

PROVEN VCT PLC
REPORT AND ACCOUNTS
FOR THE YEAR ENDED
28 FEBRUARY 2007



SHAREHOLDER INFORMATION

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of Annual Reports, Interim Statements and Interim Management Statements can be found on the Company's website:

www.provenvcts.com

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

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, on 0870 162 3124, or by writing to them at the address shown on page 1.

Dividend History (since launch)

Ordinary shares

Year end	Gross Pence per share	Year end	Gross Pence per share
2001	2.4	2005	6.5
2002	2.3	2006	6.5
2003	1.0	2007 (first interim)	31.0
2004	3.5		
		Cumulative distributions to date	53.2
		2007 (second interim) paid 5 April 2007	15.0

No dividends have been paid to 'C' shareholders to date.

Share Price

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

TIDM/EPIC code	Ordinary shares "PVN"	'C' shares "PVNC"
Latest share price (8 June 2007):	73.0p per share	100.0p 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 2004 and 2005 share issues should be aware that they need to hold their shares for a minimum period of three years to retain the Income Tax relief they received on investment. Selling your share 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 Management Services Limited 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 1 of this document.

Financial Calendar

26 July 2007	Annual General Meeting
October 2007	Announcement of interim results

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.

CONTENTS

	Page
Company information	1
Investment strategy and financial highlights	2
Directors	3
Chairman's statement	4
Investment manager's report	6
Review of investments	7
Report of the Directors	11
Directors' remuneration report	14
Corporate governance	16
Independent Auditors' report	18
Income statement	19
Reconciliation of movements in shareholders' funds	19
Balance sheet	20
Cash flow statement	21
Notes to the accounts	22
Notice of Annual General Meeting	30
Form of Proxy	

COMPANY INFORMATION

Company Number	3911323
Registered Office	39 Earlham Street London WC2H 9LT
Directors	Andrew Davison (Chairman) Barry Dean David Eberly Nicholas Lewis
Secretary	Grant Whitehouse
Investment Manager	Beringea Limited 39 Earlham Street London WC2H 9LT Tel: 020 7845 7820 www.provenvcts.com
Administration Manager	Downing Management Services Limited Kings Scholars House 230 Vauxhall Bridge Road London SW1V 1AU Tel: 020 7416 7780 www.downing.co.uk
Auditors	Deloitte & Touche LLP London
VCT Status Adviser	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Registrars	Capita Registrars Northern House, Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0LA Tel: 0870 162 3100 www.capitaregistrars.com
Solicitors	Howard Kennedy 19 Cavendish Square London W1A 2AW
Bankers	Bank of Scotland West End Office St James's Gate 14-16 Cockspur Street London SW1Y 5BL

INVESTMENT STRATEGY

ProVen VCT plc is a Venture Capital Trust (“VCT”) established under the legislation introduced in the Finance Act 1995. The Company’s principal objectives 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.

In respect of the ‘C’ Share pool, the intention is to invest 75% of the proceeds of the offer, over a period of approximately three years, in a portfolio of unquoted, AIM quoted and Plus traded investments in a broad range of sectors in order to ensure good portfolio diversification. These investments will, primarily, be in later and mature stage growth capital deals and management buyouts. Start ups will not be considered for investment. Funds awaiting investment will be invested in a combination of cash, liquidity funds and fixed interest securities of A rating or better.

FINANCIAL HIGHLIGHTS

	2007 pence	2006 pence
Ordinary shares		
Net asset value (per Ordinary share)	<u>108.3</u>	<u>111.3</u>
Cumulative gross distributions paid (from launch to 28 Feb 2007)	<u>53.2</u>	<u>18.7</u>
Total return (net asset value plus paid cumulative distributions paid and declared)	<u>161.5</u>	<u>130.0</u>
Interim dividend (per Ordinary share)	31.0	3.0
Second interim dividend (per Ordinary share) – paid 5 April 2007	<u>15.0</u>	<u>3.5</u>
	<u>46.0</u>	<u>6.5</u>

No ‘C’ shares had been allotted as at 28 February 2007.

DIRECTORS

Andrew Davison (64) (Chairman) is currently on the boards of a number of quoted and unquoted companies and is chairman of City of London Investment Group PLC, The Ethical AIM VCT plc, ProVen Growth and Income VCT plc and Pennine AIM VCT 5 plc. He joined County Bank Limited in 1972 and by 1984 had become managing director of NatWest Ventures Limited. He was formerly chairman and chief executive of Business Mortgages Bank plc from 1987 – 1991. He is a former council member of the British Venture Capital Association.

Barry Dean (57) is a Chartered Accountant, and has over 25 years experience in the private equity industry including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited. He is currently a director of August Equity Trust plc (a quoted investment trust investing in private equity) and a non-executive director of Elderstreet VCT plc. He is also an Advisory Committee Member for Parallel Ventures Managers Limited.

David Eberly (43) is a Senior Managing Director and co-founder of Beringea LLC. David has directed much of Beringea's growth, with particular emphasis on middle-market transactions for privately-held companies and U.S./European cross-border transactions. He serves on the Board of Directors of Beringea LLC and Beringea Ltd. In addition, he is the executive officer of Beringea LLC's China subsidiary, Beringea (Shanghai) Investment & Consulting Co Limited. He is a founding shareholder and was a member of the Board of Directors of European Gateway Acquisition Corp. where he coordinated much of the identification and analysis of potential targets for European Gateway's acquisition effort.

Nicholas Lewis (51) 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 £600 million over the last ten years. He is a non-executive director of a number of other venture capital trusts and an executive director of the investment management subsidiaries of the Downing Protected VCTs. He was formerly with NatWest Ventures Limited and, before that, with Apax Partners and Co. Limited.

All the Directors are non-executive and, with the exception of David Eberly, are considered to be independent of the investment manager.

CHAIRMAN'S STATEMENT

I am pleased to present the Annual Report for ProVen VCT plc for the year ended 28 February 2007 and welcome new shareholders who subscribed to the recent 'C' Share issue to the Company.

Net Asset Value

At the year end, the Company's net asset value per Ordinary share ("NAV") stood at 108.3p, an increase of 31.5p per share or 28.3% over the year after adjusting for the dividends of 34.5p per Ordinary share which were paid during the year.

Total return (NAV plus cumulative dividends paid) to Ordinary Shareholders who invested at the outset of the Company now stands at 161.5p per share, compared to an original investment, net of income tax relief, of 80p per share.

Board change

Alexander Spiro Jr stepped down from the Board on 25 January 2007 as a result of his changing role within Beringea LLC, the group which provides investment management services to the Company. I wish to thank Alexander for his strong support and perceptive and relevant contribution since joining the Board in May 2003 and wish him well in his future activities.

On the same date, David Eberly joined the Board as a non-executive director representing Beringea. David is a Senior Managing Director and co-founder of Beringea LLC and also sits on the board of Beringea Limited, the Company's investment manager. David has previously been a director of European Gateway Acquisition Corp. (1996-1998) and also Williams Controls Inc (2002-2003). I am sure that, with his extensive experience in investment banking, David will be a valuable addition to the Board.

'C' Share issue

In November 2006, the Company launched a 'C' Share fundraising. No shares were issued before the 28 February 2007 year-end, with the first 'C' Shares being allotted on 6 March 2007. I am pleased to report that, when it closed on 31 May 2007, the Offer had raised £13.8 million.

The 'C' Share issue significantly increases the size of your Company, which is beneficial to all Shareholders as the fixed running costs of the Company will be spread over a larger asset base.

Venture Capital Investments

It has been an active year within the Company's investment portfolio with the highlight being the highly profitable exit that was achieved from the investment in Mergermarket Limited. The investment, which originally cost £780,000, was sold for proceeds of £10.7 million. This is one of the most successful investments made by this, or any other VCT, and the Board congratulates the Investment Manager on an excellent outcome.

Another successful exit was achieved from the restaurant chain, Ma Potters, and the Company also invested £1.6 million in one new and two follow-on investments. Full details of the investment management activities can be found in the Investment Manager's Report on page 6.

In reviewing the investment valuations at the year end, the Board has agreed a number of valuation increases and decreases. Overall the unrealised valuation movement on the portfolio has been an increase of £2.6 million.

Results and dividend

The return on activities after taxation for the year was £7,394,000 (2006: £1,782,000), comprising a revenue return of £199,000 and a capital return of £7,195,000.

On 7 December 2006, an interim capital dividend of 31p per Ordinary Share (2006: 3.0p per share) was paid to Ordinary Shareholders. A second interim dividend of 15p per Ordinary Share (14p capital and 1p revenue) was paid on 5 April 2007. Original Ordinary Shareholders have now received dividends totalling 68.2p per share since the Company's launch in 2000.

In view of the dividend paid on 5 April 2007, the Board is not proposing to pay a final dividend for the year.

Repurchase of Shares

The Directors are conscious that the Company's share prices are affected by the illiquidity of its shares in the market resulting from the fact that investors purchasing "second-hand" shares do not benefit from income tax relief on their investment.

The Directors continue to monitor the market in the Company's shares and will make share purchases when appropriate. During the period the Company repurchased 719,459 Ordinary Shares, at an average price of 98.4p per share, for cancellation. Generally, share buybacks are undertaken at a 10% discount to the latest NAV published by the Company. The Board intend to continue with this policy and will put a resolution to Shareholders at the AGM.

CHAIRMAN'S STATEMENT (continued)

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will be held at 39 Earlam Street, London WC2H 9LT at 2:15pm on 26 July 2007. Notice of the meeting is at the end of this document.

Three items of special business will be proposed at the AGM in respect of share buybacks as mentioned above and authority for the directors to allot shares.

Outlook

This has been an extremely successful year for your Company. Working towards exits on the Company's more mature investments will remain an important element of the Investment Manager's role, however the year ahead presents a new set of challenges.

Proceeds from the recent disposals, along with the new funds raised by the 'C' Share offer, have produced a significant level of funds to be invested. I am pleased to report that, since the year end, the Investment Manager has made a solid start in investing these funds. The Board is monitoring the deal flow that the Manager is generating and is satisfied that the level of opportunities being pursued is appropriate for the task in hand.

I look forward to updating Shareholders on the progress in making new investments in the newly-introduced interim management statement (which the Company will prepare shortly for the period to 31 May 2007) and with the interim results to 31 August 2007.



Andrew Davison
Chairman

8 June 2007

INVESTMENT MANAGER'S REPORT

Introduction

This review covers the period to 28 February 2007 during which the total return (net asset value plus cumulative dividends) per ordinary share increased by 24.2% from 130.0p to 161.5p. This compares favourably with the increase in the total return on the FTSE All Share index of 11.6% over the same period. The C share offer for subscriptions, which raised over £14 million, did not impact on this period as the first allotment of shares occurred after the year end.

Portfolio Activity

The main driver behind the year's performance was the sale of the Company's investment in Mergermarket Limited, which completed in September 2006. The sale of the company for over £110 million generated a total return of almost 14 times the VCT's original investment resulting in a special dividend payment of 31 pence per share in December 2006. Shortly before the year end, Ma Potter's, in which the Company had an 11% interest, was acquired by Tragus Group, the owner of the Café Rouge and Bella Italia restaurant chains, generating a total return of over 2.5 times the original investment. Following this disposal, the Company paid a further dividend of 15 pence per share in April 2007.

These and other disposals are summarised in the table below:

	Cost	Market Value at 28/02/06*	Proceeds	Realised gain/ (loss)	Gain/ (loss) against cost
	£'000	£'000	£'000	£'000	£'000
NASDAQ quoted					
Miva Inc	116	72	30	(42)	(86)
AIM quoted					
Pilat Media Global	78	145	258	113	180
VI Group	207	73	76	3	(131)
Unquoted					
Mergermarket	780	4,663	10,650	5,987	9,870
Ma Potter's Limited	700	1,312	1,710	398	1,010
SPC International	26	26	26	-	-
Retention monies	-	-	12	12	12
Liquidation					
Zenith Group	853	-	-	-	(853)
	2,760	6,291	12,762	6,471	10,002

* adjusted for purchases in year

New investment activity was relatively quiet during the year, although a number of investments were completed after the year end (see below). The Company made further investments in Espresso Broadband (£681,000) and ILG Digital (£345,000) and invested £652,000 in Gyro International, a brand communications agency.

Portfolio Valuation

At 28 February 2007, the Company's unquoted and quoted ordinary share portfolio comprised 16 investments with a cost of £13.3 million and a valuation of £15.6 million. In addition, the Company held cash and liquidity funds of £9.0 million.

Espresso Broadband and ILG Digital accounted for a significant proportion (35%) by value of the Company's investments. Both continue to perform well. Espresso recently acquired 4 Learning, the educational business of Channel 4, giving it access to a large library of educational video content and a platform for entering the secondary schools market. ILG continues to perform ahead of expectations and recently won the prestigious Queen's Award for Enterprise. We also have positive expectations for a number of other portfolio companies. On a less positive note we have made provisions against the investments in Steribottle and JTV given concerns over development of the businesses.

Post Year End Investment Activity

The period since 28 February 2007 has seen the completion of a number of new investments in the ordinary share portfolio. In April, the Company invested £420,000 in Eagle Rock Entertainment, a leading independent producer, publisher and distributor of music programming for television and DVD, and £200,000 in the heavily oversubscribed AIM placing of Coolabi, an entertainment property and brand management business. In May, a £900,000 investment was made in Optima UK, a company in the database management and online marketing intelligence sector.

The post year end period has also seen the first investment from the C share pool, a £125,000 investment in Dianomi, a company in the online advertising services market.

Outlook

We are optimistic over a number of investments in the ordinary share pool. The success of the C share fundraising and the strong flow of potential investment opportunities we are experiencing, should enable us to build a strong and diversified C share pool. Both pools will benefit from an investment management team who have demonstrated their ability both to source quality new investments and to add value by working closely with portfolio companies post investment.

Beringea Limited

8 June 2007

REVIEW OF INVESTMENTS

Portfolio of investments

The following investments were held by the Ordinary Share Pool at 28 February 2007:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Espresso Broadband Limited	2,048	5,332	812	21.7%
ILG Digital Limited (formerly I-Level Limited)	1,345	3,351	2,006	13.6%
SPC International Limited	1,146	1,110	(129)	4.5%
Campden Media Limited	975	1,053	78	4.3%
Oasis Healthcare Ltd *	670	982	687	4.0%
Gyro International Ltd	652	865	213	3.5%
Ashford Colour Press Limited	1,000	834	(180)	3.4%
Cardpoint plc *	438	680	45	2.8%
Pilat Media Global plc *	173	648	320	2.6%
UBC Media plc *	1,101	539	(207)	2.2%
	<u>9,548</u>	<u>15,394</u>	<u>3,645</u>	<u>62.6%</u>
Other venture capital investments				
Sports Holdings Limited	800	118	3	0.5%
Baby Innovations S.A. t/a Steribottle	604	114	(490)	0.5%
ID Data plc *	263	3	-	-
GB Industries Limited	1,134	-	-	-
JVTV Holdings Limited	200	-	(570)	-
Linguaphone Group Holdings Limited	703	-	-	-
	<u>3,704</u>	<u>235</u>	<u>(1,057)</u>	<u>1.0%</u>
Total venture capital investments	<u>13,252</u>	<u>15,629</u>	<u>2,588</u>	<u>63.6%</u>
Liquidity funds				
Standard Life Investments GBP		2,000		8.1%
BGI Sterling First Fund		1,900		7.7%
Insight Fund		850		3.5%
		<u>4,750</u>		<u>19.3%</u>
Cash at bank and in hand		4,218		17.1%
		<u>24,597</u>		<u>100.0%</u>

All venture capital investments are unquoted unless otherwise stated:

* Quoted on AIM

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

REVIEW OF INVESTMENTS (continued)

Further details of the top ten investments are as follows:

Espresso Broadband Limited



www.espresso.co.uk

Cost:	£2,048,000	Latest audited accounts:	31 July 2006
Investment comprises:		Turnover:	£7.5 million
Ordinary Shares:	£1,257,000	Loss before tax:	(£1.5 million)
Loan Stock:	£791,000	Retained loss:	(£1.6 million)
Valuation method:	Revenue multiple	Net liabilities:	(£710,000)
Valuation at 28/02/07:	£5,332,000	Market capitalisation:	n/a
Valuation at 28/02/06:	£3,839,000	Proportion of equity held:	22.3%

Espresso Broadband develops and delivers multimedia education content for schools. Nearly 9,000 primary schools, equal to over 50% of UK primary schools, now subscribe to its flagship “Espresso for Schools” product. The recent acquisition of 4 Learning, the educational business of Channel 4, provides a platform for developing its position in the UK secondary schools market.

ILG Digital Limited (formerly I-Level Limited)



www.i-level.com

Cost:	£1,345,000	Latest audited accounts:	31 March 2005
Investment comprises:		Turnover:	£31 million
Ordinary Shares:	£1,345,000	Profit before tax:	£821,000
		Retained profit:	£65,000
Valuation method:	Earnings multiple	Net assets:	£1.8 million
Valuation at 28/02/07:	£3,351,000	Market capitalisation:	n/a
Valuation at 28/02/06:	£1,000,000	Proportion of equity held:	9.4%

ILG Digital is Europe’s largest privately owned digital media agency and recognised within the media industry as consistently leading the way in this rapidly expanding market. The company provides its clients with the ability to improve the return on its investment in digital assets, providing expertise to increase online traffic, brand awareness, response rates and actual sales revenue.

SPC International Limited



www.spcint.com

Cost:	£1,146,000	Latest audited accounts:	30 September 2005
Investment comprises:		Turnover:	£19 million
Ordinary Shares:	£386,000	Profit before tax:	£1,154,000
Loan Stock:	£760,000	Retained profit:	£869,000
Valuation method:	Earnings multiple	Net assets:	£2.5 million
Valuation at 28/02/07:	£1,110,000	Market capitalisation:	n/a
Valuation at 28/02/06:	£1,265,000	Proportion of equity held:	25.2%

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 a further £223,000 in November 2004.

Campden Media Limited



www.campdenmedia.com

Cost:	£975,000	Latest audited accounts:	31 December 2005 *
Investment comprises:		Turnover:	£5.6 million
Ordinary Shares:	£197,000	Profit before tax:	£558,000
Loan Stock:	£778,000	Retained profit:	£566,000
Valuation method:	Earnings multiple	Net liabilities:	(£1.5 million)
Valuation at 28/02/07:	£1,053,000	Market capitalisation:	n/a
Valuation at 28/02/06:	£975,000	Proportion of equity held:	11.4%

* Accounts for Campden Publishing Limited

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.

REVIEW OF INVESTMENTS (continued)

Oasis Healthcare plc



www.oasisdentalcare.co.uk

Cost:	£670,000	Latest audited accounts:	31 March 2006
Investment comprises:		Turnover:	£82 million
Ordinary Shares:	£670,000	Loss before tax:	(£366,000)
Valuation method:	Bid Price	Retained loss:	(£73,000)
Valuation at 28/02/07:	£982,000	Net assets:	£8.9 million
Valuation at 28/02/06:	£295,000	Market capitalisation:	£34 million
		Proportion of equity held:	2.9%

Oasis is a provider of dental care services to private and NHS patients in England and Wales. The company was admitted to AIM in July 2000 and currently has over 120 practices predominantly under the "Oasis" brand name. The company has performed strongly in recent months and has been the subject of a number of bids from potential acquirers.

Gyro International Ltd



www.gyroidernational.com

Cost:	£652,000	Latest audited accounts:	31 October 2006
Investment comprises:		Turnover:	£25 million
Ordinary Shares:	£196,000	Profit before tax:	£1.5 million
Loan Stock:	£456,000	Retained profit:	£961,000
Valuation method:	Earnings multiple	Net assets:	£5.8 million
Valuation at 28/02/07:	£865,000	Market capitalisation:	n/a
Valuation at 28/02/06:	Not held	Proportion of equity held:	2.3%

Gyro is a brand communications agency providing marketing services for information, communications, and technology companies. It is the fifth largest B2B communications agency in the UK and has four additional offices in continental Europe and the USA. The business is taking advantage of a positive media spending market to increase its local and international reach.

Ashford Colour Press Limited



www.ashford-colour-press.co.uk

Cost:	£1,000,000	Latest audited accounts:	31 March 2006
Investment comprises:		Turnover:	£11 million
Ordinary Shares:	£133,000	Profit before tax:	£300,000
Preferred Shares:	£250	Retained profit:	£197,000
Loan Stock:	£867,000	Net assets:	£2.0 million
Valuation method:	Earnings multiple	Market capitalisation:	n/a
Valuation at 28/02/07:	£834,000	Proportion of equity held:	23.5%
Valuation at 28/02/06:	£1,014,000		

Ashford Colour Press Limited is a medium sized printing business, based in Hampshire, and 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.

Cardpoint plc



www.cardpointplc.com

Cost:	£438,000	Latest audited accounts:	30 September 2006
Investment comprises:		Turnover:	£98 million
Ordinary Shares:	£438,000	Loss before tax:	(£25 million)
		Retained loss:	(£25 million)
Valuation method:	Bid Price	Net assets:	£53 million
Valuation at 28/02/07:	£680,000	Market capitalisation:	£106 million
Valuation at 28/02/06:	£635,000	Proportion of equity held:	0.6%

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 service areas, petrol stations, pubs, hospitals, hotels and large retail and leisure outlets. The company has expanded rapidly since it was admitted to AIM in June 2002, acquiring the non-branch ATM network of HBOS plc and rival competitor Moneybox.

REVIEW OF INVESTMENTS (continued)

Pilat Media Global plc



www.pilatmedia.com

Cost:	£173,000	Latest audited accounts:	31 December 2006
Investment comprises:		Turnover:	£19 million
Ordinary Shares:	£173,000	Profit before tax:	£3.7 million
		Retained profit:	£3.6 million
Valuation method:	Bid Price	Net assets:	£18 million
Valuation at 28/02/07:	£648,000	Market capitalisation:	£45 million
Valuation at 28/02/06:	£473,000	Proportion of equity held:	1.5%

Pilat Media is an AIM listed company supplying business management software to broadcasters worldwide including BSkyB and Five (UK), Discovery Communications (US) and Network Ten (Australia). ProVen VCT first invested in the company in 2002 on admission to AIM, since when the share price has risen by over 300%.

UBC Media plc



www.ubcmedia.com

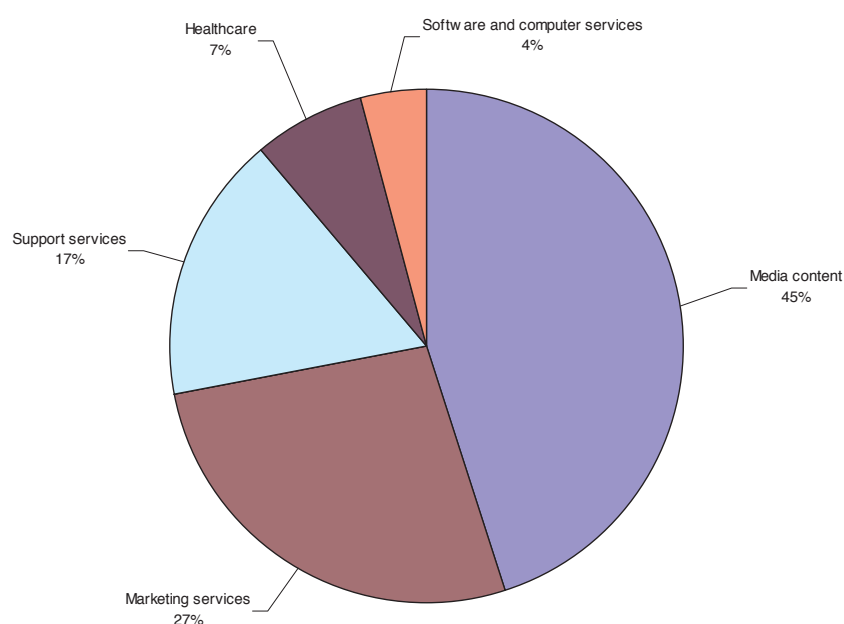
Cost:	£1,101,000	Latest audited accounts:	31 March 2006
Investment comprises:		Turnover:	£19 million
Ordinary Shares:	£1,101,000	Loss before tax:	(£234,000)
Loan stock:		Retained loss:	(£127,000)
Valuation method:	Bid Price	Net assets:	£5.9 million
Valuation at 28/02/07:	£539,000	Market capitalisation:	£26 million
Valuation at 28/02/06:	£746,000	Proportion of equity held:	2.2%

UBC Media is a leading player in the rapidly emerging digital radio marketplace. In the last three years, UBC has built a strong business in the area of network programmes, supplying to commercial radio Traffic News, Entertainment News and, from this year, main National and International News in a joint venture with Sky News. ProVen VCT first invested in the company in June 2000.

Analysis of Investments by Commercial Sector

The split of the venture capital investment portfolio by commercial sector (by value at 28 February 2007) is as follows:

Investment portfolio by commercial sector



REPORT OF THE DIRECTORS

The Directors present the Annual Report and Accounts of the Company for the year ended 28 February 2007.

Principal activity and status

The Directors initially obtained provisional approval for the Company to act as a venture capital trust from HM Revenue and Customs and the Company has continued to meet the standards set out by the Revenue. The Company revoked its status as an investment company in July 2004 upon the payment of a capital distribution however the Directors consider that the Company has conducted its affairs in a manner to enable it to continue to comply with Section 842 AA of the Income and Corporation Taxes Act 1988. 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 Companies Act 1985.

The Company has no employees (other than the Directors).

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 Report.

Results and dividends

Ordinary Shares	£'000	Pence per share
Return on ordinary activities after tax for the year ended 28 February 2007	7,394	30.5p

The Company paid an interim capital distribution of 31p per Ordinary Share (2006: 3.0p per Ordinary share) for the year ended 28 February 2007 on 7 December 2006.

A further capital distribution of 14p per share and revenue dividend of 1p per Ordinary share (total 15p per Ordinary share) was paid on 5 April 2007, to Ordinary Shareholders on the register at 23 March 2007.

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary shares of the Company are as follows:

Directors	No. of ordinary shares	
	28 Feb 2007	28 Feb 2006
Andrew Davison	4,428	4,428
Barry Dean	-	-
David Eberly	-	-
Nicholas Lewis	10,000	10,000
Ernest Sharp	N/A	36,000
Alexander Spiro Jr	N/A	-

At the date of this report the Directors' beneficial interests in the issued Ordinary shares of 5p and 'C' shares of 25p of the Company were as follows:

Directors	Ordinary shares	'C' shares
	of 5p each	of 25p each
Andrew Davison	4,428	6,658
Barry Dean	-	10,300
David Eberly	-	-
Nicholas Lewis	10,000	-

Barry Dean was appointed as a Director on 10 May 2006 and was re-elected at the AGM on 21 September 2006. Ernest Sharp resigned as a director on 21 September 2006. Alexander Spiro Jr resigned as a director on 25 January 2007 and David Eberly was appointed on the same day.

David Eberly and Nicholas Lewis retire at the forthcoming Annual General Meeting and, being eligible, are offering themselves for re-election. The remainder of the Board feel that Nicholas Lewis has made valuable contributions during the term of his appointment and remains committed to his role. The Board also believes that since his appointment in January, David Eberly has shown commitment to the role. 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 3 in order to support the decision to re-elect both Directors at the AGM.

Each of the Directors has entered into a consultancy agreement which is terminable by three months' notice on either side. Each Director is required to devote such time to the affairs of the Company as the Board requires.

REPORT OF THE DIRECTORS (continued)

Share capital

During the year the Company purchased 719,459 Ordinary Shares of 5p each at an average price of 98.4p per share, which represented approximately 3.0% of the issued share capital.

No 'C' shares were issued during the year.

Performance incentive fees

Beringea Limited ("Beringea") and Downing Corporate Finance Limited ("DCF") are entitled to receive performance incentive fees, which are calculated as follows for each financial year starting on or after 1 March 2006: (i) 33 per cent. of the cumulative dividends paid in relation to financial years 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 (ii) 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 fee previously paid in relation to the financial years starting on or after 1 March 2006. Beringea Limited is entitled to 91% of the performance incentive fees and DCF is entitled to the other 9% of the performance incentive fees.

Investment management and administration fees

Beringea Limited provides investment management services to the Company for an annual fee of 2.0% of the Ordinary Share net assets and the 'C' Share net assets per annum (excluding VAT). The investment agreement is terminable by either party at any time thereafter by one year's prior written notice.

Downing Management Services Limited ("DMS") provides administration services to the Company for a fee of £38,000 (plus VAT & RPI adjustment) per annum.

The annual running costs (excluding any performance fees payable) of the Company, for the year, are also subject to a cap of 3.25% of the Company's net assets.

VCT status adviser

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 Administrator, they report directly to the Board.

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 £21,000 (2006: £192,000).

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 strategy (as shown on page 2). 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. The Company has also joined the Association of Investment Companies (AIC) and it is anticipated that the AIC's monthly performance statistics will provide a further measure of comparative performance.

Principal Risks and Uncertainties

The principal financial risks faced by the Company, which include interest rate, liquidity, investment and marketability risks, are summarised within note 20 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 relief's currently available to shareholders and the Company being subject to capital gains tax. Serious breaches of other regulations, such as the UKLA Listing rules and the Companies Act 1985 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. They 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 period.

Annual General Meeting

The Annual General Meeting will be held at 39 Earlam Street, London WC2H 9LT at 2:15pm on 26 July 2007. The Notice of the Annual General Meeting and Form of Proxy are at the end of this document.

Auditors

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

REPORT OF THE DIRECTORS (continued)

Substantial interests

As at 28 February 2007 and at the date of this report, the Company was not aware of any beneficial interest exceeding 3 per cent of the issued share capital.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

United Kingdom 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). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. 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 ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom. They are also responsible for ensuring that the Annual Report includes information required by the Listing Rules of the Financial Services Authority.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements differs from legislation in other jurisdictions.

Statement as to disclosure of information to Auditors

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 Auditors are unaware. Each of the Directors have 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 Auditors. This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

By Order of the Board



Grant Whitehouse
Secretary
39 Earlham Street
London WC2H 9LT

8 June 2007

DIRECTORS' REMUNERATION REPORT

The Board have 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 26 July 2007.

Under the requirements of Schedule 7A, the Company's Auditors are required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Independent Auditors' Report on page 18.

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 travelling, 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.

The remuneration committee met during the year and reviewed the remuneration levels in view of current market rates and the 'C' Share offer.

Directors' agreements

Each of the Directors has entered into an agreement 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:

	2007	2006
	£	£
Andrew Davison	15,417	15,000
Barry Dean	11,250	N/A
David Eberly	1,227	N/A
Nicholas Lewis	10,417	10,000
Ernest Sharp	6,875	10,000
Alexander Spiro Jr	9,190	10,000
	<u>54,376</u>	<u>45,000</u>

Following a review by the remuneration committee, the remuneration levels were amended from 1 January 2007 and are now as follows:

	Annual Rate
	£
Andrew Davison	17,500
Barry Dean	17,500
David Eberly	12,500
Nicholas Lewis	12,500
	<u>60,000</u>

Insurance cover

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

DIRECTORS' REMUNERATION REPORT (continued)

Performance graph

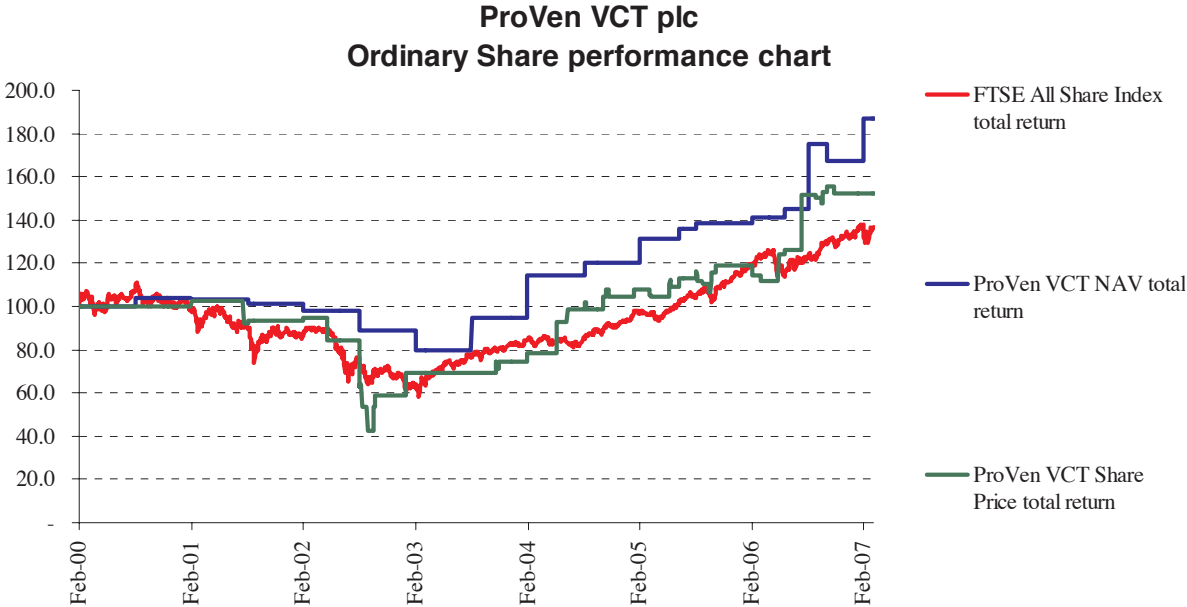
The chart below represents the Company's Ordinary share performance over the reporting periods since incorporation, and compares the Company's Net Asset Value total return (Net Asset Value plus dividends and/or capital distributions paid) and the Ordinary Share Price total return (Share price plus dividends and/or capital distributions) to a rebased FTSE All Share Index total return. The FTSE All Share Index has been chosen as a comparison as it reasonably represents the spread of investments held by the Company and has been rebased to 100 at February 2000 the launch date.

By Order of the Board



Grant Whitehouse
Secretary

8 June 2007



CORPORATE GOVERNANCE

The Directors support the relevant principles of the new Combined Code issued in July 2003, being the principles of good governance and the code of best practice, as set out in the Combined Code.

The Board

The Company has a Board comprising four non-executive directors. The Chairman and senior director is Andrew Davison. Andrew Davison, Barry Dean and Nicholas Lewis 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 3.

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. As one Director is retiring only one other Director is offering himself for re-election at the next AGM.

Full Board meetings take place quarterly and the Board meets more regularly to address specific issues including considering recommendations from the Investment Manager, making all decisions concerning the acquisition or disposal of investments, 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.

All the members of the Board attended each full board meeting held during the period, with the exception of Alexander Spiro Jr, who was unable to attend the two board meetings. Satisfactory explanations were received by Board for the non attendance by Mr Spiro.

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.

The Board considered the nomination of David Eberly as a new non-executive director, and after taking into consideration his experience, he was invited to join the Board.

Remuneration committee

The Board has appointed a remuneration committee comprising of all directors. 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.

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 14, and this is subject to shareholder approval.

Audit Committee

The Company has an audit committee comprising Barry Dean as Chairman, Andrew Davison and Nicholas Lewis. This committee has defined terms of reference and duties. The Committee met once during the year with all members being in attendance.

The Audit Committee is responsible for reviewing the half yearly and annual accounts before they are presented to the Board, the terms of appointment of the Auditors, 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 auditors are reviewed and approved by the Committee prior to being undertaken, to ensure that auditor objectivity and independence is safeguarded. The Committee is satisfied with the performance of the auditors and recommends to Shareholders that they be re-appointed as auditors for the forthcoming year.

The Committee reviewed the internal financial controls and recommended that, although still appropriate to the Company, they be updated. They also considered the need for an internal audit function and concluded that this function would not be an appropriate control for a venture capital trust.

As the Company has had no staff, other than directors, there are no procedures in place in respect of C3.4 of the Combined 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.

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.

CORPORATE GOVERNANCE (continued)

Relations with shareholders (continued)

Separate resolutions are proposed at the AGM on each substantially separate issue. The Administrators 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.

The terms of reference of the audit and remuneration committee 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 13, and a statement by the auditors about their reporting responsibilities is set out in the Independent Auditors' Report on page 18.

Internal control

The Board has adopted an Internal Control Manual ("Manual") for which they are responsible, which has been compiled in order to comply with the Combined Code. 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 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.

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:

<i>Venture Capital Investment Management</i>	Beringea Limited
<i>Administration</i>	Downing Management Services Limited

Going Concern

The Directors are of the opinion that at the time of approving the financial statements, they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason they believe that the Company continues to be a going concern and that it is appropriate to continue to apply the going concern basis in preparing the financial statements.

Compliance statement

The Listing Rules require the Board to report on compliance with the forty-eight Combined Code provisions throughout the accounting period. With the exception of the limited items outlined below, the Company has complied throughout the accounting year ended 28 February 2007 with the provisions set out in Section 1 of the Combined 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. (A5-1, A3-3)
- b) The non-executive Directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts. (B1-6) The Directors do have consultancy agreements in place.
- c) Due to the size of the Board, 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. (A6, A7-2)
- d) The Company does not have a majority of independent directors as defined by the Combined Code issued in July 2003 as a result of other directorships of 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. (A3-2, A3-3). (Consequently the remuneration and audit committees do not comply with B2-1 and C3-1.)
- e) 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. (A4-1, B2)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROVEN VCT PLC

We have audited the financial statements of ProVen VCT plc for the year ended 28 February 2007 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in 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

The Directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

We read the other information contained in the Annual Report as described in the contents section and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited 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 to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 28 February 2007 and of its return for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

8 June 2007

INCOME STATEMENT

for the year ended 28 February 2007

	Note	Year ended 28 February 2007			Year ended 28 February 2006		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	576	-	576	1,030	-	1,030
Gains on investments	10	-	9,059	9,059	-	1,694	1,694
		576	9,059	9,635	1,030	1,694	2,724
Investment management fees	3	(160)	(479)	(639)	(191)	(574)	(765)
Performance incentive fees	4	-	(1,416)	(1,416)	-	-	-
Other expenses	5	(181)	(5)	(186)	(177)	-	(177)
Return on ordinary activities before tax		235	7,159	7,394	662	1,120	1,782
Tax on ordinary activities	7	(36)	36	-	(114)	114	-
Return attributable to equity shareholders		199	7,195	7,394	548	1,234	1,782
Return per Ordinary Share	9	0.8p	29.7p	30.5p	2.3p	5.1p	7.4p

The Income Statement above relates to the Ordinary shares and to the Company as a whole. There are no movements relating to the 'C' shares to be disclosed within the Income Statement.

All Revenue and Capital items in the above statement derive from continuing operations.

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 as shown above.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

for the year ended 28 February 2007

	Notes	Year ended 28 February 2007			Year ended 28 February 2006
		Ordinary shares £'000	'C' shares £'000	Total £'000	Ordinary shares and Total £'000
Opening shareholders' funds		26,733	-	26,733	24,785
Issue of shares		-	-	-	3,097
Share issue costs		-	-	-	(136)
Purchase of own shares		(711)	-	(711)	(1,276)
Total recognised gains for the year		7,394	-	7,394	1,782
Distributions	8	(8,167)	-	(8,167)	(1,519)
Closing shareholders' funds		25,249	-	25,249	26,733

The accompanying notes are an integral part of this statement.

BALANCE SHEET

as at 28 February 2007

	Notes	Ordinary shares £'000	'C' shares £'000	2007 Total £'000	2006 Ordinary shares and Total £'000
Fixed Assets					
Investments	10	15,629	-	15,629	17,653
Current assets					
Debtors	11	968	-	968	180
Current investments	12	4,750	-	4,750	5,700
Cash at bank and in hand		4,218	4,491	8,709	3,484
		<u>9,936</u>	<u>4,491</u>	<u>14,427</u>	<u>9,364</u>
Creditors: amounts falling due within one year	13	<u>(316)</u>	<u>(4,491)</u>	<u>(4,807)</u>	<u>(284)</u>
Net current assets		9,620	-	9,620	9,080
Net assets		<u>25,249</u>	<u>-</u>	<u>25,249</u>	<u>26,733</u>
Capital and reserves					
Called up share capital	14	1,165	-	1,165	1,201
Capital redemption reserve	15	132	-	132	96
Special reserve	15	13,145	-	13,145	15,468
Share premium account	15	3,759	-	3,759	3,759
Capital reserve – realised	15	4,348	-	4,348	2,287
Capital reserve – unrealised	15	2,376	-	2,376	3,319
Revenue reserve	15	324	-	324	603
Total equity shareholders' funds		<u>25,249</u>	<u>-</u>	<u>25,249</u>	<u>26,733</u>
Net asset value per share	16	<u>108.3p</u>	<u>-</u>		<u>111.3p</u>

The financial statements on pages 19 to 29 were approved and authorised for issue by the Board of Directors on 8 June 2007 and were signed on its behalf by



Andrew Davison
Chairman

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

CASH FLOW STATEMENT

for the year ended 28 February 2007

	Notes	Year ended 28 February 2007			Year ended
		Ordinary shares	'C' Shares	Total	28 February 2006
		£'000	£'000	£'000	Ordinary Shares and Total £'000
Net cash (outflow)/inflow from operating activities	17	<u>(1,557)</u>	<u>-</u>	<u>(1,557)</u>	<u>170</u>
Capital expenditure					
Purchase of investments		(1,679)	-	(1,679)	(2,483)
Sale of investments		11,884	-	11,884	8,202
Net cash inflow from capital expenditure		<u>10,205</u>	<u>-</u>	<u>10,205</u>	<u>5,719</u>
Equity dividends paid		(8,167)	-	(8,167)	(1,519)
Management of liquid resources					
Purchase of current investments held as liquidity funds		-	-	-	(3,900)
Withdrawal from liquidity funds		950	-	950	900
Net cash inflow/(outflow) from liquid resources		<u>950</u>	<u>-</u>	<u>950</u>	<u>(3,000)</u>
Net cash inflow before financing		1,431	-	1,431	1,370
Financing					
Proceeds from share issue		-	4,491	4,491	3,097
Share issue costs		-	-	-	(136)
Purchase of own shares		(697)	-	(697)	(1,276)
Net cash (outflow)/ inflow from financing		<u>(697)</u>	<u>4,491</u>	<u>3,794</u>	<u>1,685</u>
Increase in cash	18	<u>734</u>	<u>4,491</u>	<u>5,225</u>	<u>3,055</u>

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

NOTES TO THE ACCOUNTS for the year ended 28 February 2007

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” revised December 2005 (“SORP”).

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

Presentation of Income Statement

In order to better reflect the activities of an investment trust 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 Section 842 Income and Corporation Taxes Act 1988.

Investments

All investments are designated as “fair value through profit or loss” assets and are initially measured at cost. Thereafter the investments are measured at subsequent reporting dates at fair value.

Listed fixed income investments and investments quoted on AIM are measured using bid prices.

In respect of unquoted instruments, fair value is established by using International Private Equity and Venture Capital Valuation Guidelines. Where no reliable fair value can be estimated for such unquoted equity investments they are carried at cost, subject to any provision for impairment. Where an investee company has gone into receivership or liquidation 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 and transaction costs on acquisition or disposal of the investment expensed.

It is not the Company’s policy to exercise either significant or controlling influence over investee companies. Therefore the results of these companies are not incorporated into the revenue account except to the extent of any income accrued.

Income

Dividend income from investments is recognised when the shareholders’ rights to receive payment has been established, normally the ex dividend date.

Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount, and only where there is reasonable certainty of collection.

Expenses

All expenses are accounted for on 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 disposal of an investment are deducted from the disposal proceeds of the investment.
- 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 and finance costs have been allocated 25% to revenue and 75% 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 Section 842AA of the Income and Corporation Taxes Act (1988), no provision for taxation is required in respect of any realised or unrealised appreciation of the Company’s investments which arises.

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.

NOTES TO THE ACCOUNTS (continued)
for the year ended 28 February 2007

2. Income

	2007	2006
	£'000	£'000
Income from investments		
Loan stock interest	268	511
Dividend income	43	239
Liquidity funds interest	230	163
	<u>541</u>	<u>913</u>
Other income		
Deposit interest	28	114
Other income	7	3
	<u>576</u>	<u>1,030</u>

3. Investment management fees

	2007	2006
	£'000	£'000
Investment management fees	<u>639</u>	<u>765</u>

The Company has an agreement with Beringea Limited 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% (plus VAT) of net assets.

4. Performance incentive fees

	2007	2006
	£'000	£'000
Beringea Limited	1,289	-
Downing Corporate Finance Limited	127	-
	<u>1,416</u>	<u>-</u>

Beringea Limited ("Beringea") and Downing Corporate Finance Limited ("DCF") are entitled to receive performance incentive fees, which are calculated as follows for each financial year starting on or after 1 March 2006: (i) 33 per cent. of the cumulative dividends paid in relation to financial years 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 (ii) 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 fee previously paid in relation to the financial years starting on or after 1 March 2006. Beringea Limited is entitled to 91% of the performance incentive fees and DCF is entitled to the other 9% of the performance incentive fees.

5. Other expenses

	2007	2006
	£'000	£'000
Administration services	46	32
Directors' remuneration	54	45
Social security costs	2	1
Auditors' remuneration for audit	14	12
Auditors' remuneration for taxation services	2	3
Auditors' remuneration for non-audit services	2	-
Irrecoverable VAT	-	18
Other	66	66
	<u>186</u>	<u>177</u>

The annual running costs of the Company for the year are subject to an expenses cap of 3.25% of the Company's net assets.

NOTES TO THE ACCOUNTS (continued)

for the year ended 28 February 2007

6. Directors' remuneration

Details of remuneration (excluding VAT and employers' NIC) are given in the Directors' Remuneration Report on page 14.

The Company had no employees (other than Directors) during the year (2006: nil).

7. Tax on ordinary activities

	2007 £'000	2006 £'000
(a) Tax charge for year		
Current year		
UK corporation tax (charged to the revenue account)	36	114
Charged to capital expenses	(36)	(114)
Charge for year	<u>-</u>	<u>-</u>
(b) Factors affecting tax charge for the year		
Return on ordinary activities before taxation	<u>235</u>	<u>662</u>
Tax charge calculated on return on ordinary activities before taxation at the applicable rate of 19% (2006: 26.8%)	45	178
Effects of:		
UK dividend income	(8)	(64)
Capital expenses	(360)	(154)
Disallowable expenses	(1)	-
Excess capital management fees carried forward	<u>324</u>	<u>40</u>
	<u>-</u>	<u>-</u>
(c) Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £2,218,000 (2006: £514,000). The deferred tax asset 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. Distributions

	Year ended 28 February 2007			Year ended 28 February 2006		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Paid in year						
2007 First interim dividend	-	7,330	7,330	-	-	-
2006 Second interim dividend	478	359	837	-	-	-
2006 First interim dividend	-	-	-	-	732	732
2005 Final dividend	-	-	-	281	506	787
	<u>478</u>	<u>7,689</u>	<u>8,167</u>	<u>281</u>	<u>1,238</u>	<u>1,519</u>
Proposed						
2007 Second interim dividend	233	3,263	3,496	-	-	-
2006 Second interim dividend	-	-	-	481	360	841
	<u>233</u>	<u>3,263</u>	<u>3,496</u>	<u>481</u>	<u>360</u>	<u>841</u>

9. Return per Ordinary share

The revenue return per Ordinary Share is based on the net revenue return on ordinary activities after taxation of £199,000 (2006: £548,000) and on 24,212,941 (2006: 24,227,680) shares, being the weighted average number of Ordinary Shares in issue throughout the year.

The capital return per Ordinary Share is based on the net capital return after taxation of £7,195,000 (2006: £1,234,000) and on 24,212,941 (2006: 24,227,680) shares, being the weighted average number of Ordinary Shares in issue throughout the year.

NOTES TO THE ACCOUNTS (continued)
for the year ended 28 February 2007

10. Investments

“Fair value through profit or loss” assets

	Investments Quoted on AIM £'000	Investments Traded on NASDAQ £'000	Unlisted Investments £'000	Total £'000
Opening cost at 1 March 2006	2,929	116	11,289	14,334
Gains/(losses) at 1 March 2006	(703)	(44)	4,066	3,319
Opening fair value at 1 March 2006	<u>2,226</u>	<u>72</u>	<u>15,355</u>	<u>17,653</u>
Purchases at cost	-	-	1,679	1,679
Sales - proceeds	(334)	(30)	(12,398)	(12,762)
- realised gains/(losses) on sales	116	(42)	6,397	6,471
Gains in the income statement	<u>844</u>	<u>-</u>	<u>1,744</u>	<u>2,588</u>
Closing fair value at 28 February 2007	<u>2,852</u>	<u>-</u>	<u>12,777</u>	<u>15,629</u>
Closing cost at 28 February 2007	2,644	-	10,609	13,253
Gains at 28 February 2007	<u>208</u>	<u>-</u>	<u>2,168</u>	<u>2,376</u>
	<u>2,852</u>	<u>-</u>	<u>12,777</u>	<u>15,629</u>

Commission costs incurred on the disposal of quoted investments were £1,478.

Beringea Limited also acts as the investment manager for ProVen Growth & Income VCT plc and Global Rights Development Fund L.P., and as an investment adviser to The Global Rights Fund II, L.P. Details of common investments made by these funds and by the Company are summarised below (shown at cost at 28 February 2007).

	ProVen Growth and Income VCT plc £'000	The Global Rights Fund II, L.P. £'000	Global Rights Development Fund L.P. £'000
Ashford Colour Press Limited	550	-	-
Campden Media Limited	488	-	-
Cardpoint plc	129	975	-
Espresso Broadband Limited	784	-	-
Gyro International Limited	1,181	-	-
ILG Digital Limited	803	-	-
JVTV Holdings Limited	200	-	-
Linguaphone Group Holdings Limited	-	-	2,005
Oasis Healthcare plc	170	-	-
Pilat Media Global plc	50	-	-
Sports Holding Limited	260	1,670	-
Steribottle Limited (Baby Innovations S.A.)	210	-	-
UBC Media plc	400	1,002	-

NOTES TO THE ACCOUNTS (continued)
for the year ended 28 February 2007

11. Debtors

	2007	2006
	£'000	£'000
Other debtors	883	5
Prepayments and accrued Income	85	175
	<u>968</u>	<u>180</u>

12. Current investments

	2007	2006
	£'000	£'000
BGI Sterling Liquidity First Fund	850	1,800
Insight Liquidity Fund	2,000	2,000
Standard Life Investments GBP Liquidity Fund	1,900	1,900
	<u>4,750</u>	<u>5,700</u>

13. Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Trade creditors	21	192
Unallotted share capital	4,491	-
Other social security costs	3	-
Accruals and deferred income	292	92
	<u>4,807</u>	<u>284</u>

14. Called up share capital

	2007	2006
	£'000	£'000
Authorised:		
35,000,000 (2006: 35,000,000) Ordinary shares of 5p each	1,750	1,750
25,000,000 (2006: n/a) 'C' Shares of 25p each	6,250	-
	<u>8,000</u>	<u>1,750</u>
Issued, allotted, called up and fully-paid:		
23,310,016 (2006: 24,029,475) Ordinary shares of 5p each	<u>1,165</u>	<u>1,201</u>

The authorised share capital of the Company was increased to £8,000,000 by the creation of 25,000,000 'C' Shares of 25p each following approval by shareholders at an extraordinary general meeting of the company held on 20 December 2006. No 'C' Shares were allotted during the year.

During the year the Company repurchased 719,459 Ordinary shares of 5p each for an average consideration of 98.4p per share for an aggregate consideration of £711,000, and representing 3.0% of the issued share capital. These shares were subsequently cancelled.

NOTES TO THE ACCOUNTS (continued)
for the year ended 28 February 2007

15. Reserves

	Capital redemption reserve	Special reserve	Share premium account	Capital reserve - realised	Capital reserve - unrealised	Revenue reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 March 2006	96	15,468	3,759	2,287	3,319	603	25,532
Shares repurchased	36	(711)	-	-	-	-	(675)
Gains on investments	-	-	-	6,471	2,588	-	9,059
Expenses capitalised	-	-	-	(1,900)	-	-	(1,900)
Tax on capital expenses	-	-	-	36	-	-	36
Realisation of revaluations from previous years	-	-	-	3,531	(3,531)	-	-
Retained net revenue	-	-	-	-	-	199	199
Transfer between reserves	-	(1,612)	-	1,612	-	-	-
Distributions paid	-	-	-	(7,689)	-	(478)	(8,167)
At 28 February 2007	132	13,145	3,759	4,348	2,376	324	24,084

The reserves relate wholly to the Ordinary Share pool. The Special Reserve is a distributable reserve, which was created to enable the Company to purchase its own shares in the market without affecting its ability to pay dividends. The Capital reserve – realised and Revenue Reserve are also distributable reserves.

16. Net asset value per share

	2007		2006	
	Net asset value per share pence	Net asset value £'000	Net asset value per share pence	Net asset value £'000
Ordinary shares	<u>108.3p</u>	<u>25,249</u>	<u>111.3p</u>	<u>26,733</u>

Net asset value per share is based on net assets at the year end, and on 23,310,016 ordinary shares (2006: 24,029,475) being the number of shares in issue at the year end. No 'C' shares were issued during the year.

17. Reconciliation of net revenue return before taxation to net cash flow from operating activities

	2007 £'000	2006 £'000
Net revenue return before taxation	235	662
Expenses charged to capital	(1,900)	(574)
Decrease in prepayments and accrued income	90	72
Increase in accruals and deferred income	18	10
Net cash (outflow)/inflow from operating activities	<u>(1,557)</u>	<u>170</u>

18. Reconciliation of net cash flow to movement in net funds

	2007 £'000	2006 £'000
Beginning of year	3,484	429
Net cash inflow	5,225	3,055
End of year	<u>8,709</u>	<u>3,484</u>

NOTES TO THE ACCOUNTS (continued) for the year ended 28 February 2007

19. Financial instruments and derivatives

The Company's financial instruments comprise investments in quoted companies, unquoted companies, cash and liquid resources and are all designated as "fair value through profit or loss". The main purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations.

The Company has not entered into any derivative transactions.

The main risks arising from the Company's financial instruments are interest rate and investment risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the financial year.

Interest rate risk profile of financial assets and financial liabilities

Financial assets and liabilities

The Company's financial assets and liabilities, other than fixed asset investments, are either floating rate or non-interest bearing. Venture capital investments comprise equity and fixed rate preference shares and loan stock. With the exception of the equity holdings, the investments are fixed rate, with the equity holdings having no interest rate attached to them.

	Average interest rate	Average period until maturity	2007 £'000	2006 £'000
Fixed rate	7.80%	1,317 days	3,732	3,799
Floating rate	4.75%		9,620	9,080
No interest rate			11,897	13,854
			<u>25,249</u>	<u>26,733</u>

- "Fixed rate assets" bear interest at rates based on predetermined yield targets.
- "Floating rate assets" bear interest at rates based predominately on base rate.
- "No interest rate assets" includes investments in ordinary shares with no fixed dividend rate.

Financial liabilities

The Company has no financial liabilities or guarantees, other than as disclosed within the balance sheet.

Currency exposure

As at 28 February 2007, the Company had one Madeiran investment which was valued at £114,000 (2006: £604,000). This represented 0.5% of Net Assets (2006: 3.0%).

Borrowing facilities

The Company has no committed borrowing facilities as at 28 February 2007.

20. Principal financial risks

Interest rate risk

The Company receives interest at a rate agreed with its banker. As the Company must comply with the VCT regulations, increases in interest rates could lead to a potential breach of these regulations. The Company therefore monitors the level of income received from fixed, floating and non interest rate assets to ensure that the regulations are not breached.

Liquidity risk

There is liquidity risk associated with unquoted investments which are not readily realisable. The Board therefore considers exit strategies for these investments throughout the period that they are held by the Company.

Investment risk

As a Venture Capital Trust, it is the Company's specific business to evaluate and control the investment risk in its portfolio of unquoted companies, the results of which are detailed in the Chairman's Statement.

NOTES TO THE ACCOUNTS (continued)

for the year ended 28 February 2007

20. Principal financial risks (continued)

Market risk

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

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

The Board considers each investment purchase to ensure that an acquisition will enable the Company to continue to have an appropriate spread of market risk and that an appropriate risk reward profile is maintained.

It is not the Company's policy to use derivative instruments to mitigate market risk, as the Board believes that the effectiveness of such instruments does not justify the cost involved.

21. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company 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 Limited, of which David Eberly and Alexander Spiro Jr are directors, acted as promoter for the Offers for Subscription dated 14 November 2006 and agreed to underwrite the costs of the Offer in return for a fee of 5.5% of the monies raised. No issue costs were due or outstanding at the year end. Beringea Limited was also the investment manager and provided investment management to the Company during the year. The fees relating to this service, together with performance incentive fees due in the year under the agreement, amounted to £1,928,000 (2006: £765,000), of which £124,000 (2006: £227,000) was outstanding at the year end.

The Company has an agreement with Downing Management Services Limited, a company of which Nicholas Lewis is a director, to provide administration services to the Company for a fee of £38,000 (plus VAT & RPI adjustment) per annum. The total fee relating to this service amounted to £46,000 (2006: £11,000), of which £11,000 (2006: £11,000) was outstanding at the year end.

Downing Corporate Finance Limited, a company of which Nicholas Lewis is a director and shareholder, was entitled to performance incentive fees during the year totalling £127,000, all of which was outstanding at the year end.

23. Post Balance Sheet Event

Between 6 March 2007 and 31 May 2007, the Company issued 14,620,454 'C' Shares of 25p each for consideration of £1 per share. Share issue costs thereon amounted to £804,000.

NOTICE OF ANNUAL GENERAL MEETING OF PROVEN VCT PLC

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen VCT plc will be held at 39 Earlham Street, London WC2H 9LT at 2:15pm on 26 July 2007 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 28 February 2007 together with the report of the auditors thereon.
2. To approve the Directors' Remuneration Report.
3. To re-appoint Deloitte & Touche LLP as Auditors 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, David Eberly.
5. To re-elect as Director, Nicholas Lewis, who retires by rotation and, being eligible, offers himself for re-election.

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

Ordinary Resolution

6. 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 £116,550 (representing approximately 10% of the ordinary share capital in issue at today's date) and £40,511 (representing approximately 10% of the 'C' 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

7. 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 6 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.

NOTICE OF ANNUAL GENERAL MEETING (continued)

8. THAT, the Company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its own Ordinary Shares of 5p each (“Ordinary Shares”) and ‘C’ shares of 25p each (“C Shares”) in the capital of the Company provided that:
- (i) the maximum number of Ordinary Shares and C Share hereby authorised to be purchased shall not exceed 14.9% of the present issued share capital of the Company;
 - (ii) the minimum price which may be paid for an Ordinary Share is 5p and for a C Share is 25p, exclusive of all expenses;
 - (iii) the maximum price which may be paid for an Ordinary Share or s C Share is an amount, exclusive of all expenses, equal to 105% of the average of the middle market quotations of the Ordinary Shares or C Shares as derived from the Daily Official List of the London Stock Exchange, for each of the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased;
 - (iv) the Company may validly make a contract to purchase Ordinary Shares or C Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may validly make a purchase of Ordinary Shares or C 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.

By order of the Board



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

8 June 2007

Notes

- (a) Any member of the Company entitled to attend and vote at the Meeting may appoint a proxy to attend and vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.
- (b) To be valid the instrument appointing a proxy and authority under which it is executed must be deposited at Downing Management Services Limited, Kings Scholars House, 230 Vauxhall Bridge Road, London SW1V 1AU not less than 48 hours before the time of the Meeting.
- (c) Completion and return of a form of proxy will not preclude a member of the Company from attending and voting in person.
- (d) Copies of the Directors’ Letters of Appointment, the Register of Directors’ interests in the Ordinary Shares and C Shares of the Company kept in accordance with Section 325 of the Companies Act 1985 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 for at least 15 minutes prior to and during the meeting.

FORM OF PROXY

PROVEN VCT PLC

For use at the Annual General Meeting of the above-named Company to be held on 26 July 2007 at 39 Earlam Street, London WC2H 9LT at 2:15pm.

I/We*.....
(in BLOCK CAPITALS please)

of

being the holder(s)* of Ordinary shares of 5p/ 'C' shares of 25p* each in the above-named Company, hereby appoint the Chairman of the meeting (see note 1)

or

of

as my/our* proxy to attend for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held at 39 Earlam Street, London WC2H 9LT on 26 July 2007 or at any adjournment thereof.

I/We* desire to vote on the resolutions as indicated in the appropriate column below. Please indicate with an "X" how you wish your vote to be cast.

Details of the resolutions are set out in the Notice of the Annual General Meeting.

ORDINARY BUSINESS

1. To receive and adopt the Directors' report and accounts.
2. To approve the Directors' Remuneration Report.
3. To re-appoint the auditors and authorise the Directors to determine their remuneration.
4. To re-elect David Eberly as a Director.
5. To elect Nicholas Lewis as a Director.

FOR	AGAINST	WITHHELD
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SPECIAL BUSINESS

6. To authorise the directors to allot shares pursuant to Section 80 of the Companies Act 1985
7. To disapply Section 89 of the Companies Act 1985
8. To authorise the Directors to make market purchases of its shares.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated this day of 2007

Signature(s)*

Notes:

1. If you wish to appoint a proxy of your own choice delete the words "the Chairman of the meeting" and insert the name and address of the person whom you wish to appoint in the space provided. A proxy need not be a member of the Company.
2. In the case of a corporation this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
3. In the case of joint shareholders any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
4. If you do not indicate the way you desire your proxy to vote, you will be deemed to have authorised your proxy to vote or abstain from voting at his/her discretion.
5. To be valid this form of proxy must be completed and deposited (together with any power of attorney, or other authority under which it is signed) with Downing Management Services Limited, Kings Scholars House, 230 Vauxhall Bridge Road, London SW1V 1AU not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
6. Completion of this form will not preclude you from attending and voting at the meeting if you so wish.
7. Any alteration made to the form of proxy must be initialled.

* Delete as appropriate



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Business Reply Service
Licence No. RRJU-PLYH-CTJK



ProVen VCT plc
c/o Downing Management Services Limited
Kings Scholars House
230 Vauxhall Bridge Road
London
SW1V 1AU

Second Fold

First fold

