

PROVEN GROWTH AND INCOME VCT PLC  
(formerly PROVEN MEDIA VCT PLC)

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## Shareholder Information

### THE COMPANY

ProVen Media VCT plc was incorporated on 14 December 2000. In May 2001, the company obtained a listing on the London Stock Exchange. A total of £7.1 million was raised (before expenses) through an offer for subscription of new ordinary shares at 100p. The company has been provisionally approved as a Venture Capital Trust by the Inland Revenue. The company revoked its investment company status in July 2004 in order to pay a capital dividend.

### THE INVESTMENT MANAGER

ProVen Media VCT plc is managed by Beringea Limited, an independent fund management company based in London. Beringea is part of the Beringea Group, which currently manages or advises venture capital funds totalling approximately £80 million including ProVen VCT plc.

### VENTURE CAPITAL TRUSTS

Venture Capital Trusts (VCTs) were introduced in the Finance Act 1995 and are intended to provide a means whereby individual investors can invest in small unquoted trading companies in the UK, with incentives in the form of a number of tax benefits. From 6 April 2004, investors subscribing for new shares in a VCT have been entitled to claim income tax relief of 40% on their investment, irrespective of their marginal tax rate (up to a maximum investment of £200,000 per tax year). The tax relief cannot exceed the amount which reduces an investor's income tax liability to nil. In addition all dividends paid by VCTs are tax free and disposals of VCT shares are not subject to capital gains tax. The Chancellor has confirmed that the 40% income tax relief will be available for the tax years 2004/5 and 2005/6 but may then be withdrawn.

ProVen Media VCT has been provisionally approved as a VCT by the Inland Revenue. In order to maintain its approval the company must comply with certain requirements on a continuing basis; in particular, within three years from the date of provisional approval at least 70% by value of the company's investments must comprise "qualifying holdings", of which at least 30% by value must be in eligible ordinary shares. A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted company which is carrying on a qualifying trade and whose gross assets do not exceed £15 million at the time of investment. For the purposes of these criteria, unquoted companies include companies whose shares are traded on the Alternative Investment Market ("AIM").

As with investment trusts, capital gains accruing to VCTs are not chargeable gains for UK Corporation Tax purposes.

## Financial Calendar

Annual General Meeting 2005

5 July 2005

Interim report for six months to 31 August 2005 published

October/November 2005

Preliminary announcement of results for the year to 28 February 2006

May 2006

Annual General Meeting 2006

July/August 2006

### SHARE PRICE

The mid-market price of shares in ProVen Media VCT plc is reported daily in the Financial Times and appears under the heading "Investment Companies".

## Financial Summary

	Year ended 28 February 2005	Year ended 29 February 2004	Year ended 28 February 2003	Period ended 28 February 2002
Revenue return per share (pence) for the year/period	0.3p	0.2p	1.6p	1.8p
Total return per share (pence) for the year/period	11.9p	28.3p	(7.3)p	(1.3)p
Dividends per share (pence)	6.5p	3.5p	1.0p	1.4p
Cumulative dividends per share (pence)	12.4p	5.9p	2.4p	1.4p
Net asset value per share (pence)	115.3p	109.1p	84.1p	92.4p
NAV total return (net asset value plus cumulative dividends per share) (pence)	127.7p	115.0p	86.5p	93.8p
Shareholders' funds (£'000)	7,752	7,720	5,997	6,568
Mid-market price per share (pence)	98p	80p	100p	100p

## Investment Objective

ProVen Media VCT plc is a Venture Capital Trust ("VCT") established under the legislation introduced in the Finance Act 1995. The company's principal objectives as set out in the prospectus are to maximise tax-free capital and income returns to shareholders, over a five to ten year period, by investing in a portfolio consisting mainly of qualifying investments in established smaller UK companies with good growth prospects.

# Chairman's Statement

## Introduction

I have pleasure in presenting the annual report and accounts for your company for the year ended 28 February 2005. The year has been marked by 11% growth in the FTSE All Share Index despite geopolitical uncertainty and concerns in the wider international economy.

## Investment Portfolio

During the year your company made two new investments totalling £700,000 and a further £323,000 was invested in existing portfolio companies. Your company also made a number of realisations generating a profit of £551,000. These realisations include cash and shares from the sale of Espotting Media to US NASDAQ listed FindWhat.com which was concluded in July 2004.

At the balance sheet date your company had a portfolio of 18 investments at a total cost of £5.1 million and a valuation of £6.7 million. Your company also held £1.4 million in cash and liquidity funds.

The performance of the portfolio continues to be encouraging and is reflected in the increased valuations for a number of companies. Further details on portfolio activity are set out in the Investment Manager's Review and in the analysis of the ten largest venture capital investments.

## Net Asset Value and Dividends

The total net asset value return per share at 28 February 2005 was 127.7p comprising a net asset value per share of 115.3p and dividends paid and proposed of 12.4p. This represents a return of 34% over the initial net asset value at launch of 95p and compares very favourably with the total return on the FTSE All Share Index of -0.3% over the same period.

Your company is proposing a final dividend of 3.5p per share. This is in addition to the interim dividend of 3.0p per share paid in November 2004. This dividend will be paid on 6 July 2005 to shareholders on the register at 10 June 2005.

## Share Buy Backs

During the year your company purchased 352,683 shares in the market at a cost of £348,000, representing a discount of 10% to the published net asset value at the time of the purchases. In order to maintain your company's ability to purchase its own shares where this is in the interest of shareholders, the Board will at the forthcoming annual general meeting once again be seeking shareholder approval to renew its authority to purchase shares in the market. Any shareholder wishing to sell shares should contact Downing Corporate Finance in the first instance, details of whom are provided on page 6 of this annual report.

## Looking Forward

Some four years into its life, ProVen Media VCT has achieved a strong performance relative to its peer group of VCTs and the FTSE All Share Index. The Board has been reviewing various options for trying to ensure that this level of performance is maintained in the future.

With over 70% of the fund invested in qualifying investments, your company is approaching the position where it may no longer be able to take advantage of some of the attractive investment opportunities presented to it. The Board is therefore recommending that your company take advantage of the current favourable conditions for VCT fund raising to increase its size and further diversify the portfolio. It is proposing that up to 20 million new shares should be issued at a price not less than the most recently announced net asset value prior to the date of allotment of new shares plus an allowance for issue costs.

The Board has also been reviewing your company's investment policy. The current investment policy, as set out in the prospectus dated 16 February 2001, is focussed on unquoted and AIM investments primarily, but not

exclusively, in media companies. Qualifying investments may be made outside the media sector where the investment manager feels that there are good opportunities for growth in value although these constitute only a small proportion of the overall portfolio. With the proposed increase in the size of the fund, the directors believe that shareholders would benefit from a broader range of investments including those with a media bias. The Board has therefore decided to permit your company to invest in any qualifying UK company where it believes there are strong prospects of an attractive return. In order to reflect this change in investment policy, the Board is recommending that your company's name be changed to ProVen Growth and Income VCT.

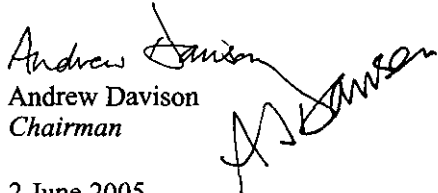
Resolutions to enable the fund raising to proceed and to effect the change of name are included in the Notice of Annual General Meeting enclosed with these accounts. The Board recommends that shareholders vote in favour of these resolutions as they intend to do in respect of their own beneficial holdings.

### PROSPECTS

The performance of the portfolio continues to be encouraging and is reflected in the increased valuations for a number of companies. Shareholders should remember that valuations are sensitive to the market in which we operate. The prospects for the UK economy look more uncertain than at this time last year. Nonetheless I continue to have confidence in the performance of your company's portfolio of investments.

### ANNUAL GENERAL MEETING

The annual general meeting will be held at 11.15 a.m. on 5 July 2005 at 39 Earlham Street, London WC2H 9LT. I look forward to meeting those shareholders that are able to attend.

  
Andrew Davison  
Chairman

2 June 2005

## Management and Administration

### Registered Office & Registered Number

39 Earlham Street  
London WC2H 9LT  
Registered in England & Wales  
No. 4125326  
Tel: 020 7845 7820

### Investment Manager

Beringea Limited  
39 Earlham Street  
London WC2H 9LT  
info@beringea.co.uk  
Tel: 020 7845 7820

Beringea Limited is authorised and regulated  
by the Financial Services Authority

### VCT Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6NN

### Auditors

Deloitte & Touche LLP  
London

### Registrar

Capita Registrars  
(formerly Northern Registrars)  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield HD8 0LA  
Tel: 0870 162 3131  
Shareholder.services@capitaregistrars.com

### Company Secretary

C L Whitten, FCIS  
Woodside Secretaries Limited  
21-22 Grosvenor Street  
London W1K 4QJ

### Solicitor

Howard Kennedy  
19 Cavendish Square  
London W1A 2AW

### Financial Adviser

Downing Corporate Finance Limited  
69 Eccleston Square  
London SW1V 1PJ  
Tel: 020 7416 7780  
info@downing.co.uk

## Directors

**Andrew Davison FCA** (62) is chairman of ProVen VCT plc, Pennine Downing Ethical VCT plc and City of London Investment Group PLC and is currently on the boards of a number of quoted and unquoted companies. He was formerly chairman and chief executive of Business Mortgages Trust plc from 1987 to 1991. He joined County Bank Limited in 1972 and by 1984 had become managing director of NatWest Ventures Limited, which specialised in unquoted investments. He is a former council member of the British Venture Capital Association.

**Nicholas Lewis MA MSc** (49) is a director of Downing Corporate Finance Limited, which he founded in 1986. Downing specialises in promoting and administering tax based investments, having raised over £400 million since 1992. He was a founding director of HIT Entertainment PLC in 1989. He is currently a director of a number other VCTs, including ProVen VCT plc. He was formerly with County NatWest Ventures Limited and before that with Apax Partners and Co. Limited.

**Alexander Spiro, Jr.** (57) is a senior managing director of Beringea LLC, an investment banking and fund management group based in Michigan, USA that is the ultimate parent company of Beringea Limited. He is responsible for the business development of the Beringea Group and is a member of the advisory board of Investcare Partners, a limited partnership fund managed by Beringea LLC that invests in venture capital opportunities in the healthcare sector. Prior to joining Beringea LLC he spent more than 30 years as an entrepreneur in the healthcare sector.

**James Stewart MA MBA** (56) was formerly managing director of Creditanstalt Investment Bank AG's subsidiary in London, where he had previously established Creditanstalt Bankverein's development capital activity. He is, and has been, a non-executive director of a number of quoted and unquoted companies and is on the board of Guinness Flight VCT. He now works as an independent venture capitalist.

**Marc Vlessing MSc BA** (43) started his career as a corporate financier with County NatWest. In 1991, he set up Media Finance, a management consultancy business specialising in the media sector. In 1997 he became Chief Executive of Crescent Entertainment which ran a group of London theatres and cinemas; subsequently he became Chief Executive of First Call International, the UK's largest independent ticketing business. He is currently Chairman of Eclipse VCT 2 plc and a principal in Pocket, a developer which helps people on low to moderate incomes own their first home.

All directors are non-executive.

**Audit Committee:** Andrew Davison, Nicholas Lewis, James Stewart, Marc Vlessing.

# Investment Manager's Review

## Introduction

The year to 28 February 2005, the period covered by this review, has seen continued strong economic growth in the UK despite geopolitical uncertainty in the Middle East, rising oil prices and current account imbalances in the wider international economy. Against this backdrop the net asset value total return of the fund increased by 11%, compared to a total return of 15% on the FTSE All Share Index over the same period. The VCT continued to comply with the requirements of the VCT regulations during the year.

Our primary focus during the year has been value creation within the existing portfolio. We have also made a number of new and follow-on investments and realised a number of investments as outlined below.

## Portfolio Activity

### Investments

Two new investments of £700,000 were completed during the year and a total of £323,000 was invested in existing portfolio companies. These investments are summarised below.

Portfolio company	Activity	Amount £'000
<b>New investments</b>		
Gyro Group	Marketing services	500
JVTV	Operator of plasma screen network in student union bars	200
<b>Follow-on investments</b>		
Baby Innovations SA	Design and development of pre-sterilised baby feeding bottles	40*
Esporting Media	Performance based internet advertising	8*
Espresso Broadband	Provision of multi-media educational resources to schools	49
UBC Media Group	Digital radio and broadcasting	200
Zenith Group	Television production company	26
	<b>Total</b>	<b>1,023</b>

\* Includes non-cash capitalised interest

### Realisations

The increasing maturity of the portfolio has been reflected in the number of realisations that have been made. These include the sale of Esporting Media to US NASDAQ listed FindWhat.com and the further sale of a significant proportion of the VCT's holding in Cardpoint.

The sale of Esporting Media completed on 1 July 2004. As part of the transaction the VCT received a mix of cash and FindWhat shares. As at 28 February 2005 the VCT had realised over 50% of its original investment on which it generated a gain of 114%.

The VCT's investment in Cardpoint has performed particularly well. We first invested in this company at a price of 43p per share and subsequently made a further investment at 53p per share. During the year we realised 30% of the VCT's purchases at an average price of 128p per share generating a gain of 182%.

We also took the opportunity provided by strength in the respective share prices to realise part of the company's shareholding in Pilat Media and to sell the remainder of the holding in Centurion Electronics.

## Portfolio Valuation

At 28 February 2005, the company's unquoted and listed portfolio comprised 18 investments at a total cost of £5.1 million and a valuation of £6.7 million. The company also held £1.4 million in cash and liquidity funds. Full details are shown on page 8.

The portfolio has performed well and this is reflected in the increased valuation of a number of portfolio companies since the previous year end. These include Espresso Broadband, Mergermarket, Nectar Taverns and Ma Potters. We have prudently reduced the valuation of the company's investment in Zenith Group but continue to work closely with management to identify ways of maximising shareholder value.

### **Outlook**

The investments in the portfolio continue, on the whole, to perform well. We will continue to focus on creating value for shareholders through working closely with these companies and seeking realisations where appropriate. Funds generated from realisations are likely to form the basis for future distributions to shareholders and, together with some of the available cash, for further investments. Whilst we continue to experience a reasonable level of deal flow from our network of contacts we are cautious of current valuations for venture capital investments and are committed to ensuring that only those investments which we feel will add significant value to the portfolio should be considered.

Beringea Limited

2 June 2005

## Investment Portfolio

	Cost £'000	Valuation £'000	% of Net Assets
<b>Qualifying holdings</b>			
Espresso Broadband Limited	523	1,037	13.4
Mergermarket Limited	317	779	10.0
Ashford Colour Press Limited	550	763	9.8
Ma Potter's Limited	300	750	9.7
Nectar Taverns plc	300	537	6.9
Gyro International Limited	500	500	6.5
UBC Media Group plc*	400	464	6.0
Cardpoint plc*	130	390	5.0
LFR plc (t/a Loch Fyne Restaurants)	351	332	4.3
JTV Limited	200	200	2.6
Pilat Media Global plc*	74	151	1.9
Immedia Broadcasting plc*	171	73	0.9
Oasis Healthcare plc*	170	54	0.7
Zenith Group Limited	426	52	0.7
Sports Holdings Limited	260	43	0.6
<b>Total qualifying holdings</b>	4,672	6,125	79.0†
<b>Non-qualifying holdings</b>			
Baby Innovations S.A. (t/a Steribottle)	220	220	2.8
FindWhat.com Inc§	115	184	2.4
Copyright Promotions Group Limited	56	177	2.3
<b>Total non-qualifying holdings</b>	391	581	7.5
<b>Total investment portfolio</b>	5,063	6,706	86.5
<b>Cash and other net current assets</b>		1,046	13.5
<b>Shareholders' funds</b>		7,752	100.0

\* Investment traded on the Alternative Investment Market ("AIM")

§ Investment traded on the US NASDAQ market

† Expressed as a percentage of the company's net assets at 28 February 2005 as distinct from total investments as defined in the Venture Capital Trust regulations.

## Ten Largest Venture Capital Investments

### Espresso Broadband Limited *London*

#### Development and delivery of educational materials for schools

ProVen Media VCT originally invested in September 2001 alongside ProVen VCT to fund the development and roll-out of the company's flagship product *Espresso for Schools* ("EFS"), a digital media education service for UK primary schools. Further investments were made in subsequent years to support ongoing development of the company. Over 4,500 primary schools have now signed up to EFS and this number continues to grow rapidly. Recently, ITN invested in Espresso in return for a significant equity stake in the business.

Investment dates:	September 2001 to March 2004
Equity held:	4.6%
Cost:	£523,000 (2004 – £474,000)
Valuation:	£1,037,000 (2004 – £374,000)
Valuation basis:	Price of recent investment
Last audited accounts:	31 July 2003
Net liabilities:	£2.9 million
Loss before tax:	£1.6 million

### Mergermarket Limited *London*

#### Business information services

Mergermarket Limited, based in London, provides a business intelligence service for advisers and companies active in mergers and acquisitions. The company now has four on-line subscription-based publications: mergermarket, dealReporter, debtWire, and Remark and delivers information directly to subscribers' desktops, PDAs, or mobile phones. The company has grown rapidly driven by new sales, high renewals and geographic expansion. Since early 2004, the company has set up offices in the USA and Latin America and is launching an office in Hong Kong publishing and selling market-specific versions of their major titles.

Investment date:	June 2001 and August 2002
Equity held:	2.8%
Cost:	£317,000 (2004 – £317,000)
Valuation:	£779,000 (2004 – £503,000)
Valuation basis:	Revenue multiple
Last audited accounts:	31 December 2003
Net assets:	£573,000
Loss before taxation:	£240,000

## Ten Largest Venture Capital Investments *continued*

### Ashford Colour Press Limited *Hampshire*

#### **Educational printing**

Ashford Colour Press Limited is a medium sized printing business specialising in the educational sector. Beringea led the £5 million management buyout of Ashford in September 2002 in which ProVen Media VCT invested alongside ProVen VCT. The business is long established and has a broad customer base of blue chip companies which continues to expand. There is a strong operational management team with significant experience in the printing business and an in-depth knowledge of the company's customer base and operational procedures.

Investment date:	September 2002
Equity held:	12.9%
Cost:	£550,000 (2004 – £550,000)
Valuation:	£763,000 (2004 – £679,000)
Valuation basis:	Earnings multiple
Last audited accounts:	31 March 2004
Net assets:	£1.3 million
Profit before taxation:	£618,000

### Ma Potter's Limited *London*

#### **Branded restaurant chain**

Ma Potter's is a branded restaurant chain offering value-priced dining in locations mostly based in major shopping centres or cinema complexes across the UK. The company opened its first restaurant in London in 1995 and at the time of our investment had built up to a chain of ten restaurants. ProVen Media VCT invested alongside other VCTs including ProVen VCT in January 2004 to provide development capital for further expansion. The company now has fifteen restaurants and plans to open several more restaurants in 2005 and expand further in 2006.

Investment date:	January 2003
Equity held:	4.8%
Cost:	£300,000 (2004 – £300,000)
Valuation:	£750,000 (2004 – £445,000)
Valuation basis:	Earnings multiple
Last audited accounts:	30 November 2004
Net assets:	£1.8 million
Profit before taxation:	£1.0 million

**Nectar Taverns Plc** *London*

**Freehold pub investment company**

Nectar Taverns was established to build a portfolio of non-branded, unthemed freehold public houses to be managed under a management agreement with AIM-quoted Honeycombe Leisure plc. ProVen Media VCT invested alongside a number of other VCTs, including ProVen VCT, in the placing which raised £11 million of equity and bank debt. Nectar Taverns estates comprises twenty three trading pubs with a further six pubs either under refurbishment or in the process of being purchased, primarily in the northwest of England.

Investment date:	August 2002
Equity held:	7.4%
Cost:	£300,000 (2004 – £300,000)
Valuation:	£537,000 (2004 – £300,000)
Valuation basis:	Earnings multiple
Last audited accounts:	2 May 2004
Net assets:	£3.7 million
Loss before taxation:	£253,000

**Gyro International Limited** *London*

**Brand communications agency**

Gyro is the fifth largest business-to-business communications agency in the UK providing marketing services for information, communications and technology companies. It has additional offices in continental Europe and the USA. ProVen Media invested £500,000 alongside Eclipse VCT in February 2005.

Investment date:	February 2005
Equity held:	4.5%
Cost:	£500,000 (2004 – £nil)
Valuation:	£500,000 (2004 – £nil)
Valuation basis:	Price of recent investment
First audited accounts:	31 October 2005

## Ten Largest Venture Capital Investments *continued*

### UBC Media Group plc\* *London*

#### **Analogue and digital radio producer and broadcaster**

UBC Media is a commercial radio broadcasting company and leading independent radio programme producer. ProVen Media VCT, alongside ProVen VCT, invested £200,000 in the company through a Placing & Open Offer in April 2002 and a further £200,000 in August 2004. UBC's core strategy is based on taking advantage of the emerging digital radio market. By 2008, sales of digital radios are anticipated to reach 7 million with a further 19.4 million homes having access to digital radio through digital TV.

Investment date:	April 2002 and August 2004
Equity held:	0.9%
Cost:	£400,000 (2004 – £200,000)
Valuation:	£464,000 (2004 – £257,000)
Valuation basis:	Discounted mid-market price
Last audited accounts:	31 March 2004
Net assets:	£3.5 million
Loss before taxation:	£1.5 million

### Cardpoint plc\* *Lancashire*

#### **Independent automated teller machine operator**

Cardpoint owns and/or operates a network of automated teller machines ("ATMs") and mobile phone top up terminals in the UK and Europe. The machines are situated at motorway services areas, petrol stations, pubs, hospitals, hotels and large retail and leisure outlets. ProVen VCT invested alongside ProVen Media VCT and other investors when the company was admitted to AIM in June 2002 and made a follow on investment at 53p per share in a heavily oversubscribed Placing & Open Offer in June 2003. 2004 was another year of rapid expansion with the acquisition of the HBOS ATM Estate and the company now has over 2,800 ATMS as well as 4,000 mobile phone electronic top-up terminals.

Investment date:	June 2002 and June 2003
Equity held:	0.5%
Cost:	£130,000 (2004 – £221,000)
Valuation:	£390,000 (2004 – £718,000)
Valuation basis:	Mid-market price
Last audited accounts:	30 September 2004
Net assets:	£36.4 million
Loss before taxation:	£3.0 million

\* AIM listed investment

**LFR plc (t/a Loch Fyne Restaurants) Scotland**

**Branded seafood restaurants**

LFR manages 23 fish restaurants throughout the UK under the "Loch Fyne Restaurants" brand and 5 "Le Petit Blanc" restaurants. ProVen Media VCT originally invested in the company in May 2002 alongside other institutional investors including ProVen VCT. The company intends to rollout the "Loch Fyne" brand in the UK and potentially abroad. The company is well managed and benefits from strong brand recognition in its market.

Investment date:	May 2002
Equity held:	2.4%
Cost:	£351,000 (2004 – £351,000)
Valuation:	£332,000 (2004 – £351,000)
Valuation basis:	Earnings multiple
Last audited accounts:	31 December 2004
Net assets:	£6.8 million
Profit before taxation:	£330,000

**Baby Innovations S.A. (t/a Steribottle) London**

**Development, marketing and promotion of disposable sterilised baby milk bottles**

The Steri-bottle is the world's first ready-to-use disposable, sterile and affordable baby bottle. ProVen Media first invested alongside other institutional and private investors, including ProVen VCT in January 2002 to fund the company's marketing and distribution strategy. A further investment round took place in July 2004 including an additional ProVen Media investment and restructuring of existing finance to develop the Mark 3 Steri-bottle which is scheduled to launch in 2005.

Investment date:	January 2002 to July 2004
Equity held:	0.9%
Cost:	£220,000 (2004 – £206,000)
Valuation:	£220,000 (2004 – £144,000)
Valuation basis:	Price of recent investment
Last audited accounts:	31 December 2003
Net liabilities:	£2.9 million
Loss before taxation:	£2.0 million

*Notes: Qualifying equity investments in the above companies carry full voting rights. Where stated, references to the "first" audited accounts relate to the first annual report and accounts to be prepared by the investee company following the date of investment by ProVen Media VCT.*

## Directors' Report

The directors present their report and the audited financial statements for the year to 28 February 2005.

### ACTIVITIES AND STATUS

The principal activity of the company during the year was the making of long-term equity and loan investments in unquoted and AIM traded companies in the United Kingdom. The company has been listed on the London Stock Exchange since May 2001 and has been granted provisional approval by the Inland Revenue as a Venture Capital Trust. The Chairman's Statement on pages ● and ● and the Investment Manager's Review on pages ● and ● give a review of developments during the year and of future prospects.

The directors have managed the affairs of the company with the intention that it will qualify for approval by the Inland Revenue as a Venture Capital Trust for the purposes of Section 842AA of the Income and Corporation Taxes Act 1988 ('the Act'). 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 Act.

Although it is not intended that the company should have a limited life, shareholders will be given the opportunity to review its future in 2011 and, thereafter, at five yearly intervals. Accordingly, the Articles of Association of the company contain provisions requiring the directors to propose an ordinary resolution at the company's annual general meeting in 2011 to seek confirmation from shareholders that it should continue as a VCT.

### RESULTS AND DIVIDEND

	Year to 28 February 2005		Year to 29 February 2004	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Return on ordinary activities after taxation	23	799	14	1,996
Appropriated as follows:				
Interim dividend paid				
Revenue – nil p (2004 – nil p)	—	—	—	—
Capital – 3.0p per share (2004 – nil p)	—	205	—	—
Final dividend proposed				
Revenue – nil (2004 – nil p)	—	—	—	—
Capital – 3.5p per share (2004 – 3.5p per share)	—	237	—	248
Transfers to reserves	23	357	14	1,748
	<u>23</u>	<u>799</u>	<u>14</u>	<u>1,996</u>

The directors propose a dividend of 3.5p per share for the year ended 28 February 2005 (2004 – 3.5p per share) to be paid on 6 July 2005 to shareholders on the register at 10 June 2005.

## DIRECTORS

The directors of the company who served during the year and their interests in the issued ordinary shares of 1p of the company are as follows:

	Year to 28 February 2005 or date of resignation	Year to 29 February 2004 or date of appointment
A J Davison	5,125	5,125
N P Lewis	10,250	10,250
T P Sooke (resigned 1 June 2004)	5,000	5,000
A Spiro Jr.	—	—
J A Stewart	6,000	6,000
M F Vlessing	5,125	5,125

All of the directors' share interests shown above are held beneficially. There have been no changes in the directors' share interests between 28 February 2005 and the date of this report.

Brief biographical notes on the directors are given on page ●. Messrs Stewart and Vlessing, retiring by rotation, will offer themselves for re-election at the forthcoming annual general meeting. The directors believe their experience in small companies is a great benefit to the Board and recommend their re-election.

None of the directors has a contract of service with the company and, except as mentioned below under the heading "Management", there were no contracts that subsisted during the year in which a director was materially interested and which was significant in relation to the company's business.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

As permitted by section 310(3) of the Companies Act 1985, the company has maintained insurance cover on behalf of the directors and secretary indemnifying them against certain liabilities that may be incurred by them in relation to the company.

## SHARE BUY BACK

During the year the company repurchased and cancelled 352,683 ordinary shares of 1p each (2004 – 55,000) for a consideration of £348,000 (2004 – £39,000). The buy backs represented 5.0% of the called up share capital.

## MANAGEMENT

Beringea Limited ("Beringea") has acted as investment manager to the company since 16 February 2001. Downing Corporate Finance Limited ("Downing") is contracted under an administration agreement to provide the company with advice relating to shareholder communications. The principal terms of the management and administration agreements are set out in note 3 to the financial statements.

Under the terms of agreements dated 25 January 2003, Downing acts as Financial Adviser to the company and its subsidiary Downing Management Services Limited acts for the company regarding a Matched Bargain Service in relation to share buy backs. The principal terms of the agreements are set out in note 5 to the financial statements.

N P Lewis is a director of, and shareholder in, Downing. A Spiro Jr. is a director of, and shareholder in, Beringea LLC, the ultimate parent company of Beringea.

## VCT STATUS MONITORING

The company has engaged PricewaterhouseCoopers LLP ("PwC") to advise it on compliance with the VCT legislation. PwC reviews appropriate new investment opportunities for compliance with the VCT rules and conducts a regular review of the company's investment portfolio to monitor ongoing VCT compliance. PwC works closely with the investment manager, but reports directly to the Board of the company.

## **Directors Report** *continued*

### **SUBSTANTIAL SHAREHOLDINGS**

As at 2 June 2005 the company had not been notified of any individual shareholdings representing 3% or more of the company's issued share capital during the year under review or at the date of this report.

### **CREDITOR PAYMENT POLICY**

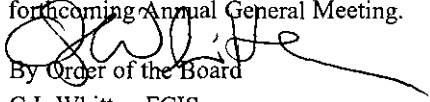
The company's payment policy is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. The company's principal expenses such as investment management fees and administration fees are paid quarterly in arrears in accordance with the respective agreements. Accordingly the company had no material trade creditors at the year end.

### **ANNUAL GENERAL MEETING**

Notice of the annual general meeting is set out on pages ● and ●.

### **AUDITORS**

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

  
By Order of the Board

C L Whitten FCIS

*Secretary*

39 Earham Street  
London WC2H 9LT

2 June 2005

## Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of Schedule 7A to the Companies Act 1985. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 5 July 2005.

### DIRECTORS' REMUNERATION POLICY

The company does not have any executive directors and, as permitted under the Listing Rules, has not, therefore, established a remuneration committee. Directors' remuneration is calculated in accordance with the company's original prospectus dated 16 February 2001. This states that the ordinary remuneration of the directors (other than an executive director appointed under the Articles) shall be determined by the directors and shall not exceed £100,000 per year (unless otherwise approved by the company in general meeting). The directors shall also be paid by the company all travelling, hotel and other expenses they may incur in attending meetings of the directors or general meetings or otherwise in connection with the discharge of their duties. Any director who, by request of the directors, performs special services may be paid such extra remuneration as the directors may determine.

### DIRECTORS' REMUNERATION (AUDITED)

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

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
T P Sooke (Chairman) (resigned 1 June 2004)	6	13
A J Davison (Chairman) (Appointed Chairman 1 June 2004)	10	10
N P Lewis	10	10
A Spiro Jr.*	—	—
J A Stewart	10	10
M F Vlessing	10	10
	<hr/> 46	<hr/> 53

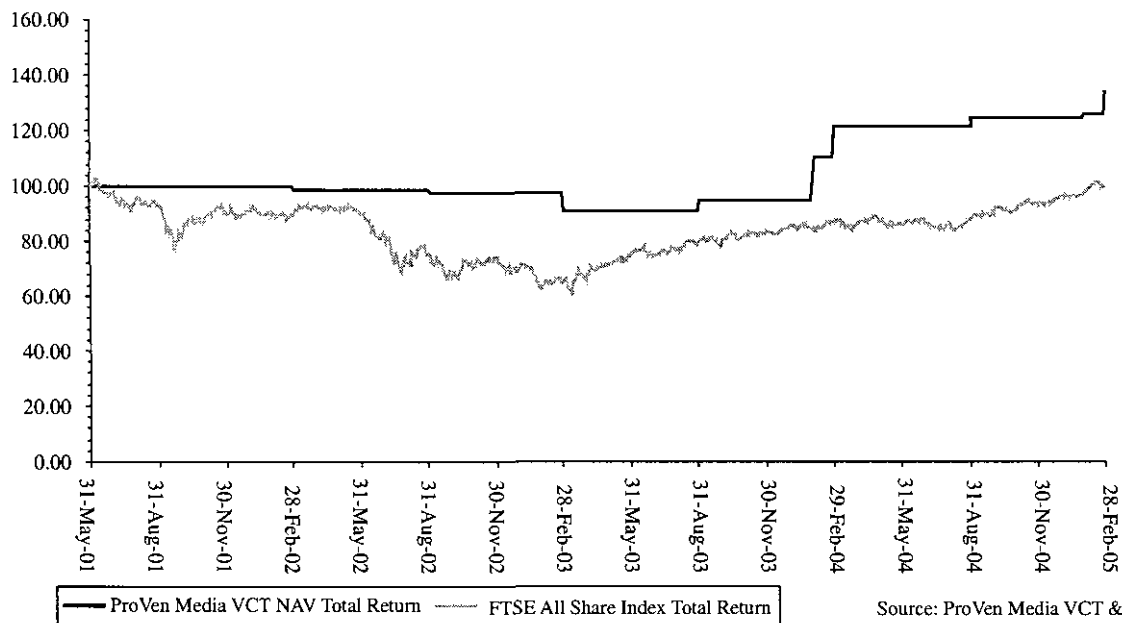
\* employee of Beringea LLC during the year under review

No other emoluments or pension contributions were paid by the company to, or on behalf of, any director. None of the directors has a service contract with the company. During the year Beringea waived its entitlement to receive fees in respect of the provision of the services of Mr Spiro to the company as non-executive director. The level of fees is determined by reference to a review of remuneration paid to the directors of other comparable venture capital trusts. It is expected that the level of fees will continue to be assessed on this basis in forthcoming years.

## Directors' Remuneration Report *continued*

### PERFORMANCE CHART

The directors consider that the most appropriate measure of the company's performance is its NAV total return (net asset value plus cumulative dividends) compared to the FTSE All Share Index total return. The following chart illustrates the relative performance since listing.



By Order of the Board  
C L Whitten FCIS, *Secretary*  
39 Earlam Street  
London WC2H 9LT  
2 June 2005

## Corporate Governance

The directors support the relevant principles of the new Combined Code issued in July 2003 by the Financial Reporting Council, being the principles of good governance and the code of best practice as set out in Section 1 of the Combined Code annexed to the Listing Rules of the Financial Services Authority.

Bearing in mind that the assets of the company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the financial statements, the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

### THE BOARD

The company is led and controlled by a Board of directors who are all non-executives and who have had relevant experience with quoted companies prior to their appointment. The Chairman is Andrew Davison. Biographical details of all Board members are shown on page 9.

Directors are subject to re-election at the first AGM after their appointment and by rotation thereafter. In accordance with the Combined Code, two directors were re-elected during the year and two further directors are offering themselves for re-election at the next AGM.

During the year the following were held.

#### 4 full board meetings

All directors attended all meetings with the exception of Alexander Spiro, Jr who was unable to attend two of those meetings.

#### 2 Audit Committee meetings

All Members attended

Additional meetings were held as required to address specific issues including considering recommendations from the investment manager. The board has a formal schedule of matters specifically reserved for its decision.

All directors, with the exception of Mr Spiro Jr, were involved in the establishment of the company as a VCT. All directors had relevant experience with quoted companies prior to their appointment and it was not therefore thought necessary to provide further training in respect of their obligations and duties.

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 believes that it presents a balanced and understandable assessment of the company's position and prospects. The Audit Committee meets at least once a year. Under the chairmanship of a non-executive director, its membership comprises all the non-executive directors with the exception of the representative of the investment manager. During the year the Audit Committee was chaired by Andrew Davison. The Audit Committee reviews the financial statements and is reported to by the external auditors. Further, the Audit Committee keeps under review the cost effectiveness, independence and objectivity of the auditors. A formal statement of independence is received from the external auditors each year.

During the year the Board recommended that the auditors be re-appointed, and reviewed the internal financial controls including those of the investment manager in the course of which a risk assessment was considered. The investment manager is authorised and regulated by the Financial Services Authority and the directors have an opportunity to review their own auditors' review of their financial controls.

The Board reviewed directors' remuneration during the year. Details of the specific levels of remuneration to each director are set out in the Directors' Remuneration Report on page 10, and this is subject to shareholder approval.

## Corporate Governance *continued*

### RELATIONS WITH SHAREHOLDERS

The Chairman is the company's principal spokesman with investors, fund managers, the press and other interested parties.

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.

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 Registrars collate 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 Combined 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 these financial statements.

### FINANCIAL REPORTING

The directors statement of responsibilities for preparing the accounts is set out on page ●, and a statement by the auditors about their reporting responsibilities is set out in the Auditors' Report on page ●.

### INTERNAL CONTROL

The directors are responsible for the company's system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the company's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The directors have conducted a review of the effectiveness of the system of internal control for the year covered by the financial statements. This accords with the Turnbull guidance.

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 Beringea Limited.

### COMPLIANCE STATEMENT

The Listing Rules require the Board to report on compliance with the forty-eight Combined Code provisions throughout the accounting year. The preamble to the Combined Code does, however, acknowledge that some provisions may have less relevance for investment companies. With the exception of the limited items outlined below, the Company has complied throughout the accounting year to 28 February 2005 with the provisions set out in Section 1 of the Combined Code.

1. The Board has not appointed a nominations committee as they consider the Board to be small and it comprises wholly non-executive directors. Appointments of new directors are dealt with by the full Board.
2. 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.
3. Due to the size of the Board and the nature of the company's business, a formal performance evaluation of the Board, its committees, the individual directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise.
4. The company has two independent directors, Messrs. James Stewart and Marc Vlessing, as defined by the Combined Code issued in July 2003. The board consider that Messrs. James Stewart and Marc Vlessing are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect the director's judgement. Other non-executive directors hold directorships of other companies with the same investment manager. The Board considers that all directors have sufficient experience to be able to exercise proper judgement within the meaning of the Combined Code.

5. The company does not have a chief executive officer or senior independent director. The Board does not consider this to be necessary for the size of the company.
6. The company does not conduct a formal review as to whether there is a need for an internal audit function. The directors do not consider that an internal audit would be an appropriate control for a venture capital trust.
7. The Audit Committee is Chaired by Andrew Davison, Chairman of the Board of directors, whom the board regard as independent despite recommendations to the contrary in the Combined Code due to his being Chairman of the Board of directors and holding cross directorships with the same investment manager.
8. The non-executive directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts.
9. 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 the annual general meeting.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the revenue of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; 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 ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the company's system of internal control, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent Auditors' Report to the members of ProVen Media VCT plc

We have audited the financial statements of ProVen Media VCT plc for the year ended 28 February 2005 which comprise the statement of total return, the balance sheet, the cash flow statement and the related notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the directors' remuneration report that is described as having been audited.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 AUDITORS

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the annual report including the directors remuneration report. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements, auditing standards, and the Listing Rules of the Financial Services Authority.

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

We review whether the corporate governance statement reflects the company's compliance with the nine provisions of the July 2003 FRC Combined Code specified for our review by the Listing Rules and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the company's corporate governance procedures or its risk and control procedures.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section including the unaudited part of the directors' remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### BASIS OF AUDIT OPINION


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

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

### OPINION

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the company as at 28 February 2005 and of the total return of the company for the year then ended; and
- the financial statements and part of the directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985.

  
Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors

London  
2 June 2005

**Statement of Total Return (incorporating the revenue account)**  
for the year to 28 February 2005

	Notes	Year ended 28 February 2005			Year ended 29 February 2004		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments							
– realised		—	551	551	—	167	167
– unrealised		—	337	337	—	1,874	1,874
Income	2	215	—	215	205	—	205
Investment management fee	3	(31)	(92)	(123)	(16)	(48)	(64)
Other expenses	4	(158)	—	(158)	(172)	—	(172)
<b>Return on ordinary activities before taxation</b>		26	796	822	17	1,993	2,010
Tax (charge)/credit on ordinary activities	6	(3)	3	—	(3)	3	—
<b>Return on ordinary activities after taxation</b>		23	799	822	14	1,996	2,010
Dividends	7	—	(442)	(442)	—	(248)	(248)
<b>Transfer to reserves</b>	15	23	357	380	14	1,748	1,762
<b>Return per ordinary share</b>							
<b>Basic and fully diluted</b>	8	0.3p	11.6p	11.9p	0.2p	28.1p	28.3p



All revenue and capital items in the above statement are from continuing operations in the current year and the prior year. No operations were acquired or discontinued in the current or prior year. Other than shown above, the company had no recognised gains or losses. Accordingly no statement of total recognised gains and losses has been prepared.

The notes on pages ● to ● form an integral part of these financial statements.

**Balance Sheet**  
**at 28 February 2005**

	Notes	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
<b>Fixed assets</b>			
Investments	9	6,706	5,675
<b>Current assets</b>			
Debtors	12	84	119
Cash at bank and in hand		1,362	2,276
		1,446	2,395
<b>Creditors: amounts falling due within one year</b>	13	(400)	(350)
<b>Net current assets</b>		1,046	2,045
<b>Total assets less current liabilities</b>		7,752	7,720
<b>Capital and reserves</b>			
Called up share capital	14	67	70
Share premium	15	27	27
Capital redemption reserve	15	4	1
Special reserve	15	5,810	6,247
Capital reserve – realised	15	114	5
Capital reserve – unrealised	15	1,637	1,300
Revenue reserve	15	93	70
<b>Total equity shareholders' funds</b>	16	7,752	7,720
<b>Net asset value per ordinary share</b>	17	115.3p	109.1p

The financial statements on pages 25 to 39 were approved by the Board of directors on 2 June 2005 and were signed on its behalf by:

  
 Andrew Davison  
 Chairman
 

The notes on pages 28 to 39 form an integral part of these financial statements.

**Cash Flow Statement**  
for the year to 28 February 2005

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
<b>Net cash (outflow)/inflow from operating activities</b>		
Net revenue from ordinary activities before tax	26	17
(Increase)/decrease in debtors	(57)	89
Increase/(decrease) in creditors	16	(10)
Capitalised interest receipts	(23)	—
Management fees charged to capital	(92)	(48)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(130)	48
 <b>Financial investment</b>		
Purchase of investments	(1,000)	(4,694)
Sale of investments	972	6,504
	<hr/>	<hr/>
<b>Net cash (outflow)/inflow from financial investment</b>	(28)	1,810
 <b>Corporation tax paid</b>	—	(17)
 <b>Equity dividends paid</b>	(453)	—
 <b>Financing</b>		
Purchase of ordinary shares	(303)	(39)
	<hr/>	<hr/>
<b>Net cash outflow from financing</b>	(303)	(39)
	<hr/>	<hr/>
<b>(Decrease)/increase in cash in the year</b>	(914)	1,802
 <b>Analysis of cash balance</b>		
At 29 February 2004	2,276	474
Net cash (outflow)/inflow for the year	(914)	1,802
	<hr/>	<hr/>
At 28 February 2005	1,362	2,276
	<hr/>	<hr/>

The notes on pages ● to ● form an integral part of these financial statements.

## **Notes to the Financial Statements**

### **for the year to 28 February 2005**

#### **1. ACCOUNTING POLICIES**

##### **General**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting policies and the Statement of Recommended Practice "Financial Statements of Investment Trust Companies". The accounts have been prepared under the historical cost convention, as modified to include the revaluation of fixed asset investments.

##### **True and fair override**

The company is no longer an investment company within the meaning of Section 266, Companies Act 1985, having revoked investment company status in July 2004 in order to permit the distribution of capital profits. However, it conducts its affairs as a venture capital trust for taxation purposes under Section 842AA of the Income and Corporation Taxes Act 1988. Notwithstanding, and as permitted by the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" ("SORP"), issued by the Association of Investment Trust Companies in January 2003, the Company has prepared its financial statements in accordance with the SORP. The directors consider that the departure from the Companies Act 1985 is necessary to enable the financial statements to give a true and fair view.

##### **Investments**

Listed or AIM traded investments are stated at market value, which is based upon middle market prices at the balance sheet date. In the event that the shares held by the company are subject to certain restrictions, or the holding is significant in relation to the traded issued share capital of the investee company then the directors may apply a discount to the relevant middle market price.

Investments in unquoted companies are valued by the directors in accordance with British Venture Capital Association ("BVCA") guidelines. Revised guidelines were issued by the BVCA in June 2003. The bases of valuation have not materially changed from those adopted in previous years.

Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to realised capital reserves. Unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves. Costs incurred relating to acquisitions and disposals are charged to capital reserves as a deduction from proceeds or an addition to costs.

It is not the company's policy to exercise controlling or significant influence over investee companies, although it may hold a significant interest in some companies. Accordingly, the results of these companies are not incorporated into the revenue account except to the extent of any income earned or received.

##### **Income**

Dividend income receivable from quoted securities is recognised on the ex-dividend date. Income from unquoted equity and non-equity securities is recognised on an accruals basis except that a full provision is made until the receipt of the income is certain.

Interest from cash and deposits and fixed returns on debt securities are recognised on an accruals basis.

##### **Expenses**

All expenses are accounted for on an accruals basis. One quarter of the investment management fee is charged to the revenue account and the remaining three quarters is charged to capital reserves, net of corporation tax relief, and inclusive of any irrecoverable value added tax. The allocation of the management fee reflects the directors' estimate of the source of the long-term returns in the portfolio from revenue and capital.

##### **Taxation**

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. 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.

## 2. INCOME

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
<b>Interest receivable</b>		
– from listed fixed interest securities	—	156
– from unquoted investment portfolio	166	44
– from bank deposits and liquidity funds	46	3
	<u>212</u>	<u>203</u>
<b>Dividends receivable</b>	3	2
	<u>215</u>	<u>205</u>

## 3. INVESTMENT MANAGEMENT FEE

	Year ended 28 February 2005		Year ended 29 February 2004	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Investment management fee	26	78	14	41
Irrecoverable VAT thereon	5	14	2	7
	<u>31</u>	<u>92</u>	<u>16</u>	<u>48</u>

Beringea Limited (“Beringea”) provides investment management services to the company in respect of the company’s portfolio of venture capital investments under an investment management agreement dated 16 February 2001.

Under the terms of the investment management agreement, Beringea is entitled to a fee (exclusive of VAT) equal to 2.5% per annum (2004 – 2.5% pa) of the net assets of the company, subject to a cap on total costs of 3.6% per annum of net assets. The fee is calculated at half-yearly intervals based on the net assets at 31 August and 28 February and is payable quarterly in arrears. During the year ended 28 February 2005, the fee payable to Beringea equated to 1.4% per annum of net assets (2004 – 0.8% p.a.). The investment management agreement is for a minimum period of five years from 16 February 2001 terminable by either party at any time thereafter by one year’s prior written notice.

Beringea also provides administrative and secretarial services to the company under the terms of an administration agreement dated 16 February 2001 for an annual fee of £30,000 (plus VAT & RPI). During the period to 28 February 2005, Beringea waived its right to payment under this agreement. Downing Corporate Finance Limited (“Downing”) is entitled to an annual fee of 0.2% of net assets (plus VAT & RPI) subject to a maximum fee of £20,000 (plus VAT & RPI) in consideration for services to the company relating to its communications with shareholders and their financial advisers.

Under the terms of the investment management and administration agreements described above, Beringea and Downing are potential beneficiaries of the company’s performance incentive arrangements. These arrangements are described in more detail in note 18.

**Notes to the Financial Statements *continued***  
**for the year to 28 February 2005**

**4. OTHER EXPENSES**

	<b>Year ended 28 February 2005 £'000</b>	<b>Year ended 29 February 2004 £'000</b>
Administrative and secretarial services	16	15
Directors' remuneration (see note 5)	46	53
Auditors' remuneration		
– for audit services	9	11
– for tax services	3	2
Irrecoverable VAT	16	18
Other expenses	68	73
	<u>158</u>	<u>172</u>

Irrecoverable VAT attributable to the management fee is disclosed in note 3 and is not included in the figure for irrecoverable VAT stated above.

**5. DIRECTORS' REMUNERATION**

	<b>Year ended 28 February 2005 £'000</b>	<b>Year ended 29 February 2004 £'000</b>
Fees paid to directors	10	10
Amounts paid to third parties in consideration for the services of directors	36	43
	<u>46</u>	<u>53</u>

The fees paid in respect of directors during the year were as follows:

	<b>£'000</b>	<b>£'000</b>
T P Sooke (Chairman) (resigned 1 June 2004)	6	13
A J Davison (Chairman) (appointed 1 June 2004)	10	10
N P Lewis	10	10
A Spiro Jr.	—	—
J A Stewart	10	10
M F Vlessing	10	10
	<u>46</u>	<u>53</u>

N P Lewis is a director of and shareholder in Downing, which provides services to the company as outlined in note 3. The company has agreed to pay Downing an annual retainer of £1,500 (plus VAT) in accordance with the terms of an agreement dated 25 January 2003 under which Downing was appointed as Financial Adviser to the company. The company has also agreed to pay Downing Management Services Limited (a subsidiary company of Downing) an annual retainer of £2,000 plus VAT under the terms of an agreement dated 25 January 2003 which appointed Downing Management Services Limited to provide services in connection with the purchase by the company of its own shares.

A Spiro Jr. is a senior managing director of Beringea LLC. During the year Beringea waived its entitlement to receive fees in respect of the provision of the services of Mr Spiro Jr. to the company as non-executive director.

Except as noted above, or as otherwise disclosed in these accounts, none of the directors received any other remuneration or benefit during the year.

## 6. TAX CHARGE/(CREDIT) ON ORDINARY ACTIVITIES

	Year ended 28 February 2005		Year ended 29 February 2004	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
United Kingdom tax based on the taxable profit for the year	—	—	—	—
Tax attributable to capital expenses	3	(3)	3	(3)
	<u>3</u>	<u>(3)</u>	<u>3</u>	<u>(3)</u>
<b>Factors affecting tax charge for the year</b>				
Return on ordinary activities before taxation	26	796	17	1,993
	<u>26</u>	<u>796</u>	<u>17</u>	<u>1,993</u>
Tax on return on ordinary activities at the standard rate of UK corporation tax (30%)	8	238	5	597
UK dividends not subject to corporation tax	(1)	—	—	—
Capital returns not subject to corporation tax	—	(266)	—	(612)
Excess of allowable expenses over taxable income	—	21	—	—
Effect of profits/(losses) taxed at the marginal rate of corporation tax rather than the standard rate	(4)	4	(2)	12
	<u>(4)</u>	<u>4</u>	<u>(2)</u>	<u>12</u>
Current tax charge/(credit) for the year	3	(3)	3	(3)
	<u>3</u>	<u>(3)</u>	<u>3</u>	<u>(3)</u>

## 7. DIVIDENDS

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
Interim dividend paid – 3.0p per share (2004 – nil p)	205	—
Final dividend proposed – 3.5p per share (2003 – 3.5p)	237	248
	<u>442</u>	<u>248</u>

## 8. RETURN PER ORDINARY SHARE

The revenue return per ordinary share is based on the net revenue on ordinary activities after taxation of £23,000 (2004 – £14,000) and on 6,921,608 ordinary shares (2004 – 7,096,556 ordinary shares), being the weighted average number of ordinary shares in issue during the year.

The capital return per ordinary share is based on a net realised and unrealised capital profit of £799,000 (2004 – profit of £1,996,000) and on 6,921,608 ordinary shares (2004 – 7,096,556 ordinary shares), being the weighted average number of ordinary shares in issue during the year.

**Notes to the Financial Statements *continued***  
**for the year to 28 February 2005**

**9. FIXED ASSET INVESTMENTS**

	<b>Year ended 28 February 2005 £'000</b>	<b>Year ended 29 February 2004 £'000</b>
Unquoted investments	5,390	4,076
Listed investments	1,316	1,599
	<u>6,706</u>	<u>5,675</u>

Movements in investments during the year are summarised as follows:

	<b>Unquoted £'000</b>	<b>Listed £'000</b>	<b>Total £'000</b>
Value of investment at 1 March 2004	4,076	1,599	5,675
Purchases at cost	1,023	—	1,023
Disposal – proceeds	(170)	(710)	(870)
– realised gain on disposal	75	476	551
Transfer following acquisition	(258)	258	—
Net increase in unrealised appreciation	644	(307)	337
<b>Valuation at 28 February 2005</b>	<u>5,390</u>	<u>1,316</u>	<u>6,706</u>
Book cost at 28 February 2005	4,003	1,060	5,063
Unrealised appreciation at 28 February 2005	1,387	256	1,643
	<u>5,390</u>	<u>1,316</u>	<u>6,706</u>

Listed investments comprise equity shares traded on AIM and the US NASDAQ.

The overall gain on investments for the period shown in the Statement of Total Return is analysed as follows:

	<b>Year ended 28 February 2005 £'000</b>	<b>Year ended 29 February 2004 £'000</b>
Net realised gain on disposal	551	167
Increase in unrealised appreciation	337	1,874
	<u>888</u>	<u>2,041</u>

## 10. VENTURE CAPITAL INVESTMENTS

The cost and carrying value of investments in unquoted companies and those whose shares are traded on AIM and NASDAQ was as follows:

	28 February 2005		29 February 2004	
	Cost £'000	Carrying value £'000	Cost £'000	Carrying value £'000
<b>Espresso Broadband Limited</b>				
Ordinary shares	220	734	100	—
Secured loan stock	303	303	374	374
	<u>523</u>	<u>1,037</u>	<u>474</u>	<u>374</u>
<b>Mergermarket Limited</b>				
'B' Ordinary shares	203	665	203	389
Convertible loan notes	114	114	114	114
	<u>317</u>	<u>779</u>	<u>317</u>	<u>503</u>
<b>Ashford Colour Press Limited</b>				
Ordinary shares	73	286	73	202
Secured loan stock	477	477	477	477
	<u>550</u>	<u>763</u>	<u>550</u>	<u>679</u>
<b>Ma Potter's Limited</b>				
Ordinary shares	90	540	90	235
Secured loan stock	210	210	210	210
	<u>300</u>	<u>750</u>	<u>300</u>	<u>445</u>
<b>Nectar Taverns Plc</b>				
Ordinary shares	90	292	90	90
Cumulative redeemable preference shares	210	245	210	210
	<u>300</u>	<u>537</u>	<u>300</u>	<u>300</u>
<b>Gyro International Limited</b>				
Ordinary shares	150	150	—	—
Preference shares	175	175	—	—
Loan notes	175	175	—	—
	<u>500</u>	<u>500</u>	<u>—</u>	<u>—</u>
<b>UBC Media Group plc*</b>				
Ordinary shares	400	464	200	257
<b>Cardpoint plc*</b>				
Ordinary shares	130	390	221	718
<b>LFR plc (t/a Loch Fyne Restaurants)</b>				
Ordinary shares	351	332	351	351

**Notes to the Financial Statements** *continued*  
for the year to 28 February 2005

**10. VENTURE CAPITAL INVESTMENTS** *continued*

	28 February 2005		29 February 2004	
	Cost £'000	Carrying value £'000	Cost £'000	Carrying value £'000
<b>Baby Innovations S.A. (t/a Steribottle)**</b>				
Ordinary shares (2002 – funding Units)	170	170	144	—
Convertible loan	29	29	41	41
Unsecured loan units	21	21	21	103
	<u>220</u>	<u>220</u>	<u>206</u>	<u>144</u>
<b>JVTV Limited</b>				
Ordinary shares	20	20	—	—
Preference shares	180	180	—	—
	<u>200</u>	<u>200</u>	<u>—</u>	<u>—</u>
<b>FindWhat.com Inc†**</b>				
Ordinary shares	115	184	—	—
<b>Copyright Promotions Group Limited**</b>				
Ordinary shares	18	139	18	119
Unsecured loan notes	38	38	75	75
	<u>56</u>	<u>177</u>	<u>93</u>	<u>194</u>
<b>Pilat Media Global plc*</b>				
Ordinary shares	74	151	82	274
<b>Immedia Broadcasting plc*</b>				
Ordinary shares	171	73	171	183
<b>Oasis Healthcare plc*</b>				
Ordinary shares	170	54	170	84
<b>Zenith Group Limited</b>				
Ordinary shares	43	—	40	40
Preference shares	—	—	—	—
Loan stock	383	52	360	360
	<u>426</u>	<u>52</u>	<u>400</u>	<u>400</u>
<b>Sports Holdings Limited</b>				
Ordinary shares	260	43	260	43
<b>Espotting Media (UK) Limited**</b>				
Convertible loan notes	—	—	250	643
<b>Centurion Electronics plc*</b>				
Ordinary shares	—	—	23	83
<b>Total</b>	<u>5,063</u>	<u>6,706</u>	<u>4,368</u>	<u>5,675</u>

\* Investments traded on the AIM market

† Investment traded on NASDAQ

\*\*Non-qualifying investments

## 11. SIGNIFICANT INTERESTS

Details of shareholdings in those companies where the company's holding represents (1) more than 10% of the allotted equity share capital of any class, (2) more than 10% of the total allotted share capital or (3) more than 10% of the assets of the investee company itself, are given below. All of the companies named are incorporated in Great Britain.

Company	Class of shares	Number held	Proportion of class held
Ashford Colour Press Limited	'A' ordinary shares (£1)	73,150	27.5%
Mergermarket Limited	'B' ordinary shares (1p)	80,897	13.5%
Espresso Broadband Limited	'A' ordinary shares (10p)	1,226,466	10.9%
Gyro International Limited	'A' ordinary shares (1p)	608,989	16.7%
	Preference shares (1p)	175,000	16.7%
JVTV Limited	Ordinary shares (1p)	9,495	12.2%
	'B' preference shares (£1,000)	180	17.0%
Zenith Group Limited	'B' ordinary shares (1p)	7,843	10.5%
	'D' ordinary shares (1p)	1,053	21.1%

It is considered that, as permitted by FRS 9 "Associates and Joint Ventures", the above investments are held as part of an investment portfolio, and that, accordingly, their value to the company lies in their marketable value as part of that portfolio rather than as a medium through which the company carries out its business. Therefore the investments are not considered to be associated undertakings and their results have not been incorporated in the revenue account.

Unless stated to the contrary, all classes of ordinary shares have voting rights.

## 12. DEBTORS

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
Debtors and prepayments	12	103
Accrued income	72	16
	<u>84</u>	<u>119</u>

## 13. CREDITORS

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
Trade creditors and accruals	163	102
Proposed dividends	237	248
	<u>400</u>	<u>350</u>

**Notes to the Financial Statements *continued***  
for the year to 28 February 2005

**14. SHARE CAPITAL**

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
<b>Authorised</b>		
35,000,000 ordinary shares of 1p each	350	350
<b>Allotted, called up and fully paid</b>		
6,721,295 (2004 – 7,073,978) ordinary shares of 1p each	67	70

During the year 352,683 ordinary shares of 1p were bought by the company for a total cash consideration of £348,000. These shares were subsequently cancelled.

**15. RESERVES**

	Share premium account £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000
At 1 March 2004	27	1	6,247	5	1,300	70
Realised on disposal of investments	—	—	—	551	—	—
Unrealised gain on valuation	—	—	—	—	337	—
Management fee capitalised	—	—	—	(92)	—	—
Share buy back and cancellation	—	3	(348)	—	—	—
Transfer to/(from) special reserve	—	—	(89)	89	—	—
Tax effect of capital items	—	—	—	3	—	—
Dividends paid and proposed	—	—	—	(442)	—	—
Net revenue retained for the period	—	—	—	—	—	23
<b>At 28 February 2005</b>	<b>27</b>	<b>4</b>	<b>5,810</b>	<b>114</b>	<b>1,637</b>	<b>93</b>

In July 2002, the company received the consent of the High Court for the cancellation of its share premium account and the creation of a special capital reserve which can be utilised, amongst other things, to purchase shares in the market for cancellation.

## 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 28 February 2005 £'000	Year ended 29 February 2004 £'000
At 1 March 2004	7,720	5,997
Total return after tax and distributions	380	1,762
Share buy backs and cancellation	(348)	(39)
At 28 February 2005	<u>7,752</u>	<u>7,720</u>

## 17. NET ASSET VALUE PER SHARE

Net asset value per share is based on net assets at 28 February 2005 of £7,752,000 (2004 – £7,720,000) and on 6,721,295 (2004 – 7,073,978) ordinary shares in issue at that date.

## 18. PERFORMANCE INCENTIVE ARRANGEMENTS

Under the terms of the investment management agreement and the administration agreement outlined in note 3, Beringea Limited and Downing Corporate Finance Limited are potential beneficiaries of the company's performance incentive arrangements. Beringea is entitled to receive at least 90% and Downing the balance (up to 10%) of any performance incentive by way of cash, shares or share options.

The performance incentive will not be triggered until the company's profits available for distribution are equivalent to not less than 7% per annum (compound) on each share and net assets per share are £1.00 or more. This incentive will be equal to 20% of the company's profits (derived from both investment income and capital profits) available for distribution in excess of 7p per share in each accounting period, before taking into account such incentive. The performance incentive will first be calculated in respect of the period to 29 February 2004 and annually thereafter. The incentive (if any) will be payable following approval of the relevant audited accounts by shareholders and will be in the form of cash, shares or share options in the company.

In the event that Beringea or Downing elects to receive such incentives by way of share options, the value per option will be calculated by subtracting the exercise price per share from the net asset value per share at the date on which the options become exercisable. The maximum number of options that may be issued without shareholder approval is capped at 15% of the issued share capital of the company from time to time. Beringea and Downing will be entitled to cash compensation in the event that the value of the incentive exceeds the amount in respect of which the company is capable of granting share options.

## 19. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

A statement of the company's principal objectives is given on page 9. In order to achieve these objectives the company invests its funds primarily in qualifying holdings in unlisted companies and companies traded on AIM, which by their nature may entail a higher degree of risk than investments in large listed companies. The company has not entered into any derivative transactions, and does not expect to do so in the foreseeable future. As a venture capital trust, the company invests in securities for the long term, and it is the company's policy that no trading in investments or other financial instruments shall be undertaken.

**Notes to the Financial Statements *continued***  
for the year to 28 February 2005

**19. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS *continued***

**Market price risk**

The main risks arising from the company's investing activities are market price risk, representing the uncertain realizable values of the company's investments. The directors aim to limit the risk attaching to the portfolio as a whole by careful selection of investments and by maintaining a wide spread of investments in terms of financing stage, industry sector and geographical location.

**Interest rate risk**

The company finances its activities through retained profits including realizable and realizable capital profits, and through the issue of equity shares. It has not entered into any borrowings. The company's investment portfolio includes investments in interest bearing securities in investee companies and in other fixed interest securities. Details of interest bearing assets are given below under Financial assets.

**Liquidity risk**

There is liquidity risk associated with unquoted investments, which are not readily realizable.

**Credit risk**

Credit risk is the risk of a borrower defaulting on either an interest payment or the capital sum of a loan. The credit risk associated with the company's loan investments in unquoted companies is controlled as part of the investment process outlined under market price risk above, and wherever possible, the company will take security for such advances. Details of the loans outstanding to investee companies are shown below.

**Currency risk**

The majority of the company's assets and liabilities are denominated in sterling. The company has an exposure to the US dollar by virtue of its investment in FindWhat (approximately 2% of net assets).

**Financial assets**

The interest rate profile of the company's financial assets is set out below:

	<b>Year ended 28 February 2005 £'000</b>	Year ended 29 February 2004 £'000
Floating rate	914	976
Fixed rate	1,419	2,397
Non-interest bearing	5,819	4,697
	<hr/> 8,152 <hr/>	<hr/> 8,070 <hr/>
	<b>Year ended 28 February 2005</b>	Year ended 29 February 2004
<b>Fixed rate assets</b>		
Weighted average interest rate	8.1%	9.3%
Weighted average years to maturity	3.3	3.7

Floating rate financial assets comprise cash held on deposit and investments in liquidity funds. The benchmark rate for these investments is the UK bank base rate.

Non-interest bearing financial assets comprise equity share and non-equity share investments in investee companies, cash held on non-interest bearing deposit and debtors.

**Fair values**

The investments of the company are valued by the directors in accordance with the guidelines issued by the British Venture Capital Association, and the carrying values are considered to approximate the fair value of the investments.

## **20. RELATED PARTY TRANSACTIONS**

ProVen Media VCT is managed by Beringea Limited, and has entered into a co-investment agreement with other Beringea managed funds. Beringea acts as the manager to ProVen VCT plc. Certain directors of ProVen Media VCT plc serve, or did serve, on the board of ProVen VCT. Tom Sooke was, until his resignation on 1 June 2004, a director of ProVen VCT plc, whilst Andrew Davison, Nicholas Lewis and Alexander Spiro Jr. are non-executive directors of that company.

## **21. CAPITAL COMMITMENTS**

There were no investments which were approved at the year end but which had not completed.

## Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of ProVen Media VCT plc will be held at 39 Earlham Street, London WC2H 9LT on Tuesday, 5 July 2005 at 11.15 a.m. for the following purposes:

### ORDINARY BUSINESS

- 1 To receive and adopt the financial statements for the year to 28 February 2005 and the directors' and auditors' reports thereon.
- 2 To approve a final dividend of 3.5p per share
- 3 To approve the Directors' Remuneration Report
- 4 To re-elect J Stewart as a director
- 5 To re-elect M Vlessing as a director
- 6 To re-appoint Deloitte & Touche LLP as auditors of the company and to authorise the directors to agree their remuneration.

### SPECIAL BUSINESS

To consider and if thought fit, pass Resolution 7 as an Ordinary Resolution and Resolutions 8, 9 and 10 as Special Resolutions:

#### 7 AUTHORITY TO ALLOT RELEVANT SECURITIES

THAT the directors be generally and unconditionally authorised in accordance with Section 80 of the Act to allot shares up to a maximum nominal amount of £200,000 (representing approximately 198% of the ordinary 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).

#### 8 EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES

To empower the directors pursuant to Section 95(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the authority referred to in resolution 7 as if Section 89(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 94 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 AUTHORITY TO MAKE MARKET PURCHASES

THAT the company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Act) of ordinary shares of 1p each in the company ("ordinary shares") provided that:

- (a) the maximum number of ordinary shares so authorised to be purchased shall not exceed 14.99% of the present issued Ordinary share capital of the company;
- (b) the minimum price which may be paid for an ordinary share shall be 1p;

- (c) the maximum price, exclusive of expenses, which may be paid for an ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased; the authority conferred comes to an end at the conclusion of the next annual general meeting of the company or upon the expiry of 15 months from the passing of this resolution, whichever is the later; and
- (d) the company may enter into a contract to purchase its ordinary shares under this authority prior to the expiry of this authority which would or might be completed wholly or partly after the expiry of this authority.

**10 CHANGE OF NAME**

THAT the name of the company be changed to ProVen Growth and Income VCT plc

By Order of the Board



C L Whitten FCIS  
*Secretary*

39 Earlam Street  
London  
WC2H 9LT  
2 June 2005

**NOTES**

- (a) A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member.
- (b) A form of proxy is enclosed which, to be effective, must be completed and delivered to the registrars of the company, Capita Registrars, Proxy Department, 34 Beckenham Road, Beckenham, Kent, BR3 4TU so as to be received by no later than 48 hours before the time the annual general meeting is scheduled to begin. The completion and return of the form of proxy will not affect the right of a member to attend and vote at the annual general meeting.

# Proxy Form

## ProVen Media VCT plc

Annual General Meeting – 5 July 2005

I/We..... (block capitals please)

of .....

being a member of ProVen Media VCT plc, hereby appoint

.....  
or failing him/her the Chairman of the meeting to be my/our proxy and vote for me/us on my/our behalf at the annual general meeting of the company to be held on 5 July 2005, notice of which was sent to shareholders with the directors' report and the accounts for the year to 28 February 2005, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting:

Resolution number	For	Against	Withheld
1 To receive, consider and adopt the financial statements for the year to 28 February 2005	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 To approve a final dividend of 3.5p per share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 To receive the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 To re-elect J Stewart as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 To re-elect M Vlessing as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 To re-appoint Deloitte & Touche LLP as auditors and authorise the directors to agree their remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 To authorise the directors to allot shares (Ordinary Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 To disapply Section 89(1) of the Companies Act 1985 (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 To authorise the directors to make market purchases of its own shares by utilising distributable reserves of the company (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 To approve the change of name to ProVen Growth and Income VCT plc (Special Resolution)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Signed:.....Dated:.....2005

### NOTES

1. A member wishing to appoint a person other than the Chairman of the meeting as proxy should insert the name and address of such person in the space provided.
2. Use of the proxy form does not preclude a member from attending and voting in person.
3. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
4. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.
5. To be valid, the proxy form must be received by the Registrars no later than 48 hours before the commencement of the meeting.