



www.ashford-colour-press.co.uk

Ashford Colour Press Limited is a medium-sized printing business, based in Hampshire, specialising in the educational sector. Beringea led the £5 million management buyout of the company in September 2002 in which ProVen VCT plc invested alongside ProVen Growth & Income VCT plc. The business is long established and has a strong operational management team with significant experience in the printing business. This investment was realised in June 2012 with proceeds exceeding the valuation at 29 February 2012.

Cost:	£500,000	Valuation at 29/02/12:	£382,000	
Investment comprises:		Valuation at 28/02/11:	£433,000	
'A' ordinary shares:	£133,000	Valuation method:	Earnings multiple	
Loan stock:	£367,000			
Audited accounts:	31/03/11	31/03/10	Dividend income:	-
Turnover:	£13.6m	£12.5m	Loan note income:	£40,343
Profit before tax:	£169,000	£211,000	Proportion of equity held:	23.5%
Net assets:	£2.3m	£2.2m	Diluted equity:	23.5%

Pilat Media Global plc



www.pilatmedia.com

Pilat Media is an AIM-quoted company supplying business management software to broadcasters worldwide, including BSkyB and Five (UK), Discovery Communications (US), Network Ten (Australia) and the South African Broadcasting Corporation. ProVen VCT first invested in the company in 2002 on admission to AIM and has since made a number of partial disposals recouping its initial investment.

Cost:	£173,000	Valuation at 29/02/12:	£276,000	
Investment comprises:		Valuation at 28/02/11:	£436,000	
Ordinary shares:	£173,000	Valuation method:	Bid price	
Audited accounts:	31/12/11	31/12/10	Dividend income:	-
Turnover:	£22.5m	£21.9m	Loan note income:	n/a
(Loss)/profit before tax:	£(1.0)m	£2.2m	Proportion of equity held:	1.5%
Net assets:	£19.1m	£19.8m	Diluted equity:	1.5%

Review of Investments - Ordinary Share Pool (continued)

Fjordnet Limited



www.fjordnet.com

Fjord is an established digital design agency working across many sectors including telecommunications, media, finance and healthcare. It has worked on market leading flagship projects - including projects for the BBC, Nokia, Orange, Swisscom and Yahoo!. It was instrumental in bringing the hugely successful award-winning BBC iPlayer to mobile. The company has offices in London, Helsinki, Berlin, Paris, Madrid, Stockholm, New York and San Francisco.

Cost:	£200,000	Valuation at 29/02/12:	£235,000	
Investment comprises:		Valuation at 28/02/11:	£346,000	
Ordinary shares:	£100,000	Valuation method:	Earnings multiple	
Preference shares:	£100,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	£15.3m	£11.9m	Loan note income:	n/a
Profit before tax:	£1.1m	£1.4m	Proportion of equity held:	2.2%
Net assets:	£3.9m	£3.4m	Diluted equity:	1.6%

References to the latest accounts refer to the latest annual report and accounts published by the investee company following the date of investment by ProVen VCT plc.

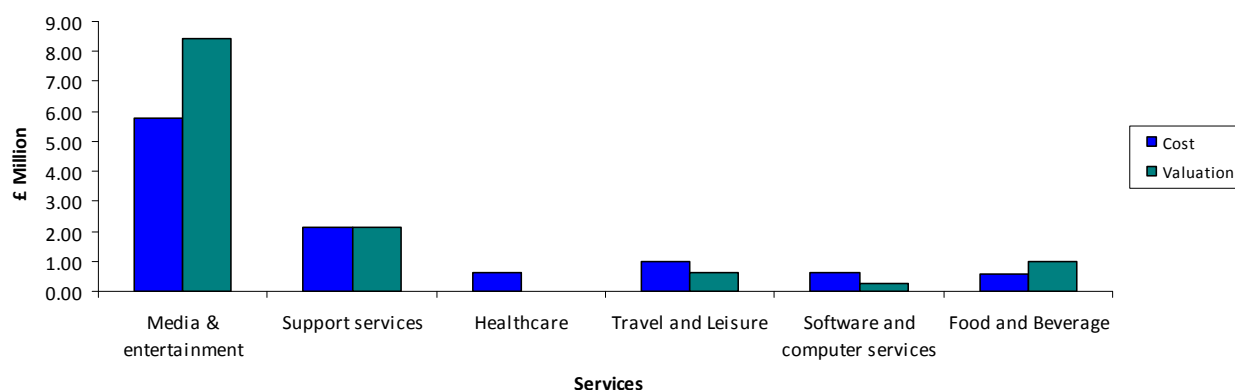
Portfolio company financial information is based on publicly available information filed at Companies House in the UK (or equivalent locations in overseas jurisdictions). Certain information may not be required to be filed, dependent, for example, on the company's size, and, in the interests of portfolio company confidentiality, is not disclosed here.

The proportion of equity held in each investment also represents the level of voting rights held by the Company in respect of the investment.

Analysis of investments by commercial sector

The split of the Ordinary Share pool venture capital investments by commercial sector (by value and cost at 29 February 2012) is summarised as follows:

Spread of Investments by Sector- Ordinary pool



Analysis of investments by investment type

At 29 February 2012, the Ordinary Share pool assets employed were broadly in line with the targets within the investment policy. These are summarised as follows:

Type of investment (by fair value)

VCT qualifying investments	65%
Non-qualifying investments (including cash at bank and liquidity funds)	35%
	100%

Investment Portfolio - 'C' Share Pool as at 29 February 2012

'C' Share portfolio of investments

The following investments were held at 29 February 2012:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Think Limited**	803	2,195	1,054	16.2%
Donatantonio Limited**	885	1,515	407	11.2%
Blis Media Limited	482	1,068	508	7.9%
Cross Solar PV Limited**	1,016	1,016	-	7.5%
Fjordnet Limited	800	940	(444)	7.0%
Charterhouse Leisure Limited	700	739	61	5.5%
Chess Technologies Limited	600	731	276	5.4%
Monica Vinader Limited	224	510	286	3.8%
SPC International Limited	403	469	(136)	3.5%
Tossed Limited	425	457	32	3.4%
	6,338	9,640	2,044	71.4%
Other venture capital investments	2,497	1,450	(762)	10.7%
Total venture capital investments	8,835	11,090	1,282	82.1%
Liquidity funds		450		3.3%
Cash at bank and in hand		1,963		14.6%
Total 'C' Share investments		13,503		100.0%

Other venture capital investments at 29 February 2012 comprise Campden Media Limited, Speed-Trap Holdings Limited, Eagle Rock Entertainment Group Limited*, Overtis Group Limited, Cinergy International Limited, MatsSoft Limited**, Dianomi Limited, Utility Exchange Online Limited, Senselogix Limited, and Isango! Limited.

* Non qualifying investment

** Partially non-qualifying investment

All of the above investments, with the exclusion of Think Limited, were also held by ProVen Growth & Income VCT plc of which Beringea LLP is the investment manager.

Cross Solar PV Limited and Campden Media Limited were also held by Proven Planned Exit VCT plc of which Beringea LLP is the investment manager.

All venture capital investments are unquoted and are registered in England and Wales.

Review of Investments - 'C' Share Pool

Think Limited



www.think.eu

Think Limited is an award winning digital media agency with operations in Newcastle and London. The company has developed a reputation for delivering digital solutions that combine excellent creativity, cutting edge technology and an impressive understanding of the user experience. Its clients include the BBC, Sage, Lloyds and Blackberry.

Cost:	£803,000	Valuation at 29/02/12:	£2,195,000	
Investment comprises:		Valuation at 28/02/11:	£741,000	
Ordinary shares:	£75,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£125,000			
Loan stock:	£603,000			
Audited accounts:	31/10/10	31/10/09	Dividend income:	£109,099
Turnover:	Unpublished information		Loan note income:	£15,572
Profit before tax:	Unpublished information		Proportion of equity held:	14.5%
Net assets:	£1.2m	£0.6m	Diluted equity:	14.5%

Donatantonio Limited



www.donatantonio.com

Donatantonio Limited is the UK market leader in the import and distribution of premium quality, authentic Mediterranean ingredients to the UK food manufacturing and food service sectors. Donatantonio's state-of-the-art facilities allow it to provide certification of food quality once the goods reach the UK. This means that the products supplied to food manufacturers are ready for immediate incorporation into finished products and do not require further testing by the manufacturer before production can begin.

Cost:	£885,000	Valuation at 29/02/12:	£1,515,000	
Investment comprises:		Valuation at 28/02/11:	£1,107,000	
Ordinary shares:	£11,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£135,000			
Preference Shares:	£29,000			
Loan stock:	£710,000			
Audited accounts:	31/01/11	31/01/10	Dividend income:	-
Turnover:	£18.7m	£17.9m	Loan note income:	-
Loss before tax:	£(87,000)	£(150,000)	Proportion of equity held:	15.6%
Net liabilities	£(156,000)	£(159,000)	Diluted equity:	15.6%

Blis Media Limited (formerly Breeze Tech (UK) Limited)



www.blismedia.com

Blis Media is a leading mobile marketing specialist featuring a roster of blue-chip clients. It was one of the first players in the UK to specialize in location based media, and retains a strong base of proprietary IP. Their cutting edge technology provides their customers with an unprecedented level of audience granularity.

Cost:	£482,000	Valuation at 29/02/12:	£1,068,000	
Investment comprises:		Valuation at 28/02/11:	£270,000	
Ordinary shares:	£17,000	Valuation method:	Price of recent investment	
'A' ordinary shares:	£17,000			
'C' ordinary shares:	£290,000			
Preference shares:	£79,000			
Loan stock:	£79,000			
Audited accounts*:	31/12/11	31/12/10	Dividend income:	-
Turnover:	£1,883,000	£1,131,000	Loan note income:	£6,300
Profit/ (loss) before tax:	£108,000	£(141,000)	Proportion of equity held:	15.9%
Net assets:	£1,428,000	£449,000	Diluted equity:	15.9%

*The company filed full audited accounts for the first time to 31 December 2011; comparative figures for the prior year have therefore been provided.

Cross Solar PV Limited



Cross Solar is a residential rooftop solar PV developer managed by ISIS Solar. ISIS is one of the UK's largest residential PV developers, being one of the first to market to offer installations free to homeowners. Through the scheme, homeowners receive all of their electricity for free for up to 25 years, and in return Cross Solar benefits from 25 year guaranteed Feed In Tariffs.

Cost:	£1,016,000	Valuation at 29/02/12	£1,016,000
Investment comprises:		Valuation at 28/02/11	n/a
A Ordinary shares:	£282,000	Valuation method:	Cost as reviewed for impairment
Loan stock:	£734,000		
Audited accounts:	No accounts filed	Dividend income:	-
		Loan note income:	-
		Proportion of equity held:	19.2%
		Diluted equity:	19.2%

Fjordnet Limited



Fjord is an established digital design agency working across many sectors including telecommunications, media, finance and healthcare. It has worked on market leading flagship projects - including projects for the BBC, Nokia, Orange, Swisscom and Yahoo!. It was instrumental in bringing the hugely successful award-winning BBC iPlayer to mobile. The company has offices in London, Helsinki, Berlin, Paris, Madrid, Stockholm, New York and San Francisco.

Cost:	£800,000	Valuation at 28/02/12:	£940,000	
Investment comprises:		Valuation at 28/02/11:	£1,384,000	
Ordinary shares:	£400,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£400,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	£15.3m	£11.9m	Loan note income:	n/a
Profit before tax:	£1.1m	£1.4m	Proportion of equity held:	8.4%
Net assets:	£3.9m	£3.4m	Diluted equity:	6.5%

www.fjordnet.com

Charterhouse Leisure Limited



Charterhouse Leisure trades under the name "Coal Grill & Bar", a growing restaurant chain providing informal dining and drinking in a comfortable and modern atmosphere. The company has seven branches and has plans to roll out the chain nationwide. The core management team developed and ran the "Ma Potters" restaurant chain, a former ProVen VCT investment that was sold in 2007 for a total return of over 2.5 times the initial investment.

Cost:	£700,000	Valuation at 29/02/12:	£739,000	
Investment comprises:		Valuation at 28/02/11:	£679,000	
Ordinary shares:	£140,000	Valuation method:	Earnings multiple	
Loan stock:	£560,000			
Audited accounts:	28/02/11	28/02/10	Dividend income:	-
Turnover:	£7.6m	£4.9m	Loan note income:	£52,855
Loss before tax:	£(677,000)	£(187,000)	Proportion of equity held:	19.4%
Net (liabilities)/assets:	£(48,000)	£611,000	Diluted equity:	14.7%

www.coalgrillandbar.co.uk

Review of Investments - 'C' Share Pool (continued)

Chess Technologies Limited



Chess designs and manufactures electro-optical systems for use in defence applications worldwide. Chess's leading edge engineering skills and in-house development of innovative technologies enable it to produce an extensive range of standard and customised solutions for land, sea and air applications.

Cost:	£600,000	Valuation at 29/02/12:	£731,000
Investment comprises:		Valuation at 28/02/11:	£455,000
Ordinary shares:	£300,000	Valuation method:	Earnings multiple
Loan stock:	£300,000		

Audited accounts:	30/04/11	30/04/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£24,000
Profit before tax:	Unpublished information		Proportion of equity held:	12.0%
Net assets:	£2.5m	£2.5m	Diluted equity:	11.0%

www.chess-dynamics.com

Monica Vinader Limited



Monica Vinader is a high end, award-winning fashion jewellery brand. Designer Monica Vinader began producing jewellery in 2002 and commercialised the brand in 2006. The brand is now regularly featured in glossy magazines such as Vogue, Harpers and Grazia and boasts a celebrity following including Cameron Diaz, Keira Knightley and Cheryl Cole.

Cost:	£224,000	Valuation at 29/02/12:	£510,000
Investment comprises:		Valuation at 28/02/11:	£224,000
Ordinary shares:	£112,000	Valuation method:	Revenue multiple
Loan stock:	£112,000		

Audited accounts:	31/07/11	30/04/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	-
Profit before tax:	Unpublished information		Proportion of equity held:	6.4%
Net assets:	£563,000	£113,000	Diluted equity:	6.4%

www.monicavinader.com

SPC International Limited



SPC specialises in the repair and refurbishment of electronic equipment in the IT, banking and retail sectors. ProVen VCT plc invested £950,000 in June 2003 and £223,000 in November 2004. A further £875,000 was invested in March 2008, £863,000 in the form of a loan secured on the company's property assets.

Cost:	£403,000	Valuation at 29/02/12:	£469,000
Investment comprises:		Valuation at 28/02/11:	£605,000
'B' ordinary shares:	£6,000	Valuation method:	Earnings multiple
Loan stock:	£397,000		

Audited accounts:	30/09/10	30/09/09	Dividend income:	-
Turnover:	£15.1m	£12.7m	Loan note income:	£55,972
Profit/(loss) before tax:	£419,000	£(366,000)	Proportion of equity held:	1.0%
Net assets:	£3.1m	£2.8m	Diluted equity:	1.0%

www.spcint.com

Tossed Limited



www.tosseduk.com

Tossed operates a series of takeaway focused healthy eating establishments. There are currently eight locations in operation, including one franchise location, all based in London. ProVen VCT invested £1 million in April 2010 and a further £230,000 in July 2011, alongside ProVen Growth & Income VCT plc.

Cost:	£425,000	Valuation at 29/02/12:	£457,000
Investment comprises:		Valuation at 28/02/11:	£345,000
Ordinary shares:	£149,000	Valuation method:	Earnings multiple
Preference shares:	£115,000		
Loan stock:	£161,000		
Audited accounts:	31/03/11	Dividend income:	-
Turnover:	Unpublished information	Loan note income:	£770
Profit before tax:	Unpublished information	Proportion of equity held:	7.9%
Net assets:	£1.0m	Diluted equity:	7.9%

References to the latest accounts refer to the latest annual report and accounts to be prepared by the investee company following the date of investment by ProVen VCT plc.

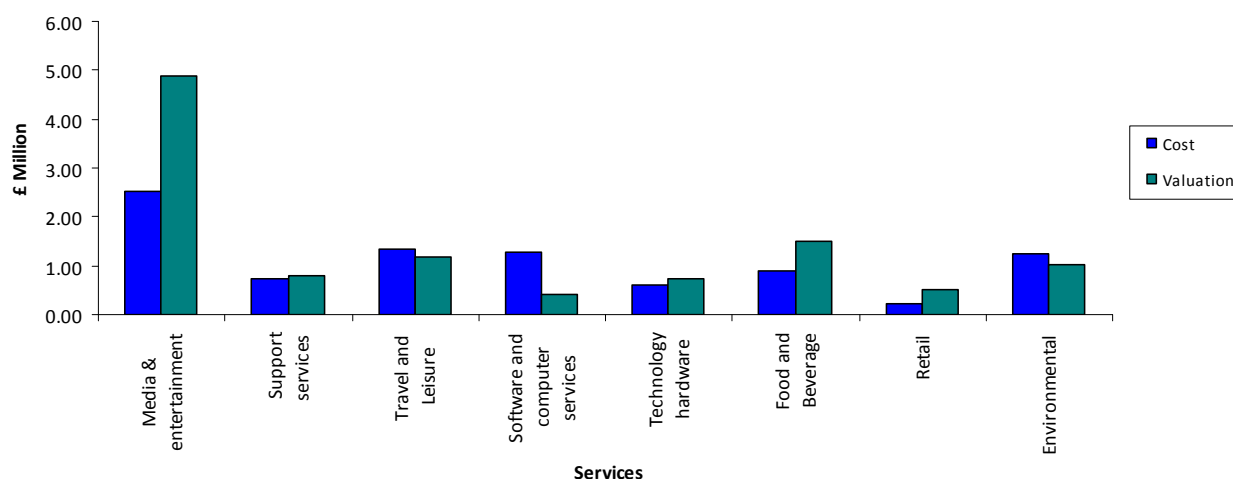
Portfolio company financial information is based on publicly available information filed at Companies House in the UK (or equivalent locations in overseas jurisdictions). Certain information may not be required to be filed, dependent, for example, on the company's size, and, in the interests of portfolio company confidentiality, is not disclosed here.

The split of the 'C' Share pool venture capital investments by commercial sector (by value and cost at 29 February 2012) is summarised as follows:

Analysis of investments by commercial sector

The proportion of equity held in each investment also represents the level of voting rights held by the Company in respect of the investment.

Spread of Investments by Sector - C Pool



Analysis of investments by investment type

At 29 February 2012, the 'C' Share pool assets employed were broadly in line with the targets within the investment policy. These are summarised as follows:

Type of investment (by fair value)

VCT qualifying investments	75%
Non-qualifying investments (including cash at bank and liquidity funds)	25%
	100%

Investment Portfolio - 'D' Share Pool as at 29 February 2012

'D' Share portfolio of investments

The following investments were held at 29 February 2012:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Venture capital investments (by value)				
MatsSoft Limited**	650	650	-	9.1%
Monica Vinader Limited	138	315	177	4.4%
Tossed Limited	223	240	17	3.3%
Utility Exchange Online Limited	234	234	-	3.3%
APM Healthcare Limited	188	188	-	2.6%
Speed-Trap Holdings Limited	300	183	(117)	2.6%
Cinergy International Limited	115	112	(2)	1.6%
Fjordnet Limited*	276	102	(84)	1.4%
Senselogix Limited	138	-	(138)	0.0%
Total venture capital investments	2,262	2,024	(147)	28.3%
Liquidity funds		4,850		67.5%
Cash at bank and in hand		298		4.2%
Total 'D' Share investments		7,172		100.0%

* Non qualifying investment

** Partially non-qualifying investment

All of the above investments were also held by ProVen Growth & Income VCT plc of which Beringea LLP is the investment manager.

APM Healthcare Limited was also held by Proven Health VCT plc of which Beringea LLP is the investment manager.

All venture capital investments are unquoted and are registered in England and Wales.

Review of Investments - 'D' Share Pool

MatsSoft Limited



MatsSoft is a software company specialising in developing hosted Software as a Service ("SaaS") business process management, workflow and customer and communications solutions, complete with a comprehensive suite of management information and configuration tools. MatsSoft has built a strong reputation by providing solutions for enterprise customers that deliver dramatic processing efficiencies whilst keeping customer satisfaction high through proactive communication.

Cost:	£650,000	Valuation at 29/02/12:	£650,000
Investment comprises:		Valuation at 28/02/11:	£650,000
Ordinary shares:	£197,000	Valuation method:	Earnings multiple
'A' ordinary shares:	£236,000		
Loan stock:	£217,000		

Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£4,820
Profit before tax:	Unpublished information		Proportion of equity held:	10.0%
Net assets:	£219,000	£192,000	Diluted equity:	10.0%

www.matssoft.co.uk

Monica Vinader Limited



Monica Vinader is a high end, award-winning fashion jewellery brand. Designer Monica Vinader began producing jewellery in 2002 and commercialised the brand in 2006. The brand is now regularly featured in glossy magazines such as Vogue, Harpers and Grazia and boasts a celebrity following including Cameron Diaz, Keira Knightley and Cheryl Cole.

Cost:	£138,000	Valuation at 29/02/12:	£315,000
Investment comprises:		Valuation at 28/02/11:	£138,000
Ordinary shares:	£69,000	Valuation method:	Revenue multiple
Loan stock:	£69,000		

Audited accounts:	31/07/11	30/04/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	-
Profit before tax:	Unpublished information		Proportion of equity held:	4.0%
Net assets:	£563,000	£113,000	Diluted equity:	4.0%

www.monicavinader.com

Tossed Limited



Tossed operates a series of takeaway focused healthy eating establishments. There are currently eight locations in operation, including one franchise location, all based in London. ProVen VCT invested £1 million in April 2010 and a further £230,000 in July 2011 alongside ProVen Growth & Income VCT plc.

Cost:	£223,000	Valuation at 29/02/12:	£240,000
Investment comprises:		Valuation at 28/02/11:	£183,000
Ordinary shares:	£78,000	Valuation method:	Earnings multiple
Preference shares:	£61,000		
Loan stock:	£84,000		

Audited accounts:	31/03/11	Dividend income:	-	
Turnover:	Unpublished information		Loan note income:	£385
Profit before tax:	Unpublished information		Proportion of equity held:	4.1%
Net assets:	£1.0m	Diluted equity:	4.1%	

www.tosseduk.com

Review of Investments - 'D' Share Pool (continued)

Utility Exchange Online Limited



www.utility-exchange.co.uk

Utility Exchange Online provides price comparison services for utilities, including heating and electricity, for small businesses. Unlike the domestic and large corporate markets, the small business market for utility comparison is underserved as a result of its complexity and manually intensive processes. UEO's automated quoting engine will be the first of its kind for business utility price comparison.

Cost:	£234,000	Valuation at 29/02/12:	£234,000	
Investment comprises:		Valuation at 28/02/11:	n/a	
'A' ordinary shares:	£95,000	Valuation method:	Cost as reviewed for impairment	
Loan stock:	£139,000			
Audited accounts:	31/03/11	31/03/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	-
Profit before tax:	Unpublished information		Proportion of equity held:	10.2%
Net liabilities:	£(1.2)m	£(232,000)	Diluted equity:	10.2%

APM Healthcare Limited



APM Healthcare is the holding company of Community Pharmacies (UK) Limited, a provider of integrated pharmacy services. The pharmacies operate at the heart of primary care in partnership with local surgery practices, but with expert support from a central head office.

Cost:	£187,500	Valuation at 29/02/12:	£187,500	
Investment comprises:		Valuation at 28/02/11:	n/a	
'A' ordinary shares:	£57,500	Valuation method:	Cost as reviewed for impairment	
Loan stock:	£130,000			
Audited accounts:	31/03/11	31/03/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£12,224
Profit before tax:	Unpublished information		Proportion of equity held:	5.0%
Net assets::	£ Nil	£2,000	Diluted equity:	5.0%

Speed-Trap Holdings Limited



www.speed-trap.com

Speed-Trap is a software company providing enterprise and SaaS solutions which allows corporate digital platform owners to capture, analyse and interpret digital interactions with users of their platforms. The software also allows the customer to make real time decisions and to take proactive actions in response to this information via the digital platform.

Cost:	£300,000	Valuation at 29/02/12:	£183,000	
Investment comprises:		Valuation at 28/02/11:	£300,000	
Ordinary shares:	£116,000	Valuation method:	Price of recent investment with provision	
Loan stock:	£184,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	-	-	Loan note income:	£10,125
Loss before tax:	£(72,000)	-	Proportion of equity held:	3.1%
Net assets:	£4.8m	£4.0m	Diluted equity:	3.1%

Cinergy International Limited



www.cinergize.com

Cinergy provides competitive intelligence for MNOs and MNVOs regarding mobile deals available in the market as well as price comparison services for mobile phone packages for consumers.

Cost:	£115,000	Valuation at 29/02/12:	£112,000	
Investment comprises:		Valuation at 28/02/11:	£115,000	
Ordinary shares:	£12,000	Valuation method:	Revenue multiple	
Loan stock:	£103,000			
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	£1.2m	£784,000	Loan note income:	-
Loss before tax:	£(148,000)	£(98,000)	Proportion of equity held:	0.3%
Net liabilities:	£(117,000)	£(47,000)	Diluted equity:	0.3%

Fjordnet Limited



www.fjordnet.com

Fjord is an established digital design agency working across many sectors including telecommunications, media, finance and healthcare. It has worked on market leading flagship projects - including projects for the BBC, Nokia, Orange, Swisscom and Yahoo!. It was instrumental in bringing the hugely successful award-winning BBC iPlayer to mobile. The company has offices in London, Helsinki, Berlin, Paris, Madrid, Stockholm New York and San Francisco.

Cost:	£276,000	Valuation at 29/02/12:	£102,000	
Investment comprises:		Valuation at 28/02/11:	£186,000	
'A' ordinary shares:	£276,000	Valuation method:	Earnings multiple	
Audited accounts:	31/12/10	31/12/09	Dividend income:	-
Turnover:	£15.3m	£11.9m	Loan note income:	n/a
Profit before tax:	£1.1m	£1.4m	Proportion of equity held:	1.9%
Net assets:	£3.9m	£3.4m	Diluted equity:	1.2%

Senselogix Limited



www.senselogix.com

Senselogix™ is an award winning provider of energy reduction systems for the buildings market. Senselogix deliver robust, intuitive hardware and software solutions designed to measure and manage electricity in commercial businesses, public sector, education and other office based environments, to eliminate electrical waste.

Cost:	£138,000	Valuation at 29/02/12:	-	
Investment comprises:		Valuation at 28/02/11:	£69,000	
Ordinary shares:	£138,000	Valuation method:	Full provision	
Audited accounts:	31/03/11	31/03/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	n/a
Profit before tax:	Unpublished information		Proportion of equity held:	6.1%
Net assets:	£170,000	£22,000	Diluted equity:	6.1%

References to the latest accounts refer to the latest annual report and accounts published by the investee company following the date of investment by ProVen VCT plc.

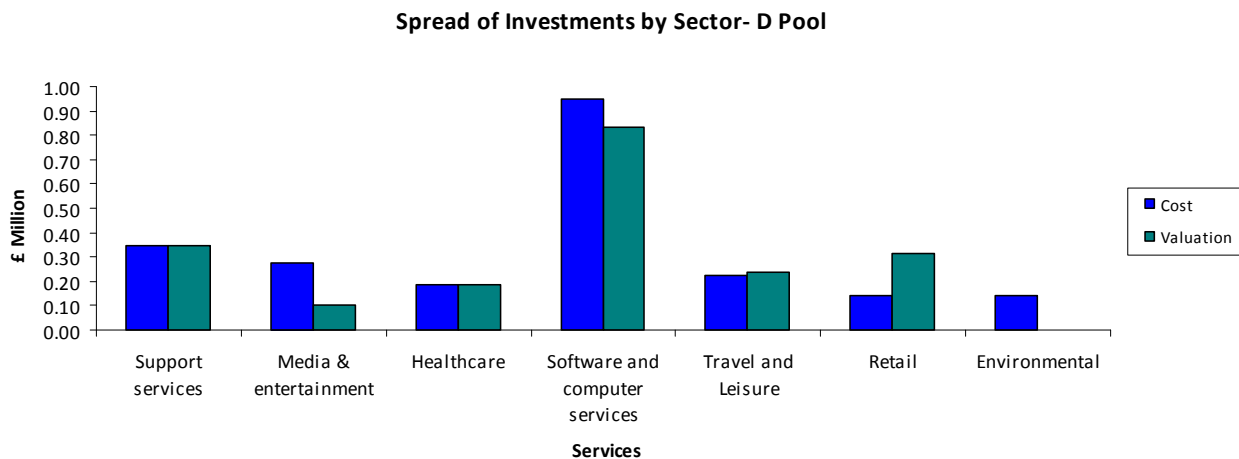
Portfolio company financial information is based on publicly available information filed at Companies House in the UK (or equivalent locations in overseas jurisdictions). Certain information may not be required to be filed, dependent, for example, on the company's size, and, in the interests of portfolio company confidentiality, is not disclosed here.

The proportion of equity held in each investment also represents the level of voting rights held by the Company in respect of the investment.

Review of Investments - 'D' Share Pool (continued)

Analysis of investments by commercial sector

The split of the 'D' Share pool venture capital investments by commercial sector (by value and cost at 29 February 2012) is summarised as follows:



Analysis of investments by investment type

At 29 February 2012, the 'D' Share pool assets employed were broadly in line with the targets within the investment policy. These are summarised as follows:

Type of investment (by fair value)

VCT qualifying investments	24%
Non-qualifying investments (including cash at bank and liquidity funds)	76%
	100%

Board of Directors

Andrew Davison FCA, Chairman

Andrew has over 30 years' experience of the financial services industry. He was formerly Managing Director of NatWest Ventures, which specialised in venture capital investments, and is a former council member of the British Venture Capital Association. He is the Chairman of City of London Investment Group plc and a director of Downing Income 3 VCT plc and several other unquoted companies.

Barry Dean FCA

Barry has over 25 years' experience in the venture capital industry, including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a director of Henderson Private Equity Investment Trust plc, Downing Absolute Income VCT 2 plc and Elderstreet VCT plc. He is also an Advisory Committee Member for Parallel Private Equity LLP and a member of the Investment Committee of Beamreach Capital LLP.

Malcolm Moss

Malcolm is a Senior Managing Director of Beringea LLC and a founder of Beringea LLP. Over the last 20 years he has been responsible for the growth, development and management of the private equity business of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc, ProVen Growth & Income VCT plc and ProVen Planned Exit VCT plc, he sits on the investment committees of Beringea's three other venture capital funds and as a non-executive director on several other portfolio investments. Prior to founding Beringea, Malcolm gained Europe-wide industrial, planning and analytical experience in healthcare, engineering and financial services with, respectively, Baxter International, Uniroyal Inc. and Lloyds TSB Group.

All the Directors are non-executive and, with the exception of Malcolm Moss, are considered by the Board to be independent of the Investment Manager as the Board considers that each of them has suitable experience to be able to exercise proper judgement.

Directors' Report and Business Review

The Directors present the Annual Report and Accounts of the Company for the year ended 29 February 2012.

Principal activity and status

The principal activity of the Company is that of a venture capital trust. It has been approved by HM Revenue and Customs ("HMRC") as a venture capital trust in accordance with Part 6 of the Income Tax Act 2007, and in the opinion of the Directors the Company has conducted its affairs so as to enable it to continue to maintain approval. Approval for the year ended 29 February 2012 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

The Directors consider that the Company was not, at any time, up to the date of this report, a close company within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

The Company has no employees (other than the Directors). The same was true of the previous year.

Business review and developments

The Company's business review and developments during the year are reviewed in the Chairman's Statement and the Investment Manager's Review.

The total running costs of the Company exceeded revenue arising from the investments held (including cash at bank and liquidity funds) by £730,000. The total expense ratio (excluding performance fees, recoverable VAT and provision for loan stock interest) in respect of the year ended 29 February 2012, compared to net assets at the year end, was 2.7% (2011: 2.6%).

Results and dividends

	£'000	Pence per share
Return on ordinary activities after tax for the year ended 29 February 2012 split as:		
Ordinary Shares	291	1.1p
'C' Shares	1,523	10.5p
'D' Shares	(299)	(3.6p)
	<u>1,515</u>	

During the year ended 29 February 2012, the Company paid a final dividend of 6.25p per Ordinary Share (2011: 8.0p) in respect of the year ended 28 February 2011 and paid a further interim dividend of 6.25p per Ordinary Share in respect of the year ended 29 February 2012. No dividends were paid by the 'C' or 'D' Share pools.

No further dividends have been declared or proposed in respect of any of the share classes.

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary Shares, 'C' Shares, and 'D' Shares of the Company, at 28 February 2011, 29 February 2012 and the date of this report were as follows:

Director		At the date of this report	29 Feb 2012	28 Feb 2011
Andrew Davison	Ords	33,331	33,331	11,908
	'C' Shares	9,335	9,335	9,335
	'D' Shares	2,637	2,637	2,637
Barry Dean	Ordinary Shares	20,792	-	-
	'C' Shares	10,300	10,300	10,300
Malcolm Moss	'D' Shares	3,165	3,165	3,165

In view of developments in corporate governance practice, the Board has decided that all Directors will retire at each Annual General Meeting. Accordingly all the Directors will retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-election. The Board recommends that Shareholders take into consideration each Director's considerable experience in VCTs and other areas, as shown in their respective biographies on page 26 together with the satisfactory results for the period, in order to support the resolutions to re-appoint all three Directors.

Each of the Directors has an agreed letter of appointment which is terminable by three months' notice on either side. To the extent permitted under the Companies Act 2006, the Company indemnifies each of the Directors against all costs, charges, losses, expenses and liabilities which might arise in the execution of their duties, save for certain exceptions. Each Director is required to devote such time to the affairs of the Company as the Board requires.

At the last AGM on 24 August 2011, Directors were granted the authority to make market purchases of up to 14.9% of the issued share capital of the Company, to disapply pre-emption rights and allot up to a maximum nominal amount of £2,200,000 Ordinary Shares, £362,495 'C' Shares and £8,270 'D' Shares. The authority to make market purchases was used as described on page 32.

Investment policy

The Company's investment policy covers several areas as follows:

Qualifying investments

The Company seeks to make investments in VCT Qualifying companies with the following characteristics:

- a strong, balanced and well-motivated management team with a proven track record of achievement;
- a defensible market position;
- good growth potential;
- an attractive entry price for the Company;
- the ability to structure the investment with a proportion of secured loan notes in order to reduce risk; and
- a clearly identified route for a profitable realisation within a three-four year period.

The Company invests in companies at various stages of development, including those requiring capital for expansion and in management buy-outs, but not in start-ups. Investments are spread across a range of different sectors.

In respect of the 'C' Share pool only, it is intended that at least 90% of the pool's qualifying investments (by cost) will be in unquoted companies, with up to 10% being in companies quoted on AIM. Also in respect of the 'C' Share pool only, approximately 75% of the pool's VCT qualifying investments (by cost) will be made into companies in a broad range of sectors, with the remainder being in a range of different companies in the media industry.

In respect of the 'D' Share pool only, it is intended that 75% of the funds raised under the first 'D' Share Linked offer are invested in qualifying investments and that by 28 February 2013, 75% of the funds raised under the second 'D' Share Linked offer will also be invested in qualifying investments.

Other investments

Funds not invested in qualifying investments will be held in cash, liquidity funds, fixed interest securities of A- rating or better or in investments originated in line with the Company's qualifying VCT policy but which do not qualify under the VCT rules for technical reasons.

Directors' Report and Business Review (continued)

Venture capital trust regulations

In continuing to maintain its VCT status, the Company complies with a number of regulations as set out in Part 6 of the Income Tax Act 2007. How the main regulations apply to the Company is summarised as follows:

1. The Company holds at least 70% of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);
2. At least 30% (70% in respect of funds raised after 5 April 2011) of the Company's qualifying investments (by value) are held in "eligible shares" – ("eligible shares" generally being ordinary share capital);
3. At least 10% of each investment in a qualifying company is held in "eligible shares" (by cost at time of investment);
4. No investment constitutes more than 15% of the Company's total investments (by value at time of investment);
5. The Company's income for each financial year is derived wholly or mainly from shares and securities;
6. The Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained; and
7. A maximum unit size of £1 million in each VCT qualifying investment per tax year (in respect of funds raised prior to 6 April 2012)

Borrowings

It is not the Company's intention to have any borrowings. The Company does, however, have the ability to borrow a maximum amount effectively equal to the sum of its share capital and reserves, which is currently equal to £36 million. There are no plans to utilise this facility at the current time.

Environmental and social policy

The Board seeks to conduct the Company's affairs responsibly and considers relevant social and environmental matters where appropriate.

Investment management and administration fees

Beringea LLP ("Beringea") provides investment management services to the Company for an annual fee of 2.0% of the Ordinary Share net assets, 'C' Share net assets and the 'D' Share net assets per annum. Beringea is also entitled to receive performance incentive fees as described further below. The investment management agreement is terminable by either party at any time by one year's prior written notice.

The Board is satisfied with Beringea's approach and procedures in providing investment management services to the Company. The Directors have therefore concluded that the continuing appointment of Beringea LLP as investment manager remains in the best interests of Shareholders.

In June 2011, Downing Management Services Limited ("DMS") transferred its business to a limited liability partnership, Downing LLP, and the Company's Administration Agreement with DMS was novated to Downing LLP. The terms of the agreement, and services provided by Downing LLP are identical to those provided under the original agreement. Downing LLP provides administration services to the Company for a fee of £43,000 (plus VAT & RPI adjustment) per annum.

The annual running costs (excluding any performance fees payable) of the Company, for the year, are subject to a cap of 3.25% of the Company's net assets. Any running costs in excess of this are borne by Beringea LLP.

Performance incentive fees

Ordinary Shares

Beringea and Downing LLP are entitled to receive performance incentive fees in relation to the Ordinary Shares for each financial year between 1 March 2006 and 29 February 2012 which are calculated as follows:

- 33 per cent. of the cumulative dividends paid in relation to a relevant financial year starting on or after 1 March 2006 over and above 3 pence per Ordinary Share per annum but less than 6 pence per Ordinary Share per annum; plus
- 20 per cent. of the cumulative dividends paid in excess of 6 pence per Ordinary Share per annum, less the cumulative amount of any performance incentive fee previously paid in relation to the financial years starting on or after 1 March 2006. Of the total performance incentive fee, 91% is payable to Beringea LLP and 9% is payable to Downing LLP.

The payment is inclusive of VAT (if applicable) and is conditional on the Performance Value (being Net Asset Value per share plus dividends paid) being at least 130 pence per Ordinary Share. Dividend payments will be disregarded in calculating the performance fee to the extent that they exceed cumulative gross realised capital gains and net income. The amount paid in relation to any one financial year pursuant to the performance incentive fee cannot exceed 20% of the dividends paid to holders of Ordinary Shares in relation to that year.

For the financial years starting after 29 February 2012, a performance incentive fee will be payable in relation to the Ordinary Shares if, at the end of a financial year, the New Performance Value exceeds the Hurdle using the definitions below. In this event the performance incentive fee will be equal to 20% of the amount by which the New Performance Value exceeds the Initial Net Asset Value, multiplied by the average number of Ordinary Shares in issue during the relevant financial year, less the amount of any performance incentive fee already paid in relation to previous financial years starting after 29 February 2012 (which will not include, for the avoidance of doubt, the residual performance incentive fee arrangements in respect of Espresso Group Limited and Think Limited as described below).

New Performance Value: In respect of the relevant financial year end, the sum of (i) the net asset value per Ordinary Share at that date, (ii) all dividends per Ordinary Share paid in relation to financial years starting after 29 February 2012 up to the relevant financial year, (iii) all performance related incentive fees per Ordinary Share paid by the Company to the Manager in relation to financial years starting after 29 February 2012, (iv) any C Share Adjustment (whether relating to that or any prior financial year), and (v) any Residual PIF Adjustment (whether relating to that or any prior financial year)

Hurdle: The greater of:

- (i) 1.25 times the Initial Net Asset Value, and
- (ii) the Initial Net Asset Value increased, as from 31 August 2011, by the Bank of England base rate plus 1% per annum (compound)

Residual PIF Adjustment: The performance incentive fee relating to the sale of Espresso Group Limited and Think Limited, as set out below ("Residual PIF"), divided by the number of Ordinary Shares in issue on 31 August 2011, assuming that the number of Ordinary Shares in issue on 31 August 2011 included the New Ordinary Shares subsequently issued under the Ordinary Share offer for subscription launched on 8 December 2012 or (b) if the 'C' Share Conversion has not taken place, the Residual PIF divided by the Pro-Forma Number of Ordinary Shares Ordinary Shares, 'C' Shares and/or 'D' Shares, as the context permit

In consideration of the Manager's performance in managing the Original Ordinary Share Portfolio, a performance incentive fee linked to the profit achieved on the future disposal of two investments from this portfolio, Espresso Group Limited and Think Limited, will be payable, known as the "Residual PIF". This performance incentive fee will be equal to 20% of the aggregate profit realised on the sale of Espresso Group Limited and Think Limited, subject to a maximum fee of £673,000 (being 20% of the aggregate unrealised profit on these investments as at 31 August 2011).

If, after 29 February 2012, the New Performance Value is less than or equal to the Hurdle in any financial year, no performance incentive fee will be payable in respect of that financial year.

Directors' Report and Business Review (continued)

Performance incentive fees (continued)

The new performance incentive fee per Ordinary Share payable in relation to a financial year will be reduced, if necessary, to ensure that (i) the cumulative new performance incentive fee per Ordinary Share payable in relation to financial years starting after 29 February 2012 does not exceed 20% of Cumulative Dividends per Ordinary Share paid in relation to those financial years and (ii) the New Total Return per Ordinary Share is at least equal to the Hurdle.

The new performance incentive arrangements will apply to all Ordinary Shares in issue, including any Ordinary Shares issued pursuant to the conversion of 'C' Shares into Ordinary Shares, which is expected to take place in October 2012. All fees paid under the new performance incentive arrangements will be inclusive of VAT, if applicable. The Manager will receive 91% of all fees paid under the new performance incentive arrangements and Downing LLP will receive 9%.

The performance fees payable in respect of Ordinary Shares for the year under review were £529,000 (2011: £327,000) to Beringea and £53,000 (2011: £33,000) to Downing LLP. No such fees were paid in respect of the 'C' Shares in the year under review or in the prior year.

'C' Shares

Beringea is entitled to receive performance incentive fees in respect of the 'C' Shares. These are first calculated in relation to the financial year starting on 1 March 2012 and provided that:

- (i) the Company has returned to holders of 'C' Shares who subscribed under the 'C' Share prospectus in aggregate an amount equal to 25p per £1 so subscribed; and
- (ii) the sum of the net asset value per 'C' Share plus distributions per 'C' Share paid since launch exceeds 130p,

an annual performance incentive fee (inclusive of VAT if applicable) is payable, equal to:

- (i) 33% of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2010 over and above 3p per 'C' Share per annum but less than 6p per 'C' Share per annum; plus
- (ii) 20% of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2010 in excess of 6p per 'C' Share per annum,

less the cumulative amount of any incentive fee previously paid to the Investment Manager.

No such fees were paid in respect of the 'C' Shares in the year under review or in the prior year.

'D' Shares

Beringea is entitled to receive performance incentive fees in respect of the 'D' Shares. These are first calculated in relation to the financial year starting on 1 March 2012 and provided that:

- (i) the Company has returned to holders of 'D' Shares who subscribed under the 'D' Share prospectus in aggregate an amount equal to 25p per £1 so subscribed; and
- (ii) the sum of the net asset value per 'D' Share plus distributions per 'D' Share paid since launch exceeds 130p,

an annual performance incentive fee (inclusive of VAT if applicable) is payable, equal to:

- (i) 33% of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 over and above 3p per 'D' Share per annum but less than 6p per 'D' Share per annum; plus
- (ii) 20% of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2012 in excess of 6p per 'D' Share per annum,

less the cumulative amount of any incentive fee previously paid to the Investment Manager.

No such fees were paid in respect of the 'D' Shares in the year under review or in the prior year.

VCT status

The Company has retained PricewaterhouseCoopers LLP (“PwC”) to advise it on compliance with VCT requirements, including evaluation of investment opportunities as appropriate, and regular review of the portfolio. Although PwC works closely with the Investment Manager and Administration Manager, they report directly to the Board.

Compliance with the main VCT regulations as at 29 February 2012 and for the year then ended is summarised as follows:

- | | | |
|----|--|----------|
| 1. | 70% of its investments in qualifying companies | 76.8% |
| 2. | At least 30% of the Company’s qualifying investments in “eligible shares” | 46.6% |
| 3. | At least 10% of each investment held in “eligible shares” | Complied |
| 4. | No investment constitutes more than 15% of the Company’s portfolio | Complied |
| 5. | Income is derived wholly or mainly from shares and securities | 97.0% |
| 6. | No more than 15% of the income from shares and securities is retained | 4.7% |
| 7. | A maximum unit size of £1 million in each VCT qualifying investment (per tax year) | Complied |

Share capital

The Company has three classes of shares: Ordinary Shares of 5p each (“Ordinary Shares”), ‘C’ Shares of 25p each (“‘C’ Shares”) and ‘D’ shares of 1p each (“‘D’ Shares”). Each share class has a separate pool of assets attributable to it, with each class bearing a proportion of the running costs of the Company. Ordinary Shares, ‘C’ Shares and ‘D’ Shares rank pari passu with each other in terms of voting and other rights. The proportion of the Company’s net assets attributable to the Ordinary Shares, ‘C’ Shares and ‘D’ Shares are 45.9%, 34.6% and 19.5% respectively.

At the 2011 AGM, Shareholders authorised the Company to make market purchases of its own shares of up to 14.9% of the share capital in issue at that date and to waive pre-emption rights and issue up to 44,000,000 Ordinary Shares, 1,449,980 ‘C’ Shares and 827,000 ‘D’ Shares.

Between 5 April 2011 and 6 May 2011, 2,519,590 Ordinary Shares with an aggregate nominal value of £125,980 were issued at 61p per share pursuant to the top-up offer for subscription dated 11 January 2011. The aggregate consideration for the shares was £1,494,150 which excluded share issue costs of £84,000.

On 9 February 2012, 10,363 Ordinary Shares with an aggregate nominal value of £518 were issued at 47.7p per share pursuant to the dividend reinvestment scheme. The aggregate consideration for the shares was £5,000 which excluded share issue costs of £nil.

On 15 February 2012, 631,318 Ordinary Shares with an aggregate nominal value of £31,565 were issued at 50.5p per share pursuant to the offer for subscription dated 8 December 2011. The aggregate consideration for the shares was £313,000 which excluded share issue costs of £17,000.

In accordance with the Company’s policy as discussed in the Chairman’s Statement, during the year, the Company repurchased 995,887 Ordinary Shares with an aggregate nominal value of £50,000, being 3.95% of the Ordinary Share capital. The Ordinary Shares were repurchased for an average consideration of 48.4p per share and an aggregate consideration of £483,000. The Company also repurchased 100,719 ‘C’ Shares with an aggregate nominal value of £25,180, being 0.69% of the ‘C’ Share capital. The ‘C’ Shares were repurchased for an average consideration of 70.4p per share and an aggregate consideration of £71,000. In addition, the Company repurchased 20,510 ‘D’ Shares with an aggregate nominal value of £205, being 0.25% of the ‘D’ Share capital. The ‘D’ Shares were repurchased for an average consideration of 85.1p per share and an aggregate consideration of £18,000. All shares repurchased were subsequently cancelled.

Between 1 March 2012 and 31 May 2012, 21,598,138 Ordinary Shares with an aggregate nominal value of £1,079,907 were issued at 50.5p per share pursuant to the offer for subscription dated 8 December 2011. The aggregate consideration for the shares was £10.9 million, share issue costs thereon were £600,000.

Directors' Report and Business Review (continued)

Creditor payment policy

The Company's payment policy is to pay creditors within thirty days of receipt of an invoice except where other terms have been agreed. Trade creditors of the Company at the year end amounted to £nil (2011: £nil).

Key performance indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in meeting its investment objectives (as shown on page 1). The Board believes the Company's key performance indicators are Net Asset Value Total Return (NAV plus cumulative dividends paid to date) and dividends per share (see page 2).

In addition, the Board considers the Company's performance in relation to other VCTs.

Principal risks and uncertainties

The principal financial risks faced by the Company, which include market price risk, interest rate risk, credit risk and liquidity risk (being minimal), are summarised within note 19 to the financial statements.

In addition to these risks, the Company, as a fully listed Company on the London Stock Exchange and as a Venture Capital Trust, operates in a complex regulatory environment and, therefore, faces a number of related risks. A breach of the VCT Regulations could result in the loss of VCT status and consequent loss of tax reliefs currently available to Shareholders and the Company being subject to capital gains tax. Serious breaches of other regulations, such as the Listing rules of the Financial Services Authority and the Companies Act 2006, could lead to suspension from the Stock Exchange and damage to the Company's reputation.

The Board reviews and agrees policies for managing each of these risks. The Directors receive quarterly reports from the Managers which monitor the compliance of these risks, and place reliance on the Managers to give updates in the intervening periods. These policies have remained unchanged since the beginning of the financial year.

Auditor

Deloitte LLP resigned as auditor to the Company in March 2012. The Board appointed PKF (UK) LLP as the Company's auditor with effect from March 2012. A resolution to re-appoint PKF (UK) LLP as the Company's auditor will be proposed at the forthcoming AGM.

Amended Articles of Association

The Company is proposing to amend the current Articles of Association as follows:

- making amendments to deal with the Ordinary Share consolidation;
- amending the definition of "Conversion Ratio";
- amending Article 180, which will allow the Company to increase and decrease the issued share capital by obtaining approval at a General Meeting of Shareholders, and remove the requirement for approval at individual class meetings of each share class.

Annual General Meeting

The Annual General Meeting will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11:00 a.m. on 21 August 2012.

Separate Share Class Meetings for holders of Ordinary Shares, 'C' Shares and 'D' Shares will be held at The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ on 21 August 2012 at the following times:

Share class meeting	Start time
Ordinary Shares	11:05 a.m.
'C' Shares	11:10 a.m.
'D' Shares	11:15 a.m.

Notices of the Annual General Meeting and Class Meetings are at the end of this document.

Substantial interests

As at 29 February 2012, and at the date of this report, the Company was not aware of any beneficial interest exceeding 3% of the issued share capital.

Future developments

The Directors do not foresee any major changes in the activity undertaken by the Company in the coming year. The Company continues with its objective to invest in unquoted companies throughout the United Kingdom with a view to minimising the risks of investment and providing both capital growth and dividend income to Shareholders over the long term whilst maintaining VCT qualifying status. In the Chairman's Statement on page 4, the Company has announced plans to convert the 'C' Shares and 'D' Shares into new Ordinary Shares such that the Company will ultimately, subject to Shareholder approval, have one share class.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the annual report includes information required by the Listing Rules of the Financial Services Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to 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 requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information relating to the Company included on the Managers' websites. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Directors' Report and Business Review (continued)

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on page 26, confirms that to the best of each person's knowledge:

- that the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- that the management report included within the Directors' Report and Business Review, Chairman's Statement, Investment Manager's Review and Review of Investments includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Electronic publication

The financial statements are published on www.provenvcts.co.uk (maintained by the Investment Manager) and also on www.downing.co.uk.

Corporate governance

The Company's compliance with, and departures from, the Financial Reporting Council's UK Corporate Governance Code (www.frc.org.uk) is shown on pages 36 to 39.

The Corporate Governance Statement describes how the principles and supporting principles within the UK Corporate Governance Code, published in May 2010, have been applied by the Company throughout the year ended 29 February 2012, except where disclosed within the Corporate Governance Statement.

Statement as to disclosure of information to the Auditor

The Directors in office at the date of the report have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

Grant Whitehouse

Secretary
39 Earlham Street
London WC2H 9LT

25 June 2012

Statement of Corporate Governance

The Directors support the relevant principles of the UK Corporate Governance Code issued in June 2010, being the principles of good governance and the code of best practice, as set out in the UK Corporate Governance Code.

Application of the Principles of the Code

The Board attaches importance to matters set out in the UK Corporate Governance Code and its principles. However, as a venture capital trust company, most of the Company's day to day responsibilities are delegated to third parties and the Directors are all non-executive.

The Board

The Company has a Board comprising three non-executive Directors. The Chairman and senior Director is Andrew Davison. Andrew Davison and Barry Dean are considered to be independent Directors by the Board. Biographical details of all Board members (including the significant commitments of the Chairman) are shown on page 26.

In accordance with Company policy all of the Directors will resign at the forthcoming AGM and , being eligible, offer themselves for re-election.

Full Board meetings take place quarterly and the Board meets more regularly to address specific issues, including considering recommendations from the Investment Manager, and reviews, periodically, the terms of engagement of all third party advisers (including the Investment Manager and Administration Manager). The Board has a formal schedule of matters specifically reserved for its decision.

The following table sets out the Directors' attendance at full Board and Committee meetings held during the year ended 29 February 2012.

Director	Board meetings		Audit Committee meetings		Remuneration Committee meetings	
	held	attended	held	attended	held	Attended
Andrew Davison	4	4	1	1	1	1
Barry Dean	4	4	1	1	1	1
Malcolm Moss	4	4	-	-	-	-

The Board has also established procedures whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice at the Company's expense.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

The Board has not appointed a nomination committee as it considers itself to be small and it comprises wholly non-executive Directors. Appointments of new Directors are dealt with by the full Board.

Board performance evaluation

An evaluation of the performance of the Board, each of its Committees and of the non-executive Directors was conducted using a series of questionnaires. A broad range of standard topics was covered, including the programme of regular Board or Committee business, Board behaviours and strategy. Different questions were used for assessing the skills and contributions of each of the Chairman and non-executive Directors. The survey will be updated each year, including the approach to risk, Board training and Directors' ability to provide effective challenge.

Statement of Corporate Governance (continued)

Board performance evaluation (continued)

The Board considered whether to introduce an external facilitator to manage the evaluation. However, it concluded that the Company Secretary was well placed to devise updated questions that are relevant and appropriate to the Company and that, having attended Board and Committee meetings throughout the year, he and the Chairman would also understand and ensure a full and frank discussion around any concerns raised.

The Chairman has reviewed the results of the questionnaire and followed up relevant matters with each Director. The outcome of the 2012 Board review has confirmed that the Directors consider the Board to have a good balance of skills and to be working well.

Remuneration Committee

The Board has appointed a Remuneration Committee comprising all Directors and chaired by Andrew Davison. The Committee generally meets once a year and at other times as required and has specific terms of reference in order to fulfil its duties in respect of matters relating to remuneration.

Audit Committee

The Company has an Audit Committee chaired by Barry Dean and also comprising Andrew Davison. This Committee has defined terms of reference and duties. The Committee met once during the year with all members being in attendance. Each of the members of the Audit Committee has recent and relevant financial experience as evidenced by their biographies on page 26.

The Audit Committee is responsible for reviewing the annual accounts before they are presented to the Board, and normally will also review the half yearly accounts. It is also responsible for reviewing the terms of appointment of the Auditor, together with their remuneration, as well as a full review of the effectiveness of the Company's internal control and risk management systems.

Any non-audit services provided by the Auditor are reviewed and approved by the Committee prior to being undertaken to ensure that auditor objectivity and independence is safeguarded. During the year, in addition to the audit, PKF (UK) LLP provided corporation tax compliance services on behalf of the Company. The Committee considers that PKF (UK) LLP is well placed to provide this service given the knowledge gained from the work undertaken during the audit of the Company.

As part of its annual review procedures, the Committee has obtained sufficient assurance from their own evaluation, the audit feedback documentation and from correspondence and discussions with the engagement partner of PKF (UK) LLP. Based on the assurance obtained, the Committee is satisfied with the performance of the current Auditor and recommends to Shareholders that they be re-appointed as Auditor for the forthcoming year.

As the Company has had no staff, other than Directors, there are no procedures in place in respect of C3.4 of the UK Corporate Governance Code.

Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by Shareholders during the course of the year, or to meet with major Shareholders if so requested. A shareholder presentation for all ProVen VCTs is also held each year and Shareholders are invited to attend.

In addition to the formal business of the AGM, representatives of the management team and the Board are available to answer any questions a Shareholder may have.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Administration Manager or the Investment Manager collates proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the UK Corporate Governance Code, proxy votes are announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The notice of the next AGM and proxy form can be found at the end of the Annual Report and accounts.

The terms of reference of the Audit and Remuneration Committees and terms and conditions of appointment of non-executive Directors are available to Shareholders upon request.

Financial reporting

The Directors' statement of responsibilities for preparing the accounts is set out in the Directors' Report on page 34 and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's Report on page 43.

Internal control

The Board has adopted an Internal Control Manual ("Manual") for which they are responsible, which has been compiled to comply with the UK Corporate Governance. The Manual is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, which it achieves by detailing the perceived risks and controls in place to mitigate them. The Board reviews the perceived risks in line with relevant guidance on an annual basis and implements additional controls as appropriate.

The Board is responsible for ensuring that the procedures to be followed by the advisers and themselves are in place, and reviews the effectiveness of the Manual, based on the report from the Audit Committee, on an annual basis to ensure that the controls remain relevant and were in operation throughout the year. The Board did not undertake a formal review of the Manual during the year ended 29 February 2012 but has reviewed it since the year end.

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company to the following advisers:

Investment management
Administration

Beringea LLP
Downing LLP

Share capital

The rights and obligations attaching to the Company's shares, including the power of the Company to buy back shares and details of any significant Shareholders, are set out on pages 4 and 5 of the Chairman's Statement and page 32 and 34 of the Directors' Report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement on page 3, the Investment Manager's Review on page 7 and the Directors' Report and Business Review on page 27. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Balance Sheet on page 48, the Cash Flow Statement on page 49 and the Directors' Report on page 27. In addition, notes 14 and 19 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources both at the year end and at the date of this report, and holds a diversified portfolio of investments. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of Corporate Governance (continued)

Compliance statement

The Listing Rules require the Board to report on compliance with the fifty-two UK Corporate Governance Code provisions throughout the accounting period. With the exception of the limited items outlined below, the Company has complied throughout the accounting year ended 29 February 2012 with the provisions set out in Section 1 of the UK Corporate Governance Code:

- a) New Directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise. Also the Company has no major Shareholders so Shareholders are not given the opportunity to meet any new non-executive Directors at a specific meeting other than at the Annual General Meeting. (B.4.1, B.4.2,E.1.1)
- b) The Directors do not have service contracts in place (B.2.3). The Directors have agreed letters of appointment in place with a three month notice period
- c) Due to the size of the Board, the Company does not have a formal nomination committee. Relevant matters were dealt with by the full Board. (B.2.1)
- d) As the Company has had no staff, other than Directors, there are no procedures in place relating to whistleblowing. (C.3.4)
- e) Due to the size of the Company, the Audit Committee have concluded that an internal audit function is not appropriate. (C.3.5)

By order of the Board

Grant Whitehouse

Secretary
39 Earlham Street
London WC2H 9LT

25 June 2012

Directors' Remuneration Report

The Board and Remuneration Committee have prepared this report, in accordance with the requirements of the Companies Act 2006. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 21 August 2012.

Under the requirements of Section 497, the Company's Auditor is required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Independent Auditor's Report on page 43.

Remuneration Committee

The Remuneration Committee comprises all members of the Board and is chaired by Andrew Davison.

Directors' remuneration policy

Directors' remuneration is calculated in accordance with the Company's Articles of Association as follows:

- The Directors shall be paid out of the funds of the Company by way of fees for their services, an aggregate sum not exceeding £100,000 per annum. The Directors shall also receive by way of additional fees such further sums (if any) as the Company in General Meeting may from time to time determine. Such fees and additional fees shall be divided among the Directors in such proportion and manner as they may determine and in default of determination equally.
- The Directors shall be entitled to be repaid all reasonable travel, hotel and other expenses incurred by them respectively in the performance of their duties as Directors including any expenses incurred in attending meetings of the Board or of Committees of the Board or General Meetings and if, in the opinion of the Directors, it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid reasonable additional remuneration and expenses as the Directors may from time to time determine.

Directors' remuneration, as shown in the table below, is set at a level designed to reflect the time commitment and high level responsibility borne by the non-executive directors and should be broadly comparable with that paid by similar companies.

Directors' agreements

Each of the Directors has an agreed letter of appointment whereby he is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with his role as a non-executive Director. A three month rolling notice applies.

Directors' remuneration (audited)

Directors' remuneration for the year under review was as follows:

	Year ended 28 Feb 2012 £'000	Year ended 28 Feb 2011 £'000
Andrew Davison (Chairman)	30	25
Barry Dean	22	21
Malcolm Moss	15	15
Nicholas Lewis (resigned 24 August 2010)	-	2
	<u>67</u>	<u>63</u>

No other emoluments or pension contributions were paid by the Company to, or on behalf of, any Director. The remuneration levels for the forthcoming year are expected to be at the following rates:

	Annual Rate £'000
Andrew Davison (Chairman)	30
Barry Dean	22
Malcolm Moss	15
	<u>67</u>

Directors' Remuneration Report (continued)

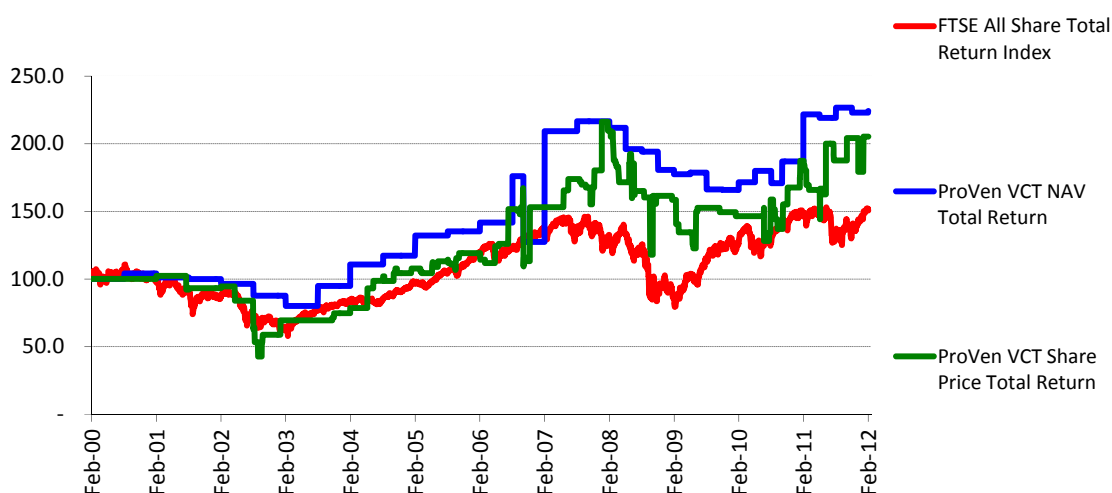
Insurance cover

Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors.

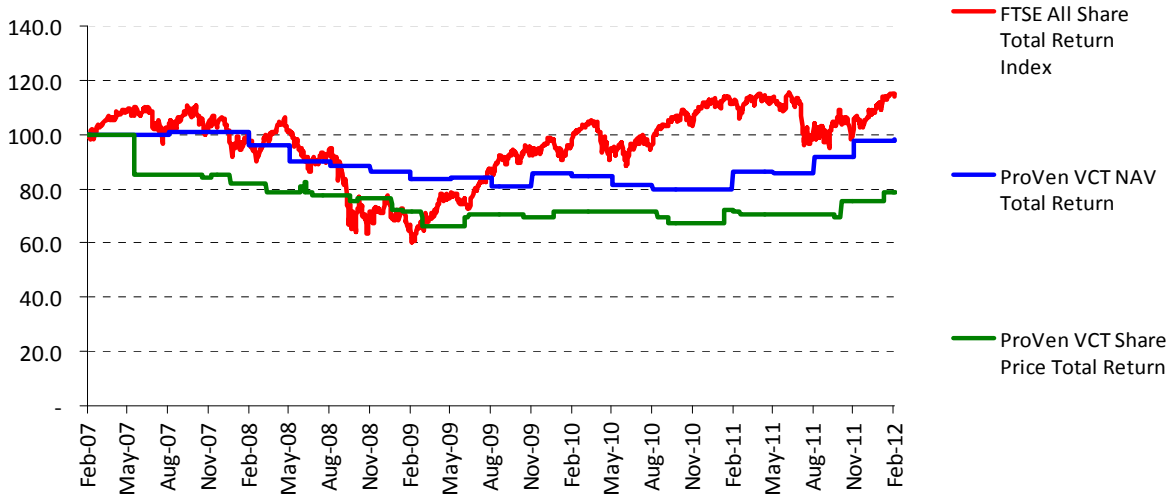
Performance graph

The charts below represent the Company's Ordinary Share, 'C' Share, and 'D' Share performance over the reporting periods since launch of the respective share classes and compares the Net Asset Value Total Return and the Share Price Total Return to a rebased FTSE All Share Total Return Index (source: FTSE International Limited). Net Asset Value Total Return is calculated as Net Asset Value plus dividends and/or capital distributions reinvested in the share class at the Net Asset Value prevailing at the date the dividends/distributions were paid. Share Price Total Return is calculated in a similar way, but reinvesting dividends at the mid-market share price at the date dividends are paid. The FTSE All Share Total Return Index is not considered to be a benchmark for the Company but has been selected as it is considered to be the most relevant publicly available index. All series have been rebased to 100 at the relevant launch dates.

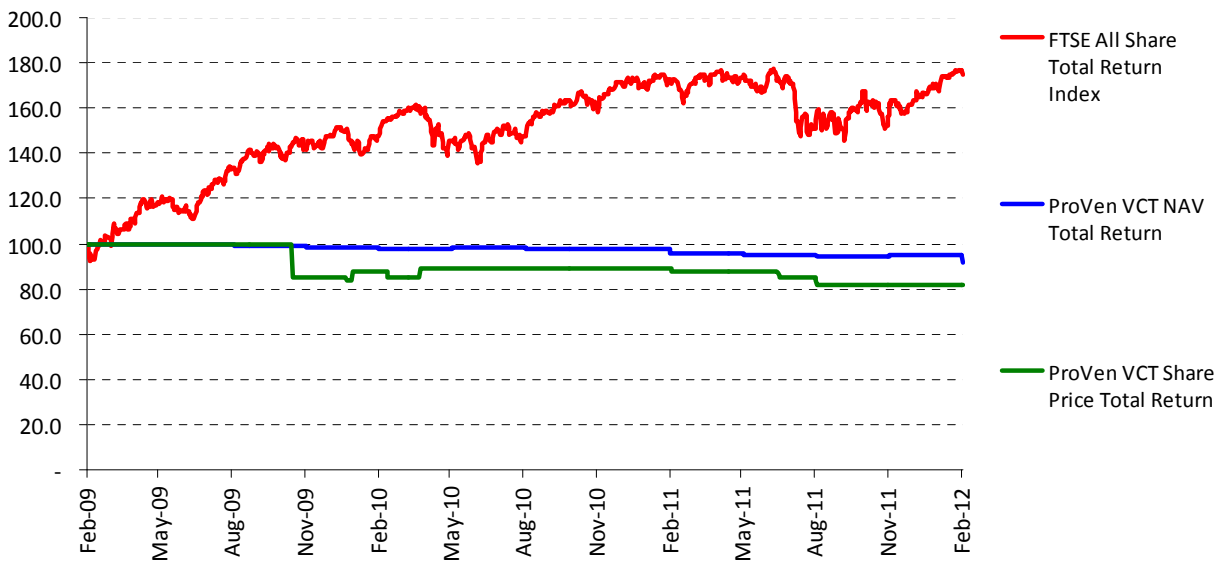
Ordinary Share performance chart



'C' Share performance chart



'D' Share performance chart



By order of the Board

Grant Whitehouse
 Secretary
 39 Earlham Street
 London WC2H 9LT

25 June 2012

Independent Auditor's Report to the Members of ProVen VCT plc

We have audited the financial statements of ProVen VCT plc for the year ended 29 February 2012 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2012 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Statement of Corporate Governance set out on pages 36 to 39 in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the company.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 38, in relation to going concern; and
- the part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on Directors' remuneration.

Rhodri Whitlock (Senior statutory auditor)

for and on behalf of PKF (UK) LLP, Statutory auditor

London, UK

25 June 2012

Income Statement

for the year ended 29 February 2012

Company

	Note	Year ended 29 February 2012			Year ended 28 February 2011		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	844	-	844	831	-	831
Gains on investments	10	-	2,245	2,245	-	3,961	3,961
		844	2,245	3,089	831	3,961	4,792
Investment management fees	3	(177)	(527)	(704)	(160)	(480)	(640)
Performance incentive fees	4	-	(582)	(582)	-	(360)	(360)
Other expenses	5	(288)	-	(288)	(253)	-	(253)
Return on ordinary activities before tax		379	1,136	1,515	418	3,121	3,539
Tax on ordinary activities	7	-	-	-	-	-	-
Return attributable to equity shareholders		379	1,136	1,515	418	3,121	3,539
Basic and diluted return per share:							
Ordinary Share	9	0.8p	0.3p	1.1p	1.8p	12.4p	14.2p
'C' Share	9	1.4p	9.1p	10.5p	(0.0p)	1.3p	1.3p
'D' Share	9	(0.5p)	(3.1p)	(3.6p)	(0.5p)	(2.6p)	(3.1p)

All revenue and capital movements in the year for the Ordinary Shares, 'C' Shares and 'D' Shares relate to continuing operations. No operations were acquired or discontinued during the year. The total column within the Income Statement represents the profit and loss account of the Company, prepared in accordance with the accounting policies detailed in note 1 to the financial statements. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by The Association of Investment Companies.

A Statement of Total Recognised Gains and Losses relating to each class of share has not been prepared as all gains and losses are recognised in the relevant Income Statements in the current and prior year as shown on pages 46 and 47 and above.

Other than revaluation movements arising on investments held at fair value through the Income Statement, there were no differences between return as stated on pages 46 and 47 and above and at historical cost.

The accompanying notes are an integral part of these financial statements.

Income Statement

for the year ended 29 February 2012

Split as:
Ordinary Shares

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	418	-	418	626	-	626
Gains on investments	-	891	891	-	3,709	3,709
	418	891	1,309	626	3,709	4,335
Investment management fees	(79)	(236)	(315)	(70)	(208)	(278)
Performance incentive fees	-	(582)	(582)	-	(360)	(360)
Other expenses	(121)	-	(121)	(96)	-	(96)
Return on ordinary activities before tax	218	73	291	460	3,141	3,601
Tax on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders	218	73	291	460	3,141	3,601

'C' Shares

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	368	-	368	153	-	153
Gains on investments	-	1,501	1,501	-	342	342
	368	1,501	1,869	153	342	495
Investment management fees	(61)	(181)	(242)	(53)	(159)	(212)
Performance incentive fees	-	-	-	-	-	-
Other expenses	(104)	-	(104)	(99)	-	(99)
Return on ordinary activities before tax	203	1,320	1,523	1	183	184
Tax on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders	203	1,320	1,523	1	183	184

The accompanying notes are an integral part of these financial statements.

Income Statement

for the year ended 29 February 2012

'D' Shares

	Year ended 29 February 2012			Year ended 28 February 2011		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	58	-	58	52	-	52
Losses on investments	-	(147)	(147)	-	(90)	(90)
	58	(147)	(89)	52	(90)	(38)
Investment management fees	(37)	(110)	(147)	(37)	(113)	(150)
Performance incentive fees	-	-	-	-	-	-
Other expenses	(63)	-	(63)	(58)	-	(58)
Loss on ordinary activities before tax	(42)	(257)	(299)	(43)	(203)	(246)
Tax on ordinary activities	-	-	-	-	-	-
Loss attributable to equity shareholders	(42)	(257)	(299)	(43)	(203)	(246)

Reconciliation of Movements in Shareholders' Funds

for the year ended 29 February 2012

	Note	Year ended 29 February 2012				Year ended 28 February 2011			
		Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000
Opening shareholders' funds		15,378	11,142	7,446	33,966	12,929	10,996	5,097	29,022
Issue of shares		1,860	-	-	1,860	1,199	-	2,800	3,999
Share issue costs		(101)	-	-	(101)	(66)	-	(154)	(220)
Purchase of own shares		(483)	(71)	(18)	(572)	(249)	(38)	(51)	(338)
Share capital to be issued		3,206			3,206				
Total recognised gains/(losses) for the year		291	1,523	(299)	1,515	3,601	184	(246)	3,539
Distributions	8	(3,440)	-	-	(3,440)	(2,036)	-	-	(2,036)
Closing shareholders' funds		16,711	12,594	7,129	36,434	15,378	11,142	7,446	33,966

The accompanying notes are an integral part of these financial statements.

Balance Sheet

as at 29 February 2012

	Note	29 February 2012				28 February 2011			
		Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000
Fixed assets									
Investments	10	12,442	11,090	2,024	25,556	11,016	8,833	1,641	21,490
Current assets									
Debtors	11	98	123	21	242	160	109	19	288
Current investments	12	900	450	4,850	6,200	3,400	1,350	4,450	9,200
Cash at bank and in hand		3,681	1,963	298	5,942	1,464	950	1,400	3,814
		4,679	2,536	5,169	12,384	5,024	2,409	5,869	13,302
Creditors: amounts falling due within one year	13	(410)	(1,032)	(64)	(1,506)	(662)	(100)	(64)	(826)
Net current assets		4,269	1,504	5,105	10,878	4,362	2,309	5,805	12,476
Total assets less current liabilities/ Net assets		16,711	12,594	7,129	36,434	15,378	11,142	7,446	33,966
Capital and reserves									
Called up share capital	14	1,367	3,604	82	5,053	1,260	3,629	83	4,972
Capital redemption reserve	15	261	51	1	313	211	26	1	238
Share premium	15	2,628	-	7,785	10,413	1,026	-	7,785	8,811
Share capital to be issued	15	3,206	-	-	3,206				
Special reserve	15	6,146	5,617	-	11,763	8,247	6,666	-	14,913
Capital reserve – realised	15	1,675	1,059	(292)	2,442	3,700	-	(182)	3,518
Revaluation reserve	15	1,738	2,255	(237)	3,756	622	1,016	(90)	1,548
Revenue reserve	15	(310)	8	(210)	(512)	312	(195)	(151)	(34)
Equity shareholders' funds		16,711	12,594	7,129	36,434	15,378	11,142	7,446	33,966
Basic and diluted net asset value per share	16	49.4p	87.4p	86.4p		61.0p	76.8p	90.0p	

The financial statements on pages 45 to 64 were approved and authorised for issue by the Board of Directors on 25 June 2012 and were signed on its behalf by

Andrew Davison
Chairman
 ProVen VCT plc
 Company number: 3911323

The accompanying notes are an integral part of these financial statements.

Cash Flow Statement

for the year ended 29 February 2012

	Note	Year ended 29 February 2012				Year ended 28 February 2011			
		Ordinary	'C'	'D'	Total	Ordinary	'C'	'D'	Total
		Shares £'000	Shares £'000	Shares £'000	£'000	Shares £'000	Shares £'000	Shares £'000	£'000
Net cash (outflow)/inflow from operating activities	17	(790)	30	(154)	(914)	(582)	(264)	(1,197)	(2,043)
Capital expenditure									
Purchase of investments	10	(610)	(2,473)	(530)	(3,613)	(984)	(1,885)	(1,731)	(4,600)
Sale of investments	10	74	1,718	-	1,792	3,220	508	-	3,728
Net cash (outflow)/inflow from capital expenditure		(536)	(755)	(530)	(1,821)	2,236	(1,377)	(1,731)	(872)
Equity dividends paid	8	(3,440)	-	-	(3,440)	(2,036)	-	-	(2,036)
Management of liquid resources									
Purchase of current investments held as liquidity funds		-	-	(400)	(400)	(210)	-	(900)	(1,110)
Withdrawal from liquidity funds		2,500	900	-	3,400	-	2,110	-	2,110
Net cash inflow/(outflow) from liquid resources		2,500	900	(400)	3,000	(210)	2,110	(900)	1,000
Net cash (outflow)/inflow before financing		(2,266)	175	(1,084)	(3,175)	(592)	469	(3,828)	(3,951)
Financing									
Proceeds from share issues		1,861	-	-	1,861	1,199	-	2,800	3,999
Share issue costs	14	(101)	-	-	(101)	(66)	-	(154)	(220)
Purchase of own shares	14	(483)	(71)	(18)	(572)	(249)	(38)	(51)	(338)
Share capital to be issued		3,206	-	-	3,206	-	-	-	-
Proceeds received on behalf of a co-investor		-	909	-	909	-	-	-	-
Net cash inflow/(outflow) from financing		4,483	838	(18)	5,303	884	(38)	2,595	3,441
Increase/ (decrease) in cash	18	2,217	1,013	(1,102)	2,128	292	431	(1,233)	(510)

The accompanying notes are an integral part of these financial statements.

Notes to the Accounts

for the year ended 29 February 2012

1 Accounting policies

Basis of accounting

The Company has prepared its financial statements under UK Generally Accepted Accounting Practice (“UK GAAP”) and in accordance with the Statement of Recommended Practice “Financial Statements of Investment Trust Companies and Venture Capital Trusts” revised January 2009 (“SORP”).

The financial statements are prepared under the historical cost convention except for the revaluation of certain financial instruments measured at fair value.

The Company implements new Financial Reporting Standards (“FRS”) issued by the Accounting Standards Board when required.

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Statement of Corporate Governance on page 38.

Presentation of Income Statement

In order to better reflect the activities of an investment company and in accordance with guidance issued by the Association of Investment Companies (“AIC”), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue is the measure the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in Part 6 of the Income Tax Act 2007.

Fixed assets investments

Investments are designated as “fair value through profit or loss” assets due to investments being managed and performance evaluated on a fair value basis. A financial asset is designated within this category if it is both acquired and managed, with a view to selling after a period of time, in accordance with the Company's documented investment policy. The fair value of an investment upon acquisition is deemed to be cost. Thereafter, investments are measured at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (“IPEV Guidelines”) together with FRS26 - Financial Instruments: Recognition and Measurements.

Publicly traded investments are measured using bid prices in accordance with the IPEV Guidelines.

The valuation methodologies used by the Directors for assessing the fair value of unquoted investments are as follows:

- Price of recent investment;
- Multiples;
- Net assets;
- Discounted cash flows or earnings (of underlying business);
- Discounted cash flows (from the investment); and
- Industry valuation benchmarks.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market inputs, assumptions and estimates in order to ascertain fair value.

Fixed asset investments are derecognised when the contractual rights to the cash flows from the asset expire or it transfers the asset and substantially all the risks and rewards of ownership of the asset to another entity.

Notes to the Accounts (continued)

for the year ended 29 February 2012

1 Accounting policies (continued)

Where an investee company has gone into receivership or liquidation, or there is little likelihood of a recovery from a company in administration, the loss on the investment, although not physically disposed of, is treated as being realised.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item.

It is not the Company's policy to exercise significant influence over investee companies. Therefore, the results of these companies are not incorporated into the Income Statement except to the extent of any income accrued. This is in accordance with the SORP that does not require portfolio investments to be accounted for using the equity method of accounting.

Current asset investments

Current asset investments, which comprise investments in liquidity funds with AAA rating, are held at fair value through profit and loss and are marked-to-market. These assets are purchased and redeemed under a contract and the assets are recognised and derecognised on the trade date. These assets are initially measured at cost and subsequently valued at fair value, being the closing price of the fund as issued by the provider.

Income

Dividend income from investments is recognised when the shareholders' rights to receive payment has been established, normally the ex-dividend date, or, where no ex-dividend date is established, when the Company's right to receive payment is established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and only where there is reasonable certainty of collection. Income which is not capable of being received within a reasonable period of time is reflected in the capital value of the investments.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Income Statement, all expenses have been presented as revenue items except as follows:

- expenses which are incidental to the acquisition of an investment are deducted from the Capital Account;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and accordingly the investment management fee has been allocated 25% to revenue and 75% to capital, and the performance incentive fee is allocated 100% to capital, in order to reflect the Directors' expected long-term view of the nature of the investment returns of the Company.

Taxation

The tax effects of different items in the Income Statement are allocated between capital and revenue on the same basis as the particular item to which they relate using the Company's effective rate of tax for the accounting period.

Due to the Company's status as a venture capital trust and the continued intention to meet the conditions required to comply with Part 6 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the Company's investments.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law.

1 Accounting policies (continued)

Taxation (continued)

Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Other debtors and other creditors

Other debtors (including accrued income), other creditors and loan notes are included within the accounts at amortised cost.

Share issue costs

Expenses in relation to share issues are deducted from the Share Premium Account upon allotment of shares.

2 Income

	2012 £'000	2011 £'000
Income from investments		
Loan stock interest	516	707
Dividend income	242	43
Liquidity funds interest	60	58
	818	808
Other income		
Deposit interest	25	23
Other income	1	-
	844	831

The Directors consider that the Company has one class of business and that all its activities arise in the United Kingdom.

3 Investment management fees

	2012 £'000	2011 £'000
Investment management fees	704	640

The Company has an agreement with Beringea LLP for the provision of management services in respect of its portfolio of venture capital investments, which is terminable with one year's notice. The management fee is based upon an annual amount of 2.0% of net assets. The annual running costs (excluding performance incentive fees and trail commission) of the Company are subject to a cap of 3.25% of the Company's net assets.

4 Performance incentive fees

	2012 £'000	2011 £'000
Beringea LLP	529	327
Downing LLP	53	33
	582	360

Beringea LLP ("Beringea") and Downing LLP are entitled to receive performance incentive fees as described in the Directors' Report on page 30. The performance incentive fees above relate solely to the Ordinary Shares and are stated inclusive of VAT. Fees are attributed to capital or revenue in accordance with the dividend on which they are based. No performance incentive fees were due during the year in respect of the 'C' Share pool or the 'D' Share pool.

Notes to the Accounts (continued)

for the year ended 29 February 2012

5 Other expenses

	2012 £'000	2011 £'000
Administration services	61	57
Directors' remuneration	67	72
Social security costs and irrecoverable VAT on Directors remuneration	9	5
Auditor's remuneration for audit of the Company's annual accounts	17	19
Auditor's remuneration for other services (taxation services)	4	-
Other	130	100
	<u>288</u>	<u>253</u>

6 Directors' remuneration

Details of remuneration (excluding employers' NIC and VAT) are given in the Directors' Remuneration Report on page 40.

The Company had no employees (other than Directors) during either year. Costs in respect of Directors are disclosed in note 5.

7 Tax on ordinary activities

	2012 £'000	2011 £'000
(a) Tax charge for year		
Current year		
UK corporation tax (charged to the revenue account)	-	-
Charged to capital expenses	-	-
Charge for year	<u>-</u>	<u>-</u>
(b) Factors affecting tax charge for the year		
Return on ordinary activities before taxation	<u>1,515</u>	<u>3,539</u>
Tax charge calculated on return on ordinary activities before taxation at the applicable rate of 26% (2011: 21%)	393	743
Effects of:		
UK dividend (income)	(63)	(9)
Gain on investments	(584)	(832)
Disallowable expenses	17	11
Excess capital investment management fees	237	87
	<u>-</u>	<u>-</u>

(c) Excess management fees

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £4,975,000 (2011: £4,066,000). The deferred tax asset of £1,244,000 (2011: £1,098,000) has not been recognised due to the fact that it is unlikely the excess management fees will be set off in the foreseeable future.

8 Dividends

	Year ended 29 February 2012			Year ended 28 February 2011			
	Pence	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Ordinary Share dividends							
Paid in year							
2012 Interim	6.25	342	1,369	1,711	-	-	-
2011 Final	6.25	498	1,231	1,729	-	2,036	2,036
2010 Final	8.00	-	-	-	-	2,036	2,036
		840	2,600	3,440	-	2,036	2,036

No dividends were paid during the year on the 'C' and 'D' share pools.

9 Basic and diluted return per share

	Year ended 29 February 2012			Year ended 28 February 2011		
	Ordinary Shares	'C' Shares	'D' Shares	Ordinary Shares	'C' Shares	'D' Shares
Revenue return per share based on:						
Net revenue after taxation (£'000)	218	203	(42)	460	1	(43)
Weighted average number of shares in issue	27,236,765	14,457,524	8,260,321	25,260,698	14,524,976	7,964,787
Pence per share	0.8	1.4	(0.5)	1.8p	(0.0p)	(0.5p)
Capital return/(loss) per share based on:						
Net capital gain/(loss) for the financial year (£'000)	73	1,320	(257)	3,141	183	(203)
Weighted average number of shares in issue	27,236,765	14,457,524	8,260,321	25,260,698	14,524,976	7,964,787
Pence per share	0.3	9.1	(3.1)	12.4p	1.3p	(2.6p)

As the Company has not issued any convertible securities or share options, there is no dilutive effect on return per share. The return per share disclosed therefore represents both basic and diluted return per share.

Notes to the Accounts (continued) for the year ended 29 February 2012

10 Investments

“Fair value through profit or loss” assets

	Investments quoted on AIM £'000	Unquoted investments £'000	Total £'000
Opening cost at 1 March 2011	1,574	18,369	19,943
Unrealised (losses)/(impairments)/gains at 1 March 2011	(952)	2,499	1,547
Opening fair value at 1 March 2011	622	20,868	21,490
Movement in year			
Purchases at cost	-	3,613	3,613
Sales - proceeds	(74)	(1,718)	(1,792)
- realised gains on sales	2	219	221
(losses)/gains in the income statement	(191)	2,215	2,024
Closing fair value at 29 February 2012	359	25,197	25,556
Closing cost at 29 February 2012	1,274	20,527	21,801
Unrealised (losses)/(impairments)/gains at 29 February 2012	(915)	4,670	3,755
Closing fair value at 29 February 2012	359	25,197	25,556

The basis of valuation was changed for a number of investments held throughout the year. The combined effect of these changes was a reduction of £25,000 in the valuation of the Ordinary Share pool, a reduction of £91,000 in the valuation of the ‘C’ Share pool and a reduction of £63,000 in the valuation of the ‘D’ Share pool, relative to the prior year. Significant valuation changes in the ‘C’ Share pool include the following; the valuation of Monica Vinader (29 February 2012 valuation £510,000, uplift of £286,000) was changed from a price of recent investment basis to a revenue multiple basis; the valuation of Speed-Trap (29 February 2012 valuation £288,000, decrease of £182,000) was changed from a price of recent investment basis to a price of recent investment with provision basis and the valuation of Senselogix (29 February 2012 valuation £nil, decrease of £224,000) was changed from a price of recent investment basis to a full provision basis. Significant valuation changes in the ‘D’ Share pool include the following; the valuation of Monica Vinader (29 February 2012 valuation £315,000, uplift of £177,000) was changed from a price of recent investment basis to a revenue multiple basis; the valuation of Speed-Trap (29 February 2012 valuation £183,000, decrease of £117,000) was changed from a price of recent investment basis to a price of recent investment with provision basis and the valuation of Senselogix (29 February 2012 valuation £nil, decrease of £138,000) was changed from a price of recent investment basis to a full provision basis. The Directors consider these changes were necessary to enable a better assessment of the fair value of the relevant investments.

An analysis of venture capital investments between Ordinary, ‘C’ and ‘D’ Shares classes is set out in the review of the investments on pages 11 to 25.

11 Debtors

	2012 £'000	2011 £'000
Other debtors	172	238
Prepayments and accrued income	70	50
	242	288

12 Current investments

"Fair value through profit or loss" assets	2012 £'000	2011 £'000
BlackRock Liquidity Fund (formerly BGI Sterling Liquidity First Fund)	2,000	3,000
Insight Liquidity Fund	1,000	3,000
Standard Life Investments GBP Liquidity Fund	2,000	2,000
RBS Liquidity Fund	1,200	1,200
	<u>6,200</u>	<u>9,200</u>

13 Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Unallotted share capital	-	538
Other social security costs	8	7
Other creditors	911	-
Accruals and deferred income	587	281
	<u>1,506</u>	<u>826</u>

Other creditors are monies received from Lazurite Limited on disposal of the investment on behalf of ProVen Growth & Income VCT plc.

14 Called up share capital

	2012 £'000	2011 £'000
Issued, allotted, called up and fully-paid:		
27,355,996 (2011: 25,190,612) Ordinary Shares of 5p each	1,367	1,260
14,414,223 (2011: 14,514,942) 'C' Shares of 25p each	3,604	3,629
8,249,401 (2011: 8,269,911) 'D' Shares of 1p each	82	83
	<u>5,053</u>	<u>4,972</u>

Management of capital

The Company's capital is managed in accordance with its investment policy as shown in the Directors' Report, in pursuit of its principal investment objectives as stated on page 1. There has been no significant change in the objectives, policies or processes for managing capital from the previous year.

By its nature the Company has an amount of capital which must be invested, and retained, in the relatively high risk asset class of small UK companies broadly within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon the changing capital structure, the Company may adjust the amount of dividends paid to Shareholders, purchases of its own shares, issues of new shares or sell assets if so required to maintain a level of liquidity to remain a going concern. Although the Company is permitted to borrow to give a degree of flexibility, there are no current plans to do so.

As the Company has a low level of liabilities, the Board considers the Company's net assets to be its capital. The Company does not have any externally imposed capital requirements. The Company has the authority to buy back shares as described in the Directors' Report.

Between 5 April 2011 and 6 May 2011, 2,519,590 Ordinary Shares with an aggregate nominal value of £125,980 were issued at 61p per share pursuant to the top-up offer for subscription dated 11 January 2011. The aggregate consideration for the shares was £1,494,150 which excluded share issue costs of £84,000. On 9 February 2012, 10,363 Ordinary Shares with an aggregate nominal value of £518 were issued at 47.7p per share pursuant to the dividend reinvestment scheme. The aggregate consideration for the shares was £5,000 which excluded share issue costs of £nil. On 15 February 2012, 631,318 Ordinary Shares with an aggregate nominal value of £31,565 were issued at 50.5p per share pursuant to the offer for subscription dated 8 December 2011. The aggregate consideration for the shares was £313,000 which excluded share issue costs of £17,000.

Notes to the Accounts (continued)

for the year ended 29 February 2012

14 Called up share capital (continued)

During the year, the Company repurchased 995,887 Ordinary Shares with an aggregate nominal value of £49,794, for an average consideration of 48.4p per share being an aggregate consideration of £483,000, and representing 3.95% of the issued Ordinary Share capital. These shares were subsequently cancelled. During the year, the Company repurchased 100,719 'C' Shares of 25p each with an aggregate nominal value of £25,180, for an average consideration of 70.4p per share being an aggregate consideration of £71,000, and representing 0.69% of the issued 'C' Share capital. These shares were subsequently cancelled. During the year, the Company repurchased 20,510 'D' Shares of 1p each with an aggregate nominal value of £205, for an average consideration of 85.1p per share being an aggregate consideration of £18,000, and representing 0.25% of the issued 'D' Share capital. These shares were subsequently cancelled.

15 Reserves

	Capital redemption reserve £'000	Share premium £'000	Share capital to be issued £'000	Special reserve £'000	Capital reserve - realised £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2011	238	8,811	-	14,913	3,518	1,548	(34)	28,994
Issue of new shares	-	1,602	-	-	-	-	-	1,602
Share capital to be issued	-	-	3,206	-	-	-	-	3,206
Purchase of own shares	75	-	-	(554)	-	-	(17)	(496)
Expenses capitalised	-	-	-	-	(1,109)	-	-	(1,109)
Gains on investments	-	-	-	-	221	2,024	-	2,245
Retained revenue	-	-	-	-	-	-	379	379
Transfer between reserves	-	-	-	(2,596)	2,412	184	-	-
Distributions paid	-	-	-	-	(2,600)	-	(840)	(3,440)
At 29 February 2012	313	10,413	3,206	11,763	2,442	3,756	(512)	31,381

Split between:

Ordinary Shares

At 1 March 2011	211	1,026	-	8,247	3,700	622	312	14,118
Issue of new shares	-	1,602	-	-	-	-	-	1,602
Share capital to be issued	-	-	3,206	-	-	-	-	3,206
Purchase of own shares	50	-	-	(483)	-	-	-	(433)
Expenses capitalised	-	-	-	-	(818)	-	-	(818)
Gains on investments	-	-	-	-	2	889	-	891
Retained revenue	-	-	-	-	-	-	218	218
Transfer between reserves	-	-	-	(1,618)	1,391	227	-	-
Distributions paid	-	-	-	-	(2,600)	-	(840)	(3,440)
At 29 February 2012	261	2,628	3,206	6,146	1,675	1,738	(310)	15,344

'C' Shares

At 1 March 2011	26	-	-	6,666	-	1,016	(195)	7,513
Purchase of own shares	25	-	-	(71)	-	-	-	(46)
Expenses capitalised	-	-	-	-	(181)	-	-	(181)
Gains on investments	-	-	-	-	219	1,282	-	1,501
Retained revenue	-	-	-	-	-	-	203	203
Transfer between reserves	-	-	-	(978)	1,021	(43)	-	-
At 29 February 2012	51	-	-	5,617	1,059	2,255	8	8,990

'D' Shares

At 1 March 2011	1	7,785	-	-	(182)	(90)	(151)	7,363
Purchase of own shares	-	-	-	-	-	-	(17)	(17)
Expenses capitalised	-	-	-	-	(110)	-	-	(110)
Losses on investments	-	-	-	-	-	(147)	-	(147)
Retained revenue	-	-	-	-	-	-	(42)	(42)
At 29 February 2012	1	7,785	-	-	(292)	(237)	(210)	7,047

15 Reserves (continued)

The special reserve is a distributable reserve that allows the Company to make market purchases of its own shares and to pay distributions. The special reserve, capital reserve – realised and revenue reserve are all distributable reserves. The distributable reserves are reduced by losses of £4,406,000 which are included in the revaluation reserve. Reserves available for distribution therefore amount to £9,287,000.

16 Basic and diluted net asset value per share

	Shares in Issue		2012 Net asset value per share		2011 Net asset value per share	
	2012	2011	£'000	£'000	£'000	£'000
Ordinary Shares	27,355,996	25,190,612	49.4p	13,505	61.0p	15,378
'C' Shares	14,414,223	14,514,942	87.4p	12,594	76.8p	11,142
'D' Shares	8,249,401	8,269,911	86.4p	7,129	90.0p	7,446
Ordinary share capital to be issued				3,206		-
				36,434		33,966

As the Company has not issued any convertible securities or share options, there is no dilutive effect on net asset per share. The net asset value per share disclosed therefore represents both basic and diluted return per share.

17 Reconciliation of return on ordinary activities before tax to net cash flow from operating activities

	2012				2011			
	Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	'D' Shares £'000	Total £'000
Return/loss return on ordinary activities before taxation	291	1,523	(299)	1,515	3,601	184	(246)	3,539
(Gain)/loss on investment	(891)	(1,501)	147	(2,245)	(3,709)	(342)	90	(3,961)
Decrease/(increase) in prepayments, accrued income and other debtors	62	(14)	(2)	46	(129)	(100)	(18)	(247)
(Decrease)/increase in accruals and other creditors	(252)	22	-	(230)	(345)	(6)	(1,023)	(1,374)
Net cash (outflow)/inflow from operating activities	(790)	30	(154)	(914)	(582)	(264)	(1,197)	(2,043)

18 Reconciliation of net cash flow to movement in net funds

	2012 £'000	2011 £'000
Beginning of year	3,814	4,324
Net cash (outflow)/ inflow	2,128	(510)
End of year	5,942	3,814

Notes to the Accounts (continued)

for the year ended 29 February 2012

19 Financial instruments

The Company's financial instruments comprise investments held at fair value through the profit and loss, being equity and loan stock investments in quoted companies and unquoted companies and liquidity funds; loans and receivables being cash deposits and short term debtors; and financial liabilities being creditors arising from its operations. The main purpose of these financial instruments is to generate cash flow, revenue and capital appreciation for the Company's operations. The Company has no gearing or other financial liabilities apart from short-term creditors and does not use any derivatives.

Principal risks and management objectives

The Company's investment activities expose the Company to a number of risks associated with financial instruments and the sectors in which the Company invests. The principal financial risks arising from the Company's operations are:

- Market risks;
- Credit risk; and
- Liquidity risk.

The Board regularly reviews these risks and the policies in place for managing them. There have been no significant changes to the nature of the risks that the Company is exposed to over the year and there have also been no significant changes to the policies for managing those risks during the year.

The risk management policies used by the Company in respect of the principal financial risks and a review of the financial instruments held at the year end are provided below:

Market risks

As a VCT, the Company is exposed to market risks in the form of potential losses and gains that may arise on the investments it holds. The management of these market risks is a fundamental part of investment activities undertaken by the Investment Manager and overseen by the Board. The Manager monitors investments through regular contact with management of investee companies, regular review of management accounts and other financial information and attendance at investee company board meetings. This enables the Manager to manage the investment risk in respect of individual investments. Market risk is also mitigated by holding a portfolio diversified across several business sectors and asset classes.

The key market risks to which the Company is exposed are:

- Market price risk; and
- Interest rate risk.

Market price risk

Market price risk arises from uncertainty about the future prices and valuations of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through market price movements in respect of quoted investments and also changes in the fair value of unquoted investments that it holds.

At 29 February 2012, the AIM-quoted portfolio was valued at £359,000 (2011: £622,000).

19 Financial instruments (continued)

The Company's sensitivity to fluctuations in the share prices of its AIM-quoted investments is summarised below. A 25% movement in the share price of all of the AIM-quoted stocks held by the Company would have an effect as follows:

25% movement in AIM-quoted stocks	2012		2011	
	Impact on net assets £'000	Impact on NAV per share pence	Impact on net assets £'000	Impact on NAV per share pence
Ordinary Shares	90	0.3p	155	0.6p
'C' Shares	-	-	-	-
'D' Shares	-	-	-	-

At 29 February 2012, the unquoted portfolio was valued at £25,197,000 (2011: £20,868,000).

As many of the Company's unquoted investments are valued using revenue or earnings multiples of comparable companies or sectors, a fall in share prices generally would impact on the valuation of the unquoted portfolio. A 10% movement in the valuations of all of the unquoted investments held by the Company would have an effect as follows:

10% movement in unquoted investment valuations	2012		2011	
	Impact on net assets £'000	Impact on NAV per share pence	Impact on net assets £'000	Impact on NAV per share pence
Ordinary Shares	1,208	4.4p	1,039	4.1p
'C' Shares	1,109	7.7p	883	6.1p
'D' Shares	202	2.4p	164	2.0p

The sensitivity analysis for unquoted valuations above assumes that each of the sub-categories of financial instruments (ordinary shares, preference shares and loan stocks) held by the Company produces an overall movement of 10%. Shareholders should note that equal correlation between these sub-categories is unlikely to be the case in reality, particularly in the case of loan stock instruments. Where share prices are falling, the equity instrument could fall in value before the loan stock instrument. It is not considered practical to assess the sensitivity of the loan stock instruments to market price risk in isolation.

Interest rate risk

The Company is exposed to interest rate risk on floating-rate financial assets through the effect of changes in prevailing interest rates. The Company receives interest on its cash deposits at a rate agreed with its bankers and on liquidity funds at rates based on the underlying investments. Investments in loan stock and fixed interest investments attract interest predominately at fixed rates. A summary of the interest rate profile of the Company's financial instruments is shown below.

There are three categories in respect of interest which are attributable to the financial instruments held by the Company as follows:

- "Fixed rate" assets represent investments with predetermined yield targets and comprise certain loan note investments and Preference Shares.
- "Floating rate" assets predominantly bear interest at rates linked to Bank of England base rate or LIBOR and comprise cash at bank and liquidity fund investments and certain loan note investments.
- "No interest rate" assets do not attract interest and comprise equity investments, certain loan note investments, loans and receivables (excluding cash at bank).

Notes to the Accounts (continued)

for the year ended 29 February 2012

19 Financial instruments (continued)

	Average interest rate	Average period until maturity	2012 £'000	2011 £'000
Fixed rate	7.4%	1,157 days	10,169	7,680
Floating rate	0.36%		13,325	15,096
No interest rate			14,446	12,016
			<u>37,940</u>	<u>34,792</u>

The Company monitors the level of income received from fixed, floating and non interest rate assets and, if appropriate, may make adjustments to the allocation between the categories, in particular, should this be required to ensure compliance with the VCT regulations.

Based on the assumption that the yield of all floating rate financial instruments would change by an amount equal to the movement in prevailing interest rates, it is estimated that an increase of 1% in interest rates would have increased total return before taxation for the year by £133,000. As the Bank of England base rate stood at 0.5% per annum throughout the year, it is believed that a reduction from this level is unlikely.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment to the Company made under that instrument. The Company is exposed to credit risk through its holdings of loan stock in investee companies, investments in liquidity funds, cash deposits and debtors. Credit risk relating to loan stock investee companies is considered to be part of market risk.

The Company's exposure to credit risk is summarised as follows:

	2012 £'000	2011 £'000
Investments in liquidity funds	6,200	9,200
Investments in loan stocks	11,351	9,762
Cash and cash equivalents	5,942	3,814
Interest, dividends and other receivables	242	216
	<u>23,735</u>	<u>22,992</u>

Credit risk in respect of loan stock of £11,351,000 is partially mitigated by registering floating charges over the assets of the respective investee companies. The strength of this security in each case is dependent on the nature of the investee companies' business and its identifiable assets. Similarly the management of credit risk associated with interest, dividends and other receivables is covered within the investment management procedures.

Credit risk in respect of investments in liquidity funds is minimised by investing in AAA-rated funds.

Cash is mainly held by Bank of Scotland plc and Royal Bank of Scotland plc, both of which are A-rated financial institutions and both also ultimately part-owned by the UK Government. Consequently, the Directors consider that the risk profile associated with cash deposits is low.

There have been no changes in fair value during the year that are directly attributable to changes in credit risk.

Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities. Liquidity risk may also arise from either the inability to sell financial instruments when required at their fair values or from the inability to generate cash inflows as required. The Company generally maintains a relatively low level of creditors (£597,000 at 29 February 2012 excluding amounts owed to ProVen Growth & Income VCT) and has no borrowings. Also, liquidity funds and some quoted investments held by the Company are considered to be readily realisable.

19 Financial instruments (continued)

The Company always holds sufficient levels of funds as cash and readily realisable investments in order to meet expenses and other cash outflows as required. For these reasons, the Board believes that the Company's exposure to liquidity risk is minimal.

The Company's liquidity risk is managed by the Investment Manager in line with guidance agreed with the Board and is reviewed by the Board at regular intervals.

Although the Company's investments are not held to meet the Company's liquidity requirements, the table below shows an analysis of the loan stock, highlighting the length of time that it could take the Company to realise its assets if it were required to do so.

The carrying value of loan stock investments held at 29 February 2012, which is analysed by expected maturity date, is as follows:

As at 29 February 2012	Not later than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 5 years £'000	More than 5 years £'000	Total £'000
Fully performing loan stock	368	1,527	1,490	4,193	710	8,288
Past due loan stock	1,798	202	202	574	287	3,063
	<u>2,166</u>	<u>1,729</u>	<u>1,692</u>	<u>4,767</u>	<u>997</u>	<u>11,351</u>

As at 28 February 2011						
Fully performing loan stock	125	1,555	1,326	4,458	2,298	9,762
Past due loan stock	-	-	-	-	-	-
	<u>125</u>	<u>1,555</u>	<u>1,326</u>	<u>4,458</u>	<u>2,298</u>	<u>9,762</u>

Of the loan stock classified as "past due" above, £939,000 relates to the principal of loan notes where the principal has passed its maturity date. As at the balance sheet date, the extent to which the principal is past its maturity date giving rise to the classification of the loan notes as past due falls within the banding of no later than one year. Notwithstanding that the principal has passed its maturity date, the Directors do not consider that the loan note itself has been impaired or the maturity of the principal has altered.

Of the loan stock classified as "past due" above, £2,124,000 relates to the principal of loan notes where, although the principal remains within term, the investee company is not fully servicing the interest obligations under the loan note and is thus in arrears. As at the balance sheet date, the interest giving rise to the classification of the loan notes as past due related to the principal of £257,000, falling within the banding of 0 to 6 months and £1,867,000 falling within the banding of 12 to 18 months. Notwithstanding the arrears of interest, the Directors do not consider that the loan note itself has been impaired or the maturity of the principal has altered.

Notes to the Accounts (continued)

for the year ended 29 February 2012

19 Financial instruments (continued)

Fair Value of Financial Instruments

Fair value measurements recognised in the balance sheet

Investments are valued at fair value as determined using the measurement policies described in note 1. The carrying value of financial assets and financial liabilities recorded at amortised cost, which includes short form debtors and creditors, is considered by the Directors to be equivalent to their fair value.

The Company has categorised its financial instruments that are measured subsequent to initial recognition at fair value, using the fair value hierarchy as follows:

- Level 1 Reflects financial instruments quoted in an active market (liquidity fund investments, investments listed on the Main Market and investments quoted on AIM);
- Level 2 Reflects financial instruments that have prices that are observable either directly or indirectly (no such investments currently held);
- Level 3 Reflects financial instruments that have prices that are not based on observable market data (unquoted equity investments and loan note investments).

	2012				2011			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted	359	-	-	359	622	-	-	622
Loan notes	-	-	11,351	11,351	-	-	9,762	9,762
Unquoted equity	-	-	12,532	12,532	-	-	9,613	9,613
Preference shares	-	-	1,314	1,314	-	-	1,493	1,493
Liquidity fund	6,200	-	-	6,200	9,200	-	-	9,200
	6,559		25,197	31,756	9,822	-	20,868	30,690

During the year to February 2012 a holding of 55,190 unquoted loan notes, costing £113,996, were converted at par into unquoted shares. There were no transfers between levels during the year to February 2011.

Reconciliation of fair value for Level 3 financial instruments held at the year end:

	Loan Notes £'000	Unquoted Equity £'000	Total £'000
Balance at 28 February 2011	9,762	11,106	20,868
Movements in the income statement:			
Unrealised gains in the income statement	21	2,194	2,215
Realised gains in the income statement	-	219	219
Loan stock converted to Shares	(114)	114	-
	(93)	2,527	2,434
Purchases at cost	2,582	1,031	3,613
Sales proceeds	(900)	(818)	(1,718)
Balance at 29 February 2012	11,351	13,846	25,197

FRS 29 requires disclosure to be made if changing one or more of the assumptions used in valuing investments would result in a significant change in the fair value of the investments. The portfolio has been reviewed and both downside and upside alternative assumptions identified. These result in an overall increase of £777,000 ('C' Share pool - £760,000 and 'D' Share pool - £17,000) to the value of the unquoted investments for an upside scenario and an overall decrease of £192,000 ('C' Share pool - £31,000 and 'D' Share pool - £161,000) to the value of the unquoted investments for a downside scenario.

Valuations are subject to fluctuations in market conditions and the sensitivity of the Company to such changes is shown on page 59.

20 Post balance sheet events

Between 15 March 2012 and the date of this report, the Company issued 21,598,138 Ordinary Shares for an aggregate consideration of £10.9 million. Share issue costs thereon amounted to £600,000.

21 Contingencies, guarantees and financial commitments

The Company has guaranteed bank borrowings on one of its investments, Donatantonio Limited, amounting to £225,000. A third party has provided a guarantee to the Company amounting to £112,500 in respect of the above guarantee. This guarantee was discharged on 1 March 2012.

The Company has no other contingent liabilities, guarantees and financial commitments at the year end.

22 Controlling party and related party transactions

In the opinion of the Directors there is no immediate or ultimate controlling party.

Beringea LLP also acted as a promoter to two Ordinary Share Top-Up Offers launched in January 2011 and December 2011 respectively. Beringea LLP receives 5.5% of the gross proceeds of the offer, out of which it must pay the costs of the offers including the initial commissions. No issue costs were due or outstanding at the year end.

Beringea LLP was also the investment manager during the year. The fees relating to this service, together with performance incentive fees due in the year under the agreement, amounted to £1,233,000 (2011: £967,000) (inclusive of VAT where applicable), of which £440,972 (2011: £176,000) was outstanding at the year end.

Downing LLP was entitled to performance incentive fees during the year totalling £53,000 (2011: £32,000) (inclusive of VAT), of which £31,000 (2011: £5,000) was outstanding at the year end.

Shareholder Information

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of Annual Reports, Half Yearly Financial Statements and Interim Management Statements can be found on the Investment Managers' website:

www.provenvcts.co.uk

Dividend history, links to Company announcements and other financial information can be found on Downing's website at www.downing.co.uk. Shareholders can also check details of their shareholdings using Capita Registrars' website at www.capitaregistrars.com, by clicking on "Shareholders and employees".

Dividends

Dividends are paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose (form can be downloaded from www.capitaregistrars.com). Queries relating to dividends and requests for mandate forms should be directed to the Company's Registrar, Capita Registrars, by calling 0871 664 0324 (calls cost 10p per minute plus network extras), or by writing to them at the address shown on page 66.

Share prices

The Company's share prices can be found on various financial websites with the following TIDM/EPIC codes

	Ordinary Shares	'C' Shares	'D' Shares
TIDM/EPIC code	"PVN"	"PVNC"	"PVND"
Latest share price (22 June 2012):	36.0p per share	67.0p per share	79.0p per share

Selling shares

The Company's shares can be bought and sold in the same way as any other quoted company on the London Stock Exchange via a stockbroker. Shareholders who invested in the Company in the 2006/2007 tax year and subsequent tax years should be aware that they need to hold their shares for a minimum period to retain the income tax relief they received on investment. Selling your shares may have tax consequences therefore you should contact your independent financial adviser if you have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. Downing LLP is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares. Contact details are shown on page 66 of this document.

Financial calendar

21 August 2012	Annual General Meeting
October 2012	Announcement of half year results

Unsolicited communication with Shareholders

We are aware of cases of shareholders in VCTs having received unsolicited telephone calls, e-mails or correspondence concerning investment matters. Please note that it is very unlikely that either the Company, Beringea or the Company registrar, Capita Registrars, would make unsolicited telephone calls, or send e-mails, to Shareholders. Shareholders can, however, expect official documentation in connection with the Company and may receive details of investment activity and new VCT offers from the Investment Manager. Furthermore, please be assured that the Company limits access to the Company's share register by third parties to the maximum extent permissible under the Companies Act 2006. If you receive either an unexpected telephone call or correspondence about which you have concerns, please contact Grant Whitehouse, the Company Secretary, on 020 7416 7780.

Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's registrar, Capita Registrars, under the signature of the registered holder.

Company Information

Directors

Andrew Davison (Chairman)
Barry Dean
Malcolm Moss
all of
39 Earlham Street
London WC2H 9LT

Investment manager

Beringea LLP
39 Earlham Street
London WC2H 9LT
Tel: 020 7845 7820
www.provenvcts.com

Registrars

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
Tel: 0871 664 0324
(calls cost 10p per minute plus network extras)
www.capitaregistrars.com

Auditor

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London EC1M 3AP

Solicitors

Howard Kennedy
19 Cavendish Square
London W1A 2AW

Company number

3911323

Secretary

Grant Whitehouse
39 Earlham Street
London WC2H 9LT

Registered office

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Tel: 020 7845 7820

Administration manager

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VCT status adviser

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London WC2N 6RH

Bankers

Bank of Scotland
33 Old Broad Street
London EC2N 1HZ

Royal Bank of Scotland
London Victoria Branch
119/121 Victoria Street
London SW1E 6RA

Notice of the Annual General Meeting of ProVen VCT plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen VCT plc will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11.00 a.m. on 21 August 2012 for the transaction of the following business:

As **Ordinary Business**, to consider and, if thought fit, pass the following resolutions which will be proposed as Ordinary Resolutions:

1. To receive and adopt the Report of the Directors and Accounts of the Company for the year ended 29 February 2012 together with the report of the auditors thereon.
2. To approve the Directors' Remuneration Report.
3. To re-appoint PKF (UK) LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts of the Company are presented and to authorise the Directors to determine their remuneration.
4. To re-elect as Director, Andrew Davison, who retires in accordance with company policy and, being eligible, offers himself for re-election.
5. To re-elect as Director, Barry Dean, who retires in accordance with company policy and, being eligible, offers himself for re-election.
6. To re-elect as Director, Malcolm Moss, who retires in accordance with company policy and, being eligible, offers himself for re-election.

As **Special Business**, to consider and, if thought fit, pass the following resolutions:

Ordinary Resolution

7. That the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot:

- (a) Ordinary Shares up to a maximum nominal amount of £445,000 (representing approximately 18% of the Ordinary Share capital in issue at today's date and estimated to represent in approximately 10% of the Ordinary Share capital after the proposed conversions and consolidation); and
- (b) 'C' Shares up to a maximum nominal amount of £360,225 (representing approximately 10% of the 'C' Share capital in issue at today's date); and
- (c) 'D' Shares up to a maximum nominal amount of £8,243 (representing approximately 10% of the 'D' Share capital in issue at today's date);

this authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make Offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).

Special Resolutions

8. To empower the Directors pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 7 as if Section 561(1) of the Act did not apply to any such allotments and so that:
 - (a) reference to allotment in this resolution shall be construed in accordance with Section 560(2) and (3) of the said Act; and
 - (b) the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

9. That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, 'C' Shares and 'D' Shares provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 7,176,873 representing approximately 14.9% of the present issued Ordinary Share capital of the Company, the maximum number of 'C' Shares hereby authorised to be purchased is 2,146,944 representing approximately 14.9% of the present issued 'C' Share capital of the Company and the maximum number of 'D' Shares hereby authorised to be purchased is 1,228,192 representing approximately 14.9% of the present issued 'D' Share capital of the Company;
 - (b) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5p, for a 'C' Share is 25p and for a 'D' Share is 1p being the nominal amount thereof;
 - (c) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares, 'C' Shares and 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;
 - (d) the Company may make a contract to purchase its own Ordinary Shares, 'C' Shares or 'D' Shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares, 'C' Shares or 'D' Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

10. That, the proposals involving the making of a tender offer ("Tender Offer") for up to 3,338,475 'C' Shares of 25p each in the capital of the Company ("C' Shares") at a price of 87.4p per 'C' Share as described in the circular to shareholders to be published on or around 2 July 2012 (the "Circular"), a copy of which is produced to this meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract ("Contract") for the purchase by the Company of 'C' Shares from those persons as are set out in the schedule produced to the meeting and initialled by the Chairman for identification purposes, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 31 October 2012).

11. That, subject to the passing of resolution 13, immediately prior to Conversion, as defined in the Company's articles of association, the ordinary shares of 5p each in the capital of the Company shall be consolidated into ordinary shares of 10p each such that every holder of ordinary shares of 5p shall receive one ordinary share of 10p for every 2 ordinary shares of 5p.

Notice of the Annual General Meeting of ProVen VCT plc

(continued)

12. That, the Company's articles of association be amended as follows:
 - (a) to amend the definition of "Conversion Ratio" as set out in the appendix;
 - (b) to delete the words "(i) an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio," in article 177(i) and substitute them with "(i) an amount equivalent to the aggregate net asset value of the C Shares, calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the Liquidator may consider appropriate so as to be a fair value for the C Shares"; and
 - (c) to delete the words in article 182(1)(b) "subject to the provision immediately after the definition of 'H' in Article 1" which is required as a result of the amendment in resolution 12(a) above.

13. That, the Company's articles of association be amended as follows:
 - (a) to add a new definition of "Consolidation" in article 1 as follows:

""Consolidation" means the consolidation of ordinary shares of 5p each of the Company into ordinary shares of 10p each, which will take place immediately prior to the Conversion,"
 - (b) to amend the definition of "Ordinary Shares" in article 1 as follows:

""Ordinary Shares" means, prior to the Consolidation, ordinary shares of 5p each of the Company and, after the Consolidation, ordinary shares of 10p each of the Company,"
 - (c) to delete the words "same number of" in article 182(iii)(a), and
 - (d) to add the words ",which resulting number shall be divided by two," after the words "Conversion Ratio" in article 182(iii).

By order of the Board

Grant Whitehouse
Secretary
Registered Office
39 Earlham Street
London WC2H 9LT

25 June 2012

Information regarding the Annual General Meeting, including the information required by section 311A of the Companies Act 2006, is available from www.downing.co.uk.

Note: Please see the notes set out on page 77 and 78 which contain important information about the Annual General Meeting.

Appendix to Resolution 12

To amend the definition of "Conversion Ratio" to read as follows:

"Conversion Ratio" means the ratio of the net asset value per C Share to the net asset value per Ordinary Share, which is calculated as:

$$\frac{A}{B}$$

Where:

A is the Net Asset Value per 'C' Share as at the calculation date calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value to be used in the conversion.

B is the Net Asset Value per Ordinary Share as at the calculation date calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value to be used in the conversion.

Notice of class meeting of holders of Ordinary Shares of ProVen VCT plc

NOTICE IS HEREBY GIVEN that a Class Meeting of holders of Ordinary Shares in ProVen VCT plc will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11:05 a.m. on 21 August 2012 for the purpose of considering and, if thought fit, passing resolution¹ as an ordinary resolution and resolutions 2 to 6 as special resolutions:

Ordinary Resolution

1. That the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot:
 - (a) Ordinary Shares up to a maximum nominal amount of £445,000 (representing approximately 18% of the Ordinary Share capital in issue at today's date and estimated to represent in approximately 10% of the Ordinary Share capital after the proposed conversions and consolidation); and
 - (b) 'C' Shares up to a maximum nominal amount of £360,225 (representing approximately 10% of the 'C' Share capital in issue at today's date); and
 - (c) 'D' Shares up to a maximum nominal amount of £8,243 (representing approximately 10% of the 'D' Share capital in issue at today's date);

this authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make Offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).

Special Resolutions

2. To empower the Directors pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 1 as if Section 561(1) of the Act did not apply to any such allotments and so that:
 - (a) reference to allotment in this resolution shall be construed in accordance with Section 560(2) and (3) of the said Act; and
 - (b) the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.
3. That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, 'C' Shares and 'D' Shares provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 7,176,873 representing approximately 14.9% of the present issued Ordinary Share capital of the Company, the maximum number of 'C' Shares hereby authorised to be purchased is 2,146,944 representing approximately 14.9% of the present issued 'C' Share capital of the Company and the maximum number of 'D' Shares hereby authorised to be purchased is 1,228,192 representing approximately 14.9% of the present issued 'D' Share capital of the Company;
 - (b) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5p, for a 'C' Share is 25p and for a 'D' Share is 1p being the nominal amount thereof;
 - (c) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares, 'C' Shares and 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;
 - (d) the Company may make a contract to purchase its own Ordinary Shares, 'C' Shares or 'D' Shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares, 'C' Shares or 'D' Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

4. That, the proposals involving the making of a tender offer ("Tender Offer") for up to 3,338,475 'C' Shares of 25p each in the capital of the Company ("C' Shares") at a price of 87.4p per 'C' Share as described in the circular to shareholders dated (the "Circular"), a copy of which is produced to this meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract ("Contract") for the purchase by the Company of 'C' Shares from those persons as are set out in the schedule produced to the meeting and initialled by the Chairman for identification purposes, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 31 October 2012).
5. That, subject to the passing of resolution 7, immediately prior to Conversion, as defined in the Company's articles of association, the ordinary shares of 5p each in the capital of the Company shall be consolidated into ordinary shares of 10p each such that every holder of ordinary shares of 5p shall receive one ordinary share of 10p for every 2 ordinary shares of 5p.
6. That, the Company's articles of association be amended as follows:
 - (a) to amend the definition of "Conversion Ratio" as set out in the Appendix to Resolution 12 of the AGM notice;
 - (b) to delete the words "(i) an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio," in article 177(i) and substitute them with "(i) an amount equivalent to the aggregate net asset value of the C Shares, calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value for the C Shares"; and
 - (c) to delete the words in article 182(1)(b) "subject to the provision immediately after the definition of 'H' in Article 1" which is required as a result of the amendment in resolution 6(a) above.
7. That, the Company's articles of association be amended as follows:
 - (a) to add a new definition of "Consolidation" in article 1 as follows:

""Consolidation" means the consolidation of ordinary shares of 5p each of the Company into ordinary shares of 10p each, which will take place immediately prior to the Conversion,"
 - (b) to amend the definition of "Ordinary Shares" in article 1 as follows:

""Ordinary Shares" means, prior to the Consolidation, ordinary shares of 5p each of the Company and, after the Consolidation, ordinary shares of 10p each of the Company,"
 - (c) to delete the words "same number of" in article 182(iii)(a), and
 - (d) to add the words ",which resulting number shall be divided by two," after the words "Conversion Ratio" in article 182(iii).

By order of the Board

Grant Whitehouse

Secretary
Registered Office
39 Earlham Street
London WC2H 9LT
25 June 2012

Note: Please see the notes set out on page 77 and 78 which contain important information about the Class Meetings.

Notice of class meeting of holders of 'C' Shares of ProVen VCT plc

NOTICE IS HEREBY GIVEN that a Class Meeting of holders of 'C' Shares in ProVen VCT plc will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11:10 a.m. on 21 August 2012 for the purpose of considering and, if thought fit, passing resolution 1 as an ordinary resolution and resolutions 2 to 6 as special resolutions:

Ordinary Resolution

1. That the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot:
 - (a) Ordinary Shares up to a maximum nominal amount of £445,000 (representing approximately 18% of the Ordinary Share capital in issue at today's date and estimated to represent in approximately 10% of the Ordinary Share capital after the proposed conversions and consolidation); and
 - (b) 'C' Shares up to a maximum nominal amount of £360,225 (representing approximately 10% of the 'C' Share capital in issue at today's date); and
 - (c) 'D' Shares up to a maximum nominal amount of £8,243 (representing approximately 10% of the 'D' Share capital in issue at today's date);

this authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make Offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).

Special Resolutions

2. To empower the Directors pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 1 as if Section 561(1) of the Act did not apply to any such allotments and so that:
 - (a) reference to allotment in this resolution shall be construed in accordance with Section 560(2) and (3) of the said Act; and
 - (b) the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.
3. That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, 'C' Shares and 'D' Shares provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 7,176,873 representing approximately 14.9% of the present issued Ordinary Share capital of the Company, the maximum number of 'C' Shares hereby authorised to be purchased is 2,146,944 representing approximately 14.9% of the present issued 'C' Share capital of the Company and the maximum number of 'D' Shares hereby authorised to be purchased is 1,228,192 representing approximately 14.9% of the present issued 'D' Share capital of the Company;
 - (b) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5p, for a 'C' Share is 25p and for a 'D' Share is 1p being the nominal amount thereof;
 - (c) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares, 'C' Shares and 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;
 - (d) the Company may make a contract to purchase its own Ordinary Shares, 'C' Shares or 'D' Shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares, 'C' Shares or 'D' Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

4. That, the proposals involving the making of a tender offer (“Tender Offer”) for up to 3,338,475 ‘C’ Shares of 25p each in the capital of the Company (“‘C’ Shares”) at a price of 87.4p per ‘C’ Share as described in the circular to shareholders to be published on or around 2 July 2012 (the “Circular”), a copy of which is produced to this meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract (“Contract”) for the purchase by the Company of ‘C’ Shares from those persons as are set out in the schedule produced to the meeting and initialled by the Chairman for identification purposes, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 31 October 2012).
5. That, subject to the passing of resolution 7, immediately prior to Conversion, as defined in the Company’s articles of association, the ordinary shares of 5p each in the capital of the Company shall be consolidated into ordinary shares of 10p each such that every holder of ordinary shares of 5p shall receive one ordinary share of 10p for every 2 ordinary shares of 5p.
6. That, the Company’s articles of association be amended as follows:
 - (a) to amend the definition of “Conversion Ratio” as set out in the Appendix to Resolution 12 of the AGM notice;
 - (b) to delete the words “(i) an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio,” in article 177(i) and substitute them with “(i) an amount equivalent to the aggregate net asset value of the C Shares, calculated in accordance with the Company’s usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value for the C Shares”; and
 - (c) to delete the words in article 182(1)(b) “subject to the provision immediately after the definition of ‘H’ in Article 1” which is required as a result of the amendment in resolution 6(a) above.
7. That, the Company’s articles of association be amended as follows:
 - (a) to add a new definition of “Consolidation” in article 1 as follows:

““Consolidation” means the consolidation of ordinary shares of 5p each of the Company into ordinary shares of 10p each, which will take place immediately prior to the Conversion,”
 - (b) to amend the definition of “Ordinary Shares” in article 1 as follows:

““Ordinary Shares” means, prior to the Consolidation, ordinary shares of 5p each of the Company and, after the Consolidation, ordinary shares of 10p each of the Company,”
 - (c) to delete the words “same number of” in article 182(iii)(a), and
 - (d) to add the words “,which resulting number shall be divided by two,” after the words “Conversion Ratio” in article 182(iii).

By order of the Board

Grant Whitehouse
Secretary
Registered Office
39 Earlham Street
London WC2H 9LT

25 June 2012

Note: Please see the notes set out on page 77 and 78 which contain important information about the Class Meetings.

Notice of class meeting of holders of 'D' Shares of ProVen VCT plc

NOTICE IS HEREBY GIVEN that a Class Meeting of holders of 'D' Shares in ProVen VCT plc will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 11:15 a.m. on 21 August 2012 for the purpose of considering and, if thought fit, passing resolution 1 as an ordinary resolution and resolutions 2 to 6 as special resolutions:

Ordinary Resolution

1. That the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot:
 - (a) Ordinary Shares up to a maximum nominal amount of £445,000 (representing approximately 18% of the Ordinary Share capital in issue at today's date and estimated to represent in approximately 10% of the Ordinary Share capital after the proposed conversions and consolidation); and
 - (b) 'C' Shares up to a maximum nominal amount of £360,225 (representing approximately 10% of the 'C' Share capital in issue at today's date); and
 - (c) 'D' Shares up to a maximum nominal amount of £8,243 (representing approximately 10% of the 'D' Share capital in issue at today's date);

this authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the Company to make Offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).

Special Resolutions

2. To empower the Directors pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 1 as if Section 561(1) of the Act did not apply to any such allotments and so that:
 - (a) reference to allotment in this resolution shall be construed in accordance with Section 560(2) and (3) of the said Act; and
 - (b) the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.
3. That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares, 'C' Shares and 'D' Shares provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 7,176,873 representing approximately 14.9% of the present issued Ordinary Share capital of the Company, the maximum number of 'C' Shares hereby authorised to be purchased is 2,146,944 representing approximately 14.9% of the present issued 'C' Share capital of the Company and the maximum number of 'D' Shares hereby authorised to be purchased is 1,228,192 representing approximately 14.9% of the present issued 'D' Share capital of the Company;
 - (b) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 5p, for a 'C' Share is 25p and for a 'D' Share is 1p being the nominal amount thereof;
 - (c) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares, 'C' Shares and 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;
 - (d) the Company may make a contract to purchase its own Ordinary Shares, 'C' Shares or 'D' Shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares, 'C' Shares or 'D' Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

4. That, the proposals involving the making of a tender offer ("Tender Offer") for up to 3,338,475 'C' Shares of 25p each in the capital of the Company ("C' Shares") at a price of 87.4p per 'C' Share as described in the circular to shareholders to be issued on or around 2 July 2012 (the "Circular"), a copy of which is produced to this meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract ("Contract") for the purchase by the Company of 'C' Shares from those persons as are set out in the schedule produced to the meeting and initialled by the Chairman for identification purposes, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 31 October 2012).
5. That, subject to the passing of resolution 7, immediately prior to Conversion, as defined in the Company's articles of association, the ordinary shares of 5p each in the capital of the Company shall be consolidated into ordinary shares of 10p each such that every holder of ordinary shares of 5p shall receive one ordinary share of 10p for every 2 ordinary shares of 5p.
6. That, the Company's articles of association be amended as follows:
 - (a) to amend the definition of "Conversion Ratio" as set out in the Appendix to Resolution 12 of the AGM notice;
 - (b) to delete the words "(i) an amount equivalent to (C-D) using the methods of calculation of C and D given in the definition of Conversion Ratio," in article 177(i) and substitute them with "(i) an amount equivalent to the aggregate net asset value of the C Shares, calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the Directors may consider appropriate so as to be a fair value for the C Shares"; and
 - (c) to delete the words in article 182(1)(b) "subject to the provision immediately after the definition of 'H' in Article 1" which is required as a result of the amendment in resolution 6(a) above.
7. That, the Company's articles of association be amended as follows:
 - (a) to add a new definition of "Consolidation" in article 1 as follows:

""Consolidation" means the consolidation of ordinary shares of 5p each of the Company into ordinary shares of 10p each, which will take place immediately prior to the Conversion,"
 - (b) to amend the definition of "Ordinary Shares" in article 1 as follows:

""Ordinary Shares" means, prior to the Consolidation, ordinary shares of 5p each of the Company and, after the Consolidation, ordinary shares of 10p each of the Company,"
 - (c) to delete the words "same number of" in article 182(iii)(a), and
 - (d) to add the words ", which resulting number shall be divided by two," after the words "Conversion Ratio" in article 182(iii).

By order of the Board

Grant Whitehouse
 Secretary
 Registered Office
 39 Earlham Street
 London WC2H 9LT

25 June 2012

Note: Please see the notes set out on page 77 and 78 which contain important information about the Class Meetings.

Notes for the Notice of Annual General Meeting and Notices of Class Meetings

- (a) Any member of the Company entitled to attend and vote at the meetings is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting and Class Meeting(s) provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting and/or Class Meeting(s) in order to represent his appointor. A member entitled to attend and vote at the Annual General Meeting and/or Class Meeting(s) may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Act, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting and/or Class Meeting(s) unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting and/or Class Meeting(s) or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the Annual General Meeting and/or Class Meeting(s) that the question be answered.
- (b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Beringea LLP, 39 Earlham Street, London WC2H 9LT or electronically at proxy@beringea.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting and/or Class Meeting(s) or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- (c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Beringea LLP, 39 Earlham Street, London WC2H 9LT. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail to proxy@beringea.co.uk.
- In either case, the revocation notice must be received by Beringea LLP before the Annual General Meeting and/or Class Meeting(s) or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- (d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting and/or Class Meeting(s) in person, the proxy appointment will automatically be terminated.
- (e) Copies of the Directors' Letters of Appointment and the Register of Directors' interests in the Ordinary Shares, 'C' Shares and 'D' Shares of the Company, will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and/or Class Meeting(s) for at least 15 minutes prior to and during the meeting.

- (f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 11:00 a.m. on 17 August 2012 or, in the event that the Annual General Meeting and/or Class Meeting(s) is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting and/or Class Meeting(s) in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 11:00 a.m. on 17 August 2012 or, in the event that the Annual General Meeting and/or Class Meeting(s) is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting and/or Class Meeting(s).
- (g) As at 9 a.m. on 25 June 2012, the Company's issued share capital comprised 48,920,234 Ordinary Shares, 14,409,023 'C' Shares and 8,242,901 'D' Shares and the total number of voting rights in the Company were 71,572,158. The website referred to above will include information on the number of shares and voting rights.
- (h) If you are a person who has been nominated under section 146 of the Act to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting and/or Class Meeting(s);
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- (i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share.
- (j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting and/or Class Meeting(s).
- (k) Except as provided above, members who have general queries about the Annual General Meeting and/or Class Meeting(s) should write to the Chairman at the registered office set out above.
- (l) Members may not use any electronic address provided either in this notice of Annual General Meeting and/or Class Meeting(s), or any related documents (including the Chairman's letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.

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