

ProVen Growth & Income VCT plc
Annual Report and Accounts
for the year ended 28 February 2011



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ProVen Growth & Income VCT plc

Principal Investment Objectives

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

Financial Highlights

86.4p	Ordinary Share net asset value per share at 28 February 2011
90.0p	'D' Share net asset value per share at 28 February 2011

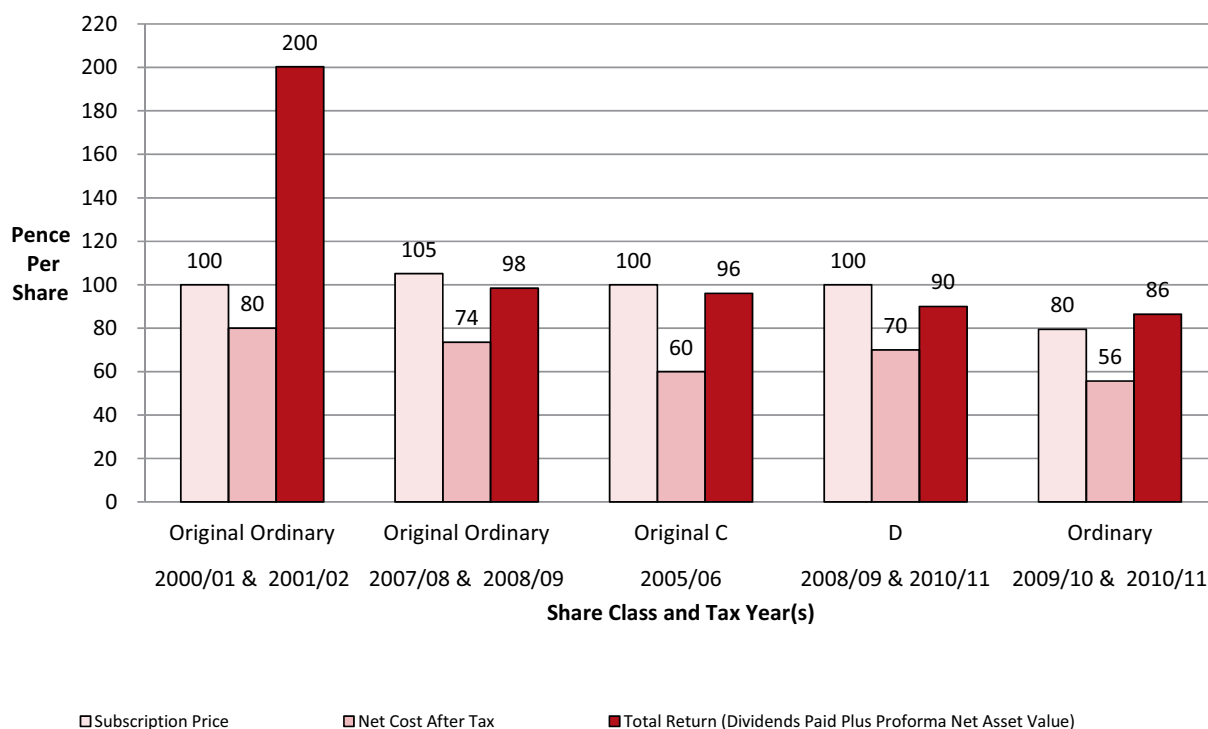
Fund Overview

Financial summary

As at 28 February	Ordinary Shares		'D' Shares	
	2011 pence	2010 pence	2011 pence	2010 pence
Net asset value per share	86.4	74.1	90.0	92.3
Dividends paid since share conversion/class launch	-	-	-	-
Total return (net asset value plus dividends paid since share conversion/class launch)	86.4	74.1	90.0	92.3
Year on year change in:				
VCT total return	16.6%		-2.5%	
FTSE All Share Index total return	17.0%		17.0%	

Shareholder investment and returns analysis

The chart below shows the original subscription price, net cost after tax (assuming full income tax relief at the rate ruling at the time of the investment) and total return (net asset value and dividends paid) for each share class and tax year fundraising, as at 28 February 2011. Funds raised under the Offer open at 28 February 2011 are excluded as no shares had been issued. No account has been taken of the possible benefit of any capital gains tax deferral (available for new investments up to and including tax year 2003/2004) or of additional shares that may have been available through early bird or financial intermediary discounts.



Chairman's Statement

I am pleased to present the Annual Report for ProVen Growth & Income VCT plc for the year ended 28 February 2011.

The year saw the formation of a coalition government in the UK which has instigated an austerity programme aimed at improving the UK's budget deficit position. International events have been no less important: oil and commodity price inflation, political and social unrest in the Middle East and North Africa and Japan's earthquake and tsunami, all impact, directly or indirectly, on the UK consumer.

Against this unsettled background, the Company's Ordinary Share pool saw an uplift of 16.6% in net asset value per share ("NAV") over the year, produced by strong performances by a number of portfolio companies along with one highly profitable disposal. The 'D' Share pool made a number of new investments as it started to build its investment portfolio.

Net asset value

Ordinary Shares

At 28 February 2011, the Company's Ordinary Share NAV stood at 86.4p per share. This represents an increase of 12.3p over the year. The total return (NAV plus dividends paid to date) to Ordinary Shareholders that invested at the Company's launch now stands at 200.3p per Original Ordinary Share, equivalent to an IRR of 10.6% per annum. For Shareholders who originally invested in the 'C' Share fundraising (and now hold Ordinary Shares), the total return stands at 96.0p per original 'C' Share.

'D' Shares

The NAV of the Company's 'D' Shares stood at 90.0p at 28 February 2011, a decrease of 2.3p or 2.5% since 28 February 2010. No dividends have been paid to 'D' Shareholders to date. The fall in NAV reflects the fact that uninvested cash produces insufficient income to cover running costs and most recent investments are still valued at original cost.

Portfolio activity and valuation

Ordinary Share pool

The Ordinary Share pool was, prior to the most recent fundraising, largely fully invested and consequently there was a modest level of investment activity during the year. However, it did realise a substantial gain on the disposal of Saffron Media Group Limited, exiting at more than five times the value of the original investment, which is reflected in the increase in Ordinary Share NAV.

The Board reviewed the valuations of the unquoted investments at the year end, resulting in a net unrealised gain for the year of £1.0 million. Further details are provided in the Investment Manager's Review and the Review of Investments.

'D' Share pool

The 'D' Share pool made seven new investments during the year at a total cost of £2.0 million. All investments continue to be valued at levels equal to cost, with one exception, where a small provision has been made.

Results and dividends

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

	Revenue £'000	Capital £'000	Total £'000
Ordinary Shares	173	2,728	2,901
'D' Shares	(49)	(202)	(251)
	124	2,526	2,650

During the year ended 28 February 2011, no dividends were paid by the Company.

The Board declared an interim dividend of 4.5p per Ordinary Share in respect of the year ended 28 February 2011 payable on 29 July 2011 to Shareholders on the register at 3 June 2011.

Dividend questionnaire

At Shareholder meetings and on other occasions, a number of Shareholders have asked about the Company's dividend policy. When the Company first began to make substantial profits on the realisation of investments, it was the Board's policy to pay most of these profits to Shareholders as dividends. The Company also took the opportunity to absorb investment losses into distributable reserves created from the cancellation of share premium accounts in order to maximise the dividends paid under this policy. This approach was thought to be beneficial to all Shareholders because the absence of a well-established secondary market for VCT shareholders means that dividends are an effective way to generate cash returns to all investors, without investors having to sell shares at a discount to NAV. Additionally, Shareholders who took advantage of deferral relief on capital gains that was available on VCT subscriptions prior to 5 April 2004 potentially face crystallising a significant tax charge if they wish to dispose of some or all of their shares.

More recently the Board has sought to provide a more regular dividend stream to Shareholders but they are still paid from gross realised gains without necessarily offsetting realised losses and all other costs. The consequence of these dividend payments is therefore that, for most Ordinary Shareholders, the NAV has fallen below the initial subscription price of the shares. The Company's performance incentive scheme, set out in more detail in the Directors' Report on pages 21 and 22, pays incentive fees based on dividends paid to Shareholders, provided certain hurdles are achieved. In respect of dividends paid out of realisations from the Original Ordinary Share pool (investments made from the Ordinary Share pool prior to October 2009), these hurdles have been met because historically the Ordinary Share pool has been very successful. The Manager therefore currently receives an incentive on all dividends paid from realisations from this pool, although the fall in NAV after the dividend payment means that its management fee is reduced.

In order to try to gauge Shareholders' views on dividend policy, I have arranged for a questionnaire to be prepared. The questionnaire asks a small number of questions related to dividends and should give the Board an indication of whether Shareholders would prefer the Company to continue with the same policy or for a different approach to be considered. The questionnaire is being sent with the Annual Report and I would be very grateful if you would take a few minutes to complete it and return it in the envelope provided.

New fundraisings

The 'D' Share Linked Offer launched with ProVen VCT plc in November 2009 closed on 29 October 2010 having raised a total of approximately £2.6 million for the Company. The Company also undertook a small Ordinary Share Top-Up Offer at the same time with ProVen VCT plc and ProVen Health VCT plc which raised £0.7 million.

On 10 December 2010, the Company launched a further Ordinary Share Offer for subscription seeking to raise up to £15 million. As at today's date, this Offer had raised approximately £9.3 million.

Share buybacks

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

During the year, the Company repurchased 543,137 Ordinary Shares for cancellation at an average price of 65.8p per share and 55,698 'D' Shares for cancellation at an average price of 92.4p per share.

The Board intends to continue to make purchases of its shares when they become available in the market and has a current policy of purchasing Ordinary Shares at a price equivalent to a 10% discount to the latest published NAV and at a 5% discount in respect of 'D' Shares.

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

Chairman's Statement (continued)

Annual General Meeting

The Annual General Meeting ("AGM") of the Company will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 2:30 p.m. on 24 August 2011. Notice of the meeting is at the end of this document.

Four items of special business will be proposed at the AGM, one resolution in respect of share buybacks, one resolution amending the Articles of Association (as described in the Report of the Directors) and two resolutions in connection with authority for the Directors to allot shares.

Shareholder event

I would like to draw Shareholders' attention to ProVen Growth & Income VCT's annual shareholder presentation, which will be held on Wednesday 2 November 2011 at The Royal Institute of British Architects, 66 Portland Place, London W1B 1AD. This provides Shareholders with an opportunity to meet the Investment Manager and, additionally, to hear directly from some of the portfolio companies and to meet other VCT shareholders. A formal invitation will be sent to Shareholders shortly. The corresponding event in 2010 was very successful and I look forward to welcoming you to this year's event.

Outlook

The performance of the Ordinary Share pool over the year has further demonstrated the rewards that can be delivered by investments in certain niche sectors as they mature. The new media sector is one in which the Company has a reasonable level of exposure and one where the Manager has a significant amount of experience. Although the economic outlook remains uncertain and some portfolio companies will continue to face many challenges presented by the recession, others operate in sectors which are not so directly affected by the general economic conditions or have been resilient enough to continue to make progress. We believe these give the Ordinary Share pool the potential to deliver further good returns to Shareholders.

The 'D' Share portfolio is still in the early stages of being built and we expect to see a significant level of new investment activity over the forthcoming year. The Manager reports reasonably strong dealflow and the ongoing lack of appetite by the banks to lend to small businesses is likely to continue to produce additional opportunities. As with the Ordinary Share pool, the Board believes that a balanced portfolio with a reasonable level of exposure to quality young businesses in the new media and similar sectors can, in the medium term, produce healthy returns to investors.

Marc Vlesing

Chairman

30 June 2011

Investment Manager's Review

Introduction

Beringea is a specialist venture capital management company, which has been established for 25 years and manages over \$400m in the UK and the USA. In the UK, Beringea has a dedicated team focused on managing £85m across four VCTs. Proven Growth & Income VCT plc has been managed by Beringea since its inception in 2001.

The Company currently has two share classes: Ordinary Shares and 'D' Shares. The share pools will be kept as separate pools of assets.

Beringea's investment approach

We endeavour to give Shareholders an investment in a diverse portfolio of privately held businesses led by entrepreneurial management that are likely to achieve above average returns.

In evaluating suitable businesses, we seek to mitigate risk and improve the prospect of higher returns by investing in established and growing businesses in sectors where there will be above market average spend. Such businesses will typically have "best in class" traits and the expectation to ultimately attract a substantial premium on exit.

Finding such businesses and helping them prosper and deliver a successful return for investors are the key challenges for Beringea. We do this by nurturing our own talented investment team who each have strong and specific sector expertise, a good network of deal-flow providers and a proven track record of investment success across the UK and the USA.

We hope you will be able to join us at the shareholder event on Wednesday 2 November 2011, as mentioned in the Chairman's statement, where we hope to demonstrate our investment approach and give you the opportunity to meet and question both the investment team and CEOs of VCT portfolio companies.

Review of the year

The Company's investment rate increased during the year with a total of £3.0 million (2010: £0.6 million) being invested across the two share pools, including £2.0 million in six investments that were new to the portfolio. In addition, we were also very pleased to realise the Ordinary Share pool's investment in Saffron Media Group, generating a gross return of £3.9 million, or more than five times the original investment cost, in less than four years.

Ordinary Share pool - portfolio activity and valuation

At 28 February 2011, the Company's Ordinary Share investment portfolio comprised holdings in 23 companies, of which 19 were unquoted and four quoted, at a valuation of £14.9 million and original acquisition cost of £14.5 million. In addition, the Ordinary Share pool had cash and liquidity funds of £7.1 million, £3.4 million of this resulting from the sale of Saffron shortly before the year end.

The Ordinary Share pool was, prior to the recent fundraising, largely fully invested but one new investment of £0.2 million was made in MatsSoft. This company provides powerful and innovative web-based workflow and communications solutions, allowing companies and organisations to drive efficiency gains, cost reductions and service improvements across a whole host of business processes and across a range of business sectors. Follow on investments totalling £0.8 million were made in four existing portfolio companies.

The three largest investments, Fjordnet, Espresso and Donatantonio, collectively account for over 43% by value of the venture capital portfolio. Fjordnet is a digital media agency and has performed strongly since the initial investment in December 2008. It has an increasing global presence with offices in continental Europe and New York. Education provider, Espresso, is a long standing investment which was initially made in 2001. Since then, the company has secured a significant share of the UK primary school market for on-line learning products and has expanded into the UK secondary school market and more recently into the US market. Donatantonio, the supplier of Mediterranean foods, is now showing steady growth following



Investment Manager's Review (continued)

early difficulties coinciding with the first stages of the financial crisis and is now valued above cost. Good progress is also being made across a number of other companies including Think and Campden Media.

The highlight for the Ordinary Share portfolio was, however, the disposal of Saffron Media Group. Saffron, a developer of video delivery platforms, was sold to global smartphone producer HTC of Taiwan. The Company invested £670,000 in Saffron in 2007, initially from the original 'C' Share pool, alongside ProVen VCT, and the realisation generated a gross return of more than five times cost. On a less positive note, we realised the Company's investment in Heritage

Partners at a loss to the original investment cost and Path Group and The Vending Corporation were both placed into administration and the resulting losses treated as realised in accordance with the Company's accounting policy. These investments were largely provided against in prior years.



Subsequent to the year end, in May 2011, the Company realised its investment in Steak Media in a sale to Japanese media agency network, Dentsu. The disposal resulted in an initial profit over cost with the possibility of further earnout proceeds in the three years following sale.

'D' Share pool - portfolio activity and valuation

The 'D' Share pool made its first investments during the year and, at 28 February 2011, £2.0 million had been invested in seven investments, six of which were new to the Company as a whole. The 'D' Share portfolio also had cash and liquidity funds of £5.5 million at the year end.

MatsSoft accounted for £650,000, or 33%, of the £2.0 million invested. The investment in healthy eating chain, Tossed, was made early in the financial year (and reported in last year's annual report) and accounted for a further 26% of the £2.0 million investment. The other new investments were Speed-Trap, a vendor of patented technologies that analyse how users interact with internet applications; Monica Vinader, a high end jewellery brand with high profile customers including Cameron Diaz, Keira Knightley and Cheryl Cole; Cinergy, the provider of mobile phone comparison service, www.mobilife.com; and SenseLogix, which designs and manufactures systems to manage energy usage in commercial premises.



Outlook

The outlook for the UK economy remains challenging. Modest GDP growth in the first three quarters of 2010 was followed by a fall in GDP in the fourth quarter of 2010 and only modest growth in the first quarter of 2011. That said, the disposal of Saffron demonstrates that strong returns can be generated from quality businesses. In an age when customers expect more from the businesses they interact with, we believe that a number of the portfolio companies are well positioned for future growth by targeting efficiency savings and/or improving the customer experience through making the best use of new or developing technologies.

Beringea LLP

30 June 2011

Investment activity during the year is summarised as follows:

Additions

	Cost £'000
Ordinary Share pool	
Overtis Group Limited	364
Steak Media Limited*	246
MatsSoft Limited**	225
Campden Media Limited	157
Breeze Tech Limited**	22
	<u>1,014</u>
'D' Share pool	
MatsSoft Limited**	650
Tossed Limited	504
Speed-Trap Holdings Limited	295
Fjordnet Limited*	276
Monica Vinader Limited	138
Cinergy International Limited	115
SenseLogix Limited	69
	<u>2,047</u>
Total	<u>3,061</u>

Disposals

	Cost £'000	Market value at 01/03/10 £'000	Proceeds £'000	Profit/(loss) vs cost £'000	Realised gain/(loss) £'000
Ordinary Share pool					
Overtis Group Limited**	729	729	729	-	-
Ashford Colour Press Limited	69	69	69	-	-
Saffron Media Group Limited	670	889	3,509	2,839	2,620
Path Group Limited	1,000	496	-	(1,000)	(496)
Heritage Partners Limited	900	247	98	(802)	(149)
The Vending Corporation Limited**	1,011	-	-	(1,011)	-
Sports Holdings Limited*	24	24	24	-	-
	<u>4,403</u>	<u>2,454</u>	<u>4,429</u>	<u>26</u>	<u>1,975</u>

The 'D' Share pool did not make any disposals during the year.
All of the above investments were also held by ProVen VCT plc.

* Non-qualifying investment

** Partially non-qualifying investment

Investment Portfolio - Ordinary Share Pool

as at 28 February 2011

Ordinary Share portfolio of investments

The following investments were held at 28 February 2011:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Top ten venture capital investments (by value)				
Fjordnet Limited	1,400	2,423	406	11.0%
Espresso Group Limited**	1,583	2,347	76	10.7%
Donatantonio Limited	1,366	1,710	820	7.8%
Charterhouse Leisure Limited**	1,000	970	(266)	4.4%
Lazurite Limited	1,000	930	(32)	4.2%
Prelude Media Limited	1,000	925	(34)	4.2%
Eagle Rock Entertainment Group Limited	680	907	(272)	4.1%
SPC International Limited	625	821	258	3.9%
Steak Media Limited**	621	725	255	3.3%
Chess Technologies Limited	900	682	(306)	3.1%
	10,175	12,440	905	56.7%
Other venture capital investments	4,343	2,425	129	11.0%
Total venture capital investments	14,518	14,865	1,034	67.7%
Liquidity funds		1,250		5.7%
Cash at bank and in hand		5,851		26.6%
Total Ordinary Share investments		21,966		100.0%

Other venture capital investments as at 28 February 2011 comprise:

Overtis Group Limited, Dianomi Limited, Ashford Colour Press Limited, Campden Media Limited, Coolabi plc**, Blismobile Media Limited**, Pilat Media Global plc**, UBC Media Group plc**, Sports Holdings Limited*, Immedia Group plc, MatsSoft Limited**, Isango! Limited and Baby Innovations S.A. t/a Steribottle*.

* Non-qualifying investment

** Partially non-qualifying investment

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

All of the above investments, with the exclusion of Prelude Media Limited and Immedia Group plc, were also held by ProVen VCT plc.

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

Review of Investments - Ordinary Share Pool

as at 28 February 2011

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

Fjordnet Limited



Cost:	£1,400,000	Valuation at 28/02/11:	£2,423,000	
Investment comprises:		Valuation at 28/02/10:	£2,017,000	
Ordinary shares:	£700,000	Valuation method:	Earnings multiple	
Preference shares:	£300,000			
'B' preference shares:	£400,000			
Audited accounts:	31/12/09	31/12/08	Dividend income:	-
Turnover:	£11.9m	£7m	Loan note income:	-
Profit before tax:	£1.4m	£1m	Proportion of equity held:	14.6%
Net assets:	£3.4m	£1.9m	Diluted equity:	11.4%

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, New York and Madrid.

www.fjordnet.com

Espresso Group Limited



Cost:	£1,583,000	Valuation at 28/02/11:	£2,347,000	
Investment comprises:		Valuation at 28/02/10:	£2,271,000	
Ordinary shares:	£261,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£220,000			
'B' ordinary shares:	£2,000			
Loan stock:	£1,100,000			
Audited accounts:	31/07/10	31/07/09	Dividend income:	-
Turnover:	£13.3m	£15.2m	Loan note income:	£82,424
(Loss)/profit before tax:	£(3,000)	£192,000	Proportion of equity held:	7.5%
Net assets:	£6.5m	£6.8m	Diluted equity:	7.3%

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 the company has recently launched a service in the United States.

www.espresso.co.uk

Donatantonio Limited



Cost:	£1,366,000	Valuation at 28/02/11:	£1,710,000	
Investment comprises:		Valuation at 28/02/10:	£890,000	
Ordinary shares:	£17,000	Valuation method:	Earnings multiple	
'A' ordinary shares:	£208,000			
Preference shares:	£45,000			
Loan stock:	£1,096,000			
Audited accounts:	31/01/11	31/01/10	Dividend income:	-
Turnover:	£18.7m	£17.9m	Loan note income:	-
Profit/(loss) before tax:	£87,000	£(150,000)	Proportion of equity held:	24.1%
Net liabilities:	£(156,000)	£(159,000)	Diluted equity:	24.1%

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

Review of Investments - Ordinary Share Pool (continued)

Charterhouse Leisure Limited



Cost:	£1,000,000	Valuation at 28/02/11:	£970,000	
Investment comprises:		Valuation at 28/02/10:	£1,235,000	
Ordinary shares:	£200,000	Valuation method:	Earnings multiple	
Loan stock:	£800,000			
Audited accounts:	28/02/10	28/02/09	Dividend income:	-
Turnover:	£4.9m	£3.3m	Loan note income:	£29,574
Loss before tax:	£(187,000)	£(333,000)	Proportion of equity held:	27.7%
Net assets:	£611,000	£474,000	Diluted equity:	21.0%

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 rollout 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

Lazurite Limited



Cost:	£1,000,000	Valuation at 28/02/11:	£930,000
Investment comprises:		Valuation at 28/02/10:	£962,000
Ordinary shares:	£100,000	Valuation method:	Net assets
Loan stock:	£900,000		
Unaudited accounts:	31/12/09	Dividend income:	-
Turnover:	£nil	Loan note income:	£19,943
Loss before tax:	£(37,000)	Proportion of equity held:	24.9%
Net assets:	£64,000	Diluted equity:	24.9%

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

Prelude Media Limited



Cost:	£1,000,000	Valuation at 28/02/11:	£925,000
Investment comprises:		Valuation at 28/02/10:	£959,000
Ordinary shares:	£100,000	Valuation method:	Net assets
Loan stock:	£900,000		
Unaudited accounts:	31/12/09	Dividend income:	-
Turnover:	£nil	Loan note income:	£19,843
Loss before tax:	£(39,000)	Proportion of equity held:	49.9%
Net assets:	£61,000	Diluted equity:	49.9%

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

Eagle Rock Entertainment Group Limited



Cost:	£680,000	Valuation at 28/02/11:	£907,000	
Investment comprises:		Valuation at 28/02/10:	£1,180,000	
Ordinary shares:	£68,000	Valuation method:	Earnings multiple	
Preference shares:	£612,000			
Audited accounts:	31/12/09	31/12/08	Dividend income:	£21,420
Turnover:	£27.3m	£25m	Loan note income:	-
Loss before tax:	£(643,000)	£(2.6)m	Proportion of equity held:	7.1%
Net assets:	£16.9m	£17.3m	Diluted equity:	7.1%

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

SPC International Limited



Cost:	£625,000	Valuation at 28/02/11:	£821,000	
Investment comprises:		Valuation at 28/02/10:	£563,000	
'B' ordinary shares:	£62,000	Valuation method:	Earnings multiple	
Loan stock:	£563,000			
Audited accounts:	30/09/09	30/09/08	Dividend income:	-
Turnover:	£12.7m	£9.7m	Loan note income:	-
(Loss)/profit before tax:	£(366,000)	£108,000	Proportion of equity held:	10.9%
Net assets:	£2.8m	£3.2m	Diluted equity:	10.9%

SPC specialises in the repair and refurbishment of electronic equipment in the IT, banking and retail sectors. Proven Growth & Income VCT plc invested £625,000 in March 2008, of which £562,500 was in the form of a loan secured on the company's property assets.

www.spcint.com

Steak Media Limited



Cost:	£621,000	Valuation at 28/02/11:	£725,000	
Investment comprises:		Valuation at 28/02/10:	£223,000	
Ordinary shares:	£448,000	Valuation method:	Earnings multiple	
Preference shares:	£173,000			
Audited accounts:	28/02/10	28/02/09	Dividend income:	£25,962
Turnover:	£26.1m	£27.5m	Loan note income:	-
Loss before tax:	£(69,000)	£(824,000)	Proportion of equity held:	17.8%
Net liabilities:	£(345,000)	£(232,000)	Diluted equity:	17.8%

Steak Media is a digital media agency specialising in search engine marketing (SEM), media planning and buying, mobile marketing and other integrated online marketing strategies. The company operates in London, New York and Melbourne. Proven Growth & Income VCT invested £375,000 in August 2007 and a further £246,000 in March 2010. The company was acquired by Japanese agency network, Dentsu, in May 2011.

www.steakdigital.co.uk

Chess Technologies Limited



Cost:	£900,000	Valuation at 28/02/11:	£682,000	
Investment comprises:		Valuation at 28/02/10:	£989,000	
Preferred ordinary shares:	£450,000	Valuation method:	Earnings multiple	
Loan stock:	£450,000			
Audited accounts:	30/04/10	30/04/09	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£32,992
Profit before tax:	Unpublished information		Proportion of equity held:	18.0%
Net assets:	£2.5m	£2.4m	Diluted equity:	16.6%

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

www.chess-dynamics.com

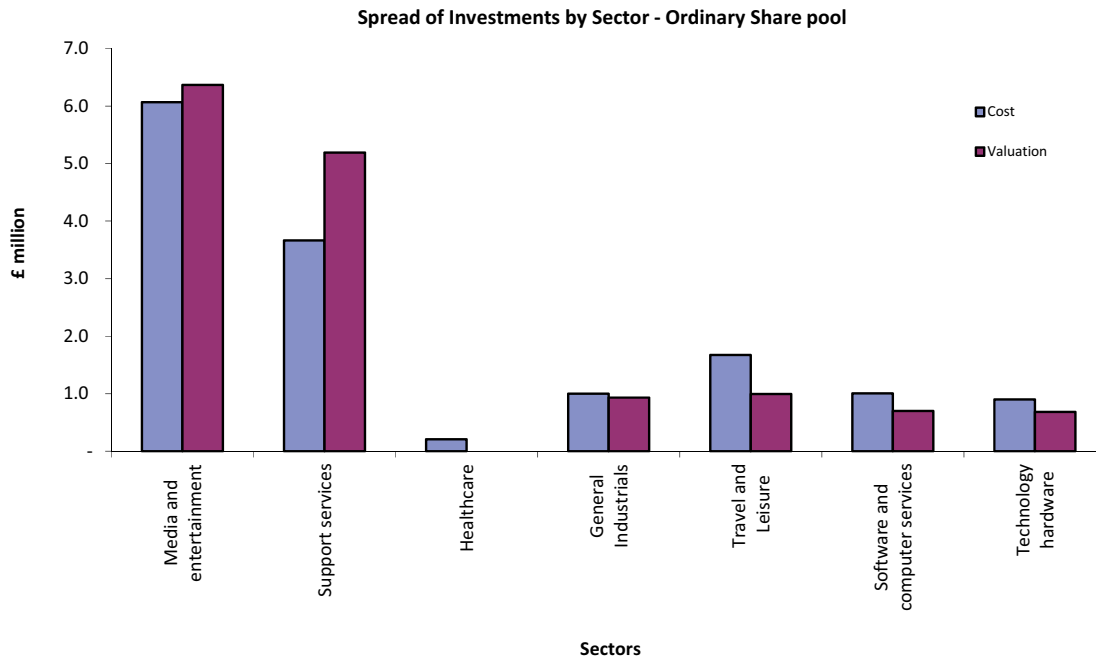
References to the latest accounts refer to the latest annual report and accounts published by the investee company following the date of investment by ProVen Growth & Income VCT plc.

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

Review of Investments - Ordinary Share Pool (continued)

Analysis of investments by commercial sector

The split of the Ordinary Share pool venture capital investments by commercial sector (by value and cost at 28 February 2011) is summarised as follows:



Portfolio balance

At 28 February 2011, the Ordinary Share pool assets employed were broadly in line with the targets within the investment policy. These are summarised as follows:

Type of investment (by fair value)

VCT qualifying investments	65.1%
Other investments, including cash at bank and in hand and liquidity funds	34.9%
Total	100.0%

Investment Portfolio - 'D' Share Pool as at 28 February 2011

'D' Share portfolio of investments

The following investments were held at 28 February 2011:

	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Venture capital investments				
MatsSoft Limited**	650	650	-	8.7%
Tossed Limited	504	504	-	6.7%
Speed-Trap Holdings Limited	295	295	-	3.9%
Fjordnet Limited*	276	185	(91)	2.5%
Monica Vinader Limited	138	138	-	1.8%
Cinergy International Limited	115	115	-	1.6%
SenseLogix Limited	69	69	-	0.9%
Total venture capital investments	2,047	1,956	(91)	26.1%
Liquidity funds		1,250		16.7%
Cash at bank and in hand		4,282		57.2%
Total 'D' Share investments		7,488		100.0%

* Non-qualifying investment

** Partially non-qualifying investment

All venture capital investments above are unquoted.

All of the above investments were also held by ProVen VCT plc.

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

Review of Investments - 'D' Share Pool

as at 28 February 2011

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

MatsSoft Limited



Cost:	£650,000	Valuation at 28/02/11:	£650,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
Ordinary shares:	£197,000	Valuation method:	Price of recent investment	
'A' ordinary shares:	£236,000			
Loan stock:	£217,000			
Audited accounts:	31/12/09	31/12/08	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£226
Profit before tax:	Unpublished information		Proportion of equity held:	10.0%
Net assets:	£192,000	£4,000	Diluted equity:	10.0%

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

www.matssoft.co.uk

Tossed Ltd



www.tosseduk.com

Cost:	£504,000	Valuation at 28/02/11:	£504,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
Ordinary shares:	£168,000	Valuation method:	Price of recent investment	
Preference shares:	£168,000			
Loan stock:	£168,000			
Audited accounts:	No accounts filed		Dividend income:	-
			Loan note income:	-
			Proportion of equity held:	10.8%
			Diluted equity:	10.8%

Tossed operates a series of takeaway focused healthy eating establishments. There are currently seven locations in operation, including two franchise locations, all based in London. ProVen VCT, alongside Proven Growth & Income VCT plc, invested £1.5 million in April 2010.

Speed-Trap Holdings Limited



www.speed-trap.com

Cost:	£295,000	Valuation at 28/02/11:	£295,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
'A' ordinary shares:	£115,000	Valuation method:	Price of recent investment	
Loan stock:	£180,000			
Audited accounts:	31/12/09	31/12/08	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	£3,765
Profit before tax:	Unpublished information		Proportion of equity held:	3.0%
Net assets:	£4m	£3.8m	Diluted equity:	3.0%

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

Fjordnet Limited



www.fjordnet.com

Cost:	£276,000	Valuation at 28/02/11:	£185,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
'A' ordinary shares:	£276,000	Valuation method:	Earnings multiple	
Audited accounts:	31/12/09	31/12/08	Dividend income:	-
Turnover:	£11.9m	£7m	Loan note income:	-
Profit before tax:	£1.4m	£1m	Proportion of equity held:	1.9%
Net assets:	£3.4m	£1.9m	Diluted equity:	1.2%

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, New York and Madrid.

Monica Vinader Limited



Cost:	£138,000	Valuation at 28/02/11:	£138,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
Ordinary shares:	£69,000	Valuation method:	Price of recent investment	
Loan stock:	£69,000			
Audited accounts:	30/04/10	30/04/09	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	-
Profit before tax:	Unpublished information		Proportion of equity held:	4.0%
Net assets/(liabilities):	£113,000	£(67,000)	Diluted equity:	4.0%

Monica Vinader is a high end, award winning fashion jewellery brand. Designer Monica Vinader began producing jewellery in 2002 and commercialised the brand in 2006. It now gets regular features in glossy magazines such as *Vogue*, *Harpers* and *Grazia*, and boasts a celebrity following of Cameron Diaz, Keira Knightley and Cheryl Cole.

www.monicavinader.com

Cinergy International Ltd



Cost:	£115,000	Valuation at 28/02/11:	£115,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
Ordinary shares:	£11,000	Valuation method:	Price of recent investment	
Loan stock:	£104,000			
Audited accounts:	31/12/09	31/12/08	Dividend income:	-
Turnover:	£784,000	£661,000	Loan note income:	-
Loss before tax:	£(98,000)	£(113,000)	Proportion of equity held:	0.3%
Net (liabilities)/assets:	£(47,000)	£41,000	Diluted equity:	0.3%

Cinergy delivers mobile market and product information that helps demystify shopping for mobile services. Its services let mobile service providers give their customers a personalised deal, based on in-depth knowledge of the market and its customer's individual needs.

www.cinergize.com

SenseLogix Limited



Cost:	£69,000	Valuation at 28/02/11:	£69,000	
Investment comprises:		Valuation at 28/02/10:	£n/a	
Ordinary shares:	£69,000	Valuation method:	Price of recent investment	
Audited accounts:	31/03/10	31/03/10	Dividend income:	-
Turnover:	Unpublished information		Loan note income:	-
Profit before tax:	Unpublished information		Proportion of equity held:	3.7%
Net assets:	£22,000	£22,000	Diluted equity:	3.7%

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

www.senselogix.com

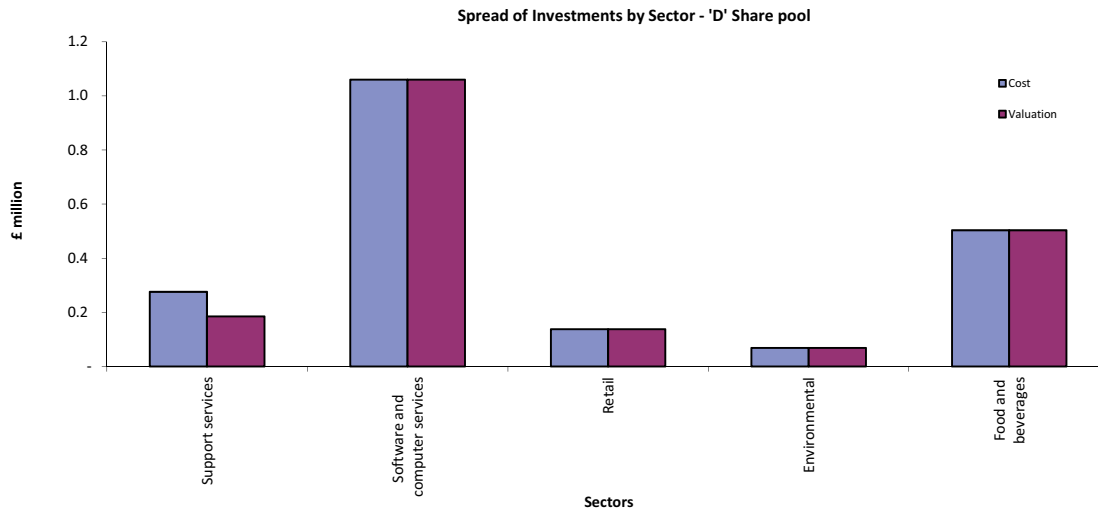
References to the latest accounts refer to the latest annual report and accounts published by the investee company following the date of investment by ProVen Growth & Income VCT plc.

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

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

Analysis of investments by commercial sector

The split of the 'D' Share pool venture capital investments by commercial sector (by value and cost at 28 February 2011) is summarised as follows:



Portfolio balance

At 28 February 2011, the 'D' Share pool assets were invested as follows:

Type of investment (by fair value)

VCT qualifying investments	21.0%
Other investments, including cash at bank and in hand and liquidity funds	79.0%
Total	100.0%

Board of Directors

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

Nicholas Lewis is a partner of Downing LLP, which has recently taken over the business of Downing Corporate Finance Limited, a company he founded in 1986. Downing specialises in promoting, managing and administering tax-based investments, having raised approximately £1 billion since 1991. He is a director of a number of other venture capital trusts. He was formerly with NatWest Ventures Limited and, before that, with Apax Partners & Co. Limited.

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

James Stewart was formerly managing director of Creditanstalt Investment Bank AG's subsidiary in London, where he had previously established Creditanstalt Bankverein's development capital activity. He has been a non-executive director of a number of quoted and unquoted companies and he now works as an independent venture capitalist.

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

Directors' Report and Business Review

The Directors present the Annual Report and Financial Statements of the Company for the year ended 28 February 2011.

Principal activity and status

The principal activity of the Company is that of a venture capital trust. It has been approved by HM Revenue and Customs ("HMRC") as a venture capital trust in accordance with Part 6 of the Income Tax Act 2007 and in the opinion of the Directors, the Company has conducted its affairs so as to enable it to maintain such approval. Approval for the year ended 28 February 2011 is subject to review should there be any subsequent enquiry under corporation tax self-assessment.

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

The Company has no employees other than the Directors. The same was true in the previous year.

Business review and developments

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

The total running costs of the Company exceeded revenue arising from the investments held (including cash at bank and liquidity funds) by £269,000 (2010: £1,138,000). The total expense ratio (excluding performance fees, recoverable VAT and provision for loan stock interest) in respect of the year ended 28 February 2011, compared to net assets at the year end was 2.8% (2010: 4.0%).

Results and distributions

	£'000	Pence per share
Return on ordinary activities after tax for the year ended 28 February 2011 split as:		
Ordinary Shares	2,901	15.7p
'D' Shares	(251)	(2.6p)
	<u>2,650</u>	

During the year ended 28 February 2011 no dividends were paid by the Company (2010: 14.0p per Original Ordinary Share, 1.35p per Original 'C' Share).

The Board declared an interim dividend of 4.5p per Ordinary Share on 15 February 2011, in respect of the year ended 28 February 2011, to be paid on 29 July 2011 to Shareholders on the register on 3 June 2011, of which 0.5p is revenue and 4.0p is capital (2010: no dividends declared).

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary Shares and 'D' Shares of the Company, at 28 February 2010, 28 February 2011 and at the date of this report were as follows:

Director		At the date of this report	28 Feb 2011	28 Feb 2010
Nicholas Lewis	Ords	14,957	14,957	14,957
Malcolm Moss	Ords	14,058	14,058	14,058
	'D' Shares	3,165	3,165	3,165
James Stewart	Ords	7,103	7,103	7,103
Marc Vlessing	Ords	15,682	15,682	15,682
	'D' Shares	4,148	4,148	4,148

Andrew Davison resigned as a director on 24 August 2010. He held 8,917 Ordinary Shares and 2,637 'D' Shares at 28 February 2010.

Nicholas Lewis, Malcolm Moss and James Stewart retire at the forthcoming Annual General Meeting and, being eligible, are offering themselves for re-election. The remainder of the Board feel that they have made valuable contributions during the terms of their appointment and remain committed to their roles. They have considerable experience in the VCT sector and other areas, as shown in their biographies on page 18, and the Board therefore recommends that Shareholders support the resolutions to re-elect them at the AGM.

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

At the last AGM, on 14 July 2010, 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 £500,000 for Ordinary Shares and £8,099 for 'D' Shares. The authority to make market purchases was used as described on pages 22 and 23.

Investment policy

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

Qualifying investments

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

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

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

In respect of the 'D' Share pool only, it is intended that, by 29 February 2012, 75% of the first tranche of funds raised under the first 'D' Share Linked offer will be invested in qualifying investments and that by 28 February 2013, 75% of the funds raised under the second 'D' Share Linked offer will also be invested in qualifying investments.

Other investments

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

Venture capital trust regulations

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

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

Directors' Report and Business Review (continued)

Investment policy (continued)

Borrowings

It is not the Company's intention to have any borrowings. The Company does, however, have the ability to borrow a maximum amount which is equal to the nominal capital of the Company and its distributable and undistributable reserves, currently equal to £28.2 million (2010: £22.7 million). There are no plans to utilise this facility at the current time.

Environmental and social policy

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

Investment management and administration fees

Beringea LLP ("Beringea") provides investment management services to the Company for an annual fee of 2.0% of the Ordinary Share net assets and the 'D' Share net assets per annum. Since 1 October 2008, VAT is not chargeable on such fees. Beringea is also entitled to receive performance incentive fees as described further below. The investment management agreement is terminable by either party at any time by one year's prior written notice.

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

Downing Management Services Limited provides administration services to the Company for a fee of £37,000 (plus VAT and 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 3.6% of the Company's net assets.

Performance incentive fees

Ordinary Shares

Subject to the exceptions noted below, Beringea is entitled to performance incentive fees if the Company has returned to investors a cumulative dividend equal to at least 4p per Ordinary Share per annum for the financial years starting 1 March 2009 and the performance value per Ordinary Share is at least 130p. Beringea is entitled to receive a performance incentive fee equal to 15% of the cumulative dividends paid on the Ordinary Shares after 1 March 2009 up to 4p per Ordinary Share per annum, plus 20% of the cumulative dividends paid after 1 March 2009 in excess of 4p per Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the Ordinary Shares. Dividends paid on the 'C' Shares prior to their conversion into Ordinary Shares in October 2009 shall be treated as dividends on the Ordinary Shares.

In relation to dividends paid as the result of the realisation of investments made from the Original Ordinary Share fund, Beringea is entitled to receive an incentive fee equal to 15% of the cumulative dividends paid from 1 March 2006 up to 4p per Original Ordinary Share per annum, plus 20% of the cumulative dividends paid from 1 March 2006 in excess of 4p per Original Ordinary Share per annum, less the amount of any incentive fee previously paid to Beringea in relation to the Original Ordinary Shares. For the purposes of calculating this element of the performance incentive fee for dividends paid following the exchange of Original Ordinary Shares for Ordinary Shares, a pro-forma dividend per Original Ordinary Share will be calculated, based on the number of Original Ordinary Shares in issue immediately prior to the share conversion.

In relation to Ordinary Shares issued under the offer for subscription launched on 10 December 2010 ("the Offer"), providing that the Company has paid cumulative dividends equal to at least 4% of the weighted average subscription price of such shares per annum for the financial years starting 1 March 2014 and the performance value per Ordinary Share of such shares is at least 1.3 times the weighted average subscription price of such shares, Beringea is entitled to receive a performance incentive fee equal to 15% of the cumulative dividends paid on the Ordinary Shares issued under the Offer after 1 March 2014 up to 4% of the weighted average subscription price per share per annum, plus 20% of the cumulative dividends paid after 1 March 2014 in excess of 4% of the weighted average subscription price per share per annum, less the amount of any incentive fee previously paid to Beringea in relation to such shares.

No such fees were paid in respect of the Ordinary Shares in the year under review (2010: £191,000).

'D' Shares

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

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

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

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

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

VCT status

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

Compliance with the main VCT Regulations as at 28 February 2011 and for the year then ended is summarised as follows:

- | | |
|--|----------|
| 1. 70% of its investments in qualifying companies: | 70.9% |
| 2. At least 30% of the Company's qualifying investments in "eligible shares": | 37.5% |
| 3. At least 10% of each investment held in "eligible shares": | Complied |
| 4. No investment constitutes more than 15% of the Company's portfolio: | Complied |
| 5. Income is derived wholly or mainly from shares and securities: | 91.0% |
| 6. No more than 15% of the income from shares and securities is retained: | 0.9% |
| 7. A maximum unit size of £1 million in each VCT qualifying investment (per tax year): | Complied |

Share capital

The Company now has two classes of shares: Ordinary shares of 1.6187p each ("Ordinary Shares") and 'D' shares of 1p each ("D' Shares"). Each share class has a separate pool of assets attributable to it, with each class bearing a proportion of the running costs of the Company. Ordinary Shares and 'D' Shares rank *pari passu* with each other in terms of voting and other rights. The proportion of the Company's net assets attributable to the Ordinary Shares and 'D' Shares are 73.6% and 26.4% respectively.

At the 2010 AGM, Shareholders authorised the Company to make market purchases of its own shares of up to 14.9% of the share capital in issue at that date and to waive pre-emption rights and to issue Ordinary Shares up to a maximum nominal amount of £500,000 and 'D' Shares up to a maximum nominal amount of £8,099.

Directors' Report and Business Review (continued)

Share capital (continued)

During the year, the Company repurchased 543,137 Ordinary Shares for a consideration of £357,572 and for an aggregate nominal amount of £8,792. The average price was 65.8p per Ordinary Share being 2.3% of the Ordinary Share capital. The Company also repurchased 55,698 'D' Shares for a consideration of £51,443 and for an aggregate nominal amount of £557. The average price was 92.4p per 'D' Share being 1.0% of the 'D' Share capital. These shares were subsequently cancelled.

Between 31 March 2010 and 28 May 2010, the Company issued 926,893 Ordinary Shares at 79.5p per share under the terms of the prospectus dated 16 November 2009. The aggregate nominal value of the shares was £15,003 and the aggregate consideration for the shares was £737,000. Between 23 March 2010 and 29 October 2010, the Company issued 2,800,108 'D' Shares at 100p per share under the terms of the prospectus dated 20 November 2009. The aggregate nominal value of the shares was £28,001 and aggregate consideration for the shares was £2,800,000.

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 (2010: £nil).

Key performance indicators

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

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

Principal risks and uncertainties

The principal financial risks faced by the Company, which include market price risk, interest rate risk, credit risk and liquidity risk (being minimal) are summarised within note 20 to the financial statements.

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

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

Auditor

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

Amended Articles of Association

The Directors are proposing that the Company amends Article 174 of its Articles of Association to extend the date on which Shareholders will vote as to whether the Company should continue as a venture capital trust from the annual general meeting to be held in 2016, to that to be held in 2019, so that in the event the Company issues new shares in the next tax years, it continues as a VCT for a sufficient duration to enable new investors to retain the benefits of the tax reliefs available to VCTs. Resolution 10 will to be put to Shareholders at the forthcoming AGM seeking approval for this amendment.

Annual General Meeting

The Annual General Meeting will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 2:30 p.m. on 24 August 2011. The Notice of the Annual General Meeting and Form of Proxy are at the end of this document.

Substantial interests

As at 28 February 2011, and the date of this report, the Company was not aware of any beneficial interest exceeding 3% of the issued Ordinary Share capital and 'D' Share capital.

Future developments

The Directors do not foresee any major changes in the activity undertaken by the Company in the coming year. The Company continues with its objective to invest in unquoted companies throughout the United Kingdom with a view to minimising the risks of investment and providing both capital growth and dividend income to Shareholders over the long term whilst maintaining VCT qualifying status.

Statement of Directors' responsibilities

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

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

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements, and the Directors' Remuneration Report, comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names are listed on page 18, confirms that, to the best of each person's knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and results of the Company; and
- the Chairman's Statement, Investment Manager's Review and Directors' Report include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

Electronic publication

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

Directors' Report and Business Review (continued)

Corporate governance

The Company's compliance with, and departure from, the Financial Reporting Council's Combined Code on Corporate Governance June 2008 (www.frc.org.uk) is shown on pages 26 to 29.

The Corporate Governance Statement describes how the principles and supporting principles within the Combined Code, published in June 2008, have been applied by the Company throughout the year ended 28 February 2011, except where disclosed within the Corporate Governance Statement.

Statement as to disclosure of information to the Auditor

The Directors in office at the date of the report have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditor is unaware. Each of the Directors 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 Auditor. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

Grant Whitehouse
Company Secretary
39 Earlham Street
London WC2H 9LT

30 June 2011

Statement of Corporate Governance

The Directors support the relevant principles of the Combined Code issued in June 2008, being the principles of good governance and the code of best practice, as set out in the Combined Code. With effect from 1 March 2011 the Company adopted the updated UK Corporate Governance Code issued in May 2010.

Application of the Principles of the Code

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

The Board

The Company has a Board comprising four non-executive directors. The Chairman and senior director is Marc Vlessing. Nicholas Lewis, James Stewart and Marc Vlessing are considered to be independent directors by the Board. Biographical details of all Board members (including the significant commitments of the Chairman) are shown on page 18.

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. Malcolm Moss is offering himself for re-election at the next AGM. At the next AGM, three Directors are offering themselves for re-election. Malcolm Moss is retiring by rotation and, in accordance with the UK Corporate Governance Code, Nicholas Lewis and James Stewart are retiring as a result of being directors of the Company for more than nine years.

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

The following table sets out the Directors' attendance at full Board and Committee meetings held during the year ended 28 February 2011.

Director	Board meetings		Audit Committee meetings		Remuneration Committee meetings	
	held	attended	held	attended	held	attended
Marc Vlessing	4	4	2	2	-	-
Nicholas Lewis	4	3	2	2	-	-
Malcolm Moss	4	3	2	2	-	-
James Stewart	4	4	2	2	-	-

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

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

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

Board performance evaluation

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

Statement of Corporate Governance (continued)

The Board considered whether to introduce an external facilitator to manage the evaluation. However, it concluded that the Company Secretary was well placed to devise updated questions that are relevant and appropriate to the Company and that, having attended Board and Committee meetings throughout the year, he and the Chairman would also understand and ensure a full and frank discussion around any concerns raised. The Chairman has conducted confidential interviews with each of the Directors. The outcome of the 2011 Board review has confirmed that the Directors consider the Board to have a good balance of skills and to be working well.

Remuneration Committee

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

Audit Committee

The Company has an audit committee comprising James Stewart as Chairman, Nicholas Lewis and Marc Vlessing. This Committee has defined terms of reference and duties. The Committee met twice during the year with all members being in attendance. Each of the members of the Audit Committee has recent and relevant financial experience as evidenced by their biographies on page 18.

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

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

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

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

Relations with Shareholders

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

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

Separate resolutions are proposed at the AGM on each substantially separate issue. The Administration Manager 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 Committees and terms and conditions of appointment of non-executive directors are available to Shareholders upon request.

Financial reporting

The Directors' statement of responsibilities for preparing the accounts is set out in the Directors' Report on page 24 and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's Report on page 33.

Internal control

The Board has adopted an Internal Control Manual (“Manual”) for which they are responsible, which has been compiled to comply with the Combined Code (and going forward to comply with the UK Corporate Governance 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 in place to mitigate them. The Board reviews the perceived risks in line with relevant guidance on an annual basis and implements additional controls as appropriate.

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

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

Venture Capital Investment Management
Administration

Beringea LLP
Downing Management Services Limited

Share capital

The rights and obligations attaching to the Company’s shares, including the power of the Company to buy back shares and details of any significant shareholders, are set out in the Chairman’s Statement on page 4 and the Directors’ Report on page 23 respectively.

Going concern

The Company’s business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman’s Statement on page 3, the Investment Manager’s Review on pages 6 and 7, and the Directors’ Report on page 19. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Balance Sheet on page 38, the Cash Flow Statement on page 39 and the Directors’ Report on page 21. In addition, notes 15 and 20 to the financial statements include the Company’s objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

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

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

Statement of Corporate Governance (continued)

Compliance statement

The Listing Rules require the Board to report on compliance with the 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 2011 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 Directors do not have service contracts in place. (B1-6) The Directors have letters of appointment in place with a three month notice period.
- c) Until 24 August 2010, the Company did not have a majority of independent directors, as defined by the Combined Code issued in June 2008, as a result of other directorships of companies with the same investment manager. This was corrected when Andrew Davison resigned. Until 24 August 2010, the Board considered that all Directors had sufficient experience to be able to exercise proper judgement within the meaning of the Combined Code. (A3-2, A3-3). Consequently the Audit Committee did not comply with B2-1 and C3-1.
- d) 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)

By order of the Board

Grant Whitehouse

Secretary
39 Earlham Street
London WC2H 9LT

30 June 2011

Directors' Remuneration Report

The Board and Remuneration Committee have prepared this report in accordance with the requirements of the Companies Act 2006. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 24 August 2011.

Under the requirements of Section 497, the Company's Auditor is required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Auditor's Report on pages 33 and 34.

Remuneration Committee

The Remuneration Committee comprises all members of the Board and is chaired by Marc Vlessing.

Directors' remuneration policy

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

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

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

Directors' agreements

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

Directors' remuneration (audited)

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

	Year ended 28 Feb 2011	Year ended 28 Feb 2010
	£'000	£'000
Marc Vlessing (Chairman from 24 August 2010)	25.2	20.0
Andrew Davison (former Chairman, resigned 24 August 2010)	9.5	20.0
Nicholas Lewis	19.0	15.0
Malcolm Moss	15.0	15.0
James Stewart	21.3	20.0
	<u>90.0</u>	<u>90.0</u>

Directors' Remuneration Report (continued)

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

	Annual fee
	£'000
Marc Vlessing (Chairman)	30.0
Nicholas Lewis	22.5
James Stewart	22.5
Malcolm Moss	15.0
	90.0

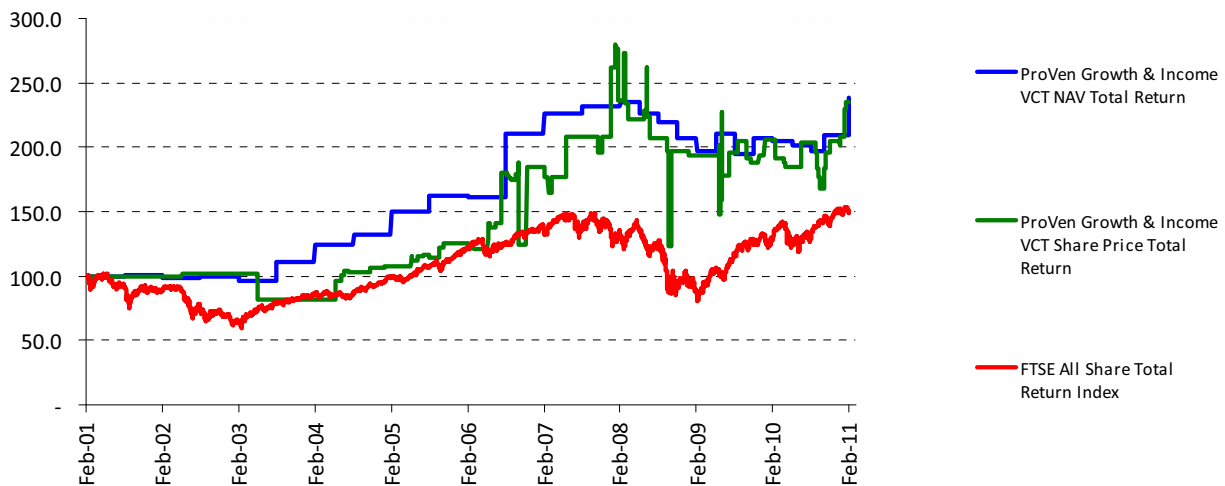
Insurance cover

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

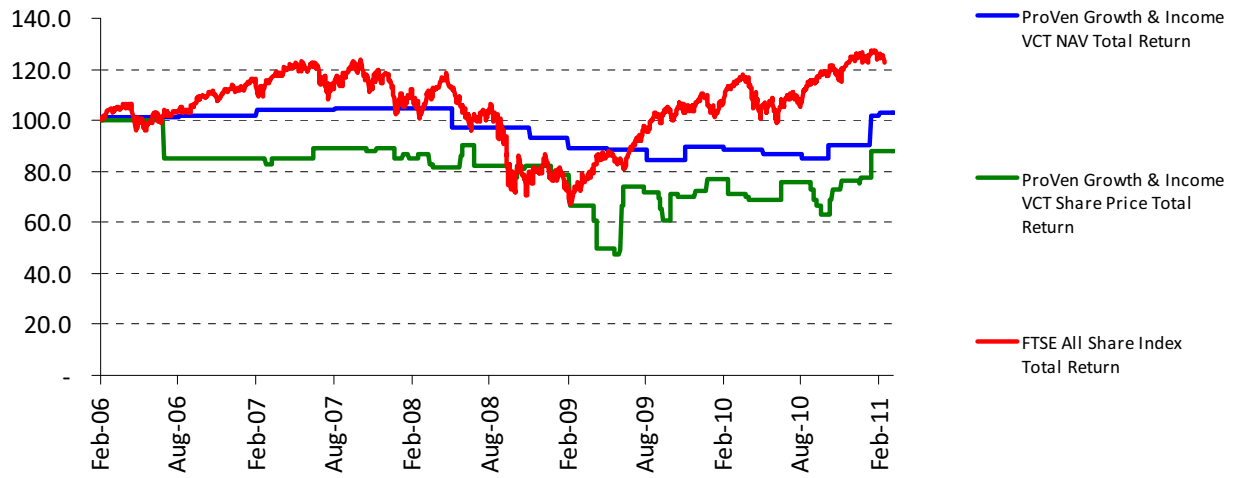
Performance graph

The charts below represent performance of the Company for the main group of investors in the Original Ordinary Share fundraising, investors in the 'C' Share fundraising and investors in the 'D' Share fundraising. The charts compare the 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 reinvested in the Company at the Net Asset Value prevailing at the date the dividends were paid. Share Price Total Return is calculated in a similar way, but reinvesting dividends at the mid-market share price at the date dividends are paid. The FTSE All Share Index is not considered to be a benchmark for the Company but has been selected as it is considered to be the most relevant publicly available index. All series have been rebased to 100 at the relevant launch dates.

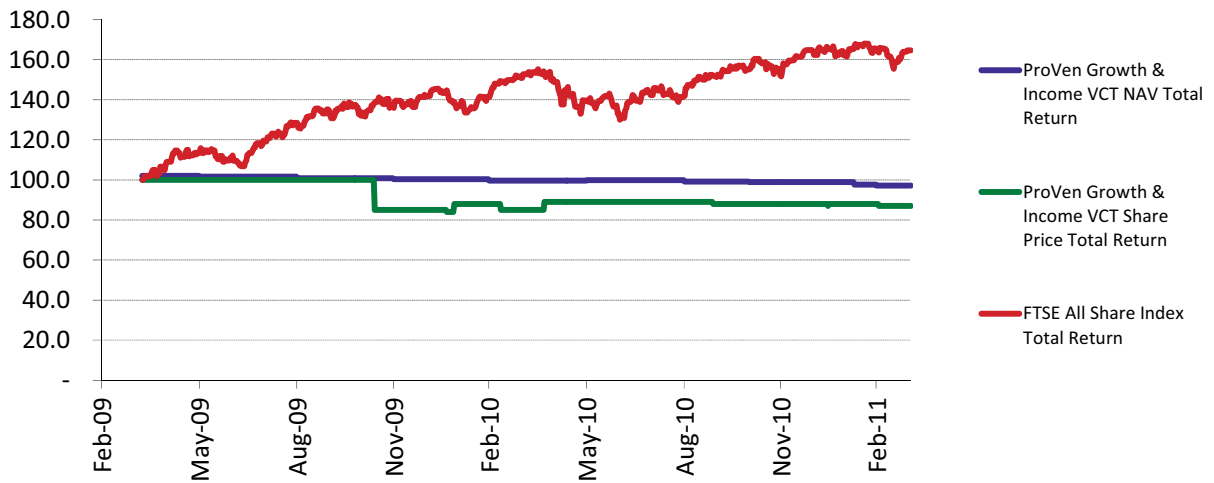
Original Ordinary Share performance chart



Original 'C' Share performance chart



'D' Share performance chart



By order of the Board

Grant Whitehouse
 Company Secretary
 39 Earlam Street
 London WC2H 9LT

30 June 2011

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

We have audited the financial statements of ProVen Growth & Income VCT plc for the year ended 28 February 2011 which comprise the Income Statement, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2011 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

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

Under the Listing Rules we are required to review:

- the directors' statement contained within the Statement of Corporate Governance in relation to going concern;
- the part of the Statement of Corporate Governance relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on Director's remuneration.

Stuart McLaren (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountant and Statutory Auditor

London, United Kingdom

30 June 2011

Income Statement

for the year ended 28 February 2011

Company Position

	Note	Year ended 28 February 2011			Year ended 28 February 2010		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	517	-	517	243	-	243
Gains on investments	11	-	2,919	2,919	-	967	967
		517	2,919	3,436	243	967	1,210
Investment management fees	3	(132)	(393)	(525)	(118)	(356)	(474)
Performance incentive fees	4	-	-	-	(7)	(184)	(191)
Recoverable VAT	5	-	-	-	-	1	1
Other expenses	6	(261)	-	(261)	(717)	-	(717)
Return on ordinary activities before tax		124	2,526	2,650	(599)	428	(171)
Tax on ordinary activities	8	-	-	-	-	-	-
Return attributable to equity shareholders		124	2,526	2,650	(599)	428	(171)
Basic and Diluted return per Ordinary Share	10	0.7p	11.2p	11.9p	(2.3p)	2.1p	(0.2p)
Basic and Diluted return per 'D' Share	10	(0.6p)	(2.5p)	(3.1p)	(1.1p)	(1.5p)	(2.6p)

All revenue and capital items in the statements on page 36 and above derive from continuing operations. No operations were acquired or discontinued during the year. The total column within the Income Statement represents the profit and loss account of the Company, prepared in accordance with the accounting policies detailed in note 1 to the financial statements. The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issued by The Association of Investment Companies.

A Statement of Total Recognised Gains and Losses relating to each class of share has not been prepared as all gains and losses are recognised in the relevant Income Statements in the current and prior year as shown on page 36 and above.

Other than revaluation movements arising on investments held at fair value through the Income Statement, there were no differences between the return as stated on page 36 and above and at historical cost.

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

Income Statement

for the year ended 28 February 2011

Split as:
Ordinary Shares (comparatives include 'C' Share pool)

	Year ended 28 February 2011			Year ended 28 February 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	466	-	466	217	-	217
Gains on investments	-	3,009	3,009	-	967	967
	466	3,009	3,475	217	967	1,184
Investment management fees	(94)	(281)	(375)	(95)	(287)	(382)
Performance incentive fees	-	-	-	(7)	(184)	(191)
Recoverable VAT	-	-	-	-	1	1
Other expenses	(199)	-	(199)	(660)	-	(660)
Return on ordinary activities before tax	173	2,728	2,901	(545)	497	(48)
Tax on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders	173	2,728	2,901	(545)	497	(48)

'D' Shares

	Year ended 28 February 2011			Year ended 28 February 2010		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	51	-	51	26	-	26
Losses on investments	-	(90)	(90)	-	-	-
	51	(90)	(39)	26	-	26
Investment management fees	(38)	(112)	(150)	(23)	(69)	(92)
Performance incentive fees	-	-	-	-	-	-
Recoverable VAT	-	-	-	-	-	-
Other expenses	(62)	-	(62)	(57)	-	(57)
Return on ordinary activities before tax	(49)	(202)	(251)	(54)	(69)	(123)
Tax on ordinary activities	-	-	-	-	-	-
Return attributable to equity shareholders	(49)	(202)	(251)	(54)	(69)	(123)

Reconciliation of Movements in Shareholders' Funds for the year ended 28 February 2011

	Year ended 28 February 2011			Year ended 28 February 2010				
	Note	Ordinary	'D' Shares	Total	Ordinary	'C' Shares	'D' Shares	Total
		Shares			Shares			
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening shareholders' funds		17,561	5,099	22,660	3,890	19,055	-	22,945
Issue of shares		737	2,800	3,537	-	-	5,526	5,526
Share issue costs		(41)	(154)	(195)	-	-	(304)	(304)
Purchase of own shares		(359)	(52)	(411)	(14)	(3,911)	-	(3,925)
Distributions	9	-	-	-	(955)	(335)	-	(1,290)
Conversion of shares		-	-	-	13,917	(13,917)	-	-
Purchase of own converted shares		-	-	-	(121)	-	-	(121)
Total recognised gains/(losses) for the year		2,901	(251)	2,650	844	(892)	(123)	(171)
Closing shareholders' funds		20,799	7,442	28,241	17,561	-	5,099	22,660

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

Balance Sheet

as at 28 February 2011

	Note	28 February 2011			28 February 2010		
		Ordinary Shares £'000	'D' Shares £'000	Total £'000	Ordinary Shares £'000	'D' Shares £'000	Total £'000
Fixed assets							
Investments	11	14,865	1,956	16,821	15,270	-	15,270
Current assets							
Debtors	12	345	16	361	380	589	969
Current investments	13	1,250	1,250	2,500	1,250	1,250	2,500
Cash at bank and in hand		5,851	4,282	10,133	1,249	3,758	5,007
		7,446	5,548	12,994	2,879	5,597	8,476
Creditors: amounts falling due within one year	14	(1,512)	(62)	(1,574)	(588)	(498)	(1,086)
Net current assets		5,934	5,486	11,420	2,291	5,099	7,390
Total assets less current liabilities/ Net assets		20,799	7,442	28,241	17,561	5,099	22,660
Capital and reserves							
Called up share capital	15	390	82	472	383	55	438
Capital redemption reserve	16	952	1	953	943	-	943
Share premium	16	681	7,785	8,466	-	5,167	5,167
Special reserve	16	15,940	-	15,940	19,381	-	19,381
Capital reserve – realised	16	2,860	(181)	2,679	34	(69)	(35)
Revaluation reserve	16	347	(90)	257	(2,636)	-	(2,636)
Revenue reserve	16	(371)	(155)	(526)	(544)	(54)	(598)
Total equity shareholders' funds		20,799	7,442	28,241	17,561	5,099	22,660
Basic and diluted net asset value per share	17	86.4p	90.0p		74.1p	92.3p	

The financial statements on pages 35 to 53 were approved and authorised for issue by the Board of Directors on 30 June 2011 and were signed on its behalf by:

Marc Vlessing

Chairman

ProVen Growth & Income VCT plc

Company number: 4125326

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

Cash Flow Statement

for the year ended 28 February 2011

	Note	Year ended 28 February 2011			Year ended 28 February 2010			
		Ordinary Shares	'D' Shares	Total	Ordinary Shares	'C' Shares	'D' Shares	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net cash outflow from operating activities	18	850	(23)	827	(315)	(14)	(214)	(543)
Capital expenditure								
Purchase of investments		(1,014)	(2,047)	(3,061)	(643)	-	-	(643)
Sale of investments		4,429	-	4,429	283	-	-	283
Net cash inflow/(outflow) from capital expenditure		3,415	(2,047)	1,368	(360)	-	-	(360)
Equity dividends paid		-	-	-	(955)	(335)	-	(1,290)
Management of liquid resources								
Purchase of current investments held as liquidity funds		-	-	-	-	-	(1,250)	(1,250)
Withdrawal from liquidity funds		-	-	-	1,250	5,050	-	6,300
Net cash inflow/(outflow) from liquid resources		-	-	-	1,250	5,050	(1,250)	5,050
Net cash inflow/(outflow) before financing		4,265	(2,070)	2,195	(380)	4,701	(1,464)	2,857
Financing								
Proceeds from share issue		737	2,800	3,537	-	-	5,526	5,526
Share issue costs		(41)	(154)	(195)	-	-	(304)	(304)
Purchase of own shares		(359)	(52)	(411)	(13)	(3,911)	-	(3,924)
Transfer of cash at bank on conversion of shares		-	-	-	1,738	(1,738)	-	-
Purchase of own converted shares		-	-	-	(121)	-	-	(121)
Net cash inflow/(outflow) from financing		337	2,594	2,931	1,604	(5,649)	5,222	1,177
Increase/(decrease) in cash	19	4,602	524	5,126	1,224	(948)	3,758	4,034

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

Notes to the Accounts

for the year ended 28 February 2011

1 Accounting policies

Basis of accounting

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

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

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

Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Statement of Corporate Governance on page 28.

Presentation of Income Statement

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

Fixed assets investments

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

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

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

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

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

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

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

Notes to the Accounts (continued)

for the year ended 28 February 2011

1 Accounting policies (continued)

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

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

Current asset investments

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

Income

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

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

Expenses

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

- expenses which are incidental to the acquisition of an investment are deducted from the Capital Account;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated and accordingly the investment management fee has been allocated 25% to revenue and 75% to capital, 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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Other debtors and other creditors

Other debtors and other creditors are included within the accounts at amortised cost less provision for impairment.

Share issue costs

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

2 Income

	2011 £'000	2010 £'000
Income from investments		
Loan stock interest	406	158
Dividend income	51	23
Liquidity fund interest	14	31
	<u>471</u>	<u>212</u>
Other income		
Deposit interest	46	30
Other income	-	1
	<u>517</u>	<u>243</u>

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

3 Investment management fees

	2011 £'000	2010 £'000
Investment management fees	<u>525</u>	<u>474</u>

The Company has an agreement with Beringea LLP for the provision of investment management services in respect of its portfolio of venture capital investments which is terminable with one year's written notice. The management fee is based upon an annual amount of 2.0% of net assets. The annual running costs of the Company, excluding performance fees and trail commission, are subject to a cap at 3.6% of the Company's net assets.

4 Performance incentive fee

	2011 £'000	2010 £'000
Performance incentive fee – Ordinary Share pool	<u>-</u>	<u>191</u>

Beringea LLP is entitled to receive performance incentive fees as described in the Report of the Directors on pages 21 and 22. The performance incentive fees above relate solely to the Ordinary Shares and are stated inclusive of VAT.

Fees are attributed to capital or revenue in accordance with the dividend on which they are based.

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

5 Recoverable VAT

	2011 £'000	2010 £'000
VAT recoverable on investment management fees	<u>-</u>	<u>1</u>

Notes to the Accounts (continued) for the year ended 28 February 2011

6 Other expenses

	2011 £'000	2010 £'000
Administration services	49	46
Directors' remuneration	100	95
Social security costs	1	3
Trail commission	33	91
Auditor's remuneration for audit of Company's annual accounts	19	17
Auditor's remuneration for other services (non-audit)	-	8
Provision for loan stock interest (previously recognised)	-	276
Other expenses	59	181
	<u>261</u>	<u>717</u>

The auditor's remuneration for other services was for confirmation work for the 'C' Share conversion.

7 Directors' remuneration

Details of remuneration of the Directors (excluding employers' NI and VAT) can be found in the Directors' Remuneration Report on pages 30 and 31.

The Company had no employees other than the Directors during either year. Costs in respect of Directors are disclosed in note 6.

8 Taxation on ordinary activities

	2011 £'000	2010 £'000
(a) Tax charge for year		
Current year		
UK corporation tax (charged to the revenue account)	-	-
Charged to capital expenses	-	-
Charge for year	<u>-</u>	<u>-</u>
(b) Factors affecting tax charge for the year		
Return on ordinary activities before tax	2,650	(171)
Tax charge calculated on operating profit at the applicable rate of 21% (2010: 28%)	557	(48)
Effects of:		
UK dividend income	(11)	(6)
Gains on investments	(613)	(271)
Expenses disallowed for tax purposes	7	36
Capital investment management fees	60	289
	<u>-</u>	<u>-</u>

(c) Excess management fees

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £1,624,000 (2010: £1,337,000). A deferred tax asset of £341,000 (2010: £374,000) has not been recognised due to the fact that it is unlikely the excess management fees will be set off in the foreseeable future.

9 Dividends

	Pence	Year ended 28 February 2011			Year ended 28 February 2010		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Ordinary dividends paid in year							
2009 Second interim	14.0	-	-	-	37	918	955
		-	-	-	37	918	955
'C' Share dividends paid in year							
2009 Second interim	1.35	-	-	-	210	125	335
		-	-	-	210	125	335

The Company declared an interim dividend of 4.5p per Ordinary Share for the year ended 28 February 2011, on 15 February 2011, to be paid on 29 July 2011 to Shareholders on the register on 3 June 2011, of which 0.5p is revenue and 4.0p is capital. It is estimated that the aggregate amount of the dividend will be £1,083,000 based on the Ordinary Shares in issue at the date of this report.

10 Basic and diluted return per share

	Year ended 28 February 2011		Year ended 28 February 2010	
	Ordinary Shares	'D' Shares	Ordinary Shares	'D' Shares
Revenue return per share based on:				
Net revenue after taxation (£'000)	173	(49)	(545)	(54)
Weighted average number of shares in issue	24,319,643	7,970,999	23,773,597	4,685,172
Pence per share	0.7p	(0.6p)	(2.3p)	(1.1p)
Capital return/(loss) per share based on:				
Net capital gain/(loss) for the financial year (£'000)	2,728	(202)	497	(69)
Weighted average number of shares in issue	24,319,643	7,970,999	23,773,594	4,685,172
Pence per share	11.2p	(2.5p)	2.1p	(1.5p)

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

Notes to the Accounts (continued) for the year ended 28 February 2011

11 Investments

“Fair value through profit or loss” assets

	Investments quoted on AIM £'000	Unquoted investments £'000	Total £'000
Opening cost at 1 March 2010	1,070	16,837	17,907
Unrealised losses at 1 March 2010	(807)	(1,830)	(2,637)
Opening fair value at 1 March 2010	263	15,007	15,270
Movement in year			
Purchases at cost	-	3,061	3,061
Sales - proceeds	-	(4,429)	(4,429)
- realised gain on sales	-	1,975	1,975
Unrealised gains in the income statement	28	916	944
Closing fair value at 28 February 2011	291	16,530	16,821
Closing cost at 28 February 2011	1,070	15,495	16,565
Unrealised profits/(losses) at 28 February 2011	(779)	1,035	256
Closing fair value at 28 February 2011	291	16,530	16,821

The basis of valuation was changed for a number of investments held throughout the year. The combined effect of these changes was a reduction of £454,000 in the valuation of the Ordinary Share pool, relative to the prior year. The valuation of Overtis Group (28 February 2011 valuation £350,000, decrease of £366,000) was changed from a revenue multiple basis to a price of recent investment basis; the valuation of Campden Media (28 February 2011 valuation £585,000, uplift of £211,000) was changed from an earnings multiple basis to a price of recent investment basis; the valuation of Charterhouse Leisure (28 February 2011 valuation £970,000, decrease of £266,000) was changed from a price of recent investment basis to an earnings multiple basis; the valuation of Chess Dynamics (28 February 2011 valuation £682,000, decrease of £306,000) was changed from a revenue multiple basis to an earnings multiple basis and the valuation of Blismobile (28 February 2011 valuation £347,000, uplift of £252,000) was changed from a revenue multiple basis to a price of recent investment basis. The Directors consider these changes were necessary to enable a better assessment of the fair value of the relevant investments.

12 Debtors

	2011 £'000	2010 £'000
Other debtors	306	910
Prepayments and accrued income	55	59
	361	969

Other debtors include subscription monies in respect of Ordinary Shares which had not been allotted by 28 February 2011.

13 Current investments

“Fair value through profit and loss” assets

	2011 £'000	2010 £'000
BlackRock Liquidity Fund (formerly BGI Sterling Liquidity First Fund)	1,250	1,250
Insight Liquidity Fund	1,250	1,250
	2,500	2,500

14 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Unallotted share capital	1,279	770
Corporation tax	4	4
Other taxes and social security	-	4
Accruals and deferred income	291	308
	1,574	1,086

15 Called up share capital

	2011 £'000	2010 £'000
Issued, allotted, called up and fully paid:		
24,068,108 (2010: 23,684,352) Ordinary shares of 1.6187p each	390	383
8,269,911 (2010: 5,525,501) 'D' shares of 1p each	82	55
	472	438

Management of capital

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

By its nature, the Company has an amount of capital, at least 70% (as measured under tax legislation) of which must be invested, and retained, in the relatively high risk asset class of small UK companies broadly within three years of that capital being subscribed. The Company accordingly has limited scope to manage its capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon the changing capital structure, the Company may adjust the amount of dividends paid to Shareholders, purchase its own shares, issue new shares or sell assets if so required to maintain a level of liquidity to remain a going concern. Although the Company is permitted to borrow to give a degree of flexibility, there are no current plans to do so.

As the Company has a low level of liabilities, the Board considers the Company's net assets to be its capital. The Company does not have any externally imposed capital requirements.

The Company has the authority to buy back shares as described in the Directors' Report.

During the year, the Company repurchased 543,137 Ordinary Shares of 1.6187p each ("Ordinary Shares") for an aggregate nominal amount of £8,792 and for an aggregate consideration of £358,000, being an average price of 65.8p per Ordinary Share, and representing 2.3% of the issued Ordinary Share capital. These shares were subsequently cancelled. During the year, 926,893 Ordinary Shares were issued at 79.5p per share pursuant to the offer for subscription and prospectus dated 16 November 2009. The aggregate nominal amount for the shares was £15,000 and the aggregate consideration for the shares was £737,000, which includes issue costs of £41,000.

During the year, the Company repurchased 55,698 'D' shares of 1p each ("D' Shares") for an aggregate nominal amount of £557 and for an aggregate consideration of £51,000, being an average price of 92.4p per 'D' Share, and representing 1.0% of the issued 'D' Share capital. These shares were subsequently cancelled. During the year, 2,800,108 'D' Shares were issued at £1 per share pursuant to the offer for subscription and prospectus dated 19 November 2009. The aggregate nominal amount for the shares was £28,001 and aggregate consideration for the shares was £2,800,000, which includes issue costs of £154,000.

Notes to the Accounts (continued) for the year ended 28 February 2011

16 Reserves

	Capital redemption reserve £'000	Share premium £'000	Special reserve £'000	Capital reserve - realised £'000	Revaluation reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2010	943	5,167	19,381	(35)	(2,636)	(598)	22,222
Purchase of own shares	10	-	(360)	-	-	(52)	(402)
Issue of new shares	-	3,299	-	-	-	-	3,299
Expenses capitalised	-	-	-	(393)	-	-	(393)
Gains on investments	-	-	-	1,975	944	-	2,919
Retained revenue	-	-	-	-	-	124	124
Transfer between reserves	-	-	(3,081)	1,132	1,949	-	-
At 28 February 2011	953	8,466	15,940	2,679	257	(526)	27,769

Split between:

Ordinary Shares

At 1 March 2010	943	-	19,381	34	(2,636)	(544)	17,178
Purchase of own shares	9	-	(360)	-	-	-	(351)
Issue of new shares	-	681	-	-	-	-	681
Expenses capitalised	-	-	-	(281)	-	-	(281)
Gains on investments	-	-	-	1,975	1,034	-	3,009
Retained revenue	-	-	-	-	-	173	173
Transfer between reserves	-	-	(3,081)	1,132	1,949	-	-
At 28 February 2011	952	681	15,940	2,860	347	(371)	20,409

'D' Shares

At 1 March 2010	-	5,167	-	(69)	-	(54)	5,044
Purchase of own shares	1	-	-	-	-	(52)	(51)
Issue of new shares	-	2,618	-	-	-	-	2,618
Expenses capitalised	-	-	-	(112)	-	-	(112)
Losses on investments	-	-	-	-	(90)	-	(90)
Retained revenue	-	-	-	-	-	(49)	(49)
At 28 February 2011	1	7,785	-	(181)	(90)	(155)	7,360

The special reserve is a distributable reserve that allows the Company to make market purchases of its own shares and to pay distributions. The capital reserve – realised and revenue reserve are also distributable reserves.

17 Basic and diluted net asset value per share

	Shares in issue		2011 Net asset value pence per share		2010 Net asset value pence per share	
	2011	2010	£'000	£'000	£'000	£'000
Ordinary Shares	24,068,108	23,684,352	86.4p	20,799	74.1p	17,561
'D' Shares	8,269,911	5,525,501	90.0p	7,442	92.3p	5,099
				28,241		22,660

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

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

	2011			2010		
	Ordinary Shares £'000	'D' Shares £'000	Total £'000	Ordinary Shares/ 'C' Shares £'000	'D' Shares £'000	Total £'000
Return on ordinary activities before tax	2,901	(251)	2,650	(48)	(123)	(171)
(Gains)/losses on investments	(3,009)	90	(2,919)	(967)	-	(967)
Decrease/(increase) in prepayments, accrued income and other debtors	34	574	608	1,133	(589)	544
Increase/(decrease) in accruals and other creditors	924	(436)	488	(447)	498	51
Net cash inflow/(outflow) from operating activities	850	(23)	827	(329)	(214)	(543)

19 Reconciliation of net cash flow to movement in net funds

	2011 £'000	2010 £'000
Beginning of year	5,007	973
Net cash inflow for the year	5,126	4,034
End of year	10,133	5,007

20 Financial instruments

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

Principal risks and management objectives

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

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

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

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

Notes to the Accounts (continued)

for the year ended 28 February 2011

20 Financial instruments (continued)

Market risks

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

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

- Market price risk; and
- Interest rate risk.

Market price risk

Market price risk arises from uncertainty about the future prices and valuations of financial instruments. It represents the potential loss that the Company might suffer through market price movements in respect of quoted investments and through changes in the fair value of unquoted investments.

At 28 February 2011, the AIM-quoted portfolio was valued at £291,000 (2010: £263,000).

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

10% movement in AIM-quoted stocks	Impact on net assets £'000	2011 Impact on NAV per share £'000	Impact on net assets £'000	2010 Impact on NAV per share pence
Ordinary Shares	29	0.1p	26	0.1p
'D' Shares	-	0.0p	-	0.0p

At 28 February 2011, the unquoted portfolio was valued at £16,530,000 (2010: £15,007,000).

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

10% movement in unquoted investment valuations	Impact on net assets £'000	2011 Impact on NAV per share £'000	Impact on net assets £'000	2010 Impact on NAV per share pence
Ordinary Shares	1,457	6.1p	1,501	6.3p
'D' Shares	196	2.4p	-	0.0p

20 Financial instruments (continued)

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

Interest rate risk

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

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

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

	Average interest rate	Average period until maturity	2011 £'000	2010 £'000
Fixed rate	6.9%	1,289 days	6,150	5,284
Floating rate	1.0%		13,609	9,664
No interest rate			8,482	7,712
			28,241	22,660

The Company monitors the level of income received from fixed, floating and no interest rate assets and, if appropriate, may make adjustments to the allocation between the categories, in particular should this be required to ensure compliance with the VCT regulations.

Based on the assumption that the yield of all floating rate financial instruments would change by an amount equal to the movement in prevailing interest rates, it is estimated that an increase of 1% in interest rates would have increased total return before taxation for the year by £136,000. As the Bank of England base rate stood at 0.5% per annum throughout the year, it is not believed that a reduction from this level is likely.

Credit risk

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

The Company is exposed to credit risk as follows:

	2011 £'000	2010 £'000
Investments in liquidity funds	2,500	2,500
Investments in loan stocks	8,339	7,558
Cash and cash equivalents	10,133	5,007
Interest, dividends and other receivables	214	53
	21,186	15,118

Notes to the Accounts (continued) for the year ended 28 February 2011

20 Financial instruments (continued)

The Manager manages credit risk in respect of loan stock with a similar approach as described under 'Market risks' above. Similarly, the management of credit risk associated with interest, dividends and other receivables is covered within the investment management procedures.

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

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

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

Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities. Liquidity risk may also arise from either the inability to sell financial instruments when required at their fair values or from the inability to generate cash inflows as required. The Company maintains a relatively low level of creditors (£295,000 at 28 February 2011 excluding unallotted share capital) and has no borrowings. Also, liquidity funds and some quoted investments held by the Company are considered to be readily realisable. The Company always holds sufficient levels of funds as cash and readily realisable investments in order to meet expenses and other cash outflows as required. For these reasons, the Board believes that the Company's exposure to liquidity risk is minimal.

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

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

The carrying value of loan stock investments at 28 February 2011 as analysed by expected maturity date is as follows:

As at 28 February 2011	Not later than 1 years £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 5 years £'000	More than 5 years £'000	Total £'000
Full performing loan stock	81	374	2,716	2,373	531	6,075
Renegotiated loan stock	-	-	760	1,231	273	2,264
Impaired loan stock	-	-	-	-	-	-
Past due loan stock	-	-	-	-	-	-
	81	374	3,476	3,604	804	8,339

As at 28 February 2010

Full performing loan stock	232	96	606	4,970	200	6,104
Renegotiated loan stock	-	-	-	1,116	338	1,454
Impaired loan stock	-	-	-	-	-	-
Past due loan stock	-	-	-	-	-	-
	232	96	606	6,086	538	7,558

Loan stock investments shown as "renegotiated" may otherwise have been disclosed as "past due".

Fair Value of Financial Instruments

Fair value measurements recognised in the balance sheet

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

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

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

	2011				2010			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted	291	-	-	291	263	-	-	263
Loan notes	-	-	8,339	8,339	-	-	7,558	7,558
Unquoted	-	-	8,191	8,191	-	-	7,449	7,449
Liquidity fund	2,500	-	-	2,500	2,500	-	-	2,500
	<u>2,791</u>	<u>-</u>	<u>16,530</u>	<u>19,321</u>	<u>2,763</u>	<u>-</u>	<u>15,007</u>	<u>17,770</u>

There were no transfers between levels during the year (2010: none).

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

Balance at 28 February 2010	<u>£'000</u> 15,007
Movements in the income statement:	
Unrealised gains in the income statement	916
Realised gains in the income statement	<u>1,975</u>
	2,891
Purchases at cost	3,061
Sales proceeds	<u>(4,429)</u>
Balance at 28 February 2011	<u>16,530</u>

FRS 29 requires disclosure to be made if changing one or more of the inputs to reasonably possible alternative assumptions would result in a significant change in the fair value of the Level 3 investments. There is an element of judgement in the choice of assumptions for unquoted investments and it is possible that different assumptions could have been made and that these assumptions could have resulted in different valuations for some investments. The Directors and Investment Manager believe, however, that the valuations as at 28 February 2011, calculated in accordance with IPEV Guidelines, reflect the most appropriate assumptions at that date and that it is not possible to undertake any meaningful sensitivity analysis which would be useful to Shareholders.

Notes to the Accounts (continued) for the year ended 28 February 2011

21 Post balance sheet events

Between 18 March 2011 and the date of this report the Company issued 10,489,428 Ordinary Shares for consideration of 90.6p per share. The aggregate nominal amount for the shares was £170,000 and the aggregate consideration for the shares was £9,504,000. Share issue costs thereon amounted to £520,000.

In May 2011, the Company realised its investment in Steak Media Limited in a sale to Japanese media agency network Dentsu. The disposal resulted in an initial profit over cost, with the possibility of further earnout proceeds in the three years following the sale.

22 Contingencies, guarantees and financial commitments

The Company has guaranteed bank borrowings of one of its investments, Donatantonio Limited, amounting to £225,000. A third party has provided a guarantee to the Company amounting to £112,500 in respect of the above guarantee such that the Company's net exposure is £112,500 (2010: £112,500).

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

23 Controlling party and related party transactions

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

Beringea LLP, of which Malcolm Moss is a partner, acted as promoter for the Linked 'D' Share Offer and the Ordinary Share Top-up Offer launched in November 2009. Beringea LLP received 5.5% of the gross proceeds of the offers, out of which it paid the costs of the offers including initial commissions. The fees in the year amounted to £153,000 on the 'D' Share Offer and £41,000 on the Ordinary Share Offer. No issue costs were due or outstanding at the year end.

Beringea LLP also acted as promoter to the Ordinary Share Offer for subscription launched in December 2010. Beringea LLP receives 5.5% of the gross proceeds of the offer, out of which it must pay the costs of the offer including initial commissions.

Beringea LLP was also the investment manager during the year. The total fees relating to this service, together with performance incentive fees due in the year under the agreement, amounted to £525,000 (2010: £665,000) (all inclusive of VAT), of which £150,000 (2010: £121,000) was outstanding at the year end.

Nicholas Lewis is a director of Downing Management Services Limited, which provides administration services to the Company. During the year, £49,000 (2010: £46,000) (inclusive of VAT) was due to Downing Management Services Limited in respect of these services, of which £12,000 (2010: £12,000) remained outstanding at the year end.

At the previous year end of 28 February 2010, Malcolm Moss, Nicholas Lewis and Andrew Davison were each directors of the Company and also of ProVen VCT plc. At that date, ProVen VCT plc owed £910,000 to ProVen Growth & Income VCT plc in respect of subscription monies for 'D' Shares and Ordinary Shares. This amount was included within other debtors.

Shareholder Information

Websites

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

www.provenvcts.co.uk

Dividend history, links to Company announcements and other financial information can be found on Downing's website at www.downing.co.uk. Shareholders can also check details of their shareholdings using Capita 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 (forms can be downloaded from www.capitaregistrars.com). Queries relating to dividends and requests for mandate forms should be directed to the Company's Registrar, Capita Registrars, by calling 0871 664 0324 (calls cost 10p per minute plus network extras), or by writing to them at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Share prices

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

	Ordinary Shares	'D' Shares
TIDM/EPIC code	"PGOO"	"PGOD"
Latest share price (29 June 2011):	72.5p per share	87.0p per share

Selling shares

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

The Company operates a policy of buying its own shares for cancellation as they become available in the market. The Company is, however, unable to buy back shares direct from Shareholders, so you will need to use a stockbroker to sell your shares. Downing Management Services Limited is able to provide details of close periods (when the Company is prohibited from buying in shares) and details of the price at which the Company has bought in shares. Contact details are shown on page 56 of this document.

Financial calendar

24 August 2011	Annual General Meeting
October 2011	Announcement of half-year results

Unsolicited communication with Shareholders

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

Notification of change of address

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

Company Information

Directors

Marc Vlessing (Chairman)
Nicholas Lewis
Malcolm Moss
James Stewart

all of

39 Earlham Street
London WC2H 9LT

Company Secretary

Grant Whitehouse
39 Earlham Street
London WC2H 9LT

Investment manager

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

Registered office

39 Earlham Street
London WC2H 9LT

Registrars

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

Administration manager

Downing Management Services Limited
10 Lower Grosvenor Place
London SW1W 0EN
Tel: 020 7416 7780
www.downing.co.uk

Auditor

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
33 Old Broad Street
London EC2N 1HZ

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

Company Number

4125326

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

NOTICE IS HEREBY GIVEN that the Annual General Meeting of ProVen Growth & Income VCT plc will be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 2:30 p.m. on 24 August 2011 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 2011, together with the report of the auditors thereon.
2. To approve the Directors' Remuneration Report.
3. To re-appoint Deloitte LLP as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts of the Company are presented and to authorise the Directors to determine their remuneration.
4. To re-elect as director, Nicholas Lewis, who retires in accordance with the UK Corporate Governance Code and, being eligible, offers himself for re-election.
5. To re-elect as director, Malcolm Moss, who retires by rotation and offers himself for re-election.
6. To re-elect as director, James Stewart, who retires in accordance with the UK Corporate Governance Code and, being eligible, offers himself for re-election.

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

Ordinary Resolution

7. That, the Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to allot:
 - (a) Ordinary Shares, or to grant rights to subscribe for or to convert any securities into Ordinary Shares, up to a maximum nominal amount of £55,660 (representing approximately 10% of the Ordinary Share capital in issue at today's date); and
 - (b) 'D' Shares, or to grant rights to subscribe for or to convert any securities into 'D' Shares, up to a maximum nominal amount of £8,255 (representing approximately 10% of the 'D' Share capital in issue at today's date)

this authority to expire at the earlier 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 shares to be allotted, or rights to subscribe for or to convert any securities into shares to be granted, after the expiry of such authority.

Special Resolutions

8. To empower the Directors pursuant to Section 570(1) of the Act to allot or make offers or agreements to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the authority referred to in resolution 7 as if Section 561(1) of the Act did not apply to any such allotments and so that:
- (a) reference to allotment in this resolution shall be construed in accordance with Section 560(2) of the 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 one or more market purchases (as defined in section 693(4) of the Companies Act 2006) of Ordinary Shares of 1.6187p each ("Ordinary Shares") and 'D' Shares of 1p each ("D' Shares") provided that:
- (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 5,064,751 Ordinary Shares, representing approximately 14.9% of the present issued Ordinary Share capital, and 1,229,949 'D' Shares, representing approximately 14.9% of the present issued 'D' Share capital; the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 1.6187p, and for 'D' Shares is 1p per share, being the nominal amount thereof;
 - (ii) the maximum price (exclusive of expenses) which may be paid for such Ordinary Shares or 'D' Shares shall be an amount equal to 5 per cent. above the average of the middle market quotations for such class of the Company's shares, as derived from the Daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase was made; and
 - (iii) the Company may make a contract to purchase its own Ordinary Shares or 'D' Shares under this authority, prior to the expiry of this authority, and such contract will or may be executed wholly or partly after the expiry of this authority, and the Company may make a purchase of its own Ordinary Shares or 'D' Shares in pursuance of any such contract;

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

10. THAT the articles of association of the Company be amended by the replacement of the year "2016" with the year "2019" in article 174.

By order of the Board

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

30 June 2011

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

Notes

- a) Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his appointor. A member entitled to attend and vote at the Annual General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the Act, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:
- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
- b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN or electronically at proxy@downing.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.
- c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:
- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail to proxy@downing.co.uk.
- In either case, the revocation notice must be received by Downing Management Services Limited before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.
- d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.
- e) Copies of the Directors' Letters of Appointment and the Register of Directors' interests in the Ordinary Shares and 'D' Shares of the Company, will be available for inspection at the registered office of the Company during usual business hours on any weekday (weekends and public holidays excluded) from the date of this notice until the conclusion of the Annual General Meeting and at the place of the meeting for at least 15 minutes prior to the meeting until its conclusion.

- f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 2:30 p.m. on 22 August 2011 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 2:30 p.m. on 22 August 2011 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.
- g) As at 9:00 a.m. on 30 June 2011, the Company's issued share capital comprised 33,991,618 Ordinary Shares and 8,254,693 'D' Shares and the total number of voting rights in the Company were 42,246,311. Information on the number of shares and voting rights can be found at www.downing.co.uk.
- h) If you are a person who has been nominated under section 146 of the Act to enjoy information rights ("Nominated Person"):
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting;
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
- i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.
- j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.
- k) Except as provided above, members who have general queries about the Annual General Meeting should write to the Chairman at the registered office set out above.
- l) Members may not use any electronic address provided either in this notice of Annual General Meeting, or any related documents (including the Chairman's letter and Form of Proxy), to communicate with the Company for any purposes other than those expressly stated.

Form of Proxy - ProVen Growth & Income VCT plc

For use at the Annual General Meeting of the above-named Company to be held on 24 August 2011, in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ at 2:30 p.m.

I/We*(BLOCK CAPITALS please)

of
being the holder(s)* of Ordinary Shares/ 'D' Shares in the capital of the above-named Company, hereby appoint the Chairman of the meeting (see note 1)

or

of

as my/our* proxy to attend for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held in The Forest Room at The Hospital Club, 24 Endell Street, Covent Garden, London WC2H 9HQ on 24 August 2011 or at any adjournment thereof.

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

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

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Accounts.
2. To approve the Directors' Remuneration Report.
3. To re-appoint the auditor and authorise the Directors to determine their remuneration.
4. To re-elect Nicholas Lewis as a director.
5. To re-elect Malcolm Moss as a director.
6. To re-elect James Stewart as a director.

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

SPECIAL BUSINESS

7. To authorise the Directors to allot shares.
8. To disapply pre-emption rights.
9. To authorise the Company to make market purchases of its shares.
10. To amend the articles of association of the Company.

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

Dated this day of 2011

Signature(s)/.....

NOTES AND INSTRUCTIONS:

1. Any member of the Company entitled to attend and vote at the Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Meeting in order to represent his appointor. A member entitled to attend and vote at the meeting may appoint the Chairman or another person as his proxy, although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person.
2. Delete "the Chairman of the meeting" if it is desired to appoint any other person and insert his or her name and address. If no name is inserted, the proxy will be deemed to have been given in favour of the Chairman of the meeting. If this Form of Proxy is returned without stating how the proxy shall vote on any particular matter the proxy will exercise his discretion as to whether, and if so how, he votes.
3. Any alterations to the Form of Proxy should be initialled.
4. To be valid, this Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to Downing Management Services Limited, 10 Lower Grosvenor Place, London SW1W 0EN not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Meeting or adjourned meeting at which the person named in this Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, and be delivered at the meeting at which the demand is made.
5. In the case of a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorised on that behalf.
6. In the case of joint holders, the vote of the senior holder tendering a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority depends on the order in which the names stand in the register of members.
7. The completion and return of this Form of Proxy will not preclude you from attending and voting at the Annual General Meeting should you subsequently decide to do so. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

* Delete as appropriate



Third fold and tuck in edge

Business Reply
Licence Number
RRJU-YLYH-CTJK



ProVen Growth & Income VCT plc
c/o Downing Management Services Limited
10 Lower Grosvenor Place
London
SW1W 0EN

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First Fold

