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

ProVen VCT plc

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

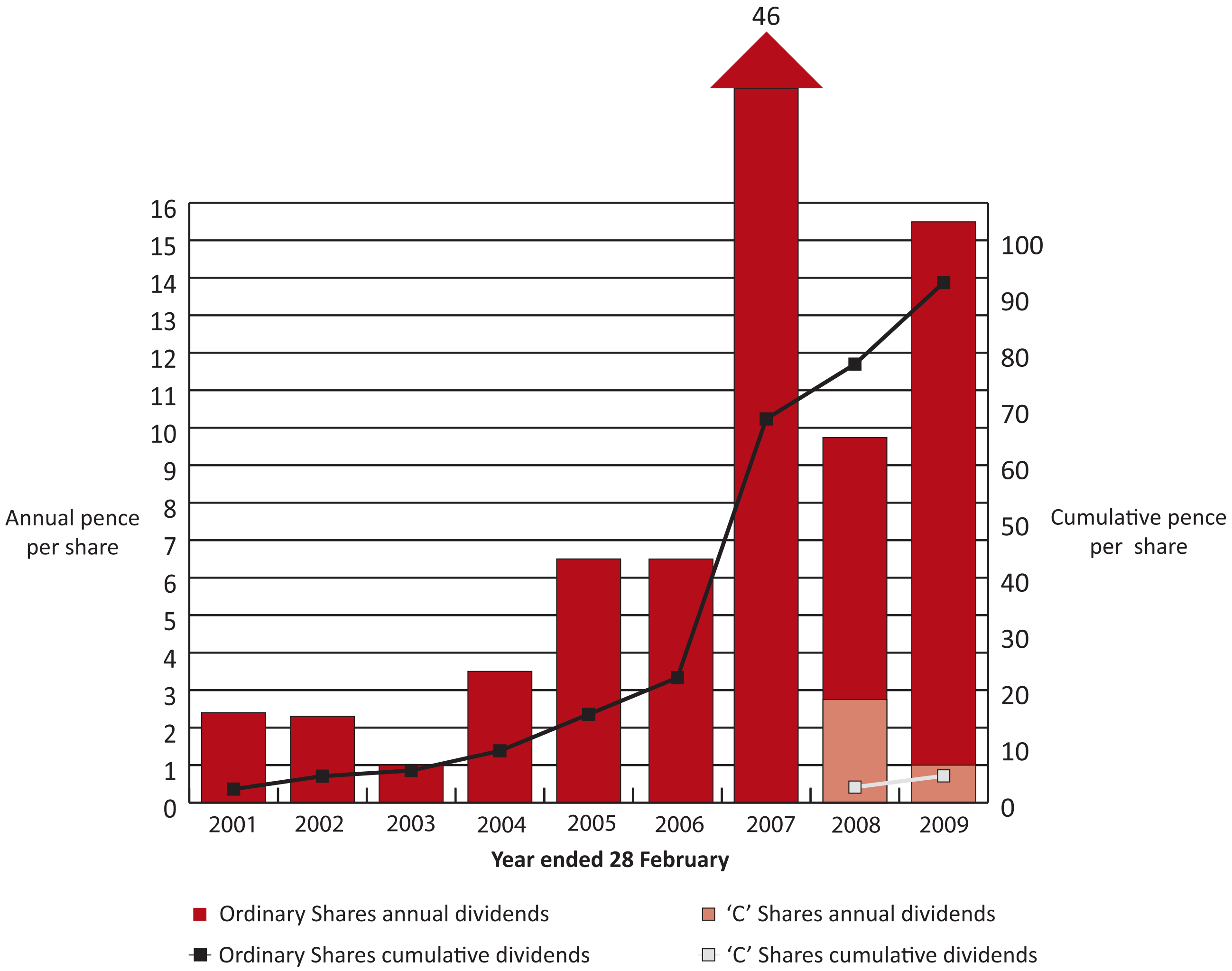
150.15p	**Ordinary share net asset value total return** per share since launch (net asset value at 28 February 2009 plus cumulative dividends paid)
10.27p	**Average annual ordinary share dividends** paid since launch equivalent to 15.21% per annum for a higher rate taxpayer (based on the initial subscription price of 100p)
79.35p	**C share net asset value total return** per share since launch (net asset value at 28 February 2009 plus cumulative dividends paid)
1.88p	**Average annual C share dividends** paid since C share launch equivalent to 2.79% 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	57.70	88.50	75.60	89.60
Dividends paid since launch	92.45	74.20	3.75	1.00
Total return (net asset value plus dividends paid since launch)	150.15	162.70	79.35	90.60
Year on year change in:				
VCT total return	–7.7%		–12.4%	
FTSE All Share Index total return	–33.0%		–33.0%	

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 VCT plc for the year ended 28 February 2009. I would also like to welcome any new shareholders who may have subscribed under the Company's "Linked D Share offer".

The year has seen a dramatic deterioration in economic conditions which has 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 the year end, the Company's net asset value per Ordinary Share ("Ordinary NAV") stood at 57.7p, a decrease of 12.55p per share or 14.2% over the year after adjusting for the dividends of 18.25p per Ordinary Share which were paid during the year.

Total return (Ordinary NAV plus cumulative dividends paid) to Ordinary Shareholders who invested at the outset of the Company now stands at 150.15p per share, compared to an original investment, net of income tax relief, of 80p per share.

'C' Shares

At the year end, the Company's net asset value per 'C' Share ("'C' Share NAV") stood at 75.6p, a decrease of 11.25p per share or 12.6% over the year after adjusting for the dividends of 2.75p per 'C' Share which were paid during the year.

Total return ('C' Share NAV plus cumulative dividends paid) to 'C' Shareholders who invested at the 'C' Share fundraising now stands at 79.35p per share, compared to an original investment, net of income tax relief, of 70p 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 £4.4 million against an original cost of £1.3 million 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 three new investments and four follow on investments during the year at a total cost of £1.8 million. 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 £4.2 million, a reduction of £1.4 million over the year, but still valued substantially above original cost.

The AIM market has been hit particularly hard by the economic conditions with the FTSE AIM All-Share Index falling by 61.9% over the year. 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 £4.7 million. In reviewing the unquoted portfolio at the year end, the Board considers 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.

'C' Share pool

The C Share pool continued to be an active investor during the year. The pool invested £2.4 million in five new investments and £0.4 million in three follow on investments. At the year end the pool held a portfolio comprising of 14 investments with a cost of £7.5 million.

The challenging economic environment has impacted on businesses across the 'C' Share portfolio. As a result, there have been a number of reductions in valuations since the previous year end, with unrealised losses totalling £1.9 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 6 and 7.

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 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 £427,000, which has been recognised in the Income Statement in the year under review.

Results and dividend

The loss on activities after taxation for the year was £4,665,000 (2008: loss £313,000), comprising a revenue return of £754,000 and a capital loss of £5,419,000.

On 31 October 2008 the Company paid an interim dividend of 14.5p per Ordinary Share (2008: 6.0p per share) and 1.0p per 'C' Share (2008: 1.0p).

The Board is proposing final dividends as follows:

Ordinary Shares	1.0p per share
'C' Shares	1.0p per share

Subject to Shareholder approval at the AGM, these dividends will be paid on 10 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 £4.6 million is allocated to 'D' Shares issued and to be issued by ProVen VCT plc.

The offer has now been extended and will close on 30 October 2009 (or earlier if fully subscribed). The offer should provide the Company with a reasonable level of additional funds for further investment.

Share buybacks

In order to ensure liquidity in the market in the Company's shares, the Company operates a policy of buying in its own shares as they become available in the market.

During the year the Company purchased 528,873 Ordinary Shares at an average price of 71p per Share and 5,000 'C' Shares at an average price of 70.5p per Share.

Generally, share buybacks are undertaken at a 10% discount to the latest NAV published by the Company, although the Board regularly reviews the discount level and, should it be considered appropriate, will make adjustments.

A special resolution to allow the Board to continue to purchase shares for cancellation will be proposed at the forthcoming Annual General Meeting ("AGM").

Annual General Meeting

The AGM of the Company will be held at 39 Earlham Street, London WC2H 9LT at 9:45 am on 10 July 2009. Notice of the meeting is at the end of this document.

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

Outlook

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

The Ordinary Share pool and the 'C' Share pool have a significant level of 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 making new investments, 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 VCT plc since inception in 2000.

The Company currently has three share classes: Ordinary Shares, 'C' shares and 'D' shares. The ordinary share pool was established in 2000 with further fundraisings in 2004, 2005 and 2008. The 'C' share pool was established in 2007. Further details of the performance of these two pools is provided below. In the current year, the Company announced a linked 'D' Share fundraising with ProVen Growth and VCT Income plc. The offer remains open but has currently raised over £9.3 million, of which the Company has taken £4.6 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 14.50p, representing a tax free yield of 18.125% on an initial investment of 80p (for original investors in 2000 after 20% income tax relief). The total dividends paid to original shareholders stood at 92.45p at 28 February 2009.

The portfolio benefited from the successful sale of ILG Digital to the Private Equity firm ECI for £45.5m. 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.

Investments and disposals during the course of the year are summarised below:

Acquisitions Unquoted	Cost £'000	Description
Optima Data Intelligence	269	Marketing and data intelligence services
SPC International	473	Repair/refurbishment of electronic equipment
Donatantonio	7	Import and distribution of Mediterranean foods
Overtis Group	500	Technology security provider
Isango!	400	Travel provider
Fjordnet	200	Digital design/research agency
Quoted		
Coolabi	17	Character rights management
	1,866	

Disposals

Unquoted	Cost £'000	Market Value at 29/02/08 £'000	Proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) against cost £'000
Espresso Group Limited	408	408	408	–	–
ILG Digital Limited	1,000	2,316	4,467	1,687	3,467
	1,408	2,724	4,875	1,687	3,467

At 28 February 2009, the Company's unquoted and quoted ordinary share portfolio comprised 18 investments with a cost of £12.5 million and a valuation of £8.9 million. In addition, the ordinary share pool held cash and liquidity funds of £6.9 million.

As the fund has matured and successful investments have been realised, the value in the portfolio has become more concentrated in a few of the remaining investments. Espresso Group accounted for 30% of the Ordinary Share net asset value at the year end, broadly consistent with the previous year end.

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

Having only been established in 2007, the ‘C’ share pool remains in its initial investment phase. During the year five new investments and two follow on investments were made:

Acquisitions

Unquoted	Cost £’000	Description
Donatantonio	10	Import and distribution of Mediterranean foods
Heritage Partners	100	Image rights ownership, management and distribution
Charterhouse Leisure	329	Restaurants
Chess Technologies	600	Producer of electro-optical devices
SPC International	403	Repair/refurbishment of electronic equipment
Overtis Group	400	Technology security provider
Isango!	200	Travel provider
Fjordnet	800	Digital design/research agency
	2,842	

As the ‘C’ Share pool is relatively young, there have been no realisations to date.

At the year end, the ‘C’ Share NAV stood at 75.6p per share, a fall of approximately 12.6% over the year (after adjusting for dividends). The ‘C’ Share investment portfolio was valued at £4.7 million against an original investment cost of £7.5 million. In addition, the ‘C’ Share pool held cash and liquidity funds of £6.0 million.

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		
	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 (by value)							
Espresso Group Limited	1,640	4,162	(1,445)	26.3%	2,048	6,015	29.5%
SPC International Limited	1,619	1,267	(218)	8.0%	1,145	1,011	4.9%
Eagle Rock Entertainment Group Limited	420	542	(23)	3.4%	420	565	2.8%
Overtis Group Limited	500	500	–	3.2%	n/a	n/a	n/a
Saffron Media Group Limited	480	480	–	3.1%	480	480	2.4%
Optima Data Intelligence Services Limited	1,169	456	(713)	2.9%	900	900	4.4%
Campden Media Ltd	975	414	(558)	2.6%	975	972	4.8%
Ashford Colour Press Limited	750	286	(418)	1.8%	875	828	4.1%
Donatantonio Limited	582	277	(304)	1.8%	575	575	2.8%
Fjordnet Limited	200	200	–	1.3%	n/a	n/a	n/a
	8,335	8,584	(3,679)	54.4%	7,418	11,346	55.7%
Other venture capital investments							
UBC Media plc*	1,101	166	(145)	1.0%	1,101	311	1.5%
Pilat Media Global plc*	173	86	(233)	0.6%	173	320	1.6%
Coolabi plc*	300	77	(241)	0.4%	283	301	1.5%
ID Data*	262	–	(3)	0.0%	263	3	0.0%
GB Industries Limited	1,134	–	–	0.0%	1,134	–	0.0%
Isango! Ltd	400	–	(400)	0.0%	n/a	n/a	n/a
Baby Innovations S.A t/a Steribottle	604	–	–	0.0%	604	–	0.0%
Sports Holdings Limited	147	–	–	0.0%	147	–	0.0%
ILG Digital Limited	–	–	–	–	1,345	2,760	13.5%
	4,121	329	(1,022)	2.0%	5,050	3,695	18.1%
Total venture capital investments	12,456	8,913	(4,701)	56.4 %	12,468	15,041	73.8%
Liquidity funds		4,190		26.5%		4,400	21.6%
Cash at bank and in hand		2,711		17.1%		945	4.6%
Total Ordinary Share investments		15,814		100%		20,386	100.0%

All venture capital investments are unquoted unless otherwise stated.

* Quoted on AIM

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

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

Espresso Group Limited

Cost:	£1,640,000	Latest audited accounts:	31 July 2008
Investment comprises:		Turnover:	£14.1 million
‘A’ ordinary shares:	£574,000	Loss before tax:	(£2.1 million)
‘B’ ordinary shares:	£683,000	Net assets:	£7.5 million
Loan stock:	£383,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£4,162,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£6,015,000	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

SPC International Limited

Cost:	£1,619,000	Latest audited accounts:	30 September 2007
Investment comprises:		Turnover:	£9.6 million
Ordinary shares:	£223,000	Profit before tax:	£60,000
‘A’ ordinary shares:	£164,000	Net assets:	£2.7 million
‘B’ ordinary shares:	£6,000		
Loan stock:	£1,226,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£1,267,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£1,011,000	Proportion of equity held:	22.6%

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

www.spcint.com

Eagle Rock Entertainment Group Limited

Cost:	£420,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£18.7 million
Ordinary shares:	£42,000	Profit before tax:	£19 million
Preferred shares:	£378,000	Net assets:	£20.9 million
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£542,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£565,000	Proportion of equity held:	3.8%

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

Saffron Media Group Limited

Cost:	£480,000	Latest accounts:	31 December 2007
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£417,000	Profit before tax:	n/a*
‘A’ ordinary shares:	£63,000	Net assets:	£1.8 million
Valuation method:	Revenue multiple		
Valuation at 28/02/09:	£480,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£480,000	Proportion of equity held:	12.1%

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

Overtis Group Limited

Cost:	£500,000	Latest audited accounts:	31 October 2007
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£71,000	Profit before tax:	n/a*
'A' ordinary shares:	£286,000	Net assets:	£154,000
Loan stock:	£143,000		
Valuation method:	Cost		
Valuation at 28/02/09:	£500,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	6.0%

The Overtis Group Limited 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

Optima Data Intelligence Services Limited

Cost:	£1,169,000	Latest audited accounts:	30 June 2007
Investment comprises:		Turnover:	£639,000
Ordinary shares:	£90,000	Loss before tax:	(£16,000)
'A' ordinary shares:	£54,000	Net assets:	£945,000
C shares:	£269,000		
Preference shares:	£180,000		
Loan stock:	£576,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£456,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£900,000	Proportion of equity held:	21.7%

Optima provides publishers in the B2B market with database services to allow them to manage, communicate and sell to existing and potential customers. The management team has significant experience in the sector and this has been complemented post investment by the appointment of an experienced non-executive Chairman.

www.e-optima.co.uk

Campden Media Limited

Cost:	£975,000	Latest audited accounts:	31 December 2007
Investment comprises:		Turnover:	£7.5 million
Ordinary shares:	£195,000	Loss before tax:	(£587,000)
'A' ordinary shares:	£2,000	Net assets:	£638,000
Loan stock:	£778,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£414,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£972,000	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:	£750,000	Latest audited accounts:	31 March 2008
Investment comprises:		Turnover:	£12.2 million
Ordinary shares:	£133,000	Profit before tax:	£236,000
'A' ordinary shares:	£250	Net assets:	£2.1 million
Loan stock	£617,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£286,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£828,000	Proportion of equity held:	23.5%

Ashford Colour Press Limited is a medium sized printing business, based in Hampshire, and specialising in the educational sector. Beringea led the £5 million management buyout of the company in September 2002 in which ProVen VCT plc invested alongside ProVen Growth & Income VCT plc. The business is long established and has a strong operational management team with significant experience in the printing business.

www.ashford-colour-press.co.uk

Donatantonio Limited

Cost:	£582,000	Latest audited accounts:	31 January 2008
Investment comprises:		Turnover:	£13.5 million
Ordinary shares:	£7,000	Profit before tax:	£628,000
'A' ordinary shares:	£89,000	Net assets:	£2.3 million
Preferred shares:	£19,000		
Loan stock:	£467,000		
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£277,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£575,000	Proportion of equity held:	10.3%

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

Fjordnet Limited

Cost:	£200,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£100,000	Profit before tax:	n/a
Preferred shares:	£100,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£200,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	4.3%

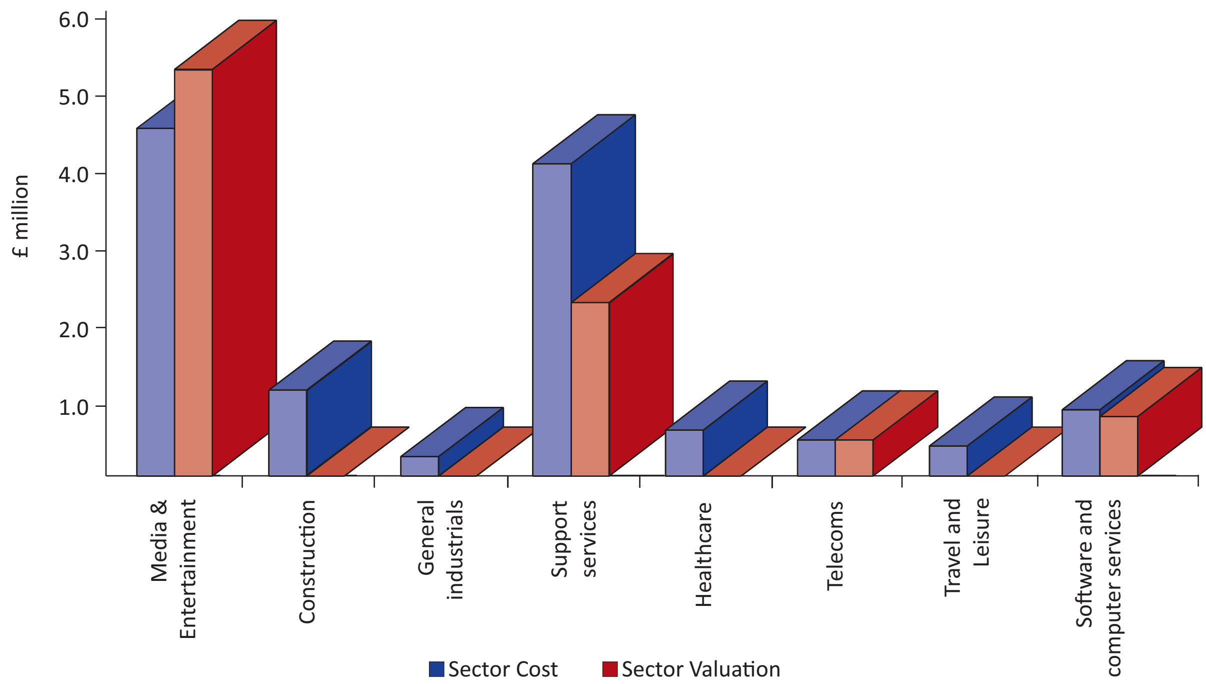
Fjord is an established digital design agency in the telecommunications and media sectors. It has worked on market leading flagship projects – including projects for the BBC, Nokia, Orange, Swisscom and Yahoo! It was instrumental in bringing the hugely successful award winning BBC iPlayer to mobile.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

www.fjordnet.com

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 VCT plc. Where no 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 Ordinary Share pool venture capital investments by commercial sector (by value and cost at 28 February 2009) is summarised as follows:

Spread of Investments by Sector



Investment Portfolio – C Share Pool

as at 28 February 2009

'C' Share portfolio of investments

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 (by value)							
Path Group Limited	1,000	1,000	–	9.2%	1,000	1,000	7.6%
Fjordnet Limited	800	800	–	7.3%	n/a	n/a	n/a
Chess Technologies Limited	600	600	–	5.5%	n/a	n/a	n/a
Charterhouse Leisure Limited	700	561	(139)	5.2%	371	371	2.9%
Donatantonio Limited	885	422	(463)	3.9%	875	875	6.7%
Overtis Group Ltd	400	400	–	3.7%	n/a	n/a	n/a
SPC International Limited	403	399	(4)	3.7%	n/a	n/a	n/a
Heritage Partners Ltd	900	247	(653)	2.3%	800	800	6.1%
Dianomi Ltd	126	157	31	1.5%	126	126	1.0%
Steak Media Limited	275	133	(252)	1.2%	275	385	2.9%
	6,089	4,719	(1,480)	43.5%	3,447	3,557	27.2%
Other venture capital investments							
The Vending Corporation Limited	1,012	–	5	0.0%	1,016	–	0.0%
Breeze Tech Limited	175	–	(175)	0.0%	175	175	1.3%
Isango! Limited	200	–	(200)	0.0%	n/a	n/a	n/a
	1,387	–	(370)	0.0%	1,191	175	1.3%
Total venture capital investments	7,476	4,719	(1,850)	43.5%	4,638	3,732	28.5%
Liquidity funds		6,010		55.4%		7,950	60.6%
Cash at bank and in hand		119		1.1%		1,426	10.9%
Total 'C' Share investments		10,848		100%		13,108	100.0%

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

Review of Investments C Share Pool

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 notes:	£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:	£800,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£400,000	Profit before tax:	n/a
Preferred shares:	£400,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£800,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	17.4%

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

Chess Technologies Limited

Cost:	£600,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£300,000	Profit before tax:	n/a
Loan stock:	£300,000	Net assets:	n/a
Valuation method:	Cost		
Valuation at 28/02/09:	£600,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	11.0%

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

Charterhouse Leisure Limited

Cost:	£700,000	Latest audited accounts:	29 February 2008
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£140,000	Profit before tax:	n/a*
Loan stock:	£560,000	Net assets:	£652,000
Valuation method:	Revenue multiple		
Valuation at 28/02/09:	£561,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£371,000	Proportion of equity held:	15.9%

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

Donatantonio Limited

Cost:	£885,000	Latest audited accounts:	31 January 2007
Investment comprises:		Turnover:	£13.5 million
Ordinary shares:	£11,000	Profit before tax:	£628,000
'A' ordinary shares:	£135,000	Net assets:	£2.3 million
Preferred shares:	£29,000		
Loan stock:	£710,000		
Valuation method:	Cost		
Valuation at 28/02/09:	£422,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£875,000	Proportion of equity held:	15.6%

Donatantonio Limited is the UK market leader in the import and distribution of premium quality, authentic Mediterranean ingredients to the UK food-manufacturing and food 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

SPC International Limited

Cost:	£403,000	Latest audited accounts:	30 September 2007
Investment comprises:		Turnover:	£9.6 million
'B' ordinary shares:	£6,000	Profit before tax:	£60,000
Loan stock:	£397,000	Net assets:	£2.7 million
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£399,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	1.0%

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

www.spcint.com

Overtis Group Limited

Cost:	£400,000	Latest audited accounts:	31 October 2007
Investment comprises:		Turnover:	n/a*
Ordinary shares:	£57,000	Profit before tax:	n/a*
'A' ordinary shares:	£229,000	Net assets:	£154,000
Loan stock:	£114,000		
Valuation method:	Cost		
Valuation at 28/02/09:	£400,000	Market capitalisation:	n/a
Valuation at 29/02/08:	Not held	Proportion of equity held:	4.8%

The Overtis Group Limited 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

Heritage Partners Limited

Cost:	£900,000	Latest audited accounts:	30 June 2007
Investment comprises:		Turnover:	n/a*
'C' ordinary shares:	£350,000	Profit before tax:	n/a*
Loan stock	£550,000	Net assets:	£1.2 million
Valuation method:	Revenue multiple		
Valuation at 28/02/09:	£247,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£800,000	Proportion of equity held:	15.0%

Heritage Partners is an owner and distributor of high value still, graphic and video images, representing imagery sourced from creators around the world and a global distribution network. Typical customers are advertising agencies using images for ads/concepts, magazines wanting photos/images for publications, corporations for presentation or marketing materials, or TV producers doing historic documentaries.

www.imagestate.co.uk

Dianomi Limited

Cost:	£126,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£13,000	Profit before tax:	n/a
'A' ordinary shares:	£92,000	Net assets:	n/a
Loan stock:	£21,000		
Valuation method:	Recent investment		
Valuation at 28/02/09:	£157,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£126,000	Proportion of equity held:	3.1%

Dianomi provides contextual pay-per-lead marketing to over 70 blue chip clients in financial services including JP Morgan, Barclays, Schroders, M&G investments and Fidelity via media partners (FT.com, Telegraph, Google, Miva etc). Dianomi also manages the information delivery, tracking and monitoring of clients who use this service to make an investment decision.

www.dianomi.com

Steak Media Limited

Cost:	£275,000	Latest audited accounts:	n/a
Investment comprises:		Turnover:	n/a
Ordinary shares:	£148,000	Profit before tax:	n/a
Preferred shares:	£127,000	Net assets:	n/a
Valuation method:	Earnings multiple		
Valuation at 28/02/09:	£133,000	Market capitalisation:	n/a
Valuation at 29/02/08:	£385,000	Proportion of equity held:	5.3%

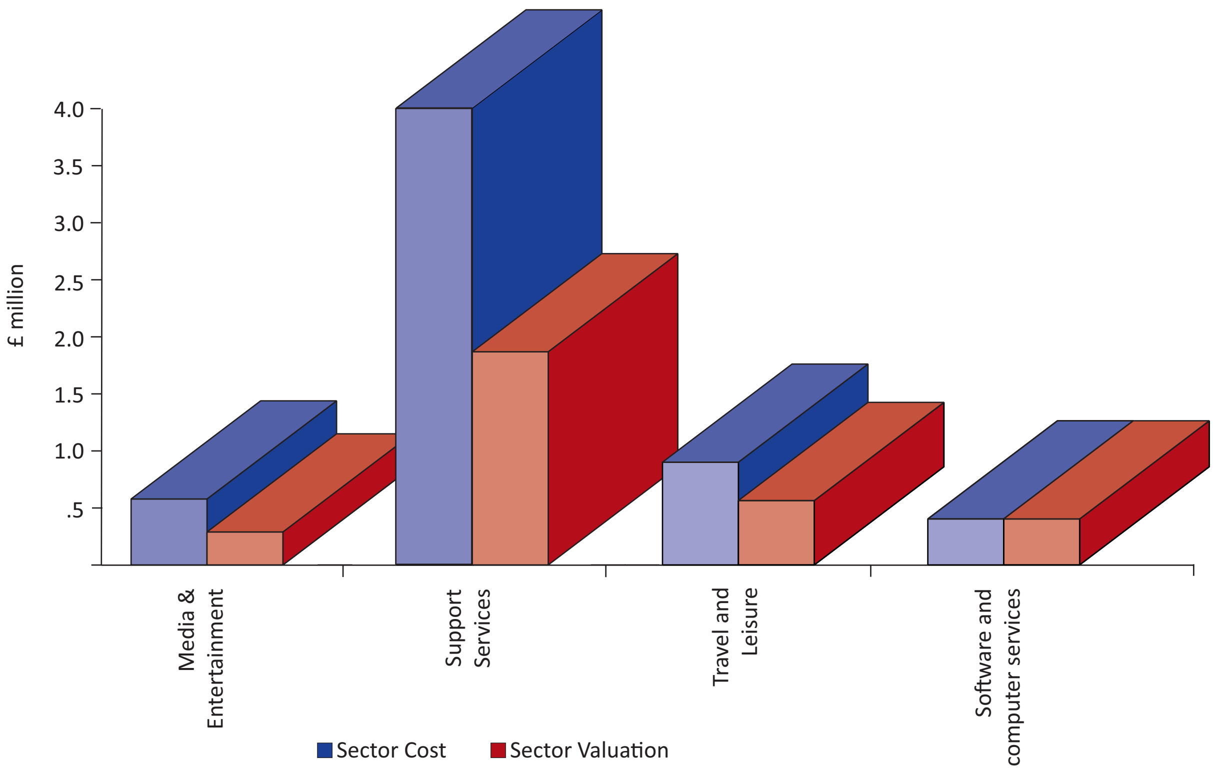
Steak Media is a digital media agency specialising in search engine marketing, media planning and buying, mobile marketing and other integrated online marketing strategies. Steak's founders and management team were key employees who facilitated much of the rapid growth of former portfolio company, Espotting. They have taken their expertise and contacts into the digital marketing sector and launched what in less than three years, has become one of the top 15 interactive agencies in the UK.

www.steakmedia.co.uk

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 VCT plc. Where no 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 Ordinary Share pool venture capital investments by commercial sector (by value and cost at 28 February 2009) is summarised as follows:

Spread of Investments by Sector



Directors

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

Barry Dean (59) is a Chartered Accountant and has over 25 years experience in the private equity industry, including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited (now named Allianz Specialised Investment Limited). He is currently a director of New Star Private Equity Investment Trust plc (a quoted investment trust investing in private equity) and a non-executive director of Elderstreet VCT plc. Barry is also an advisory committee member for Parallel Private Equity LLP and an adviser to an Italian private equity fund management business, and serves on the investment committee of Beamreach Capital LLP which invests in private equity.

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 & 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.

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 Accounts 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 Dividends

	£'000	Pence per share
Return on ordinary activities after tax for the year ended 28 February 2009 split as:		
Ordinary Shares	(3,024)	(12.6)
'C' Shares	(1,641)	(11.2)
	(4,665)	

The Company paid an interim revenue and capital distribution of 14.5p per Ordinary Share (2008: 6.0p per Ordinary Share) together with an interim revenue distribution of 1.0p per 'C' Share (2008: 1.0p per 'C' share) for the year ended 28 February 2009 on 31 October 2008.

Final dividends of 1.0p per Ordinary Share and 1.0p per 'C' Share have been declared which, subject to Shareholder approval at the AGM, will be paid on 10 July 2009 to shareholders of the register at 19 June 2009.

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary Shares of 5p and 'C' Shares of 25p of the Company, at 29 February 2008, 28 February 2009 and the date of this report were as follows:

Director		At the date of this report	28 February 2009	28 February 2008
Andrew Davison	Ords	8,948	8,948	4,428
	'C' Shares	9,335	9,335	9,335
	'D' Shares	2,637	–	–
Barry Dean	'C' Shares	10,300	10,300	10,300
Nicholas Lewis	Ords	15,678	15,678	10,000
Malcolm Moss	D shares	3,165	–	–

Barry Dean and Nicholas Lewis retire at the forthcoming Annual General Meeting ("AGM") and, being eligible, are offering themselves for re-election. The remainder of the Board feel that both directors have both made valuable contributions during the terms of their appointments and remain committed to their roles. Both have considerable experience in VCTs and other areas, as shown in their respective biographies on page 16, and the Board therefore recommends that Shareholders support the resolutions to re-elect both directors at the AGM.

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

Report of the Directors continued

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 £122,381 of Ordinary Shares and £365,444 of 'C' Shares. The authority to make market purchase was used as described below.

Share Capital

The Company has three classes of shares: Ordinary Shares of 5p each, 'C' Shares of 25p 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.

Between 4 April 2008 and 7 April 2008 the Company issued 1,338,126 Ordinary Shares of 5p each for 89.0p per share under the terms of an offer for subscription dated 11 February 2008. Share issue costs thereon amounted to £67,000.

In accordance with the Company's policy as discussed in the Chairman's Statement, during the year the Company repurchased 528,873 Ordinary Shares, at an average price of 71.4p per share, and 5,000 'C' Shares at an average price of 70.5p per share. These shares were subsequently cancelled.

Performance Incentive Fees

Ordinary Shares

Beringea LLP ("Beringea") and Downing Corporate Finance Limited ("DCF") are entitled to receive performance incentive fees, which are calculated as follows for each financial year starting on or after 1 March 2006:

(i) 33 per cent. of the cumulative dividends paid in relation to financial years starting on or after 1 March 2006 over and above 3 pence per Ordinary Share per annum but less than 6 pence per Ordinary Share per annum; plus

(ii) 20 per cent. of the cumulative dividends paid in excess of 6 pence per Ordinary Share per annum, less the cumulative amount of any performance fee previously paid in relation to the financial years starting on or after 1 March 2007.

The performance incentive fees are only payable when the sum of the net asset value per Ordinary Share plus all distributions per Ordinary Share paid since launch exceeds 130p.

Beringea is entitled to 91% of the performance incentive fees and DCF is entitled to the other 9% of the performance incentive fees. The performance fees payable in respect of the year under review were £752,000 to Beringea, and £74,000 to Downing Corporate Finance Limited (both amounts inclusive of VAT where applicable).

'C' Shares

Beringea is entitled to receive performance incentive fees in respect of the 'C' Shares. These are first calculated in relation to the financial year starting on 1 March 2010 and provided that:

(i) the Company has returned to holders of 'C' Shares who subscribed under the 'C' Share prospectus in aggregate an amount equal to 25p per £1 so subscribed; and

(ii) the sum of the net asset value per 'C' Share plus distributions per 'C' Share paid since launch exceeds 130p.

An annual performance incentive fee (inclusive of VAT) is payable equal to:

(i) 33 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2010 over and above 3 pence per 'C' Share per annum but less than 6 pence per 'C' Share per annum; plus

(ii) 20 per cent. of the cumulative dividends paid in relation to the financial years starting on or after 1 March 2010 in excess of 6 pence per 'C' Share per annum,

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

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

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;
- good growth potential;
- an attractive entry price for the Company; 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 90% of the pool's Qualifying investments (by cost) will be in unquoted companies, with up to 10% being in companies quoted on AIM. Also in respect of the 'C' Share pool only, approximately 75% of the pool's VCT Qualifying investments (by cost) will be made into companies in a broad range of sectors, with the remainder being in a range of different companies in the media industry.

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 total investments (by value at time of investment);
4. The Company's income for each financial year is derived wholly or mainly from shares and securities; and
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 effectively equal to the sum of its share capital and reserves currently equal to £24.9 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, 'C' Share net assets and 'D' share net assets per annum. 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 interests of Shareholders.

Report of the Directors continued

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

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

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: £53,000).

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.

VCT Status Adviser

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

Compliance with the main VCT regulations as at 28 February 2009 and for the year then ended is summarised as follows:

1.	70% of its investments in qualifying companies	76.6%
2.	At least 30% of the Company's qualifying investments in "eligible shares"	52.3%
3.	No investment constitutes more than 15% of the Company's portfolio	Complied
4.	Income is derived wholly or mainly from shares and securities;	78.2%
5.	No more than 15% of the income from shares and securities is retained;	0%

Principal Risks and Uncertainties

The principal financial risks faced by the Company, which include interest rate, liquidity, investment and market risks, are summarised within note 21 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, 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 Managers which monitor the compliance of these risks, and place reliance on the Managers to give updates in the intervening periods. These policies have remained unchanged since the beginning of the financial period.

Annual General Meeting

The Annual General Meeting will be held at 39 Earlham Street, London WC2H 9LT at 9.45 a.m on 7 July 2009. The Notice of the Annual General Meeting and Form of Proxy are at the end of this document.

Auditors

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

Substantial Interests

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

Statement of Directors' Responsibilities

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

United Kingdom company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to Auditors

The Directors in office at the date of the report have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditors. This confirmation is given and should be interpreted in accordance with the provisions of S234ZA of the Companies Act 1985.

By Order of the Board

Grant Whitehouse
Secretary
39 Earlham Street
London
WC2H 9LT
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 four non-executive directors. The Chairman and senior director is Andrew Davison. Andrew Davison, Barry Dean and Nicholas Lewis are considered to be independent directors by the Board. Biographical details of all Board members (including the significant commitments of the Chairman) are shown on page 16.

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 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
Barry Dean	4	5
Nicholas Lewis	5	5
Malcolm Moss	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 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 Barry Dean (who was appointed as chairman of the committee on 6 May 2008) Andrew Davison and Nicholas Lewis. This committee has defined terms of reference and duties. The Committee met once during the year with all members being in attendance. Each of the members of the audit committee has recent and relevant financial experience as evidenced by their biographies on page 16.

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

Any non-audit services provided by the auditors are reviewed and approved by the Committee prior to being undertaken, to ensure that auditor objectivity and independence is safeguarded. The Committee is satisfied with the performance of the Auditors and recommends to Shareholders that they be reappointed as auditors for the forthcoming year.

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

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

Relations with Shareholders

Shareholders have the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by Shareholders during the course of the year, or to meet with major Shareholders if so requested.

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

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 and remuneration committee and terms and conditions of appointment of non-executive directors are available to Shareholders upon request.

Financial Reporting

The Directors' statement of responsibilities for preparing the accounts is set out in the Report of the Directors on page 17, and a statement by the Auditors about their reporting responsibilities is set out in the Independent Auditors' Report on page 27.

Internal Control

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

The Board is responsible for ensuring that the procedures to be followed by the advisers and themselves are in place, and reviews the effectiveness of the Manual, based on the report from the Audit Committee, on an annual basis to ensure that the controls remain relevant and were in operation throughout the year.

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

Venture Capital Investment Management	Beringea LLP
Administration	Downing Management Services Limited

Going Concern

The Directors are of the opinion, having given 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 remuneration and audit committees do not comply with B2-1 and C3-1.)

(e) Due to the size of the Board, the Company does not have a formal nomination committee. Relevant matters were dealt with by the full Board. (A4-1, B2)

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 Independent Auditors' Report on page 27.

Directors' Remuneration Policy

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

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

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

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

Directors' Agreements

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

Directors' Remuneration (audited)

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

	Year ended 28 February 2009 £	Year ended 29 February 2008 £
Andrew Davison	20,000	17,500
Barry Dean	20,000	17,500
David Eberly	n/a	10,417
Nicholas Lewis	15,000	12,500
Malcolm Moss	15,000	2,083
	70,000	60,000

The remuneration levels for the forthcoming year have been agreed at the following rates:

	Annual Rate £
Andrew Davison	20,000
Barry Dean	20,000
Nicholas Lewis	15,000
Malcolm Moss	15,000
	70,000

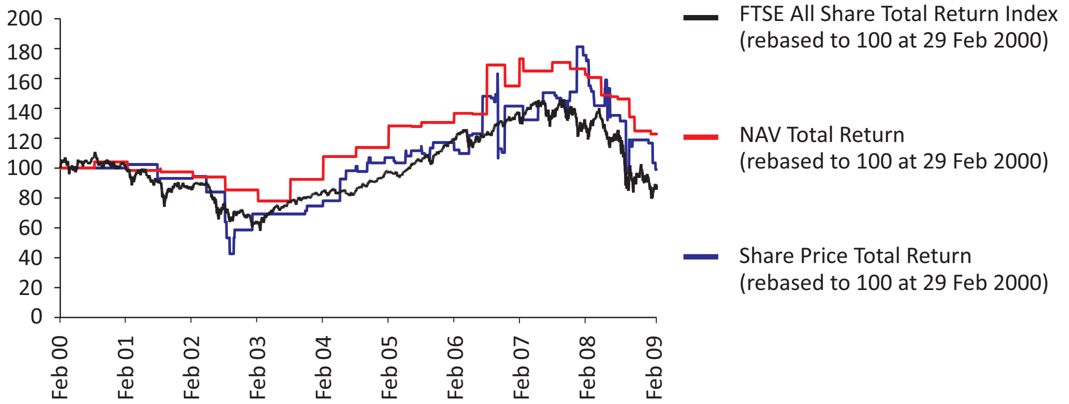
Insurance Cover

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

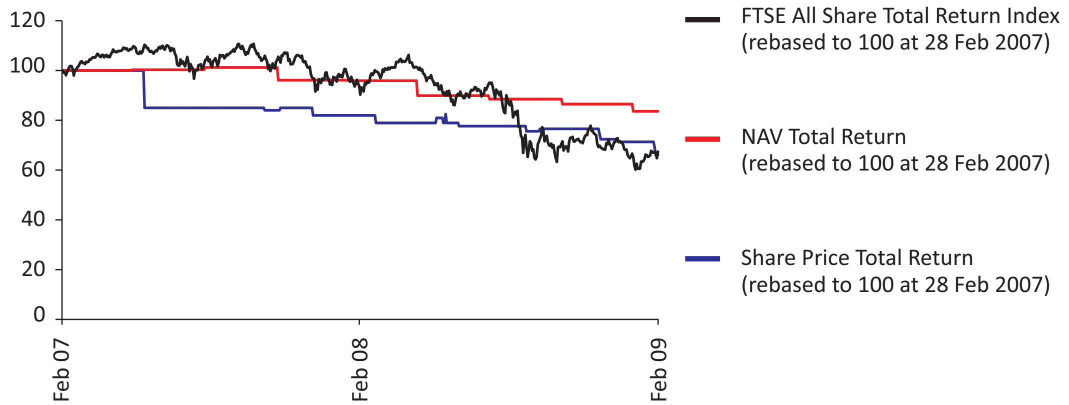
Performance Graph

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 VCT plc
Ordinary Share Performance Chart



ProVen 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 VCT plc

We have audited the financial statements of ProVen 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 29 to 43. 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.

Independent Auditors' Report to the Members of ProVen VCT plc Continued

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			Year ended 29 February 2008		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	1,442	–	1,442	1,406	–	1,406
(Losses)/gains on investments	11	–	(4,865)	(4,865)	–	285	285
		1,442	(4,865)	(3,423)	1,406	285	1,691
Investment management fees	3	(143)	(429)	(572)	(218)	(653)	(871)
Performance incentive fees	4	(109)	(717)	(826)	(47)	(882)	(929)
Recoverable VAT	5	107	320	427	–	–	–
Other expenses	6	(256)	(15)	(271)	(185)	(19)	(204)
Return on ordinary activities before tax		1,041	(5,706)	(4,665)	956	(1,269)	(313)
Tax on ordinary activities	8	(287)	287	–	(274)	274	–
Return attributable to equity shareholders		754	(5,419)	(4,665)	682	(995)	(313)
Return per Ordinary Share	10	2.0p	(14.5p)	(12.5p)	1.1p	(0.1p)	1.0p
Return per 'C' Share	10	1.9p	(13.2p)	(11.3p)	3.2p	(7.1p)	(3.9p)

Split as:

Ordinary Shares

	Year ended 28 February 2009			Year ended 29 February 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	847	–	847	695	–	695
(Losses)/gains on investments	–	(3,014)	(3,014)	–	1,190	1,190
	847	(3,014)	(2,167)	695	1,190	1,885
Investment management fees	(71)	(212)	(283)	(143)	(430)	(573)
Performance incentive fees	(109)	(717)	(826)	(47)	(882)	(929)
Recoverable VAT	95	285	380	–	–	–
Other expenses	(118)	(10)	(128)	(114)	(13)	(127)
Return on ordinary activities before tax	644	(3,668)	(3,024)	391	(135)	256
Tax on ordinary activities	(172)	172	–	(118)	118	–
Return attributable to equity shareholders	472	(3,496)	(3,024)	273	(17)	256

Income Statement

for the year ended 28 February 2009

'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	595	–	595	711	–	711
(Losses)/gains on investments	–	(1,851)	(1,851)	–	(905)	(905)
	595	(1,851)	(1,256)	711	(905)	(194)
Investment management fees	(72)	(217)	(289)	(75)	(223)	(298)
Performance incentive fees	–	–	–	–	–	–
Recoverable VAT	12	35	47	–	–	–
Other expenses	(138)	(5)	(143)	(71)	(6)	(77)
Return on ordinary activities before tax	397	(2,038)	(1,641)	565	(1,134)	(569)
Tax on ordinary activities	(116)	116	–	(156)	156	–
Return attributable to equity shareholders	281	(1,922)	(1,641)	409	(978)	(569)

All 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 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		20,469	13,100	33,569	25,249	–	25,249
Issue of shares		1,211	–	1,211	–	14,621	14,621
Share issue costs		(67)	–	(67)	–	(804)	(804)
Purchase of own shares		(380)	(4)	(384)	(148)	(2)	(150)
Total recognised (losses)/ gains for the year		(3,024)	(1,641)	(4,665)	256	(569)	(313)
Distributions	9	(4,385)	(402)	(4,787)	(4,888)	(146)	(5,034)
Closing shareholders' funds		13,824	11,053	24,877	20,469	13,100	33,569

The accompanying notes are an integral part of this statement.

Balance Sheet

as 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	8,913	4,719	13,632	15,041	3,732	18,773
Current assets							
Debtors	12	615	308	923	769	87	856
Current investments	13	4,190	6,010	10,200	4,400	7,950	12,350
Cash at bank and in hand		2,711	119	2,830	945	1,426	2,371
		7,516	6,437	13,953	6,114	9,463	15,577
Creditors: amounts falling due within one year	14	(2,605)	(103)	(2,708)	(686)	(95)	(781)
Net current assets		4,911	6,334	11,245	5,428	9,368	14,796
Net assets		13,824	11,053	24,877	20,469	13,100	33,569
Capital and reserves							
Called up share capital	15	1,197	3,653	4,850	1,157	3,654	4,811
Capital redemption reserve	16	167	2	169	140	1	141
Share premium	16	4,836	10,159	14,995	3,759	10,159	13,918
Special reserve	16	7,081	–	7,081	8,836	–	8,836
Capital reserve – realised	16	3,793	(144)	3,649	3,640	(73)	3,567
Capital reserve – unrealised	16	(3,542)	(2,756)	(6,298)	2,573	(905)	1,668
Revenue reserve	16	292	139	431	364	264	628
Equity shareholders funds		13,824	11,053	24,877	20,469	13,100	33,569
Net asset value per share	17	57.7p	75.6p		88.5p	89.6p	

The financial statements on pages 29 to 43 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 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
Net cash (outflow)/inflow from operating activities	18	69	(88)	(19)	(1,003)	343	(660)
Capital expenditure							
Purchase of investments		(1,957)	(2,751)	(4,708)	(2,805)	(4,638)	(7,443)
Sale of investments		5,465	–	5,465	4,985	–	4,985
Net cash inflow/(outflow) from capital expenditure		3,508	(2,751)	757	2,180	(4,638)	(2,458)
Equity dividends paid		(4,385)	(402)	(4,787)	(4,888)	(146)	(5,034)
Management of liquid resources							
Purchase of current investments held as liquidity funds		(4,190)	(6,010)	(10,200)	(2,700)	(11,850)	(14,550)
Withdrawal from liquidity funds		4,400	7,950	12,350	3,050	3,900	6,950
Net cash inflow/(outflow) from liquid resources		210	1,940	2,150	350	(7,950)	(7,600)
Net cash outflow before financing		(598)	(1,301)	(1,899)	(3,361)	(12,391)	(15,752)
Financing							
Proceeds from share issue		2,857	–	2,857	206	10,130	10,336
Share issue costs		(67)	–	(67)	–	(804)	(804)
Purchase of own shares		(426)	(6)	(432)	(118)	–	(118)
Net cash inflow/(outflow) from financing		2,364	(6)	2,358	88	9,326	9,414
Increase/(decrease) in cash	19	1,766	(1,307)	459	(3,273)	(3,065)	(6,338)

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, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount, and only where there is reasonable certainty of collection.

Notes to the Accounts continued

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	677	461
Dividend income	48	–
Liquidity funds interest	517	636
	1,242	1,097
Other income		
Deposit interest	199	309
Other income	1	–
	1,442	1,406

3 Investment management fees

	2009 £'000	2008 £'000
Investment management fees	572	871

The Company has an agreement with Beringea for the provision of management services in respect of its portfolio of venture capital investments which is terminable with one year's notice. The management fee is based on an annual amount of 2.0% (plus VAT) of net assets and is shown inclusive of VAT where appropriate.

Following a European Court of Justice decision, HM Revenue & Customs announced that the provision of management services to investment 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 fees shown above include 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
Beringea	752	845
Downing Corporate Finance Ltd	74	84
	826	929

Beringea and Downing Corporate Finance Ltd are entitled to receive performance incentive fees as described in the Report of the Directors on page 17. The performance incentive fees above relate solely to the Ordinary Shares and are stated inclusive of VAT.

5 Recoverable VAT

	2009 £'000	2008 £'000
VAT recoverable on investment management fees	427	–
	427	–

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 investment trusts is exempt from VAT. Beringea 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, resulting in a sum of £427,000 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	48	46
Directors' remuneration	73	64
Social security costs	5	3
Auditors' remuneration for audit	17	14
Other	128	77
	271	204

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

7 Directors' remuneration

Details of remuneration (excluding VAT and employers' NIC) are given in the Directors' Remuneration Report on page 25.

The Company had no employees (other than Directors) during the year (2008: nil). Costs in respect of Directors are disclosed in note 6.

8 Tax on ordinary activities

	2009 £'000	2008 £'000
(a) Tax charge for year		
Current year		
UK corporation tax (charged to the revenue account)	287	274
Charged to capital expenses	(287)	(274)
Charge for year	–	–
(b) Factors affecting tax charge for the year		
Return on ordinary activities before taxation	1,041	956
Tax charge calculated on return on ordinary activities before taxation at the applicable rate of 28% (2008: 30%)	291	287
Effects of:		
UK dividend income	–	–
Capital expenses	(325)	(466)
Disallowable expenses	–	6
Excess capital investment management fees	34	173
	–	–

(c) Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £3,020,000 (2008: £2,796,000). 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 Distributions

		Year ended 28 February 2009			Year ended 29 February 2008		
	Pence	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Ordinary Share dividends							
Paid in year							
2009 First interim	14.5	242	3,262	3,504	–	–	–
2008 Final	1.25	302	–	302	–	–	–
2008 Second interim	2.5	–	579	579	–	–	–
2008 First interim	6.0	–	–	–	–	1,391	1,391
2007 Second interim	15.0	–	–	–	233	3,264	3,497
		544	3,841	4,385	233	4,655	4,888
'C' Share dividends							
Paid in year							
Interim 2009	1.0	146	–	146	–	–	–
Final 2008	1.75	256	–	256	–	–	–
2008 Interim	1.0	–	–	–	146	–	146
		402	–	402	146	–	146

10 Return per share

	Ordinary Shares	'C' Shares
Revenue return per share based on:		
Net revenue after taxation (£'000)	472	281
Weighted average number of shares in issue	24,101,496	14,617,544
Capital return/(loss) per share based on:		
Net capital gain for the financial year (£'000)	(3,496)	(1,922)
Weighted average number of shares in issue	24,101,496	14,617,544

11 Investments

"Fair value through profit or loss" assets

	Investments quoted on AIM £'000	Unlisted investments £'000	Total £'000
Opening cost at 1 March 2008	1,819	15,287	17,106
Gains at 1 March 2008	(885)	2,552	1,667
Opening fair value at 1 March 2008	934	17,839	18,773
Purchases at cost	17	4,691	4,708
Sales – proceeds	–	(4,984)	(4,984)
– realised gains/(losses) on sales	–	1,687	1,687
Losses in the income statement	(622)	(5,930)	(6,552)
Closing fair value at 28 February 2009	329	13,303	13,632
Closing cost at 28 February 2009	1,836	18,096	19,932
(Losses)/gains at 28 February 2009	(1,507)	(4,793)	(6,300)
	329	13,303	13,632

12 Debtors

	2009 £'000	2008 £'000
Other debtors	428	481
Prepayments and accrued Income	495	375
	923	856

13 Current investments

	2009 £'000	2008 £'000
BGI Sterling Liquidity First Fund	3,000	4,200
Insight Liquidity Fund	3,000	3,800
Standard Life Investments GBP Liquidity Fund	3,000	4,150
RBS Liquidity Fund	1,200	200
	10,200	12,350

14 Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Trade creditors	–	53
Unallotted share capital	923	206
Other social security costs	7	8
Other creditors	929	–
Accruals and deferred income	849	514
	2,708	781

Notes to the Accounts continued

15 Called up share capital

	2009 £'000	2008 £'000
Authorised:		
35,000,000 Ordinary shares of 5p each	1,750	1,750
25,000,000 'C' shares of 25p each	6,250	6,250
20,000,000 'D' shares of 1p each	1,000	–
	9,000	8,000
Issued, allotted, called up and fully-paid:		
23,947,501 (2008: 23,138,248) Ordinary shares of 5p each	1,197	1,157
14,612,777 (2008: 14,617,777) 'C' shares of 25p each	3,653	3,654
	4,850	4,811

Between 4 April 2008 and 17 April 2008, 1,381,126 Ordinary shares of 5p each ("Ordinary Shares") were issued at £1 per share pursuant to the offer for subscription dated 11 February 2008. The aggregate consideration for the shares was £1,190,000 which excluded share issue costs of £67,000.

During the year the Company repurchased 528,873 Ordinary Shares for an average consideration of 71p per share for an aggregate consideration of £380,000, and representing 2.2% of the issued share capital. These shares were subsequently cancelled.

During the year the Company repurchased 5,000 C Shares of 25p each for an average consideration of 70.5p per share for an aggregate consideration of £4,000, and representing 0.03% of the issued share capital. These shares were subsequently cancelled.

16 Reserves

	Capital redemption reserve £'000	Special reserve £'000	Share premium £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
At 1 March 2008	141	8,836	13,918	3,567	1,668	628	28,758
Issue of new shares	–	–	1,077	–	–	–	1,077
Purchase of own shares	28	(380)	–	–	–	(4)	(356)
Expenses capitalised	–	–	–	(841)	–	–	(841)
Tax relief on capital expenses	–	–	–	288	–	–	288
Gains/(losses) on investments	–	–	–	1,687	(6,552)	–	(4,865)
Realisation of revaluations from previous years	–	–	–	1,414	(1,414)	–	–
Retained revenue	–	–	–	–	–	753	753
Transfer between reserves	–	(1,375)	–	1,375	–	–	–
Distributions paid	–	–	–	(3,841)	–	(946)	(4,787)
At 28 February 2009	169	7,081	14,995	3,649	(6,298)	431	20,027
Split between:							
Ordinary Shares							
At 1 March 2008	140	8,836	3,759	3,640	2,573	364	19,312
Issue of new shares	–	–	1,077	–	–	–	1,077
Purchase of own shares	27	(380)	–	–	–	–	(353)
Expenses capitalised	–	–	–	(654)	–	–	(654)
Tax relief on capital expenses	–	–	–	172	–	–	172
Gains/(losses) on investments	–	–	–	1,687	(4,701)	–	(3,014)
Realisation of revaluations from previous years	–	–	–	1,414	(1,414)	–	–
Retained revenue	–	–	–	–	–	472	472
Transfer between reserves	–	(1,375)	–	1,375	–	–	–
Distributions paid	–	–	–	(3,841)	–	(544)	(4,385)
At 28 February 2009	167	7,081	4,836	3,793	(3,542)	292	12,627

	Capital redemption reserve £'000	Special reserve £'000	Share premium £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
'C' Shares							
At 1 March 2008	1	–	10,159	(73)	(905)	264	9,446
Purchase of own shares	1	–	–	–	–	(4)	(3)
Expenses capitalised	–	–	–	(187)	–	–	(187)
Tax relief on capital expenses	–	–	–	116	–	–	116
Gains/(losses) on investments	–	–	–	–	(1,851)	–	(1,851)
Retained revenue	–	–	–	–	–	281	281
Distributions paid	–	–	–	–	–	(402)	(402)
At 28 February 2009	2	–	10,159	(144)	(2,756)	139	7,400

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

17 Net asset value per share

	Shares in issue 2009	Shares in issue 2008	Net asset value per share	2009 £'000	Net asset value per share	2008 £'000
Ordinary Shares	23,947,501	23,138,248	57.7p	13,824	88.5p	20,469
'C' Shares	14,612,777	14,617,777	75.6p	11,053	89.6p	13,100
				24,877		33,569

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

	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	644	397	1,041	391	565	956
Net expenses charged to capital	(654)	(187)	(841)	(1,325)	(229)	(1,554)
Decrease in prepayments, accrued income and other debtors	(240)	(308)	(548)	(204)	(86)	(290)
Increase in accruals and other creditors	319	10	329	135	93	228
Net cash (outflow)/inflow from operating activities	69	(88)	(19)	(1,003)	343	(660)

19 Reconciliation of net cash flow to movement in net funds

	2009 £'000	2008 £'000
Beginning of year	2,371	8,709
Net cash inflow/(outflow)	459	(6,338)
End of year	2,830	2,371

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

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	7.1%	1,385 days	6,142	6,547
Floating rate	4.0%		11,244	14,795
No interest rate			7,491	12,227
			24,877	33,569

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

Financial liabilities

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

Currency exposure

As at 28 February 2009, the Company had one investment incorporated in Madeira which trades in Euros and was valued at £Nil (2008: £Nil) and represented 0% of Net Assets (2008: 0%).

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 with the application of a clear investment policy which has been developed by the Board who are experienced investment professionals. Furthermore, the Board has appointed an experienced investment manager to whom they have communicated the Company's investment objectives and whose remuneration is linked to the achievement of those objectives. 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 and in the Report of the Directors on page 17.

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 recognised as such on initial recognition.

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 have an AAA-rating. Cash is mainly held by Bank of Scotland plc which is an A-rated financial institution. The Directors consider that the risk profile associated with cash deposits and liquidity fund investments is low and thus the carrying value in the financial statements is a close approximation of the 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 market price risk and interest rate 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 investments was £1,507,100 (2008: loss £885,000).

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

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

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

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	(33)	(0.2)
'C' Shares	–	–

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	(858)	(3.6p)
'C' Shares	(472)	(3.2p)

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 predominately attract interest 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 a 3.6% 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:

	2009 £'000	2008 £'000
Investments in liquidity funds	10,200	12,350
Investments in loan stocks	6,142	6,547
Cash and cash equivalents	2,830	2,371
Interest, dividends and other receivables	577	850
	19,749	22,118

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.

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 that 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 Contingencies, guarantees and financial commitments

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

24 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. No issue costs were due or outstanding at the year end. Beringea Limited was also the investment manager and provided investment management to the Company during the year. The fees relating to this service, together with performance incentive fees due in the year under the agreement, amounted to £1,324,000 (2008: £1,716,000) (inclusive of VAT where applicable), of which £716,000 (2008: £450,000) 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.

The Company has an agreement with Downing Management Services Limited, a company of which Nicholas Lewis is a director, to provide administration services to the Company for a fee of £38,000 (plus VAT & RPI adjustment) per annum. The total fee relating to this service amounted to £48,000 (2008: £47,000), of which £12,000 (2008: £12,000) was outstanding at the year end.

Downing Corporate Finance Limited, a company of which Nicholas Lewis is a director and shareholder, was entitled to performance incentive fees during the year totalling £74,000 (2008: £84,000) (inclusive of VAT), of which £64,000 (2008: £21,000) was outstanding at the year end.

Proven Growth and Income VCT plc is a company of which Nicholas Lewis, Andrew Davison and Malcolm Moss are directors. At the year end the company was owed £929,344 in respect of subscription monies for D shares, this amount is included in other creditors.

25 Post balance sheet event

Between 26 March 2009 and 9 June 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.

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 the address shown on page 45.

Share Prices

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

	Ordinary Shares	'C' Shares	'D' Shares
TIDM/EPIC code	"PVN"	"PVNC"	"PVND"
Latest share price (5 June 2009):	45.0p per share	63.0p 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 2007 and 2008 share issues and the recent 'D' Share Fundraising should be aware that they need to hold their shares for a minimum period to retain the Income Tax relief they received on investment. Selling your shares may have tax consequences therefore you should contact your independent financial adviser if you have any queries.

The Company operates a policy of buying its own shares for cancellation as they become available. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. Downing 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 45 of this document.

Financial Calendar

7 July 2009	Annual General Meeting
10 July 2009	Final dividend payable
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)
Barry Dean
Nicholas Lewis
Malcolm Moss
all of
39 Earlham Street
London WC2H 9LT

Secretary
Grant Whitehouse
39 Earlham Street
London WC2H 9LT

Registered Office
39 Earlham Street
London
WC2H 9LT

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

Company Number
3911323

Registrars
Capita Registrars
Northern House, Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0LA
Tel: 0871 664 0300
(calls cost 10p per minute plus network extras)
www.capitaregistrars.com

Administration Manager
Downing Management Services Limited
Kings Scholars House
230 Vauxhall Bridge Road
London SW1V 1AU
Tel: 020 7416 7780
www.downing.co.uk

Auditors
Deloitte LLP
London

VCT Status Adviser
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Solicitors
Howard Kennedy
19 Cavendish Square
London W1A 2AW

Bankers
Bank of Scotland
West End Office
St James's Gate
14-16 Cockspur Street
London SW1Y 5BL

Notice of the Annual General Meeting of ProVen VCT plc

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen VCT plc will be held at 39 Earlham Street, London WC2H 9LT at 9.45 am 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 approve the payment of the final dividends of 2.0p per Ordinary Share and 2.0p per 'C' Share.

4. 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.

5. To re-elect as Director, Barry Dean, who retires by rotation and, being eligible, offers himself for re-election.

6. To re-elect as Director, Nicholas Lewis, who retires by rotation and, being eligible, offers himself for re-election.

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

Ordinary Resolution

7. THAT the Directors be generally and unconditionally authorised in accordance with Section 80 of the Companies Act 1985 to allot shares up to a maximum nominal amount of £119,738 (representing approximately 10% of the Ordinary Share capital in issue at today's date) and £365,319 (representing approximately 10% of the 'C' Share capital in issue at today's date), this authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this resolution and the expiry of 15 months from the passing of the relevant resolution (unless previously revoked, varied or extended by the Company in general meeting but so that such authority allows the company to make Offers or agreements before the expiry thereof which would or might require relevant securities to be allotted after the expiry of such authority).

Special Resolutions

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 to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its own Ordinary shares of 5p each ("Ordinary Shares"), 'C' shares of 25p each ("'C' Shares") and 'D' Shares ("'D' Shares") of 1p each in the capital of the Company provided that:

   (i) the maximum number of Ordinary Shares , 'C' Shares and 'D' Shares hereby authorised to be purchased shall not exceed 14.9% of the present issued share capital of the Company;

   (ii) the minimum price which may be paid for an Ordinary Share is 5p, for a 'D' Share is 1p and for a 'C' Share is 25p, exclusive of all expenses;

(iii) the maximum price which may be paid for an Ordinary Share, a ‘C’ Share or a ‘D’ Share is an amount, exclusive of all expenses, equal to 105% of the average of the middle market quotations of the Ordinary Shares, ‘C’ Shares or ‘D’ Shares as derived from the Daily Official List of the London Stock Exchange, for each of the five business days immediately preceding the day on which the share is contracted to be purchased; and

(iv) the Company may validly make a contract to purchase Ordinary Shares, ‘C’ Shares or ‘D’ Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may validly make a purchase of Ordinary Shares, ‘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.

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 vote instead of that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.

(b) To be valid the instrument appointing a proxy and authority under which it is executed must be deposited at Downing Management Services Limited, Kings Scholars House, 230 Vauxhall Bridge Road, London SW1V 1AU not less than 48 hours before the time of the Meeting.

(c) Completion and return of a form of proxy will not preclude a member of the Company from attending and voting in person.

(d) Copies of the Directors’ Letters of Appointment, the Register of Directors’ interests in the Ordinary Shares, ‘C’ Shares and ‘D’ 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 for at least 15 minutes prior to and during the meeting.

Form of Proxy – ProVen VCT plc

for use at the Annual General Meeting of the above-named Company to be held on 7 July 2009 at 39 Earlham Street, London WC2H 9LT at 9.45 am.

I/We* ....

(in BLOCK CAPITALS please)

of ....

....

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

or..

of..

as my/our* proxy to attend for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held at 39 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**	**Vote Withheld**
(1) To receive and adopt the Directors' report and accounts.			
(2) To approve the Directors' Remuneration Report.			
(3) To approve payment of the final dividends of 1.0p per Ordinary Share and 1.0p per 'C' Share.			
(4) To re-appoint the auditors and authorise the Directors to determine the auditors remuneration.			
(5) To re-elect Barry Dean as a Director.			
(6) To re-elect Nicholas Lewis as a Director.			
Special business			
(7) To authorise the Directors to allot shares pursuant to Section 80 of the Companies Act 1985.			
(8) To disapply Section 89 of the Companies Act 1985.			
(9) To authorise the Directors to make market purchases of its 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

First fold

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

Second fold