ProVen Growth & Income VCT plc
Annual Report & Accounts
for the year ended 28 February 2009

Managed by
Beringea LLP

Contents

Fund Overview

Investment Objectives

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

Financial Highlights

190.00p	Ordinary share net asset value total return per share since launch (net asset value at 28 February 2009 plus cumulative dividends paid)
18.36p	Average annual ordinary share dividends paid and declared since launch equivalent to 27.30% per annum for a higher rate taxpayer (based on the initial subscription price of 100p)
84.95p	C share net asset value total return per share since launch (net asset value at 28 February 2009 plus cumulative dividends paid)
3.20p	Average annual C share dividends paid and declared since C share launch equivalent to 5.56% per annum for a higher rate taxpayer (based on the initial subscription price of 100p)

Financial Summary

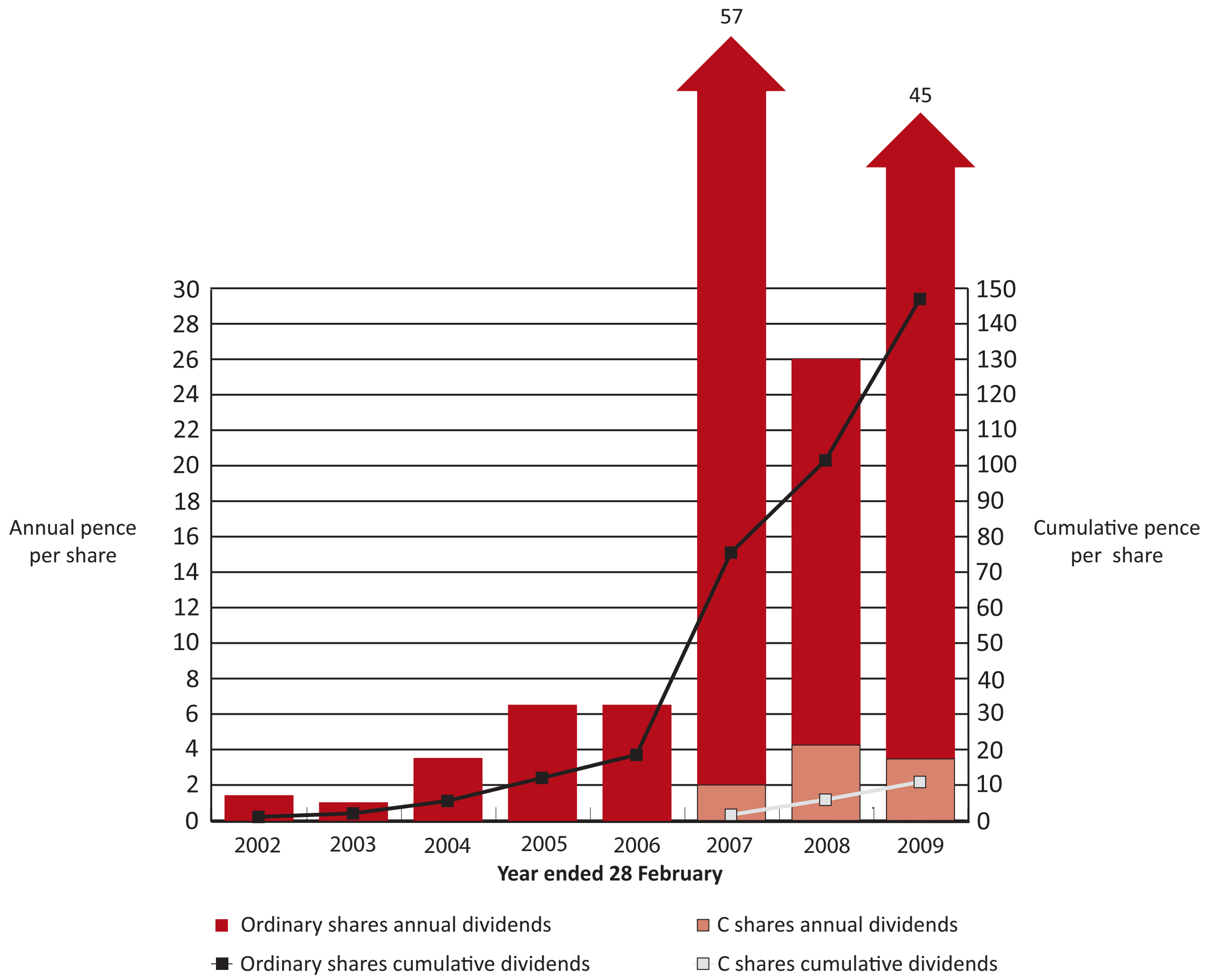
As at 28 February	Ordinary Shares 2009 pence	Ordinary Shares 2008 pence	C Shares 2009 pence	C Shares 2008 pence
Net asset value per share	57.10	121.60	76.70	94.90
Dividends paid since launch	132.90	81.90	8.25	3.00
Total return (net asset value plus dividends paid since launch)	190.00	203.50	84.95	97.90
Year on year change in:				
VCT total return	-6.6%		-13.2%	
FTSE All Share Index total return	-33.0%		-33.0%	
Dividends paid/payable in respect of year*	45.00	26.00	3.35	4.25

* includes second interim dividend payable for the year ended 28 February 2009 of 14.00p per ordinary share and 1.35p per C share declared after the year end

There were no 'D' Ordinary Shares in issue at 28 February 2009.

Dividend History since Launch

(based on dividends declared for the financial year)



Chairman's Statement

Introduction

I am pleased to present the Annual Report for ProVen Growth and Income VCT plc for the year ended 28 February 2009. I would like to welcome any new shareholders who may have subscribed under the Company's "Linked D Share offer".

The dramatic deterioration in economic conditions over the year has naturally had some impact on your Company. Portfolio companies now face greater challenges and the valuation of those businesses has fallen partly as a result of falls in stock market comparables which, in many cases are used as the bases for your Company's investment valuations.

Net Asset Value

Ordinary Shares

At 28 February 2009, the Company's Ordinary Share Net Asset Value ("NAV") stood at 57.1p per share, a decrease of 13.5p or 11.1% since 29 February 2008 after adjusting for the dividends of 51p per share which were paid during the year. By way of comparison, the FTSE All-Share Index fell by 36.0% over the same period. The Total Return (NAV plus dividends paid to date) to Ordinary Shareholders that invested at the Company's launch now stands at 190.0p.

'C' Shares

The NAV of the Company's 'C' Shares stood at 76.7p at 28 February 2009, a decrease of 12.95p or 13.6% since 29 February 2008 after adjusting for the dividends of 5.25p per share which were paid during the year.

The Total Return (NAV plus dividends paid to date) to 'C' Shareholders that invested in the 'C' Share fundraising now stands at 84.95p compared to an original investment, net of income tax relief, of 60p per share.

Portfolio Activity and Valuation

Ordinary Share pool

The Ordinary Share pool achieved one major investment exit during the year, being the sale of ILG Digital Limited. This was sold as part of a private equity transaction and produced proceeds of £2.2 million against an original cost of £600,000 in November 2005. The Investment Manager worked closely with the company throughout the period that the investment was held and is to be congratulated for this excellent outcome.

The Ordinary share pool made one new investment in the year. An investment of £350,000 was made into Overtis Group Limited, a company specialising in technology security.

The Board has reviewed the unquoted investment valuations at the year end. The Ordinary share pool has a large proportion of its value within one investment, Espresso Group. This company has continued to make good progress and is starting to develop its business into other areas. At the year end the Board has valued the investment at £1.6 million, a reduction of £0.5 million over the year, but still valued substantially above original cost.

In reviewing the unquoted portfolio at the year end, the Board consider P/E ratios and similar indicators of listed businesses in similar sectors. In some cases, this alone has been the reason for the reduction in the valuation of investments.

The Ordinary share pool's small portfolio of AIM investments all lost value in the year.

Total unrealised losses on the portfolio for the year stood at £1.2 million.

'C' Share pool

The 'C' Share pool continued to be a very active investor during the year. The pool invested £6.8 million into eight new investments and £0.9 million in five follow-on investments. At the year end the pool held a portfolio comprising 20 investments with a cost of £16.1 million.

As with the Ordinary share pool, the 'C' Share pool also benefited from the exit from ILG Digital with a profit against original cost of £217,000.

A number of businesses within the 'C' Share portfolio have been unable to perform to original plan, primarily due to the challenging climate. As a result, there have been some significant reductions in valuations over the year, with unrealised losses totalling £3.9 million.

Full details of the investment activities of both the Ordinary and 'C' Share pools can be found in the Investment Manager's Review on pages 7 and 8.

VAT on Management Fees

Following a European Court judgement, the Government made changes in the Finance Bill 2008 such that VCTs became exempt from paying VAT on management fees from 1 October 2008. This has the effect of slightly reducing running costs for the Company. In addition, I am pleased to report that Beringea successfully made a claim to recover VAT that had previously been charged on their management fees. In view of the fact that in some years management fees were restricted by the running costs cap and that performance fees are calculated inclusive of VAT, the Board agreed a basis on which the VAT recovered (including interest) should be apportioned between the Company and Beringea. This has resulted in a recovery to the Company of £206,000, which has been recognised in the Income Statement in the year under review.

Results and Dividends

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

	Revenue £'000	Capital £'000	Total £'000
Ordinary Shares	49	(951)	(902)
'C' Shares	539	(3,789)	(3,250)
	588	(4,740)	(4,152)

On 31 October 2008, the Company paid interim dividends of 31.0p per Ordinary Share (2008: 6.0p per share) and 2.0p per 'C' Share (2008: 1.0p)

In view of the forthcoming 'C' Share conversion described below, the Board believes it is appropriate that all historic undistributed gains are distributed to Shareholders prior to conversion. The Board also believes that it is helpful for dividends to be paid prior to the Tender Offer described below. Therefore the Company will pay the following as second interim dividends in respect of the year ended 28 February 2009:

	Revenue Pence per share	Capital Pence per share	Total Pence per share
Ordinary Shares	0.50	13.5	14.00
'C' Shares	0.85	0.5	1.35

These dividends will be paid on 3 July 2009 to Shareholders on the register at 19 June 2009.

Linked 'D' Share issue

In November 2008, the Company launched a Linked 'D' Share offer, in conjunction with ProVen VCT plc. No shares were issued before 28 February 2009 and therefore 'D' Shares are not included in the balance sheet and income statement in this report.

Up to the date of this report, the offer had raised a total of £9.3 million of which £4.7 million was allocated to 'D' Shares issued and to be issued by ProVen Growth and Income VCT plc.

The offer is scheduled to close on 30 October 2009 (or earlier if fully subscribed) and should provide the Company with a reasonable level of additional funds for further investment.

'C' Share Tender Offer

The prospectus issued by the Company in November 2005 in connection with the 'C' Share fundraising stated the Company's intention to return at least 25p per 'C' share to 'C' Shareholders by 30 June 2009. Some outline details of a Tender Offer planned to take place by that date were set out in the prospectus.

The Board is pleased to confirm that the Company will fulfil its intention and has released details of the proposed Tender Offer. Full details are set out in the circular that is being sent to 'C' Shareholders. The Tender Offer will be subject to Shareholder approval at the forthcoming Annual General Meeting ("AGM").

'C' Shareholders who wish to use their Tender Offer proceeds to subscribe for 'D' Shares pursuant to the Linked D Share offer at a 3.5% discount to the normal subscription price should refer to the Tender Offer circular.

Chairman's Statement continued

C Share Conversion and Share Consolidation

Following the 'C' Share Tender Offer described above and as set out in the Company's 'C' Share prospectus, the Company intends to convert the 'C' Shares into Ordinary Shares. The Directors are proposing that the conversion timetable is adjusted slightly to fit into the Company's reporting deadlines. It is proposed that conversion is based on the relative NAVs of the Ordinary Shares and 'C' Shares as at 31 August 2009 and that conversion take places within 45 days of 31 August 2009. Resolution 11 proposing this amendment will be put to Shareholders at the AGM.

Following the conversion, it is further proposed that the Ordinary Shares are consolidated into New Ordinary Shares at such a ratio such that the NAV of the New Ordinary Shares will be equal to that of the 'C' Shares before conversion. As the 'C' Share class has significantly more members than the existing Ordinary Share class, the Board feels that this consolidation makes it more straightforward for the majority of Shareholders to follow the value of the investment.

After the conversion and consolidation, the Company will have two share classes, New Ordinary Shares and 'D' Shares, which will simplify the investment management and administration of the Company. All Shareholders (except 'D' Shareholders) will receive new share certificates for the New Ordinary Shares following the conversion and consolidation.

Share Buybacks

In order to ensure liquidity in the market in the Company's shares, the Company has operated a policy of buying in its own shares that become available in the market.

During the year, the Company repurchased 52,889 Ordinary Shares at an average price of 87.5p per share and 100,535 'C' Shares at an average price of 76.2p for cancellation.

In view of the forthcoming Tender Offer and 'C' Share conversion, the Board does not intend to make any further purchases of 'C' Shares. The Board intends to continue to make purchases of Ordinary Shares (and following conversion, New Ordinary Shares) as and when they become available in the market. It expects to make such purchases at approximately a 10% discount to the latest published NAV, although the Board regularly reviews the discount level and number of shares to be repurchased and may amend this policy if in the interests of the Company.

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

Annual General Meeting

The AGM of the Company will be held at 39 Earlham Street, London WC2H 9LT at 10:15 am on 7 July 2009. Notice of the meeting is at the end of this document.

Five items of special business will be proposed at the AGM in respect of share buybacks as mentioned above, two resolutions in connection with authority for the directors to allot shares, a resolution in respect of the 'C' Share conversion and a resolution in respect of the Tender Offer.

Outlook

Although the Company's NAVs have fallen over the year, the Board remains broadly satisfied with the portfolio companies performance given the difficult conditions. The Board does not expect to see significant increase in value over the coming year, but over the longer term, good quality companies that can adapt to the conditions should be well positioned to deliver rewards to Shareholders when conditions improve.

Both the Ordinary share pool and the 'C' Share pool have some funds available for investment. In addition, the 'D' Share pool will start to invest its newly raised funds shortly. Although it remains a risky time for investing, it may now be the time in the economic cycle when opportunities start to arise that can produce excellent returns in due course.

Andrew Davison
Chairman
9 June 2009

Investment Manager's Review

Introduction

Beringea LLP is a specialist venture capital management company which has been established for over 20 years. It currently manages approximately £70 million of venture capital funds and has been the investment manager of Proven Growth and Income VCT plc since inception in 2001.

The Company currently has three share classes: ordinary shares, 'C' shares and 'D' shares. The ordinary share pool was established in 2000 with a further fundraising in 2008. The 'C' share pool was established in 2006. Further details of the performance of these pools is provided below. In the current year, the Company announced a linked 'D' Share fundraising with ProVen VCT plc. The offer remains open but has currently raised over £9.3 million, of which the Company has taken £4.7 million which will be primarily used for future investment. At 28 February 2009, no 'D' shares had been issued.

Ordinary Share Pool - Share Performance & Portfolio

We were pleased to be able to generate further capital profits which has enabled the Company to maintain the strong dividend returns to Ordinary shareholders with dividends paid during the year of 31p. The total dividends paid to original shareholders stood at 132.90p at 28 February 2009. A further dividend for the year to 28 February 2009 of 14.00p was declared on 9 June 2009, bringing total dividends paid to 146.9p and an annual tax free average dividend of 18.4p.

The portfolio benefited from the successful sale of ILG Digital to the Private Equity firm ECI for £45.5 million. We were pleased to execute a sale of a quality asset at a point which with hindsight was close to the top of market values. The exit delivered a return on capital of 3.3x in under two and a half years.

The Ordinary Share portfolio made one new investment, Overtis (rebranded from OpticVision after our investment), during the year. Overtis provides computer security and access control systems and has performed strongly on the back of increasing concerns over both internal and external threats to data security and intellectual property.

At 28 February 2009, the Company's unquoted and quoted Ordinary Share portfolio comprised nine investments with a cost of £2.8 million and a valuation of £2.4 million. In addition, the Ordinary Share pool held cash and liquidity funds of £1.5 million. Espresso Group Limited accounts for over 40% of the Ordinary Share NAV, a reflection of the maturity of the portfolio and the disposal of earlier investments.

Espresso continues to perform strongly and has established itself as the dominant provider of online educational video content to the UK primary school sector with a market share of over 60% and high contract renewal rates. Following the acquisition in 2007 of 4 Learning, the educational business of Channel 4, Espresso has entered the UK secondary schools market with its Clipbank product and has already established a strong and growing presence.

'C' Share Pool - Share Performance & Portfolio

The 'C' Share funds were raised in 2006 and approximately 68% of the net funds raised of over £23.5 million have now been invested including £7.7 million in the current financial year:

Acquisitions	Cost £'000	Description
Overtis Group	500	Technology security provider
Isango!	650	Travel provider
SPC International	625	Repair/refurbishment of electronic equipment
Chess Technologies	900	Producer of electro-optical devices
Fjordnet	1,000	Digital design/research agency
Lazurite	1,000	Intellectual property acquisition vehicle
Prelude Media	1,000	Digital media acquisition vehicle
Espresso Group	1,101	Develops and delivers multimedia education content for schools
Donatantonio	16	Import and distribution of Mediterranean foods
Optima Data Intelligence Services	299	Marketing and data intelligence services
Heritage Partners	100	Image rights ownership, management and distribution
Charterhouse Leisure	471	Restaurants
Coolabi	25	Character rights management
	7,687	

Investment Manager's Review continued

The 'C' share pool is relatively young and therefore significant realisations are not to be expected. That said, the pool had a small investment in ILG Digital which it realised during the year for a profit of £217,000. This has helped to contribute to a total dividend return to 'C' shareholders of 8.25p per share as at 28 February 2009. A further dividend of 1.35p per share was declared on 9 June 2009.

At 28 February 2009, the 'C' share investment portfolio was valued at £11.5 million against an original investment cost of £16.1 million. In addition, the 'C' share pool held cash and liquidity funds of £7.0 million.

The general economic outlook has affected all companies and we have made provisions against a number of investments including Charterhouse Leisure, Donatantonio, Optima Data Intelligence Services and Isango. It is, however, still early in the investments' lifecycle and we are hopeful that we can increase the value of some of these over time.

Outlook

VCTs were created to provide a source of capital for SMEs (small and medium sized enterprises), a sector of the economy which has historically struggled to access capital for growth. The current economic environment created in part by the collapse of the credit markets has not only exacerbated this condition but at a time when SMEs are suffering from reduced consumer/business spending and the management of effective deflation. We would expect SMEs to experience difficult trading conditions for at least the next 18 months and as such, benefiting from the experience of previous periods of recession, we continue to focus our efforts on the existing companies within the portfolio ensuring their investment plans and cost structures reflect the macro environment.

However, historic investment returns have shown us that difficult economic conditions have provided a great opportunity to invest in companies at attractive valuations. We see the opportunity for new investments in areas of economic robustness such as our recent investment in the defence contractor 'Chess Technologies' and areas of established innovation such as the design of mobile media platforms, 'Fjord'. At all times we will invest in market leading companies with exceptional management teams.

Beringea LLP
9 June 2009

Investment Portfolio – Ordinary Share Pool
as at 28 February 2009

The following investments were held at 28 February 2009:

	28 February 2009				29 February 2008		
Venture capital investments	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value	Cost £'000	Valuation £'000	% of portfolio by value
Espresso Group Limited	628	1,595	(541)	40.9%	784	2,292	30.3%
Overtis Group Limited	350	350	–	9.0%	n/a	n/a	n/a
Campden Media Limited	488	207	(279)	5.3%	488	486	6.4%
Ashford Colour Press Limited	413	157	(230)	4.0%	481	456	6.0%
UBC Media plc*	400	63	(55)	1.6%	400	119	1.6%
Pilat Media Global plc*	50	25	(67)	0.7%	50	92	1.2%
Immedia Group plc*	170	9	(7)	0.2%	171	15	0.2%
Baby Innovations S.A. t/a Steribottle	209	–	–	0.0%	209	–	0.0%
Sports Holdings Limited	48	–	–	0.0%	48	–	0.0%
ILG Digital Limited	–	–	–	0.0%	600	1,345	17.8%
	2,756	2,406	(1,179)	61.7%	3,231	4,805	63.5%
Liquidity funds		1,470		37.7%		2,270	30.1%
Cash at bank and in hand		25		0.6%		486	6.4%
Total Ordinary Share investments		3,901		100.0%		7,561	100.0%

All venture capital investments above are unquoted unless otherwise stated.

* Quoted on AIM

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

Investments – Ordinary Share Pool
as at 28 February 2009

Further details of the largest venture capital investments (by value) within the Ordinary Share pool are as follows:

Espresso Group Limited

Cost:	£628,000	Latest audited accounts:	31 July 2008
Investment comprises:		Turnover:	£14.1 million
‘A’ ordinary shares:	£220,000	Loss before tax:	(£2.1 million)
‘B’ ordinary shares:	£261,000	Net assets:	£7.5 million
Loan stock:	£147,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£1,595,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£2,292,000	Proportion of equity held:	7.5%

Espresso Group develops and delivers multimedia education content for schools. Over 10,000 primary schools, equal to approximately 60% of the UK primary school market, now subscribe to its flagship “Espresso for Schools” product. Following the acquisition of 4 Learning, the educational business of Channel 4, the company has expanded into the UK secondary schools market with encouraging results. Opportunities exist for expansion into other geographical territories and diversification into other related online content businesses.

www.espresso.co.uk

Overtis Group Limited

Cost:	£350,000	Latest audited accounts:	31 October 2007
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£50,000	Profit before tax:	n/a*
‘A’ ordinary shares:	£200,000	Net assets:	£154,000
Loan stock:	£100,000		
Valuation method:	Cost		
Valuation at 28/02/09:	£350,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	4.2%

Overtis Group is an integrated security solutions business specialising in the protection of high value physical, human & information assets on a global basis. Overtis Group utilises the proven resources and experience of its divisions Overtis Systems and Overtis Solutions to discreetly architect, deliver and support integrated security solutions to high risk government departments, public sector bodies and the enterprise community.

www.overtis.com

Campden Media Limited

Cost:	£488,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£7.5 million
Ordinary shares:	£98,000	Loss before tax:	(£587,000)
‘A’ ordinary shares:	£1,000	Net assets:	£638,000
Loan stock:	£389,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£207,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£486,000	Proportion of equity held:	11.4%

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.

www.campdenmedia.com

Ashford Colour Press Limited

Cost:	£413,000	Latest audited accounts:	31 March 2008
Investment comprises:		Turnover:	£12.2 million
‘A’ ordinary shares:	£73,000	Loss before tax:	(£236,000)
Preference shares:	£138	Net assets:	£2.1 million
Loan stock:	£339,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£157,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£456,000	Proportion of equity held:	12.9%

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 Growth & Income VCT plc invested alongside ProVen VCT plc. The business is long established and has a strong operational management team with significant experience in the printing business.

www.ashford-colour-press.co.uk

UBC Media Limited

Cost:	£400,000	Latest audited accounts:	31 March 2008
Investment comprises:		Turnover:	£15.5 million
Ordinary shares:	£400,000	Loss before tax:	(£2.9 million)
Valuation method:	Bid price	Net assets:	£4.3 million
Valuation at 28/02/09:	£63,000	Market capitalisation:	£8.7 million
Valuation at 29/02/08:	£119,000	Proportion of equity held:	0.8%

UBC Media is the market leader in the supply of audio content to the radio industry in the UK. The company also built a successful business in the area of network programming which it sold to a NASDAQ quoted company in March 2009.It also supplies software to the radio industry and is part of the MXR Digital Radio Multiplex consortium.

www.ubcmedia.com

Pilat Media Global plc

Cost:	£50,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£18.4 million
Ordinary shares:	£50,000	Loss before tax:	(£1.3 million)
Valuation method:	Bid price	Net assets:	£18.4 million
Valuation at 28/02/09:	£25,000	Market capitalisation:	£7.1 million
Valuation at 29/02/08:	£92,000	Proportion of equity held:	0.4%

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

www.pilatmedia.com

Immedia Broadcasting plc

Cost:	£171,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£18.4 million
Ordinary shares:	£171,000	Loss before tax:	(£1.4 million)
Valuation method:	Bid price	Net assets:	£575,000
Valuation at 28/02/09:	£9,000	Market capitalisation:	£1 million
Valuation at 29/02/08:	£15,000	Proportion of equity held:	1.1%

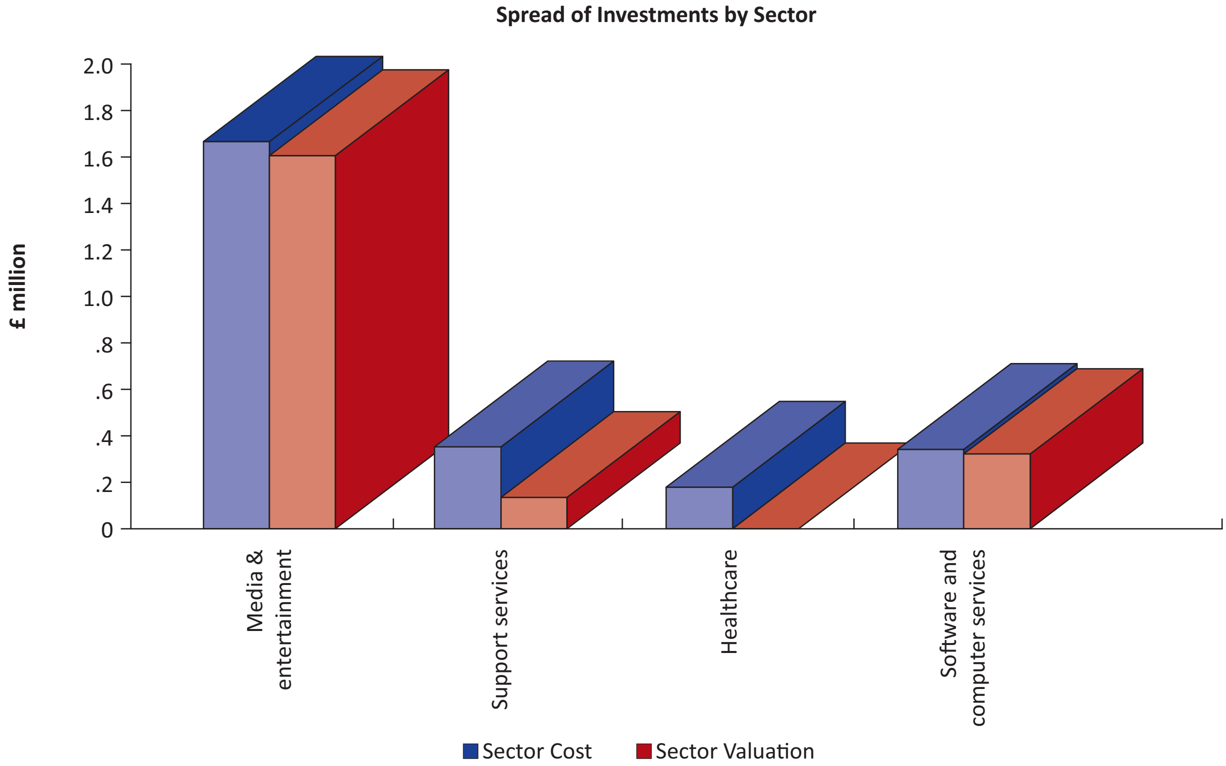
Immedia designs and operates live radio stations providing tailored commercial programming to retail outlets. Its clients include HSBC, Spar, IKEA, Top Shop and GAME Group. The company was founded by former Radio 1 DJ and current CEO Bruno Brookes in 1999 and admitted to AIM in 2003.

www.immediaplc.com

References to the latest audited accounts refer to the latest annual report and accounts to be prepared by the investee company following the date of investment by ProVen Growth and Income VCT plc. Where no audited annual report has been published since the date of the investment, this is shown as “n/a”. Where the company has chosen to file abbreviated accounts due to its size, this is shown as “n/a*”.

Investments – Ordinary Share Pool continued

The split of the Ordinary Share pool venture capital investments by commercial sector (by value and cost at 28 February 2009) is summarised as follows:



Investment Portfolio – C Share Pool
as at 28 February 2009

The following investments were held at 28 February 2009:

	28 February 2009				29 February 2008		
	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value	Cost £'000	Valuation £'000	% of portfolio by value
Top ten venture capital investments							
Espresso Group Limited	1,101	1,100	(1)	5.9%	n/a	n/a	n/a
Path Group Limited	1,000	1,000	–	5.4%	1,000	1,000	4.2%
Fjordnet Limited	1,000	1,000	–	5.4%	n/a	n/a	n/a
Lazurite Limited	1,000	1,000	–	5.4%	n/a	n/a	n/a
Prelude Media Limited	1,000	1,000	–	5.4%	n/a	n/a	n/a
Chess Technologies Limited	900	900	–	4.9%	n/a	n/a	n/a
Eagle Rock Entertainment Group Limited	680	877	(38)	4.7%	680	915	3.9%
Charterhouse Leisure Limited	1,000	801	(199)	4.3%	529	529	2.2%
Saffron Media Group Limited	670	670	–	3.6%	670	670	2.8%
Donatantonio Limited	1,366	651	(715)	3.5%	1,350	1,350	5.7%
	9,717	8,999	(953)	48.5%	4,229	4,464	18.8%
Other venture capital investments							
SPC International Limited	625	582	(43)	3.1%	n/a	n/a	n/a
Optima Data Intelligence Services Limited	1,299	507	(792)	2.7%	1,000	1,000	4.2%
Overtis Group Limited	500	500	–	2.7%	n/a	n/a	n/a
Dianomi Limited	324	403	79	2.2%	324	324	1.4%
Heritage Partners Limited	900	248	(653)	1.3%	800	800	3.4%
Steak Media Limited	375	182	(344)	1.0%	375	526	2.2%
Coolabi plc*	450	115	(362)	0.6%	424	452	1.9%
Isango! Limited	650	–	(650)	0.0%	n/a	n/a	n/a
Breeze Tech Limited	225	–	(225)	0.0%	225	225	0.9%
ILG Digital Limited	–	–	–	–	203	253	1.1%
The Vending Corporation Limited	1,012	–	5	0.0%	1,016	–	0.0%
	6,360	2,537	(2,985)	13.6%	4,367	3,580	15.1%
Total venture capital investments	16,077	11,536	(3,938)	62.1%	8,596	8,044	33.9%
Liquidity funds		6,080		32.8%		14,280	60.1%
Cash at bank and in hand		948		5.1%		1,423	6.0%
Total 'C' Share investments		18,564		100.0%		23,747	100.0%

All venture capital investments above are unquoted (unless stated) and are registered in England and Wales.

* Quoted on AIM

Top Ten Investments – C Share Pool
as at 28 February 2009

Further details of the ten largest venture capital investments (by value) within the 'C' Share pool are as follows:

Espresso Group Limited

Cost:	£1,101,000	Latest audited accounts:	31 July 2008
Investment comprises:		Turnover:	£14.1 million
'B' ordinary shares:	£1,000	Loss before tax:	(£2.1 million)
Loan stock:	£1,100,000	Net assets:	£7.5 million
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£1,100,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	0%

Espresso Group develops and delivers multimedia education content for schools. Over 10,000 primary schools, equal to approximately 60% of the UK primary school market, now subscribe to its flagship "Espresso for Schools" product. Following the acquisition of 4 Learning, the educational business of Channel 4, the company has expanded into the UK secondary schools market with encouraging results. Opportunities exist for expansion into other geographical territories and diversification into other related online content businesses.

www.espresso.co.uk

Path Group Limited

Cost:	£1,000,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£11.9 million
Ordinary shares:	£100,000	Profit before tax:	£314,000
'A' ordinary shares:	£5,000	Net assets:	£3.4 million
Loan stock:	£895,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£1,000,000	Market capitalisation::	n/a
Valuation at 29/02/08:	£1,000,000	Proportion of equity held:	21%

Path Group has been distributing consumer electronic accessories since inception in 1984, and during this time, as well as becoming a leading distributor in the UK, has established itself internationally with selling and distribution operations in the US and Russia and a buying function in Hong Kong. Beringea led the management buyout from the current owners in early 2008.

www.path.co.uk

Fjordnet Limited

Cost:	£1,000,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£700,000	Profit before tax:	n/a
Preferred shares:	£300,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£1,000,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	24.1%

Fjord is an established digital design agency in the telecommunications and media sectors. It has worked on market leading flagship projects – including projects for the BBC, Nokia, Orange, Swisscom and Yahoo! It was Instrumental in bringing the hugely successful award winning BBC iPlayer to mobile. The company has offices in London, Helsinki, Berlin and New York.

www.fjordnet.com

Lazurite Limited

Cost:	£1,000,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
A ordinary shares:	£100,000	Profit before tax:	n/a
Loan stock:	£900,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£1,000,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	49.9%

Lazurite Limited is a newly formed company established to exploit VCT qualifying opportunities in companies that own and create intellectual property, an area in which the VCT has enjoyed considerable success. Intellectual property ownership is a key driver for companies looking to expand and the Investment Manager believes that the current economic climate will provide a number of interesting acquisition targets.

Prelude Limited

Cost:	£1,000,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
A ordinary shares:	£100,000	Profit before tax:	n/a
Loan stock:	£900,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£1,000,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	49.9%

Prelude Media Limited was established to finance VCT qualifying acquisition targets in the digital media sector, an area in which both the Investment Manager and the fund has had notable successes including Mergermarket and ILG Digital. The company is headed by a director of former portfolio company, ILG Digital.

Chess Technologies Limited

Cost:	£900,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£450,000	Profit before tax:	n/a
Loan stock:	£450,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£900,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	16.6%

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

www.chess-dynamics.com

Eagle Rock Entertainment Group Limited

Cost:	£680,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£18.7 million
Ordinary shares:	£68,000	Profit before tax:	£19 million
Preferred shares:	£612,000	Net assets:	£20.9 million
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£877,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£915,000	Proportion of equity held:	6.2%

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

www.eaglerockent.com

Charterhouse Leisure Limited

Cost:	£1,000,000	Latest audited accounts:	29 February 2008
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£200,000	Profit before tax:	n/a*
Loan stock:	£800,000	Net assets:	£652,000
Valuation method:	Revenue multiple		
Valuation at 28/02/09:	£801,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£529,000	Proportion of equity held:	22.7%

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

www.coalgrillandbar.co.uk

Top Ten Investments – 'C' Share Pool continued

Saffron Media Group Limited

SAFFRONDIGITAL

Cost:	£670,000	Latest accounts:	31 December 2008
Investment comprises:		Turnover:	n/a
Ordinary shares:	£583,000	Profit before tax:	n/a
'A' ordinary shares:	£87,000	Net assets:	£1.8 million
Valuation method:	Revenue multiple		
Valuation at 28/02/09:	£670,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£670,000	Proportion of equity held:	16.9%

Saffron Media Group was formed in 2003 and is a leading multi-platform distributor of film-related content in the UK. It has established relationships with major film studios such as Universal, Warner, Sony and Disney to exploit their movie libraries. The company has also developed a bespoke content delivery platform with technology which enables both film and non-film related content owners to access mobile and online consumers.

www.saffrondigital.com

Donatantonio Limited

BY APPOINTMENT TO HER MAJESTY THE QUEEN FINE FOOD INGREDIENT IMPORTERS AND DISTRIBUTORS DONATANTONIO LIMITED BOREHAMWOOD

Donatantonio dal 1902

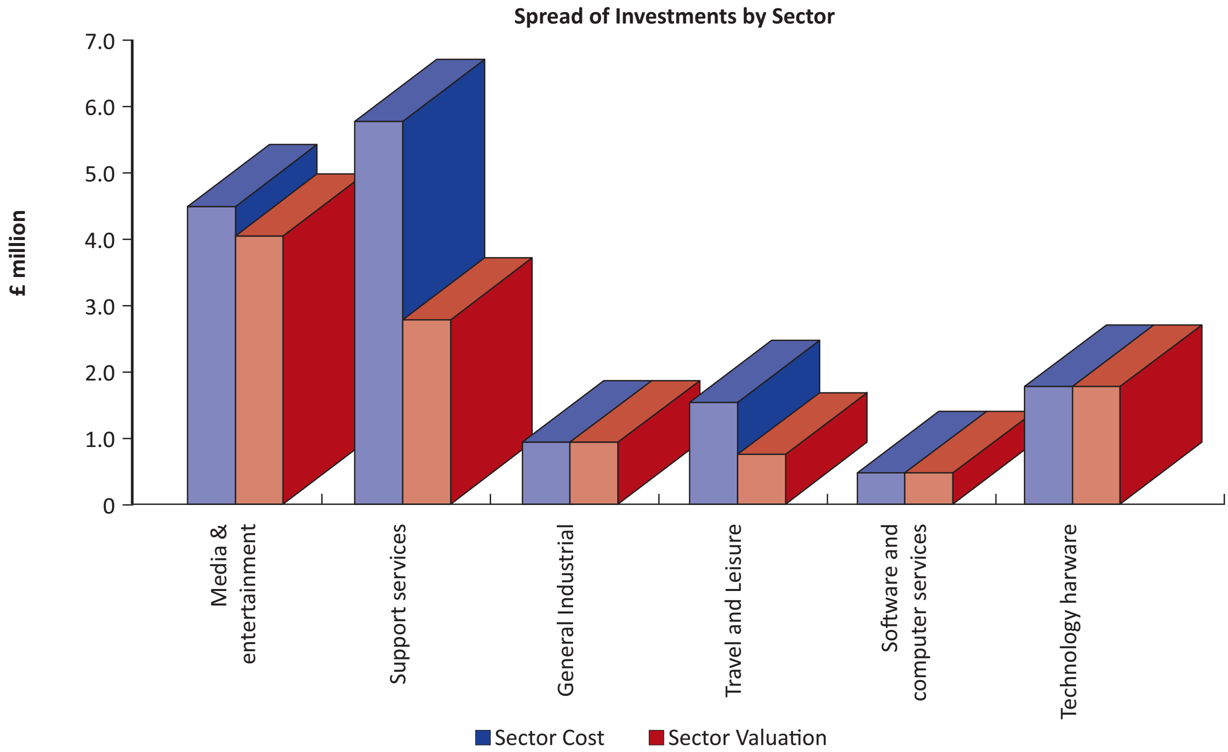
Cost:	£1,366,000	Latest audited accounts:	31 January 2007
Investment comprises:		Turnover:	£13.5 million
Ordinary shares:	£17,000	Profit before tax:	£628,000
'A' ordinary shares:	£208,000	Net assets:	£2.3 million
Preferred shares:	£45,000		
Loan stock:	£1,096,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£651,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£1,350,000	Proportion of equity held:	24.1%

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

www.donatantonio.com

References to the latest audited accounts refer to the latest annual report and accounts to be prepared by the investee company following the date of investment by ProVen Growth and Income VCT plc. Where no audited annual report has been published since the date of the investment, this is shown as "n/a". Where the company has chosen to file abbreviated accounts due to its size, this is shown as "n/a*".

The split of the 'C' Share pool venture capital investments by commercial sector (by value and cost at 28 February 2009) is summarised as follows:



Directors

Andrew Davison (66) (Chairman) is currently on the boards of a number of quoted and unquoted companies and is chairman of City of London Investment Group PLC, ProVen VCT plc and Pennine AIM VCT 5 plc. He was formerly chairman and chief executive of Business Mortgages Bank plc from 1987 to 1991. He joined County Bank Limited in 1972 and by 1984 had become managing director of NatWest Ventures Limited. He is a former council member of the British Venture Capital Association.

Nicholas Lewis (53) 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 £500 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 managers of the Downing Protected VCTs. He was formerly with NatWest Ventures Limited and, before that, with Apax Partners and Co. Limited.

Malcolm Moss (49) is a Senior Managing Director and Founder of Beringea LLC. Over the last 20 years he has been responsible for the growth, development and management of the private equity business of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT and ProVen Growth and Income VCT he sits on the investment committees of two of Beringea's venture funds; InvestCare Partners and Global Rights Fund II and as a non-executive director on several other portfolio investments. Prior to founding Beringea, Malcolm gained Europe-wide industrial, planning and analytical experience in healthcare, engineering and financial services with respectively Baxter International, Uniroyal Inc. and Lloyds TSB Group.

James Stewart (60) was formerly managing director of Creditanstalt Investment Bank AG's subsidiary in London, where he had previously established Creditanstalt Bankverein's development capital activity. He has been a non-executive director of a number of quoted and unquoted companies and is on the board of Guinness Flight Venture Capital Trust plc. He now works as an independent venture capitalist.

Marc Vlessing (47) started his career as a corporate financier with County NatWest. In 1991, he set up Media Finance, a management consultancy business specialising in the media sector. In 1997 he became Chief Executive of Crescent Entertainment, which ran a group of London theatres and cinemas; subsequently he became Chief Executive of First Call International, the UK's largest independent ticketing business. He is currently Chairman of Eclipse VCT 2 plc and a principal in Pocket, a developer which helps people on low to moderate incomes own their first home.

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

Report of the Directors

The Directors present the Annual Report and Financial Statements of the Company for the year ended 28 February 2009.

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 (HMRC) and the Company has continued to meet the standards set out by HMRC. The Company revoked its status as an investment company in July 2004 prior to 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 Part 6 of the Income Tax Act 2007.

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 Review.

As a VCT with all of its executive and administrative activities delegated to third parties, the Company does not have a formal environmental policy.

Results and Distributions

	£'000	Pence per share
Return on ordinary activities after tax for the year ended 28 February 2009 analysed as:		
Ordinary Shares	(902)	(13.3p)
'C' Shares	(3,250)	(13.0p)
	(4,152)	

The Company paid an interim dividend of 31.0p per Ordinary Share (2008: 6.0p per Ordinary Share) for the year ended 28 February 2009 on 31 October 2008.

An interim dividend of 2.0p per 'C' Share (2008: 1.0p per 'C' Share) in respect of the year ended 28 February 2009 was paid on 31 October 2008.

Further interim dividends of 14.0p per Ordinary Share and 1.35p per 'C' Share will be paid on 3 July 2009 to Shareholders on the register at 19 June 2009.

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary Shares, 'C' Shares and 'D' Shares of the Company at 29 February 2008, 28 February 2009 and at the date of this report were as follows:

Director		At the date of this report	28 February 2009	29 February 2008
Andrew Davison	Ords	6,098	6,098	5,125
	'C' Shares	5,150	5,150	5,150
	'D' Shares	2,637	–	–
Nicholas Lewis	Ords	20,028	20,028	10,250
	'C' Shares	10,300	10,300	10,300
Malcolm Moss	Ords	22,758	22,758	18,000
	'D' Shares	3,165	–	–
James Stewart	Ords	11,500	11,500	6,000
Marc Vlessing	Ords	17,052	17,052	10,125
	'C' Shares	5,150	5,150	5,150
	'D' Shares	2,593	–	–

Andrew Davison 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 they have each made valuable contributions during the term of their appointments and remain committed to their roles. Both have considerable experience in the VCT sector and other areas, as shown in their respective biographies on page 17, and the Board therefore recommends that Shareholders support the resolutions to re-elect each director 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.

At the last AGM on 17 July 2008, Directors were granted the authority to make market purchases of up to 14.9% of the issued share capital of the Company and to disapply pre-emption rights and allot up to a maximum nominal amount of £6,272 Ordinary Shares and £124,899 'C' Shares. The authority to make market purchase was used as described below.

Share Capital

The Company now has three classes of shares: Ordinary shares of 1p each, 'C' shares of 5p each and 'D' shares of 1p each. Each share class has a separate pool of assets attributable to it, with each class bearing a proportion of the running costs of the company. Ordinary Shares, 'C' Shares and 'D' Shares rank *pari passu* with each other in terms of voting and other rights.

During the year the Company repurchased 52,889 Ordinary Shares at an average price of 87.5p per share, and 100,535 'C' Shares at an average price of 76.2p. These shares were subsequently cancelled.

Performance Incentive Fees

Ordinary Shares

Beringea LLP ("Beringea") is entitled to performance incentive fees if the Company has returned to investors under the 2001 Ordinary Share offer in aggregate an amount equal to 20p per £1 subscribed for Ordinary Shares and Total Return (NAV plus cumulative dividends) per Ordinary Share is at least 130p. Furthermore, for an incentive fee to be payable, the Company must have paid cumulative dividends equal to 4p per Ordinary Share per annum for the financial years starting on 1 March 2004.

Beringea is entitled to receive an incentive fee equal to 15% of the cumulative dividends paid from 1 March 2006 up to 4p per Ordinary Share per annum, plus 20% of the cumulative dividends paid from 1 March 2006 in excess of 4p per Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea. The performance fees in respect of the year under review, payable to Beringea, were £661,000 (inclusive of VAT where applicable).

'C' Shares

No incentive fee will be paid in respect of the 'C' Share fund until the Company has returned to investors in aggregate an amount equal to 20p per £1 subscribed for 'C' Shares and Total Return (NAV plus cumulative dividends) per 'C' Share is at least 130p. Furthermore, for an incentive fee to be payable, the Company must have paid cumulative dividends equal to 4p per 'C' Share per annum for the financial years starting on 1 March 2009. If, in relation to a financial year starting on or after 1 March 2009, the Company has achieved these targets, Beringea is entitled to receive an incentive fee equal to 15% of the cumulative dividends paid from 1 March 2009 up to 4p per 'C' Share per annum, plus 20% of the cumulative dividends paid from 1 March 2009 in excess of 4p per 'C' Share per annum, less the amount of any incentive fee previously paid to Beringea.

Report of the Directors continued

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

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

- a strong, balanced and well motivated management team;
- a defensible market position
- good growth potential;
- an attractive entry price for the Company;
- the ability to structure the investment with a proportion of secured loan notes in order to reduce risk; and
- a clearly identified route for a profitable realisation within a 3-4 year period.

In respect of the 'C' Share pool only, it is intended that at least 80% of the Company's Qualifying investments will be in unquoted companies, with up to 20% being in companies quoted on AIM. Also in respect of the 'C' Share pool only, approximately 75% of the Qualifying investments (by cost) will be made into companies in a broad range of sectors, with the remainder being in a range of different companies in the media industry.

In respect of the 'D' Share pool only, it is intended that by 29 February 2012, 75% of the funds will be investments in Qualifying investments.

Other Investments
Funds not invested in Qualifying investments will be held in cash, liquidity funds or in fixed interest securities of A-rating or better.

The Company may also make a small number of non-qualifying investments in companies meeting the criteria for Qualifying investments described above.

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

1. The Company holds at least 70% of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);
2. At least 30% of the Company's qualifying investments (by value) are held in "eligible shares" - ("eligible shares" generally being ordinary share capital);
3. No investment constitutes more than 15% of the Company's portfolio (by value at time of investment);
4. The Company's income for each financial year is derived wholly or mainly from shares and securities;
5. The Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained.

Borrowings
It is not the Company's intention to have any borrowings. The Company does however have the ability to borrow a maximum amount which is equal to the nominal capital of the Company and its distributable and undistributable reserves, currently equal to £22.9 million. There are no plans to utilise this ability at the current time.

Investment Management and Administration Fees
Beringea provides investment management services to the Company for an annual fee of 2.0% of the Ordinary Share net assets, the 'C' Share net assets and the 'D' Share net assets per annum (excluding VAT). Since 1 October 2008, VAT is not chargeable on such fees. Beringea is also entitled to receive performance incentive fees as described above. The investment management agreement is terminable by either party at any time by one year's prior written notice. As a result of a reorganisation by the Investment Manager, the investment management agreement was the subject of a novation agreement with effect from 24 April 2009 whereby Beringea LLP took over all the previous duties and obligations of Beringea Limited. The agreement has no impact on the services received by the Company, the investment executives providing those services or the fees the Company pays.

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

Downing Management Services Limited ("DMS") provides administration services to the Company for a fee of £32,000 (plus VAT & RPI adjustment) per annum. This fee will increase to £37,000 (plus VAT & RPI adjustment) per annum once the 'D' Shares have been allotted.

The annual running costs (excluding any performance fees payable) of the Company, for the year, are also subject to a cap of 3.6% of the Company's net assets.

VCT Status

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

A summary of the VCT Regulations is included in the Company's Investment Policy shown above. Compliance with main VCT Regulations as at 28 February 2009 and for the year ended 28 February 2009 is summarised as follows:

1.	70% of its investments in qualifying companies:	71.8%
2.	At least 30% of the Company's qualifying investments in "eligible shares":	36.2%
3.	No investment constitutes more than 15% of the Company's portfolio:	Complied
4.	Income is derived wholly or mainly from shares and securities:	92.3%
5.	No more than 15% of the income from shares and securities is retained:	0%

Creditor Payment Policy

The Company's payment policy is to pay creditors within thirty days of receipt of an invoice except where other terms have been agreed. Trade creditors of the Company at the year end amounted to £Nil (2008: £31,000).

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 objectives (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.

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 reliefs currently available to Shareholders and the Company being subject to capital gains tax. Serious breaches of other regulations, such as the UKLA Listing Rules, the Companies Act 2006 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. The Directors receive quarterly reports from the Investment Manager which monitor the compliance of these risks, and places reliance on the Investment Manager to give updates in the intervening periods. These policies have remained unchanged since the beginning of the financial period.

Auditors

A resolution to re-appoint Deloitte LLP as the Company's auditors will be proposed at the forthcoming AGM.

Annual General Meeting

The Annual General Meeting will be held at 39 Earlham Street, London WC2H 9LT at 10.15 am on 7 July 2009. The Notice of the Annual General Meeting and Form of Proxy are at the end of this document.

Substantial Interests

As at 28 February 2009, and the date of this report, the Company was not aware of any beneficial interest exceeding 3 per cent. of the issued Ordinary Share capital, 'C' Share capital and 'D' Share capital.

Report of the Directors continued

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 Report of the Directors 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 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
Company Secretary
39 Earlham Street
London WC2H 9LT
9 June 2009

Statement of Corporate Governance

The Directors support the relevant principles of the new Combined Code issued in July 2006, 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 five non-executive directors. The Chairman and senior director is Andrew Davison. Nicholas Lewis, James Stewart and Marc Vlessing are considered to be independent directors by the Board. Biographical details of all Board members (including the significant other commitments of the Chairman) are shown on page 17.

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. A further two Directors are offering themselves for re-election at the next AGM.

Full Board meetings generally 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.

Five Board meetings took place in the year under review. Attendance is summarised as follows:

	Meetings attended	Maximum possible
Andrew Davison	5	5
Nicholas Lewis	5	5
Malcolm Moss	5	5
James Stewart	5	5
Marc Vlessing	5	5

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.

Remuneration Committee

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

Audit Committee

The Company has an audit committee comprising James Stewart as Chairman, Andrew Davison, Nicholas Lewis and Marc Vlessing. This committee has defined terms of reference and duties. The Committee met twice during the year with all members being in attendance. Each of the members of the audit committee has recent and relevant financial experience as evidenced by their biographies on page 17.

The Audit Committee is responsible for reviewing the annual accounts and the half yearly accounts. It is also responsible for reviewing the terms of appointment of the Auditors, together with their remuneration, as well as reviewing 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.

Statement of Corporate Governance continued

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 the 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.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Administration Manager collates proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM.

In order to comply with the 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 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 Report of the Directors on page 22, and a statement by the Auditors about their reporting responsibilities is set out in the Independent Auditors' Report on page 28.

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 it 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:

Venture Capital Investment Management	Beringea LLP
Administration	Downing Management Services Limited

Going Concern

The Directors are of the opinion, having given due consideration to the uncertain economic outlook, 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 2009 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 2006 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 audit committee does 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)

Directors' Remuneration Report

The Board has prepared this report, in accordance with the requirements of Schedule 7A to the Companies Act 1985. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 7 July 2009.

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 Auditors' Report on page 28.

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 or about 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 following table, 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 size of the Company following the recent fundraisings.

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.

Directors' Remuneration (audited)

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

	Year ended 28 February 2009 £	Year ended 29 February 2008 £
Andrew Davison	20,000	17,500
David Eberly	n/a	10,416
Nicholas Lewis	15,000	12,500
Malcolm Moss	15,000	2,084
James Stewart	20,000	17,500
Marc Vlessing	20,000	17,500
	90,000	77,500

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

	Annual fee £
Andrew Davison	20,000
Nicholas Lewis	15,000
Malcolm Moss	15,000
James Stewart	20,000
Marc Vlessing	20,000
	90,000

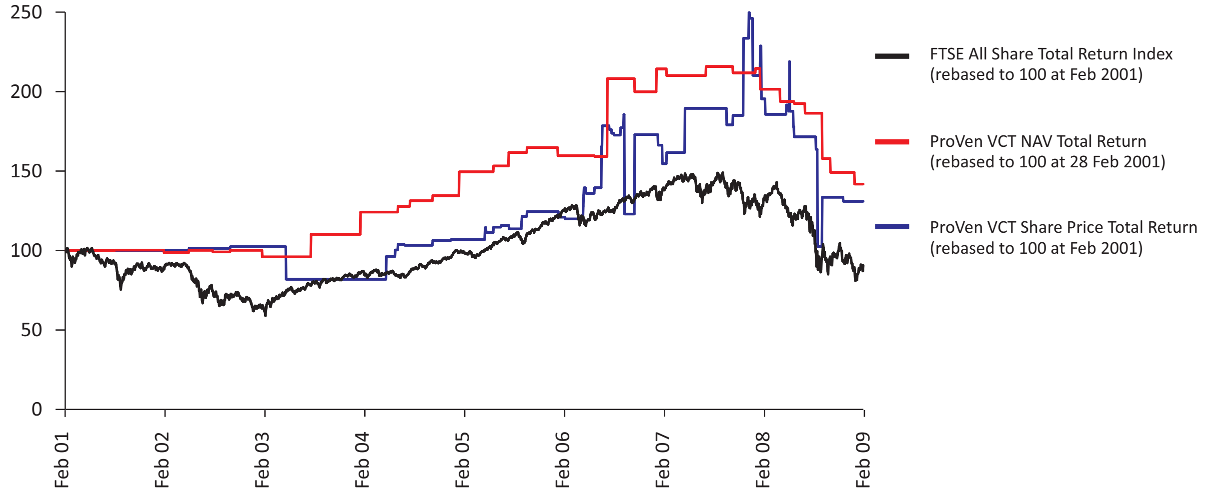
Insurance Cover

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

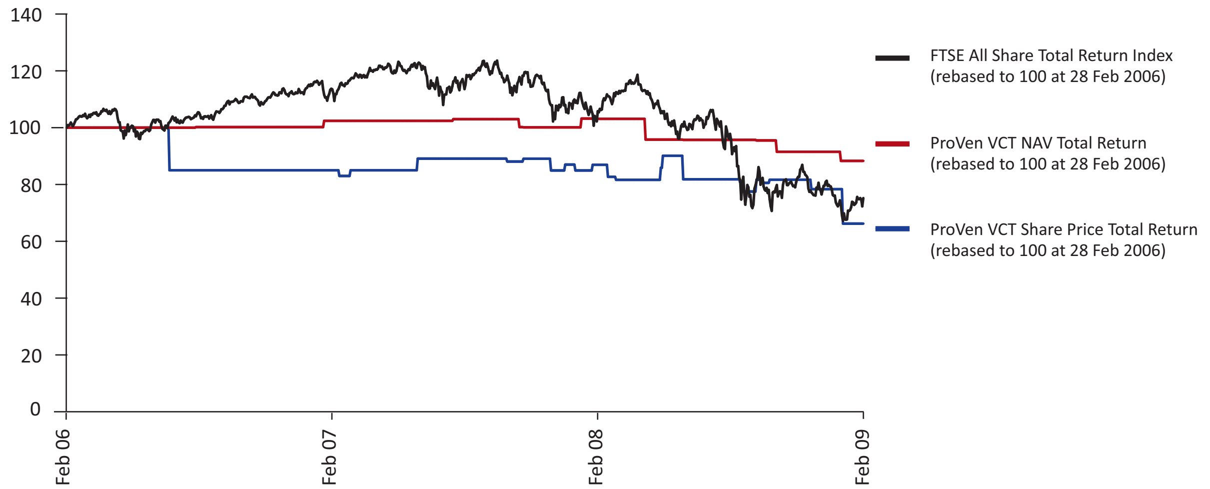
Performance Graph

The charts below represent the Company's Ordinary Share and 'C' Share performance over the reporting periods since launch, and compare the Company's Net Asset Value Total Return and the Share Price Total Return to a rebased FTSE All Share Index Total Return. Net Asset Value Total Return is calculated as Net Asset Value plus dividends and/or capital distributions reinvested in the Company at the Net Asset Value prevailing at the date the dividends/distributions were paid. Share Price Total Return is calculated in a similar way, but reinvesting dividends at the mid-market share price at the date dividends are paid.

ProVen Growth and Income VCT plc
Ordinary Share Performance Chart



ProVen Growth and Income VCT plc
C Share Performance Chart



The FTSE All Share Index has been chosen as a comparison as it reasonably represents the spread of investments held by the Company. All series have been rebased to 100 at the relevant launch dates.

By order of the Board

Grant Whitehouse
Secretary
9 June 2009

Independent Auditors' Report to the Members of ProVen Growth and Income VCT plc

We have audited the financial statements of ProVen Growth and Income VCT plc for the year ended 28 February 2009 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 25. 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 Report of the Directors 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 2006 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 2009 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 Report of the Directors is consistent with the financial statements.

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

9 June 2009

Income Statement

for the year ended 28 February 2009

Company Position

	Note	Year ended 28 February 2009 Revenue £'000	Capital £'000	Total £'000	Year ended 29 February 2008 Revenue £'000	Capital £'000	Total £'000
Income	2	1,188	–	1,188	1,374	–	1,374
(Losses)/Gains on investments	11	–	(4,055)	(4,055)	–	306	306
		1,188	(4,055)	(2,867)	1,374	306	1,680
Investment management fees	3	(136)	(407)	(543)	(191)	(570)	(761)
Performance incentive fees	4	(27)	(634)	(661)	(12)	(138)	(150)
Recoverable VAT	5	51	155	206	–	–	–
Other expenses	6	(271)	(16)	(287)	(274)	(16)	(290)
Return on ordinary activities before tax		805	(4,957)	(4,152)	897	(418)	479
Tax on ordinary activities	8	(217)	217	–	(276)	276	–
Return attributable to equity shareholders		588	(4,740)	(4,152)	621	(142)	479
Return per Ordinary Share	10	0.7p	(14.0p)	(13.3p)	0.6p	4.3p	4.9p
Return per 'C' Share	10	2.2p	(15.2p)	(13.0p)	2.4p	(1.7p)	0.7p

Split as:

Ordinary Shares

	Year ended 28 February 2009 Revenue £'000	Capital £'000	Total £'000	Year ended 29 February 2008 Revenue £'000	Capital £'000	Total £'000
Income	188	–	188	201	–	201
(Losses)/Gains on investments	–	(284)	(284)	–	551	551
	188	(284)	(96)	201	551	752
Investment management fees	(31)	(92)	(123)	(52)	(155)	(207)
Performance incentive fees	(27)	(634)	(661)	(12)	(138)	(150)
Recoverable VAT	14	42	56	–	–	–
Other expenses	(78)	–	(78)	(84)	(4)	(88)
Return on ordinary activities before tax	66	(968)	(902)	53	254	307
Tax on ordinary activities	(17)	17	–	(18)	18	–
Return attributable to equity shareholders	49	(951)	(902)	35	272	307

'C' Shares

	Year ended 28 February 2009			Year ended 29 February 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	1,000	–	1,000	1,173	–	1,173
(Losses)/Gains on investments	–	(3,771)	(3771)	–	(245)	(245)
	1,000	(3,771)	(2,771)	1,173	(245)	928
Investment management fees	(105)	(315)	(420)	(139)	(415)	(554)
Performance incentive fees	–	–	–	–	–	–
Recoverable VAT	37	113	150	–	–	–
Other expenses	(193)	(16)	(209)	(190)	(12)	(202)
Return on ordinary activities before tax	739	(3,989)	(3,250)	844	(672)	172
Tax on ordinary activities	(200)	200	–	(258)	258	–
Return attributable to equity shareholders	539	(3,789)	(3,250)	586	(414)	172

The revenue and capital movements in the year for the Ordinary Shares and 'C' Shares relate to 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 on page 30 and above.

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2009

		Year ended 28 February 2009			Year ended 29 February 2008		
	Note	Ordinary Shares £'000	'C' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	Total £'000
Opening shareholders' funds		7,594	23,691	31,285	8,134	24,288	32,422
Issue of shares		656	–	656	–	–	–
Share issue costs		(36)	–	(36)	–	–	–
Purchase of own shares		(47)	(77)	(124)	(32)	(20)	(52)
Total recognised (losses)/ gains for the year		(902)	(3,250)	(4,152)	307	172	479
Distributions	9	(3,375)	(1,309)	(4,684)	(815)	(749)	(1,564)
Closing shareholders' funds		3,890	19,055	22,945	7,594	23,691	31,285

The accompanying notes are an integral part of this statement.

Balance Sheet

at 28 February 2009

		28 February 2009			29 February 2008		
	Note	Ordinary Shares £'000	'C' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	Total £'000
Fixed assets							
Investments	11	2,406	11,537	13,943	4,805	8,044	12,849
Current assets							
Debtors	12	945	569	1,514	241	170	411
Current investments	13	1,470	6,080	7,550	2,270	14,280	16,550
Cash at bank and in hand		25	948	973	486	1,423	1,909
		2,440	7,597	10,037	2,997	15,873	18,870
Creditors: amounts falling due within one year	14	(956)	(79)	(1,035)	(208)	(226)	(434)
Net current assets		1,484	7,518	9,002	2,789	15,647	18,436
Net assets		3,890	19,055	22,945	7,594	23,691	31,285
Capital and reserves							
Called up share capital	15	68	1,243	1,311	62	1,248	1,310
Capital redemption reserve	16	9	6	15	9	1	10
Share premium	16	641	22,357	22,998	27	22,357	22,384
Special reserve	16	2,517	–	2,517	3,639	–	3,639
Capital reserve – realised	16	971	(224)	747	2,161	288	2,449
Capital reserve – unrealised	16	(350)	(4,541)	(4,891)	1,575	(553)	1,022
Revenue reserve	16	34	214	248	121	350	471
Equity shareholders funds		3,890	19,055	22,945	7,594	23,691	31,285
Net asset value per share	17	57.1p	76.7p		121.6p	94.9p	

The financial statements on pages 30 to 44 were approved and authorised for issue by the Board of Directors on 9 June 2009 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 year ended 28 February 2009

		Year ended 28 February 2009			Year ended 29 February 2008		
	Note	Ordinary Shares £'000	'C' Shares £'000	Total £'000	Ordinary Shares £'000	'C' Shares £'000	Total £'000
Net cash outflow from operating activities	18	(752)	(24)	(776)	(776)	330	(446)
Capital expenditure							
Purchase of investments		(350)	(7,687)	(8,037)	(48)	(8,394)	(8,442)
Sale of investments		2,662	422	3,084	2,484	1,313	3,797
Net cash inflow/(outflow) from capital expenditure		2,312	(7,265)	(4,953)	2,436	(7,081)	(4,645)
Equity dividends paid		(3,375)	(1,309)	(4,684)	(815)	(749)	(1,564)
Management of liquid resources							
Purchase of current investments held as liquidity funds		(1,000)	(300)	(1,300)	(2,220)	(1,500)	(3,720)
Withdrawal from liquidity funds		1,800	8,500	10,300	1,350	7,820	9,170
Net cash inflow/(outflow) from liquid resources		800	8,200	9,000	(870)	6,320	5,450
Net cash (outflow)/inflow before financing		(1,015)	(398)	(1,413)	(25)	(1,180)	(1,205)
Financing							
Proceeds from share issue		637	–	637	16	–	16
Share issue costs		(36)	–	(36)	–	–	–
Purchase of own shares		(47)	(77)	(124)	(5)	(20)	(25)
Net cash inflow/(outflow) from financing		554	(77)	477	11	(20)	(9)
Decrease in cash	19	(461)	(475)	(936)	(14)	(1,200)	(1,214)

Notes to the Accounts

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.

Going concern
The accounts have been prepared under a going concern basis in accordance with the assessment made by the Directors as set out in the Statement of Corporate Governance.

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 Part 6 of the Income Tax Act 2007.

Fixed assets 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.

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.

Current assets investments
Current assets investments comprise investments in liquidity funds with AAA rating and are redeemable on call. These investments are marked-to-market.

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 receivable basis, by reference to the principal outstanding, and at the effective interest rate applicable and only where there is reasonable certainty of collection.

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

- expenses which are incidental to the acquisition of an investment are deducted from the Capital Account;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and

- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and accordingly the investment management fee 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 Part 6 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the Company's investments 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.

2 Income

	2009 £'000	2008 £'000
Income from investments:		
Loan stock interest	411	233
Dividend income	49	13
Liquidity fund interest	636	1,059
	1,096	1,305
Other income		
Deposit interest	92	69
	1,188	1,374

3 Investment management fees

	2009 £'000	2008 £'000
Investment management fees	543	761

The Company has an agreement with Beringea for the provision of investment management services in respect of its portfolio of venture capital investments for a period of three years from 22 November 2005 and thereafter is terminable with one year's prior written notice. The management fee is based upon an annual amount of 2.0% (plus VAT) of net assets. The annual running costs of the Company are subject to a cap at 3.6% of the Company's net assets.

Following a European Court of Justice decision, HM Revenue & Customs announced that the provision of management services to venture capital trusts is exempt from VAT. As a result the Investment Manager ceased to charge VAT on management fees payable by the Company with effect from 1 October 2008. The fee shown above therefore includes VAT (at the rate of 17.5%) until 30 September 2008. The Company has recovered an element of the historic VAT suffered by the Company as described in note 5.

4 Performance incentive fees

	2009 £'000	2008 £'000
Performance incentive fee – Ordinary Share pool	661	150

Beringea is entitled to receive performance incentive fees as described in the Report of the Directors on page 19. The performance incentive fees above relate solely to the Ordinary Shares and are stated inclusive of VAT.

No performance incentive fees were due during the year in respect of the 'C' Share pool.

Notes to the Accounts continued

5 Recoverable VAT

	2009 £'000	2008 £'000
VAT recoverable on investment management fees	206	–

As discussed in note 3, VAT is no longer payable on investment management fees following the announcement by HMRC that the provision of management services to venture capital trusts is exempt from VAT. Beringea LLP made a claim for the historic VAT that the Company had suffered on management fees. The Board agreed a basis on which the proceeds of the claim, along with interest paid by HMRC, were allocated between the Company and Beringea LLP, resulting in a sum of £206,000 being paid to the Company after the year end. The figure shown above has been allocated 25% to revenue 75% to capital in line with the treatment of the investment management fees.

6 Other expenses

	2009 £'000	2008 £'000
Administration services	40	39
Directors' remuneration	96	83
Social security costs	3	2
Trail commission	53	78
Auditors' remuneration for audit	17	16
Other expenses	78	72
	287	290

7 Directors' remuneration

Details of remuneration of the Directors (excluding employers' NI) can be found in the Directors' remuneration report on page 26. The Company had no employees other than the Directors during the year (2008: nil). Costs in respect of Directors are disclosed in note 6.

8 Taxation on ordinary activities

	2009 £'000	2008 £'000
(a) Tax charge for year		
Current year		
UK corporation tax (charged to the revenue account)	217	276
Charged to capital expenses	(217)	(276)
Charge for year	–	–
(b) Factors affecting tax charge for the year		
Revenue return on ordinary activities before tax	805	897
Tax charge calculated on operating profit at the applicable rate of 27% (2008: 30%)	217	269
Effects of:		
UK dividend income	(13)	(4)
Expenses disallowed for tax purposes	14	28
Capital expenses	(243)	(217)
Capital investment management fees	25	(76)
	–	–

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £314,000 (2008: £221,000). 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.

9 Dividends

	Pence	Year ended 28 February 2009 Revenue £'000	Year ended 28 February 2009 Capital £'000	Year ended 28 February 2009 Total £'000	Year ended 29 February 2008 Revenue £'000	Year ended 29 February 2008 Capital £'000	Year ended 29 February 2008 Total £'000
Ordinary dividends paid in year							
2009 First interim	31.0	33	2,080	2,113	–	–	–
2008 Final	1.5	103	–	103	–	–	–
2008 Second interim	18.5	–	1,159	1,159	–	–	–
2008 First interim	6.0	–	–	–	–	376	376
2007 Second interim	7.0	–	–	–	63	376	439
		136	3,239	3,375	63	752	815
'C' Share dividends paid in year							
2009 First interim	2.0	286	212	498	–	–	–
2008 Final	1.25	312	–	312	–	–	–
2008 Second interim	2.0	–	499	499	–	–	–
2008 First interim	1.0	–	–	–	249	–	249
2007 Second interim	2.0	–	–	–	500	–	500
		598	711	1,309	749	–	749

10 Return per share

	Ordinary Shares	'C' Shares
Revenue return per share based on:		
Net revenue after taxation (£'000)	49	539
Weighted average number of ordinary shares in issue	6,778,943	24,925,885
Capital return per share based on:		
Net capital (loss) for the financial year (£'000)	(951)	(3,789)
Weighted average number of shares in issue	6,778,943	24,925,885

11 Investments

"Fair value through profit or loss" assets

	Investments quoted on AIM £'000	Unquoted investments £'000	Total £'000
Opening cost at 1 March 2008	1,045	10,783	11,828
Gains/(losses) at 1 March 2008	(367)	1,388	1,021
Opening fair value at 1 March 2008	678	12,171	12,849
Purchases at cost	26	8,011	8,037
Sales – proceeds	–	(2,888)	(2,888)
– realised gains on sales	–	1,061	1,061
Losses in the income statement	(491)	(4,625)	(5,116)
Closing fair value at 28 February 2009	213	13,730	13,943
Closing cost at 28 February 2009	1,070	17,763	18,833
(Losses)/Gains at 28 February 2009	(857)	(4,033)	(4,890)
	213	13,730	13,943

12 Debtors

	2009 £'000	2008 £'000
Other debtors	1,136	195
Prepayments and accrued income	378	216
	1,514	411

Other debtors include subscription monies in respect of 'D' Shares which had not been allotted by 28 February 2009.

13 Current investments

	2009 £'000	2008 £'000
BGI Sterling Liquidity First Fund	1,250	2,000
JP Morgan Liquidity Funds	1,300	3,450
Insight Liquidity Fund	1,250	2,300
Standard Life Investments GBP Liquidity Fund	1,250	3,000
RBS Liquidity Fund	1,250	2,300
SWIP Liquidity Fund	1,250	3,500
	7,550	16,550

14 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	–	31
Unallotted share capital	928	16
Corporation tax	4	3
Other taxes and social security	4	6
Accruals and deferred income	99	378
	1,035	434

15 Called up share capital

	2009 £'000	2008 £'000
Authorised:		
35,000,000 (2008: 35,000,000) Ordinary shares of 1p each	350	350
25,000,000 (2008: 25,000,000) 'C' shares of 5p each	1,250	1,250
20,000,000 (2008: nil) 'D' shares of 1p each	200	–
	1,800	1,600
Allotted, called up and fully paid:		
6,816,160 (2008: 6,244,631) Ordinary shares of 1p each	68	62
24,855,707 (2008: 24,956,242) 'C' shares of 5p each	1,243	1,248
	1,311	1,310

The authorised share capital of the Company was increased to £1,800,000 by the creation of 20,000,000 'D' shares of 1p each following approval by shareholders at an extraordinary general meeting of the Company held on 9 December 2008.

During the year, the Company repurchased 52,889 Ordinary shares of 1p each ("Ordinary Shares") for an aggregate consideration of £47,000, being an average price of 87.5p per Ordinary Share and representing 0.85% of the issued share capital. These shares were subsequently cancelled.

Between 4 April 2008 and 7 April 2008 624,418 Ordinary Shares of 1p each were issued at 105p per share pursuant to the offer for subscription by way of a prospectus. The aggregate consideration for the shares was £620,000 which excludes issue costs of £36,000.

During the year the Company repurchased 100,535 'C' shares of 5p each ("'C' Shares") for an aggregate consideration of £77,000, being an average price of 76.2p per 'C' Share and representing 0.4% of the issued share capital. These shares were subsequently cancelled.

16 Reserves

	Capital redemption reserve £'000	Share premium £'000	Special reserve £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Revenue reserve £'000	Total £'000
At 1 March 2008	10	22,384	3,639	2,449	1,022	471	29,975
Purchase of own shares	5	–	(47)	–	–	(77)	(119)
Issue of new shares	–	614	–	–	–	–	614
Expenses capitalised	–	–	–	(902)	–	–	(902)
Tax relief on capital expenses	–	–	–	217	–	–	217
Gains/(losses) on investments	–	–	–	1,061	(5,116)	–	(4,055)
Retained revenue	–	–	–	–	–	588	588
Realisation of revaluations from prior period	–	–	–	797	(797)	–	–
Transfer between reserves	–	–	(1,075)	1,075	–	–	
Distributions paid	–	–	–	(3,950)	–	(734)	(4,684)
At 28 February 2009	15	22,998	2,517	747	(4,891)	248	21,634

	Capital redemption reserve £'000	Share premium £'000	Special reserve £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Revenue reserve £'000	Total £'000
Split between:							
Ordinary Shares							
At 1 March 2008	9	27	3,639	2,161	1,575	121	7,532
Purchase of own shares	–	–	(47)	–	–	–	(47)
Issue of new shares	–	614	–	–	–	–	614
Expenses capitalised	–	–	–	(684)	–	–	(684)
Tax relief on capital expenses	–	–	–	17	–	–	17
Gains/(losses) on investments	–	–	–	894	(1,178)	–	(284)
Retained revenue	–	–	–	–	–	49	49
Realisation of revaluations from prior period	–	–	–	747	(747)	–	–
Transfer between reserves	–	–	(1,075)	1,075	–	–	–
Distributions paid	–	–	–	(3,239)	–	(136)	(3,375)
At 28 February 2009	9	641	2,517	971	(350)	34	3,822
'C' Shares							
At 1 March 2008	1	22,357	–	288	(553)	350	22,443
Purchase of own shares	5	–	–	–	–	(77)	(72)
Expenses capitalised	–	–	–	(218)	–	–	(218)
Tax relief on capital expenses	–	–	–	200	–	–	200
Gains/(losses) on investments	–	–	–	167	(3,938)	–	(3,771)
Retained revenue	–	–	–	–	–	539	539
Realisation of revaluations from prior period	–	–	–	50	(50)	–	–
Transfer between reserves	–	–	–	–	–	–	–
Distributions paid	–	–	–	(711)	–	(598)	(1,309)
At 28 February 2009	6	22,357	–	(224)	(4,541)	214	17,812

The Special Reserve is a distributable reserve that allows the Company to make market purchases of its own shares and to pay distributions. The Capital reserve - realised and Revenue reserve are also distributable reserves.

17 Net asset value per share

	Shares in issue 2009	Shares in issue 2008	2009 Net asset value pence per share	2009 Net asset value £'000	2008 Net asset value pence per share	2008 Net asset value £'000
Ordinary shares	6,816,160	6,244,631	57.1	3,890	121.6	7,594
'C' shares	24,855,707	24,956,242	76.7	19,055	94.9	23,691
				22,945		31,285

18 Cash flow from operating activities and returns on investments

	2009 Ordinary shares £'000	2009 'C' Shares £'000	2009 Total £'000	2008 Ordinary shares £'000	2008 'C' Shares £'000	2008 Total £'000
Net revenue return before taxation	66	739	805	53	844	897
Net expenses charged to capital	(684)	(218)	(902)	(297)	(427)	(724)
Decrease in prepayments, accrued income and other debtors	31	(399)	(368)	(12)	(83)	(95)
Increase in accruals and other creditors	(165)	(146)	(311)	(520)	(4)	(524)
Net cash (outflow)/inflow from operating activities	(752)	(24)	(776)	(776)	330	(446)

19 Reconciliation of net cash flow to movement in net funds

	2009 £'000	2008 £'000
Beginning of year	1,909	3,123
Net cash outflow for the year	(936)	(1,214)
End of year	973	1,909

20 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	2009 £'000	2008 £'000
Fixed rate	6.6%	1,678 days	7,821	4,743
Floating rate	4.0%		9,002	18,436
No interest rate			6,122	8,106
			22,945	31,285

- "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.

Notes to the Accounts continued

Currency exposure
As at 28 February 2009, the Company had one overseas investment, Baby Innovations S.A., which trades in Euros and was valued at £Nil (2008: £Nil). This represented Nil% of Net Assets (2008: Nil %).

Borrowing facilities
The Company has no committed borrowing facilities as at 28 February 2009.

21 Principal financial risks
As a VCT, the majority of the Company's assets are represented by financial instruments which are held as part of the investment portfolio. In order to ensure continued compliance with relevant VCT regulation and to be in a position to deliver the long term capital growth which is part of the Company's investment objective, the Board is very much aware of the need to manage and mitigate the risks associated with the financial instruments held within the investment portfolio.

The management of these risks starts the application of a clear investment policy which has been developed by the Directors who are experienced investment professionals. Furthermore, the Board has appointed an experienced investment manager to whom they have communicated the company's investment objective and whose remuneration is linked to the achievement of that objective. The Investment Manager reports regularly to the Board on performance, and to facilitate the direct Board involvement with key decisions, on whether or not to invest, disinvest and the nature, terms and the security of investments being made.

Further information about the VCT's investment policy is set out in the Investment Manager's Review on page 7 and in the Report of the Directors on page 18.

In assessing the risk profile of its investment portfolio, the Board has identified three principal classes of financial instrument which are analysed within note 11 and note 13. All financial instruments are "fair value through profit or loss" and are initially recognised as such.

In addition to its investment portfolio, the VCT maintains a portfolio of liquidity funds and a cash position. The liquidity fund portfolio comprises investments in liquidity funds operated by major institutions and are AAA-rated. Cash is mainly held by Bank of Scotland plc which is an A-rated financial institution. Consequently, the Directors consider that the risk profile associated with cash deposits and liquidity funds is low and thus the carrying value in the financial statements is a close approximation of its fair value.

The Board has reviewed the Company's financial risk profile and is of the opinion that the exposure to financial risk has not changed significantly since the previous year.

A review of the specific financial risks faced by the Company is presented below.

Market risks
The key market risks to which the Company is exposed are interest rate risk and market price risk.

Market price 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. At 28 February 2009, the unrealised loss on AIM quoted portfolios was £857,000 (2008: £367,000).

The investments that 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.

The Company's sensitivity to fluctuations in the share prices of its AIM-quoted investments is summarised below. A 10% fall in the share price of all of the AIM-quoted stocks held by the Company would have an effect as follows:

10% fall in AIM-quoted stocks

	Impact on Net Assets £'000	Impact on NAV per share pence
Ordinary Shares	(10)	(0.1p)
'C' Shares	(12)	(0.1p)

As many of the Company's unquoted investments are valued using Price/Earnings ratios of small publicly quoted companies, a fall in share prices generally would impact on the valuation of the unquoted portfolio. A 10% fall in the valuations of all of the unquoted investments held by the Company would have an effect as follows:

10% fall in unquoted investment valuations

	Impact on Net Assets £'000	Impact on NAV per share pence
Ordinary Shares	(231)	(3.4p)
'C' Shares	(1,142)	(4.6p)

Interest rate risk

The Company receives interest on its cash deposits at a rate agreed with its banker, while investments in loan stock and fixed interest investments attract interest predominately at fixed rates. A summary of the interest rate profile of the Company's investments is shown in note 20. 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. The Company has reviewed the potential financial impact of the interest rate risk and concluded that a 1.0% change in base rate would cause an 7.5% change in overall income receivable by the Company.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment to the Company made under that instrument. The Company's financial assets that are exposed to credit risk are summarised as follows:

	2008 £'000	2007 £'000
Investments in liquidity funds	7,550	16,550
Investments in loan stocks	7,821	4,743
Cash and cash equivalents	973	1,909
Interest, dividends and other receivables	373	419
	16,717	23,621

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

Investments in loan stocks comprise a fundamental part of the Company's venture capital investments and are managed within the main investment management procedures.

Cash is mainly held by Bank of Scotland plc, which is an A-rated financial institution and, consequently the Directors consider that the risk profile associated with cash deposits is low.

Interest, dividends and other receivables are predominantly covered within the investment management procedures.

Notes to the Accounts continued

Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities. As the Company only ever has a very low level of creditors and has no borrowings, the Board believes that the Company's exposure to liquidity risk is minimal.

22 Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to continue to provide returns for Shareholders.

The requirements of the Venture Capital Trust Regulations and the fact that the Company has a policy of not having any borrowings mean that there is limited scope to manage the Company's capital structure. However, to the extent it is possible, the Company can maintain or adjust its capital structure by adjusting the amount of dividends paid to shareholders, purchasing its own shares or issuing new shares.

As the Company has a low level of liabilities, the Board considers the Company's net assets to be its capital. The Company does not have any externally imposed capital requirements. There has been no change in the objectives, policies or processes for managing capital from the previous year.

23 Post balance sheet event

Between 26 March 2009 and 29 May 2009, the Company issued 4.8 million 'D' Shares for consideration of approximately £1.00 per share. Share issue costs thereon amounted to £264,000.

24 Contingencies, guarantees and financial commitments

There were no other contingencies, guarantees or financial commitments of the Company at the year end.

25 Controlling party and related party transactions

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

Beringea Limited, of which Malcolm Moss is a director, acted as promoter for the offers for subscription dated 11 February 2008 and agreed to underwrite the costs of the offer in return for a fee of 5.5% of the monies raised, which amounted to £36,000 (2008: £35,000). Beringea Limited was also the investment manager during the year. The total fees relating to this service, together with performance incentive fees due in the year under the agreement, amounted to £1,204,000 (2008: £911,000) (all inclusive of VAT), of which £Nil (2008: £194,000) was outstanding at the year end. Beringea Limited (and subsequently, Beringea LLP, of which Malcolm Moss is a partner) also acted as promoter to the "Linked D Share Offer" launched in November 2008. Beringea LLP/Beringea Limited receives 5.5% of the gross proceeds of the offer, out of which it must pay the costs of the Offer including initial commissions.

Nicholas Lewis is a director of Downing Management Services Limited, which provides administration services to the Company. During the year £40,000 (2008: £39,000) (inclusive of VAT) was due to Downing Management Services Limited in respect of these services of which £10,000 (2008: £10,000) remained outstanding at the year end.

Shareholder Information

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of Annual Reports, Half Yearly Financial Statements and Interim Management Statements can be found on the 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, by calling 0871 664 0300 (calls cost 10p per minute plus network extras), or by writing to them at Northern House, Woodsome Park, Fenay Bridge, Huddersfield, West Yorkshire HD8 0GA.

Share Price

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

	Ordinary Shares	'C' Shares	'D' Shares
TIDM/EPIC code	"PGO"	"PGOC"	"PGOD"
Latest share price (5 June 2009):	51.0p per share	45.0p 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 2006/07 'C' Share issue, 2008 Ordinary Share top-up issue and recent 'D' share fund raising should be aware that they need to hold their shares for a minimum period of time to retain the income tax relief they received on investment. Selling your shares may have tax consequences therefore you should contact your independent financial adviser if you have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available in the market. 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 46 of this document.

Financial Calendar

3 July 2009	Payment of second interim dividends
7 July 2009	Annual General Meeting
October 2009	Announcement of half-year 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.

Company Information

Directors

Andrew Davison (Chairman)
Nicholas Lewis
Malcolm Moss
James Stewart
Marc Vlessing
all of:
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London
WC2H 9LT

Secretary

Grant Whitehouse
39 Earlham Street
London
WC2H 9LT

Registered Office

39 Earlham Street
London
WC2H 9LT

Investment Manager

Beringea LLP
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Company Number

4125326

Registrars

Capita Registrars
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(calls cost 10p per minute plus network extras)
www.capitaregistrars.com

Administration Manager

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VCT Status Adviser

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Solicitors

Howard Kennedy
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Bankers

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14-16 Cockspur Street
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SW1Y 5BL

Notice of the Annual General Meeting of ProVen Growth and Income VCT plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen Growth and Income VCT plc will be held at 39 Earlham Street, London WC2H 9LT at 10:15am on 7 July 2009 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 2009, together with the report of the auditors thereon.
2. To approve the Directors' Remuneration Report.
3. To re-appoint Deloitte 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, Andrew Davison, who retires by rotation and offers himself for re-election.
5. To re-elect as Director, Nicholas Lewis, who retires by rotation and offers himself for re-election.

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

Ordinary Resolutions

6. That the Directors be generally and unconditionally authorised in accordance with Section 80 of the Act to allot:
   (a) prior to a Conversion, as defined in the Company's articles of association, Ordinary Shares up to a maximum nominal amount of £6,816 (representing approximately 10% of the Ordinary Share capital in issue at today's date) and, after a Conversion, up to the maximum nominal amount that is equal to the aggregate nominal value of 10% of the Ordinary Share Capital immediately following the Conversion;
   (b) 'C' Shares up to a maximum nominal amount of £1,247,278 (representing approximately 10% of the 'C' Share capital in issue at today's date); and
   (c) 'D' Shares up to a maximum nominal amount that is equal to the nominal value of the authorised but unissued 'D' Shares at the date of this resolution.

   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).

7. That immediately following a Conversion, as defined in the Company's articles of association, the ordinary shares of 1p each in the capital of the Company shall be consolidated into ordinary shares of **N**p each such that every holder of ordinary shares of 1p shall receive one ordinary share of **N**p for every **N** ordinary shares of 1p where **N** is the number which equals the Conversion Ratio, as defined in the Company's articles of association as amended by resolution 11 below.

Special Resolutions

8. To empower the Directors pursuant to Section 95(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 94(2) of the Act) for cash pursuant to the authority referred to in resolution 7 as if Section 89(1) of the Act did not apply to any such allotments and so that:

   (a) reference to allotment in this resolution shall be construed in accordance with Section 94 of the said Act; and
   (b) the power conferred by this resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

9. That, the Company be and is hereby generally and unconditionally authorised for the purpose of section 166 of the Act to make one or more market purchases (as defined in section 163 of the Act) of Ordinary Shares, 'C' Shares and 'D' Shares provided that:

(i) such authority is limited to the purchase of 14.9 per cent. of the issued Ordinary Share capital, 14.9 per cent. of the issued 'C' Share capital and 14.9 per cent. of the issued 'D' Share capital immediately prior to the passing of this resolution;

(ii) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 1p, for 'C' Shares is 5p per share and for 'D' Shares is 1p per share, being the nominal amount thereof;

(iii) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares, 'C' Shares or 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made;

(iv) the Company may make a contract to purchase its own Ordinary Shares, 'C' Shares or 'D' Shares under this authority prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares, 'C' Shares or 'D' Shares in pursuance of any such contract;

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

10. That, the proposals involving the making of a tender offer ("Tender Offer") for up to 5,079,999 'C' Shares of 5p each in the capital of the Company ("'C' Shares") at a price of 75.35p per 'C' Share as described in the circular to shareholders dated 5 June 2009 (the "Circular"), a copy of which is produced to this meeting and initialled by the Chairman for identification purposes, be approved and, for the purposes of giving effect thereto, the contract ("Contract") for the purchase by the Company of 'C' Shares from those persons as are set out in the schedule produced to the meeting and initialled by the Chairman for identification purposes, the terms of which are set out in the Circular, be and it is hereby approved and the Company be and is hereby authorised to enter into the Contract (the authority conferred on the Company by this special resolution to expire on 30 September 2009).

11. That, the Company's articles of association be amended as follows:

(a) to delete "7 September 2009" in line 1 of the definition of "Calculation Date" and to substitute "31 August 2009" therefor;

(b) to delete "9" in line 4 of the definition of "Conversion Date" and to substitute "45" therefore;

(c) to amend the definition of "Conversion Ratio" to read as follows:

(c)(i) to amend the formula within the definition to read as follows:

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

$$\text{where} \quad \mathbf{A} = \frac{\mathbf{C - D}}{\mathbf{E}} \qquad \text{and} \qquad \mathbf{B} = \frac{\mathbf{F - C - G - I + D + J}}{\mathbf{H}}$$

(c)(ii) to add a definition of "I" and "J" as follows:

I is the aggregate of:

(i) the value of the investments of the Company attributable to the D Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed or dealt in on a stock exchange calculated by reference to the bid quotations at close of business of, or, if appropriate, the daily average of the prices marked for those investments on the Calculation Date on the principal stock exchange or market where the relevant investment is listed or dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available;

(ii) the value of all other investments of the Company attributable to the 'D' Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to the current value for those investments after taking into account any other price publication services reasonably available to the Directors; and

(iii) the amount which, in the Directors' opinion, fairly reflects, on the Calculation Date, the value of the current assets of the Company attributable to the 'D' Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature);

J is the amount (to the extent not otherwise deducted from the assets attributable to the 'D' Shares) which, in the Directors' opinion, fairly reflects the amount of liabilities of the Company attributable to the 'D' Shares on the Calculation Date;

(d) to delete "five" in line 1 of article 182(i) and to substitute "forty five" therefor;
(e) to delete "ten" in line 2 of article 182(ii) and to substitute "forty five" therefor; and
(f) to delete the words "same number of" in lines 1 and 2 of article 182(iii)(a).

By order of the Board

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

9 June 2009

Notes

a) Any member of the Company entitled to attend and vote at the meeting may appoint a proxy to attend and, on a poll, 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' consultancy agreements, the Register of Directors' interests in the Ordinary Shares and 'C' Shares of the Company, a copy of the New Articles of Association and a copy of the current Articles of Association (marked up to show the proposed changes) 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.

e) The Companies Act 1985 provides that resolution 10 will not be effective if any member of the Company tendering shares pursuant to the Tender Offer exercises the voting rights carried by any of those shares in voting on resolution 10, and resolution 10 would not have been passed if he had not done so. For this purpose a member is regarded as exercising the voting rights carried by such shares not only if he (or his proxy) votes in respect of such shares on a poll but also if he votes on resolution 10 otherwise than on a poll.

sterling 117520

Form of Proxy – ProVen Growth and Income VCT plc

For use at the Annual General Meeting of the above-named Company to be held on 7 July 2009, at 39 Earlham Street, London, WC2H 9LT at 10:15 am.

I/We* ....

(in BLOCK CAPITALS please)

of ....

being the holder(s)* of Ordinary shares of 1p/'C' shares of 5p each*/'D' shares of 1p each in the capital of 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 Earlham Street, London, WC2H 9LT on 7 July 2009 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	**For**	**Against**	**Withheld**
(1) To receive and adopt the Report of the Directors 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 Andrew Davison as a Director			
(5) To re-elect Nicholas Lewis as a Director			
Special business			
(6) To authorise the directors to allot shares pursuant to Section 80 of the Companies Act 1985			
(7) To approve the consolidation of the Company's ordinary shares following a Conversion			
(8) To disapply Section 89 of the Companies Act 1985			
(9) To authorise the Company to make market purchases of its shares			
(10) To approve the Tender Offer			
(11) To approve the amendments to the Company's articles of association relating to the Conversion of the 'C' Shares			

Dated this.. day of...2009

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-YLYH-CTJK

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

First fold

Second fold