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FOUNDERS
PLANK HARDWARE



ProVenVCTs

ProVen VCT plc Annual Report & Accounts

For the year ended 28 February 2022

Managed by

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Fund Overview

Ordinary Shares as at:	28 February 2022	28 February 2021
	Pence	Pence
Net asset value per Ordinary Share	76.7	74.8
Dividends paid since launch*	75.25	71.75
Total return (net asset value plus dividends paid since launch)*†	151.95	146.55
Year on year change in:		
Net asset value per Ordinary Share (adjusted for dividends paid in the year)*†	7.2%	11.7%

* Key Performance Indicator (see page 26)

† Alternative Performance Measure (see page 26)



Chair's Statement

I am pleased to present the Annual Report for ProVen VCT plc (the "Company") for the year ended 28 February 2022. Having emerged from the height of the economic instability arising from the COVID-19 pandemic, the Company's investment portfolio has performed well and delivered several profitable exits following a recovery in M&A activity. This is reflected in the uplift in the total return per share in the year to 28 February 2022.

Results for the Year

Over the year, there was an increase in Shareholder total return (net asset value ("NAV") per share plus dividends) of 7.2%, which was attributable to a net uplift in the value of the unrealised portfolio alongside considerable exit activity in the period.

The profit on ordinary activities for the year was £10.6 million, or 5.7p per share (2021: profit of £14.4 million, or 8.7p per share), comprising a revenue loss of £1.3 million, or 0.7p per share (2021: revenue loss of £1.3 million, or 0.8p per share) and a capital profit of £11.9 million, or 6.4p per share (2021: profit of £15.7 million, or 9.5p per share). This capital profit was predominantly driven by a net uplift of £12.7 million in the value of the unrealised portfolio, including an increase of £8.9 million in Zoovu, a portfolio company subject to a partial disposal soon after the year end. A breakdown of the portfolio and corresponding valuation movements can be found on pages 14 and 15 of this Report.

Dividends

During the year ended 28 February 2022, the Company paid a final dividend of 2.0p per share in respect of the year ended 28 February 2021 on 30 July 2021 and an interim dividend of 1.5p per share in respect of the year ended 28 February 2022 on 10 December 2021.

Your Board is proposing a final dividend for the year ended 28 February 2022 of 2.25p per share to be paid on 5 August 2022 to Shareholders on the register on 15 July 2022. Your Board has also declared a special dividend of 1.5p per share which will be paid on 5 August 2022 to Shareholders on the register on 15 July 2022. This dividend comprises part of the profits crystallised upon the partial disposal of Zoovu.

With total tax-free dividends of 5.25p per share for the year ended 28 February 2022, this represents a cash return to Shareholders of 7.2% on the opening NAV per share at 1 March 2021, after deducting the prior year's final dividend of 2.0p per share.

The payment of these dividends will result in an equivalent reduction in the Company's NAV per share.

Portfolio Activity and Valuation

The Company invested a total of £29.0 million in the year, a record since its inception. Eleven new companies were added to the portfolio, at a cost of £19.2 million, and follow-on investments totalling £9.8 million were made in ten existing portfolio companies. This active year of investing has bolstered the Investment Manager's (Beringea LLP ("Beringea" or the "Investment Manager")) ongoing renewal of the portfolio following a significant run of realisations in the period up to 28 February 2019. It is anticipated that this momentum will continue.

The Company also saw strong exit activity within the portfolio, with the realisations of ContactEngine, Response Tap, D30, InSkin Media, and the partial disposal of MPB occurring in the year, quickly followed by the partial disposal of Zoovu and the sale of Exonar which both completed between the year end and the date of this Report.

Alongside the exits referenced above, the value of the unrealised portfolio increased by £12.7 million (including £8.9 million in respect of Zoovu), demonstrating that the portfolio is maturing and contributing to the overall performance of the Company.

While the worst of the COVID-19 pandemic appears to be behind us, further recent turbulence in the wider political landscape means we can expect that some uncertainty will continue. At the time of writing, Russia's invasion of Ukraine is continuing and its full impact on the UK economy has yet to be felt. One portfolio company, Mycs, an e-commerce seller of modular furniture, has already been directly affected as it sources materials from Ukraine and Belarus. The war could also potentially contribute to other factors which may affect portfolio companies, such as supply chain constraints, increasing energy costs, and declining confidence among both consumers and businesses.

Elsewhere, rising inflation may cause cutbacks in both consumer and business expenditure. This may adversely affect a number of our portfolio companies, for example those operating e-commerce business models or providing software-as-a-service. The Investment Manager is in regular dialogue with portfolio companies to identify challenges as they arise and will continue to monitor the situation closely.

As others have come together during this difficult period to support those affected by the war in Ukraine, companies in the Company's portfolio have also made a contribution. Lupa Foods, for example, has partnered with other members of the portfolio including Thread and Sealskinz to send food and clothing to the Ukrainian border to contribute to the welfare of the growing number of refugees.

Further information about key developments at existing portfolio companies is given in the Investment Manager's Review on pages 8 to 11 of this Report.

Fundraising Activities

The Company launched a combined offer for subscription with ProVen Growth and Income VCT plc on 11 January 2022 to raise up to £20 million per company, with an over-allotment facility of £20 million per company. In response to the high level of appetite for the offer, your Board has chosen to utilise the over-allotment facility in full. As at the date of this Report, the offer has raised £32.7 million of gross proceeds for the Company since the year end and has been extended to 12 December 2022 (or such earlier date as the offer is fully subscribed).

Share Buybacks

The Company has a policy of buying back shares that become available in the market at a discount of approximately 5% to the latest published net asset value, subject to the Company having sufficient liquidity. The Company retains Panmure Gordon to act as its corporate broker. Shareholders who are considering selling their shares may wish to contact Panmure Gordon who will be able to provide details of the price at which the Company is buying shares. Contact details are on page 70 of this Report.

During the year, the Company bought back 4,762,331 Ordinary Shares at an average price of 71.2p per share and for an aggregate consideration of £3,389,000. This represented 2.8% of the Company's issued share capital at the start of the year. All shares were subsequently cancelled.

A special resolution to allow the Company to continue to make market purchases of its own shares of up to 14.99% of the share capital for cancellation will be proposed at the forthcoming Annual General Meeting ("AGM").

Performance Fee

The Company's performance incentive arrangements are an important aid for the Investment Manager in recruiting and retaining talented investment professionals against competition from other investment management companies. The performance fee structure is designed to align the interests of the Investment Manager with those of Shareholders and encourages capital growth as well as significant payments to Shareholders by means of tax-free dividends, as determined by the Directors. These arrangements are set out in more detail in the Strategic Report on page 25.

At 28 February 2022, the relevant performance hurdles were met and based on the NAV at that date, a performance fee of £1.0 million is payable. An accrual for this amount has been included in the accounts and is therefore reflected in the NAV per share.

The payment of a performance fee in future years and the amount thereof, if any, will be dependent on both the performance of the Company and the level of dividends paid to Shareholders, as determined by the Directors.

Chair's Statement (cont.)

Environmental, Social & Governance (ESG)

The Board notes the Investment Manager's dedication to ensuring Environmental, Social and Governance (ESG) principles are high on the agenda for the early-stage companies we invest in. Further detail on the Investment Manager's approach to ESG, including its role as Chair of ESG_VC, can be found in the Investment Manager's Review on pages 10 and 11 of this Report.

Annual General Meeting

We are keen to welcome Shareholders in person to our AGM this year, particularly as plans to do so have been affected in recent years by COVID-19 restrictions. The AGM this year will be held in The Tavern Room at RSA House, 8 John Adam Street, London, WC2N 6EZ at 9:30am on Wednesday 20 July 2022 and we encourage Shareholders to attend. **Votes may also be cast electronically at www.signalshares.com for those that cannot attend.**

We always welcome questions from our Shareholders at the AGM. This year, as in 2021, we also invite Shareholders to send any questions via email in advance of the AGM to info@beringea.co.uk. Questions should be sent by 5:00 pm on Monday 11 July 2022 and answers to the themes in the questions received will be addressed on the website at <https://www.provenvcts.co.uk/> ahead of the AGM.

In addition, the Company's Annual Shareholder Event will return in person in the Autumn. Having seen positive benefits of hosting this event virtually in recent years – notably enabling Shareholders based outside London to attend – the Shareholder Event will also be streamed online (further details below).

Full details of the business to be conducted at the AGM are given in the Notice of Annual General Meeting at the end of this document.

Shareholder Event

The Company's Annual Shareholder Event continues to be well received and provides an important opportunity for Shareholders to hear from the Investment Manager on topics such as performance and investment activity, as well as receiving insights and updates from our portfolio companies. For your Board and the Investment Manager, it is also a vital platform for gathering and discussing the views of our Shareholders.

In order to ensure the safety and wellbeing of our Shareholders, employees and portfolio companies, we hosted our second fully digital shareholder day in Autumn 2021, using an online platform to deliver our assessment of fund performance and market conditions, as well as providing an opportunity for you to ask questions of the investment team and hear from portfolio companies.

Given the success of these virtual events, as well as the desire to hold a physical event, plans are afoot for a hybrid event in 2022, allowing the maximum number of Shareholders to attend. This has been scheduled for Wednesday 16 November 2022 and we would encourage you to join us for the session. You should receive a formal invitation alongside the publication of this Report, and you can RSVP as either a physical or virtual attendee to events@beringea.co.uk. If you have not received an invitation, then please contact the Beringea team at info@beringea.co.uk.

Regulatory Developments

Shareholders may be aware that in 2015, owing to EU rules in relation to notified state aid, the Government was required to introduce a 'sunset' clause into the VCT legislation. Unless legislation to remove the 'sunset' clause is enacted, income tax relief will no longer be given to VCT subscriptions made on or after 6 April 2025. Your Company's status as a VCT will not be affected and tax relief on dividends and capital gains are expected to continue to be available. The industry is working hard to lobby MPs and raise awareness of the issue in order to ensure that VCTs are able to continue their support for early stage UK companies, which has done so much to stimulate UK economic growth, employment and innovation since the VCT scheme was first introduced nearly 30 years ago.



Unsolicited Communications with Shareholders

We are aware that a number of Shareholders in ProVen VCT plc have previously received unsolicited phone calls from an international number, in which the caller has sought to discuss their shareholdings. We have previously advised all Shareholders that these calls may be associated with an attempted fraud, and Shareholders should not engage with the caller. If you do receive a suspect call, we strongly suggest that you hang up as soon as possible, and contact the Investment Manager. Scams have unfortunately become more commonplace, particularly during the COVID-19 pandemic. The FCA has published useful guidance for shareholders on how to protect themselves from scams, which you may wish to read. You can find it online at: <https://www.fca.org.uk/consumers/protect-yourself-scams>.

Outlook

Your Board is delighted with the performance achieved in the investment portfolio over the last twelve months. The portfolio as a whole has emerged from the COVID-19 pandemic in robust shape with the recent run of exits being testament to this. In a number of the remaining portfolio companies, revenues have surged ahead, attributable in part to the change in consumer behaviour initially seen in the pandemic, but which appears to be outlasting it.

In the year, the Company has deployed a substantial £29.0 million of funding to eleven new and ten existing portfolio companies, resulting in a well-diversified portfolio of 53 companies at the year end. It is anticipated that

this momentum will continue, and therefore, your Board is pleased that the Company has raised £32.7 million as at the date of this Report through its most recent offer for subscription. These additional cash resources will allow your Company to take advantage of new investment opportunities, as well as to provide follow on funding to existing portfolio companies to support their growth.

While performance and activity for the year under review was positive, your Board is conscious of the ongoing economic and geopolitical disruption caused both by increasing inflation and the war in Ukraine. It is likely that the next twelve months will be difficult for both businesses and individuals and we do not expect our portfolio to be unaffected. However, your Board is satisfied that, as demonstrated in the pandemic, the Investment Manager has the resources and expertise required to steer the portfolio through the challenges that lie ahead. We remain confident that the Company is well positioned both to weather the current economic challenges and to deliver solid returns to Shareholders over the coming years.

Neal Ransome

Chair

9 June 2022



Investment Manager's Review

We are pleased to present our annual review for the year ended 28 February 2022. In what was a record year for your Company in terms of investment rate, a total of £19.2 million was invested into eleven new portfolio companies, and £9.8 million into ten existing portfolio companies. This level of investing activity shows that the market has more than recovered from the lull experienced at the height of the COVID-19 pandemic.

The year also saw a strong run of investment realisations, with aggregate disposal proceeds of £9.4 million resulting in realised gains over cost of £3.3 million. Furthermore, the Company entered the new financial year with a strong pipeline of exit opportunities, with the partial sale of Zoovu completing in March 2022. The Company sold 70% of its investment in Zoovu, generating cash proceeds of £13.1 million, and retained the balance. The total value of the Company's investment at the sale price was £17.0 million, representing a 4.1x return on cost.

At 28 February 2022, the Company's venture capital portfolio comprised 53 investments at a cost of £102.9 million and a valuation of £124.8 million, an overall increase of 21.3% on cost.

Since the year end, the Company has issued 40,595,362 Ordinary Shares for an aggregate gross consideration of £32.7 million under the combined offer for subscription with ProVen Growth and Income VCT plc which launched on 11 January 2022. Net proceeds for the Company after share issue costs were £31.3 million. The Company therefore remains well capitalised to take advantage of new investment opportunities and to support existing portfolio companies where appropriate.

Investment Activity

New investments

As anticipated at the previous year end, we experienced a high volume of deal flow in the period, with a strong pipeline of opportunities translating into £19.2 million of investment into new companies in the year. Eleven companies were added to the portfolio. More details on the three largest new investments are given below.

One of the largest new investments for the Company was made in July 2021 in Plum Guide (£2.7 million), a vacation rental website offering a curated selection of vacation homes and apartments.

In September 2021, the Company invested £2.7 million in Dealroom.co, a database management company offering a global data platform for intelligence on start-ups, innovation, high-growth companies, ecosystems and investment strategies.

Just prior to the year end, in February 2022, the Company invested £2.7 million in YardLink, a construction marketplace solution that simplifies the rental of construction equipment and tools, and the purchase of building materials.



Follow-on investments

The Company has also continued to support the development and growth of existing portfolio companies, providing further funding to ten companies during the year.

The largest of the follow-on investments was into Luxury Promise (£3.5 million), a leading platform for pre-loved luxury products, as part of a total funding round of £8.0 million. The investment will enable the company to accelerate hiring across operating, logistics and finance functions, and expand its unique live shopping platform across the globe.

In early 2022, the Company invested £1.2 million in Papier as part of a significant fundraising round in which Papier raised £36.9 million in Series C funding. Papier, a direct-to-consumer brand that is establishing itself as an innovator in the global stationery market, will use the investment to drive international expansion.

Other follow-on investments were made in CreativeX (£1.1 million), Been There Done That (£1.0 million), Mycs (£0.9 million), Thread (£0.7 million), Zoovu (£0.6 million), Disposable Cubicle Curtains (t/a Hygenica) (£0.4 million), Access Systems (t/a AccessPay) (£0.3 million), and Poq Studio (£0.1 million).

Investment disposals

A surge in M&A activity has been experienced in the period, as predicted in last year's review. This activity has resulted in six full exits and one partial exit, as detailed below.

In March 2021, as reported in the Half-Yearly Report, there was a partial disposal of the Company's holding in MPB, which generated cash proceeds for the Company of £2.3 million. Having performed well since the initial investment by the Company in February 2018, MPB decided to raise additional capital to accelerate its growth. The Company was unable to participate in this investment round owing to restrictions imposed by the VCT regulations. As part of the funding round, however, the Company had the opportunity to sell some of its existing shares, crystallising a 2.8x return on the initial investment in the shares sold, whilst also retaining 70% of its original holding.

The Company's holding in Response Tap was sold in April 2021 for £1.0 million, resulting in a loss against cost of £0.04 million.

The Company's holding in ContactEngine was sold in June 2021 for £4.4 million, representing a return of 3.2x on cost.

The Company also disposed of its holdings in D30 and InSkin Media in the year, each achieving a 1.2x return on initial cost.

The Company's shareholding in Utility Exchange Online was sold in the period. This resulted in a loss against cost of £1.2 million. Also, TVPlayer was dissolved in the period and a loss of £0.2 million was realised. However, fair valuation losses on both of these investments had been recognised in prior periods and these disposals therefore had no impact on the Company's NAV for the year under review.

Investment Manager's Review (cont.)

Key developments at existing portfolio companies

There were notable increases in the valuation of a number of portfolio companies, six of which are highlighted below.

Zoovu (increase of £8.9 million), Luxury Promise (increase of £2.6 million), MPB (increase of £2.5 million), CreativeX (increase of £2.5 million) and Papier (increase of £2.4 million) all showed material growth in revenue compared with the prior year. Festicket, an online platform which packages festival tickets together with travel, accommodation and add-ons to provide complete festival experiences, suffered in the previous two years due to the worldwide cancellation of events as a result of the pandemic. With the reopening of society across the globe in the last few months, the company has enjoyed a significant upturn in demand, resulting in a valuation increase of £2.4 million on prior year.

The increases outlined above were partly offset by two notable valuation reductions, at Mycs and Exonar, which had a combined decrease in valuation of £5.8 million.

Mycs, an e-commerce company selling modular furniture, operates in a market that has been hit by supply chain issues. Its supply chain has also been disrupted by the war in Ukraine, as Mycs sources some of its materials from Ukraine and Belarus. At the time of writing, the company is investigating alternative sources for the relevant materials.

Exonar, a data mapping software provider, had its value written off by the Company during the year due to a failure to secure some key new contracts. After the Company's year end, the business was sold to NowVertical Group Inc. in return for shares in the acquiror. Nil value is being attributed to these shares.

In all, the investment portfolio held at the year end showed an increase in value, excluding the cost of any new or follow-on investments, during the year of £15.2 million (2021: increase of £17.6 million). Further detail on the Investment Portfolio is provided on pages 14 and 15 and in the Review of Investments on pages 16 to 20.

Other News & Developments

Portfolio Value-Add Initiative

Prompted by the economic turbulence experienced in the last few years, the Investment Manager has established a Portfolio Value-Add Initiative to support companies as they look to develop key areas that will drive their future growth. This group includes key members of the Manager's Team including Harry Thomas (Investment Manager, Portfolio), Vanessa Evanson-Goddard (General Counsel), James Adams (Head of Talent) and Henry Philipson (Director of Marketing and Communications). One of the key elements of the Value-Add Initiative is the Beringea Scale-Up Academy, an annual programme of events for portfolio leadership teams. In 2021, seven webinars were delivered to portfolio company senior managers, providing insight and training on topics such as SaaS pricing, product strategy and remote working.

Environmental, Social and Governance

Over the past year, the Manager has strengthened the support that it provides to portfolio companies to help them to understand, measure and improve their environmental, social and governance ("ESG") performance.

The Manager is also playing an industry-leading role in this area as Chair of ESG_VC, a network of more than 150 venture capital firms across the UK and Europe that work together to help early-stage companies to benchmark and improve their ESG performance.

ESG_VC has developed a standardised framework for ESG measurement within these businesses, which has been adopted by a cohort of European venture firms and piloted by more than 225 portfolio companies. ESG_VC has also hosted monthly webinars for portfolio companies on relevant topics such as measuring carbon footprints, surveying for diversity and inclusion, and reducing gender pay gaps.

Completing the ESG_VC Measurement Framework is now part of the annual reporting requested from members of the ProVen VCTs' portfolio and it is also used as part of the onboarding of new investments. For these companies, the framework has provided a useful structure for building a sustainability strategy. As Annie Aveyard, co-founder and CEO of Plank Hardware, noted: 'The framework provided by Beringea is now informing our conversations with our board and helping shape our long-term sustainability agenda – ESG will be integral to our next board meeting, and the ESG_VC data will be key to this discussion.'

Other initiatives adopted by portfolio companies of the ProVen VCTs as a result of work with ESG_VC have included: accessing specialist advisers to create an inclusive culture that attracts and retains staff; sharing best practice between portfolio companies on measuring and reducing carbon footprint; and using a carbon offsetting platform recommended by ESG_VC.

In recognition of this work, the Manager was selected as the winner of the 'Excellence in ESG' award by a panel of experts at the annual summit of the British Private Equity & Venture Capital Association. The Manager has also been certified as a Level 1 firm under the Diversity VC Standard, an industry accreditation for diversity and inclusion best practice, and is part of the Future VC programme, which provides internships at venture capital firms for young people from backgrounds underrepresented within the industry.

Post Year End Developments

Between 28 February 2022 and the date of this Report, the Company has issued 40,595,362 Ordinary Shares for an aggregate gross consideration of £32.7 million under the combined offer for subscription with ProVen Growth and Income VCT plc which launched on 11 January 2022. Net proceeds for the Company after share issue costs were £31.3 million.

In March 2022, there was a partial disposal of the Company's holding in Zoovu. Having performed well since the initial investment by the Company in August 2017, Zoovu received several offers from potential acquirors. It accepted an offer which saw the Company sell 70% of its holding, realising a profit of £9.6 million, and roll over the remaining shares. The total value of the Company's investment at the sale price was £17.0 million, representing a 4.1x return on cost.

On 14 March 2022, the Company sold its holding in Exonar to NowVertical Group Inc. in return for shares in the acquiror. Nil value is being attributed to these shares.

After the year end, the Company made follow-on investments into CreativeX (£1.0 million), as part of a £20 million funding round, and Mycs (£0.5 million). The Company also made a new investment of £3.7 million into WS HoldCo, PBC, a property technology company.

Between March and May 2022, the Company sold its shares in Netcall plc for an aggregate consideration of £0.2 million.

Rapid Charge Grid repaid £0.6 million of loans to the Company in March 2022. This included £0.1 million in loan note interest.

Finally, following the year end, one portfolio company was adversely impacted by market conditions. Whilst no formal valuation has been completed, the estimated fall in value is in the region of £3.0 million to £3.5 million, as a consequence of loan providers introducing new lending caps in March 2022 and a sharp decline of consumer confidence in the company's markets. As these conditions were not in existence at the balance sheet date, this is considered to be a non-adjusting post balance sheet event.

Outlook

Following this active period of investment, we continue to see strong deal flow and currently have a number of promising opportunities in the later stages of our investment process. Valuation expectations remain high and therefore we continue to be disciplined in our approach to new opportunities.

The short-term outlook for the UK economy will be dominated by the effects of inflation and the war in Ukraine. Fortunately, only one portfolio company has been directly impacted to date by the conflict. The indirect effects, including additional inflationary pressures, will be felt more broadly over the coming months. This is likely to impact the performance of many companies, including some within our portfolio. We will continue to work closely with our portfolio companies to support them through the challenges as they arise, harnessing the expertise of our Portfolio Value-Add Initiative, and providing additional investment where this is appropriate.

We are pleased that the recent successful fundraising has ensured the Company is well placed not only to take advantage of new investment opportunities, but also to provide further support to the portfolio where required. Despite the continued disruption in the broader economic and political climate, we remain confident that our portfolio has the resilience to survive these challenges and prosper.

Beringea LLP

9 June 2022



Investment Activity

Investment activity during the year is summarised as follows:

Additions	Cost £'000
Luxury Promise Limited	3,502
Plu&m Limited (t/a Plum Guide)	2,738
Dealroom.co B.V.	2,707
YardLink Ltd	2,680
EMS Operations (UK) Ltd (t/a Archdesk)	2,581
Utilis Israel Ltd (t/a Asterra)	1,809
Moonshot CVE Ltd	1,388
DeepStream Technologies Limited	1,256
CG Hero Ltd	1,251
Papier Ltd	1,237
Picasso Labs, Inc. (t/a CreativeX)	1,109
Been There Done That Global Limited	998
Litta App Limited	937
Enternships Limited (t/a Learnerbly)	925
Andcrafted Ltd (t/a Plank Hardware)	913
Mycs GmbH	853
Thread, Inc.	740
Zoovu Limited (t/a SmartAssistant)	638
Disposable Cubicle Curtains Limited (t/a Hygenica)	421
Access Systems, Inc. (t/a AccessPay)	237
Poq Studio Ltd	55
Total	28,975

The total cost of additions in the year of £28,975,000 as shown above is lower than the 'Purchase of investments' cashflow figure of £28,982,000 as recorded in the Statement of Cash Flows due to £7,000 of legal costs associated with the purchase of an investment which were recognised in the previous year but paid in the year under review.

Disposals	Cost £'000	Market value at 01/03/21 £'000	Disposal proceeds £'000	Realised gain/ (loss) against cost £'000	Realised gain/ (loss) during the year £'000
ContactEngine Limited	1,391	3,457	4,399	3,008	942
MPB Group Limited	827	1,692	2,283	1,456	591
D30 Holdings Limited	956	720	1,163	207	443
Response Tap Limited	1,060	1,038	1,022	(38)	(16)
InSkin Media Limited	365	–	420	55	420
Utility Exchange Online Limited	1,285	–	84	(1,201)	84
Think Limited	–	–	16	16	16
Chargemaster plc	–	–	10	10	10
TVPlayer Limited	230	–	–	(230)	–
Total	6,114	6,907	9,397	3,283	2,490

Of the disposals above, Think Limited and Chargemaster plc were realised in prior periods, but deferred proceeds were recognised in the current period in excess of the amounts previously accrued.

The disposal proceeds above for ContactEngine Limited and Response Tap Limited include amounts of deferred proceeds which have been recognised in these accounts but have not yet been received.

Total disposal proceeds of £9,397,000 as shown above is higher than the 'Sale of investments' cashflow figure of £9,104,000 as recorded in the Statement of Cash Flows. The difference arises due to a deferred proceeds debtor of £343,000 held at the year end, partly offset by a deferred proceeds debtor of £50,000 at the previous year end which was received in the year under review.

Investment Portfolio

As at 28 February 2022

The following investments were held at 28 February 2022:

Venture capital investments (by value)	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Zoovu Limited (t/a SmartAssistant)	4,125	16,901	8,872	11.4%
Luxury Promise Limited	5,680	9,297	2,551	6.3%
Monica Vinader Limited**	534	7,951	1,051	5.4%
Infinity Reliance Limited (t/a My 1st Years)	4,731	6,892	(793)	4.6%
MPB Group Limited	1,684	6,120	2,534	4.1%
Papier Ltd	2,770	5,202	2,432	3.5%
Picasso Labs, Inc. (t/a CreativeX)	1,739	4,989	2,460	3.4%
Blis Global Ltd (formerly Blis Media Limited)**	841	4,769	(1,067)	3.2%
Festicket Ltd	3,633	3,894	2,424	2.6%
Access Systems, Inc. (t/a AccessPay)	3,737	3,804	(228)	2.6%
Thread, Inc.	4,762	3,291	(1,264)	2.2%
Mycs GmbH	5,448	3,229	(3,719)	2.2%
DeepCrawl Holding Company, Inc.	2,895	2,988	(987)	2.0%
Plu&m Limited (t/a Plum Guide)	2,738	2,738	-	1.8%
YardLink Ltd	2,680	2,680	-	1.8%
Dealroom.co B.V.	2,707	2,648	(59)	1.8%
EMS Operations (UK) Ltd (t/a Archdesk)	2,581	2,581	-	1.7%
Social Value Portal Ltd	1,500	2,517	1,017	1.7%
Rapid Charge Grid Limited*	2,564	2,216	12	1.5%
Lupa Foods Limited	1,078	2,153	652	1.5%
Sannpa Limited (t/a Fnatic)	1,801	2,098	44	1.4%
Commonplace Digital Limited	1,500	2,018	49	1.4%
Litchfield Media Limited*	1,405	1,905	3	1.3%
Utilis Israel Ltd (t/a Asterra)	1,809	1,896	88	1.3%
Stylescape Limited (t/a EDITED)	1,500	1,892	392	1.3%
Aistemos Limited	1,819	1,821	-	1.2%
Been There Done That Global Limited	1,551	1,737	(14)	1.2%
Moonshot CVE Ltd	1,388	1,590	202	1.1%
Firefly Learning Limited	1,202	1,439	224	1.0%

Venture capital investments (by value)	Cost £'000	Valuation £'000	Valuation movement in year £'000	% of portfolio by value
Second Nature Healthy Habits Ltd	1,200	1,277	77	0.9%
DeepStream Technologies Limited	1,256	1,256	-	0.8%
CG Hero Ltd	1,251	1,251	-	0.8%
Arctic Shores Limited	1,050	1,050	-	0.7%
Disposable Cubicle Curtains Limited (t/a Hygenica)**	3,292	1,045	(1,271)	0.7%
Litta App Limited	937	937	-	0.6%
Enternships Limited (t/a Learnerbly)	924	924	-	0.6%
Andcrafted Ltd (t/a Plank Hardware)	913	913	-	0.6%
Sealskinz Holdings Limited**	834	834	-	0.6%
Cogora Group Limited**	2,643	623	104	0.4%
Honeycomb.TV Limited*	900	602	(277)	0.4%
	87,602	123,968	15,509	83.6%
Other venture capital investments	15,320	868	(2,836)	0.6%
Total venture capital investments	102,922	124,836	12,673	84.2%
Cash at bank and in hand		23,497		15.8%
Total investments		148,333		100.0%

Valuation movement in the year excludes the cost of investments made in the year. Other venture capital investments at 28 February 2022 comprise:

Buckingham Gate Financial Services Limited, Exonar Limited, InContext Solutions, Inc, Lantum Limited, Macklin Holdings Limited*†, Monmouth Holdings Limited*, Netcall plc*, Poq Studio Ltd, Senselogix Limited, Simplestream Limited**, Skills Matter Limited**, Vigilant Applications Limited* and Whistle Sports, Inc.

* Non qualifying investment

** Partially non qualifying investment

† Investee company 100% owned by the Company but not consolidated as held exclusively for resale as part of an investment portfolio.

With the exception of Netcall plc which is quoted on AIM, all venture capital investments are unquoted.

All venture capital investments are registered in England and Wales except for DeepCrawl Holding Company, Inc., InContext Solutions, Inc., Picasso Labs, Inc. (t/a CreativeX), Whistle Sports, Inc., Access Systems, Inc., and Thread, Inc., which are Delaware registered corporations in the United States of America, Mycs GmbH, which is registered in Germany, Utilis Israel Limited (t/a Asterra), which is registered in Israel, and Dealroom.co B.V., which is registered in the Netherlands.

Review of Investments

As at 28 February 2022

Further details of the ten largest unquoted investments (by value) are set out below:

Zoovu Limited (t/a SmartAssistant)* www.zoovu.com 			
Zoovu specialises in creating digital assistants which are used by corporates and retailers to interact with customers online, on mobile devices and at in-store checkouts.			
Cost:	£4,125,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>		Valuation at 28/02/22:	£16,901,000
Preference shares:	£3,487,000	Valuation at 28/02/21:	£7,390,000
Convertible loan note:	£638,000		
Audited accounts:	31/12/20	31/12/19	
Turnover:	£8.8m	£6.2m	Dividend income: £–
Loss before tax:	(£7.2)m	(£7.8)m	Loan note income: £–
Net assets:	£2.1m	£6.2m	Equity held by Company: 8.2%
			Equity held by Investment Manager: 20.1%

* Partial disposal of Zoovu occurred after the year end.

Luxury Promise Limited www.luxurypromise.com 			
Luxury Promise is a platform to buy and sell pre-owned luxury handbags and accessories, featuring brands including Chanel, Hermès, and Louis Vuitton.			
Cost:	£5,680,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>		Valuation at 28/02/22:	£9,297,000
Preference shares:	£5,127,000	Valuation at 28/02/21:	£3,244,000
Loan notes:	£553,000		
Unaudited accounts:	31/12/20	31/08/19	
Turnover:	Not available	Not available	Dividend income: £–
Profit / (Loss) before tax:	Not available	Not available	Loan note income: £45,052
Net assets:	£3.5m	£0.4m	Equity held by Company: 17.4%
			Equity held by Investment Manager: 35.2%

Monica Vinader Limited www.monicavinader.com 			
Monica Vinader creates ready-to-wear contemporary designer jewellery. The business, which is managed by sisters Monica and Gabriela Vinader, was founded in 2007.			
Cost:	£534,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>		Valuation at 28/02/22:	£7,951,000
Ordinary shares:	£534,000	Valuation at 28/02/21:	£6,900,000
Audited accounts:	31/07/21	31/07/20	
Turnover:	£56.9m	£45.5m	Dividend income: £–
Profit / (Loss) before tax:	£5.1m	(£7.0)m	Loan note income: n/a
Net assets:	£8.3m	£3.9m	Equity held by Company: 5.7%
			Equity held by Investment Manager: 7.9%

Infinity Reliance Limited (t/a My First Years)

www.my1styears.com

My 1st Years is an e-commerce site for personalised items for babies and children, with products from their Royal Range having been worn by Prince George.



Cost:		£4,731,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£6,892,000
Ordinary shares:		£4,731,000	Valuation at 28/02/21:	£7,685,000
Audited accounts:	31/12/20	31/12/19	Dividend income:	£-
Turnover:	£20.4m	£13.0m	Loan note income:	n/a
Profit / (Loss) before tax:	£1.5m	(£2.8)m	Equity held by Company:	15.9%
Net assets:	£2.7m	£1.1m	Equity held by Investment Manager:	25.6%

MPB Group Limited

www.mpb.com

MPB is an online marketplace for high quality, pre-owned photography and videography equipment.



Cost:		£1,684,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£6,120,000
Preference shares:		£1,684,000	Valuation at 28/02/21:	£5,278,000
Audited accounts:	31/03/21	31/03/20	Dividend income:	£-
Turnover:	£64.9m	£44.2m	Loan note income:	n/a
Loss before tax:	(£2.9)m	(£1.7)m	Equity held by Company:	3.9%
Net assets:	£60.8m	£18.8m	Equity held by Investment Manager:	6.3%

Papier Ltd

www.papier.com

Papier is an online personalised stationary retailer, specialising in unique curated collections.



Cost:		£2,770,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£5,202,000
Preference shares:		£2,770,000	Valuation at 28/02/21:	£1,534,000
Unaudited accounts:	30/04/21	30/04/20	Dividend income:	£-
Turnover:	Not available	Not available	Loan note income:	n/a
Profit / (Loss) before tax:	Not available	Not available	Equity held by Company:	3.5%
Net assets:	£2.8m	£1.5m	Equity held by Investment Manager:	10.5%

Review of Investments (cont.)

Picasso Labs, Inc. (t/a CreativeX)

www.creativex.com

CreativeX is a provider of marketing technology software for brand excellence - its platform is used by global brands including Google, Samsung, and Pepsi.



Cost:		£1,739,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£4,989,000
Preference shares:		£630,000	Valuation at 28/02/21:	£1,420,000
Convertible loan note:		£1,109,000		
Audited accounts:	31/12/21	31/12/20	Dividend income:	£-
Turnover:	Not available	Not available	Loan note income:	£-
Profit / (Loss) before tax:	Not available	Not available	Equity held by Company:	6.0%
Net assets:	Not available	Not available	Equity held by Investment Manager:	20.0%

Blis Global Ltd (formerly Blis Media Limited)

www.blis.com

Blis is a pioneer of mobile location data technology for advertisers. Its patented technology offers accurate location data, and behavioural insights.



Cost:		£841,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£4,769,000
Ordinary shares:		£404,000	Valuation at 28/02/21:	£5,836,000
Preference shares:		£437,000		
Audited accounts:	30/06/21	30/06/20	Dividend income:	£-
Turnover:	£46.9m	£38.0m	Loan note income:	n/a
(Loss) / Profit before tax:	(£16.5)m	£2.4m	Equity held by Company:	8.3%
Net liabilities:	(£25.6)m	(£10.6)m	Equity held by Investment Manager:	18.9%

Festicket Ltd

www.festicket.com

Festicket is a platform that works directly with festival organisers to sell tickets, travel, accommodation, and add-ons to consumers online.



Cost:		£3,633,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£3,894,000
Preference shares:		£3,633,000	Valuation at 28/02/21:	£1,471,000
Audited accounts:	31/12/20	31/12/19	Dividend income:	£-
Turnover:	£4.3m	£11.6m	Loan note income:	n/a
Loss before tax:	(£8.6)m	(£11.8)m	Equity held by Company:	7.1%
Net liabilities:	(£8.7)m	(£3.1)m	Equity held by Investment Manager:	10.2%

Access Systems, Inc. (t/a AccessPay)

www.accesspay.com

AccessPay is a BACS-approved software provider aiming to simplify the payment processing system by offering a range of payment and cash management products.



Cost:		£3,737,000	Valuation method:	Discounted revenue multiple
<i>Investment comprises:</i>			Valuation at 28/02/22:	£3,804,000
Preference shares:		£3,500,000	Valuation at 28/02/21:	£3,795,000
Convertible loan note:		£237,000		
Unaudited accounts:	30/04/21	30/04/20	Dividend income:	£-
Turnover:	Not available	Not available	Loan note income:	£-
Profit / (Loss) before tax:	Not available	Not available	Equity held by Company:	11.9%
Net assets:	Not available	Not available	Equity held by Investment Manager:	16.9%

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.

The proportion of equity held in each investment represents the level of voting rights held by the Company in respect of the investment.

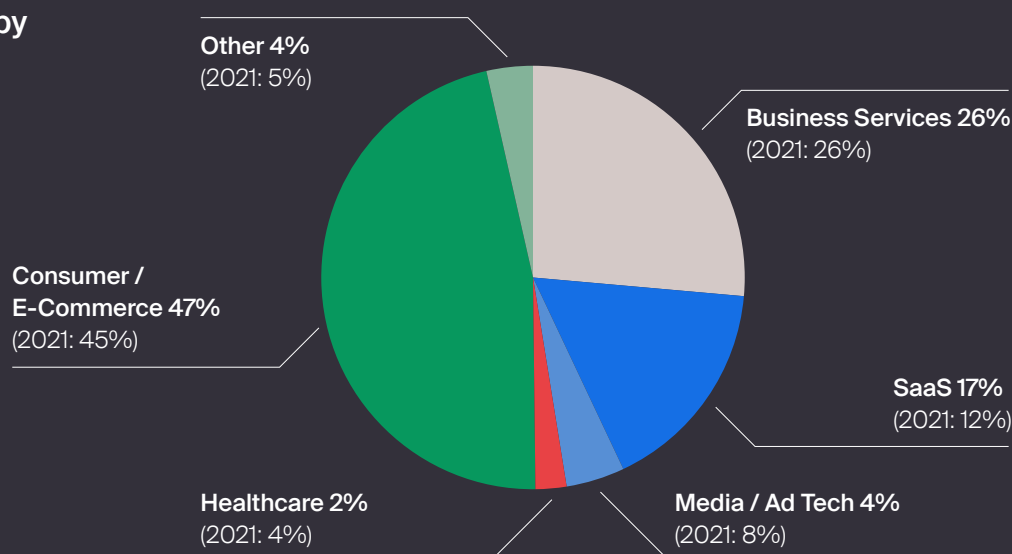


Review of Investments (cont.)

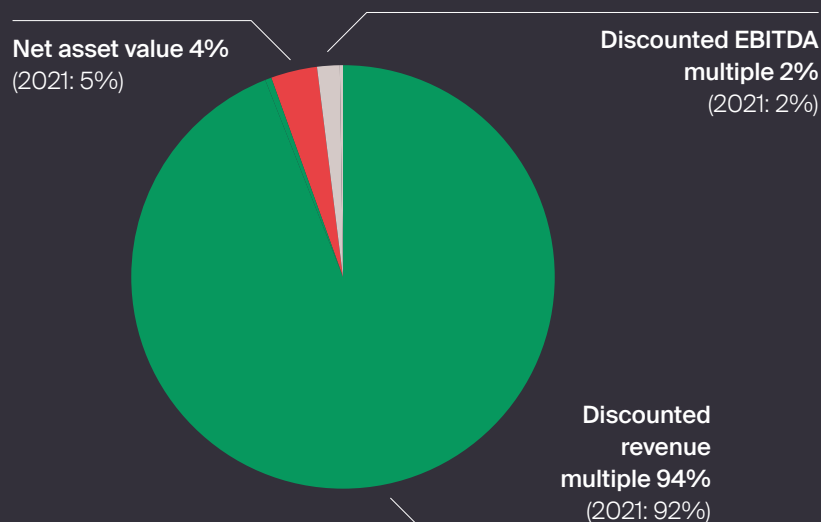
Analysis of Investments by Commercial Sector

An analysis of the portfolio by sector and valuation methodology (based on valuation) is set out below:

Portfolio by Sector



Portfolio by Valuation Methodology



Board of Directors



Neal Ransome
CHAIR

Neal was formerly a corporate finance partner of PwC with extensive experience as a lead adviser on M&A activity in the pharmaceuticals and healthcare sectors. Neal is currently a non-executive director and chairman of Octopus AIM VCT plc and a non-executive director of Polar Capital Global Healthcare Trust plc. Neal has been a Director of the Company since October 2017.



Malcolm Moss
NON-EXECUTIVE DIRECTOR

Malcolm is a Founding Partner of Beringea LLP. Over the last 30 years he has been responsible for the growth, development and management of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth and Income VCT plc, he sits on the investment committees of Beringea Group's US funds. Malcolm was appointed a Director of the Company in December 2007.



Barry Dean
NON-EXECUTIVE DIRECTOR

Barry has over 30 years' experience in the venture capital industry, including 14 years as Managing Director of Dresdner Kleinwort Benson Private Equity Limited, a longstanding "mid-market" private equity fund manager. He is currently a director of Downing One VCT plc and previously served on the board of Molten Ventures VCT plc (formerly Draper Esprit VCT plc). Barry was appointed a Director of the Company in May 2006.



Lorna Tilbian
NON-EXECUTIVE DIRECTOR

Lorna was formerly an executive director of Numis Corporation plc and a director of WestLB Panmure Limited and S G Warburg Securities. She is currently chairman of Dowgate Capital Limited and a director of Dowgate Wealth Limited. Lorna also serves as a non-executive director on the boards of FTSE 250 constituents Finsbury Growth and Income Trust plc and Premier Foods plc as well as FTSE 100 company Rightmove plc. Lorna was appointed a Director of the Company in July 2013.

With the exception of Malcolm Moss, all Directors are independent of the Investment Manager.

Strategic Report



The Directors present the Strategic Report for the year ended 28 February 2022. The Board prepared this report in accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Principal Objectives and Strategy

The Company's investment objective is to achieve long-term returns greater than those available from investing in a portfolio of quoted companies, by investing in:

- a portfolio of carefully selected qualifying investments in small and medium sized unquoted companies with excellent growth prospects; and
- a portfolio of non-qualifying investments permitted for liquidity management purposes,

within the conditions imposed on all VCTs, and to minimise the risk of each investment and the portfolio as a whole.

The Company 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 continue to maintain approval. Approval for the year ended 28 February 2022 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 for the purpose of the Income Tax Act 2007.

Business Model

The business acts as an investment company, investing in a portfolio of carefully selected smaller companies. The Company operates as a Venture Capital Trust to ensure that its Shareholders can benefit from tax reliefs available and has outsourced the portfolio management and administration duties.

Business Review and Developments

The Company began the year with £90.1 million of venture capital investments and ended with £124.8 million spread over a portfolio of 53 companies. Of these companies, 47 investments with a value of £121.7 million were VCT qualifying (or part qualifying).

The profit on ordinary activities after taxation for the year was £10.6 million, comprising a revenue loss of £1.3 million and a capital profit of £11.9 million. The Ongoing Charges ratio (which is calculated in line with the AIC methodology as recurring operational expenses excluding performance fees, trail commission and recoverable VAT divided by the Company's average net assets in the period) is an Alternative Performance Measure used by the Board to monitor expenses. The Ongoing Charges ratio in respect of the year ended 28 February 2022 was 1.8% (2021: 2.3%) and was within the Company's cap of 3.25%.

The Company's business review and developments during the year are reviewed further within the Chair's Statement, Investment Manager's Review and Review of Investments.

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; and
- a clearly identified route for a profitable realisation within a three to four year period.

The Company invests in companies at various stages of development, including those requiring capital for expansion, but not in start-ups or management buy-outs or businesses seeking to use funding to acquire other businesses. Investments are spread across a range of different sectors.

Other investments

Funds not invested in qualifying investments may be invested in non-qualifying investments permitted for liquidity management purposes, which include cash, alternative investment funds ("AIFs") and UCITS which may be redeemed on no more than 7 days' notice, or ordinary shares or securities in a company that are acquired on a regulated market.

Borrowings

It is not the Company's intention to have any borrowings. The Company, does, however, have the ability to borrow a maximum amount equal to the nominal capital of the Company and its distributable and non-distributable reserves which, at 28 February 2022, was equal to £147.6 million (2021: £127.0 million). There are no plans for the Company to borrow at the current time.

Maximum exposures

No investment will constitute more than 15% of the Company's portfolio by value at the time of investment.

Listing Rules

In accordance with the Listing Rules:

(i) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the Company at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;

(ii) the Company must not conduct any trading activity which is significant in the context of the Company; and

(iii) the Company must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy set out in this document. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 Income Tax Act 2007.



Strategic Report (cont.)

Venture Capital Trust Regulations

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

Compliance with the main VCT regulations as at 28 February 2022 and for the year then ended is summarised as follows:

(i)	the Company holds at least 80 per cent. of its investments in qualifying companies (as defined by Part 6 of the Income Tax Act 2007);	Complied
(ii)	at least 70 per cent. (in the case of funds raised after 5 April 2011) of the Company's qualifying investments (by value) are held in "eligible shares" – ("eligible shares" generally being ordinary share capital);	Complied
(iii)	the Company's ordinary share capital has throughout the period been listed on a regulated European market;	Complied
(iv)	no investment in a company constitutes more than 15 per cent. of the Company's portfolio (by value at time of investment);	Complied
(v)	the Company's income for each financial year is derived wholly or mainly from shares and securities;	Complied
(vi)	the Company distributes sufficient revenue dividends to ensure that not more than 15 per cent. of the income from shares and securities in any one year is retained;	Complied
(vii)	the Company has not made a prohibited payment to Shareholders derived from an issue of shares since 6 April 2014;	Complied
(viii)	no investment made by the Company causes an investee company to receive more than the permitted investment from State Aid sources (including from VCTs);	Complied
(ix)	since 18 November 2015, the Company has not made an investment in a company which exceeds the maximum permitted age requirement;	Complied
(x)	the funds invested by the Company in another company since 18 November 2015 have not been used to make a prohibited acquisition;	Complied
(xi)	since 6 April 2016, the Company has not made a prohibited non-qualifying investment; and	Complied
(xii)	of funds raised on or after 1 March 2019, at least 30% has been invested in qualifying holdings by the anniversary of the end of the accounting period in which shares were issued.	Complied

Investment Management and Administration Fees

Beringea provides investment management services to the Company for an annual fee of 2.0% of the net assets per annum. Beringea is also entitled to receive performance incentive fees as described below. The investment management agreement is terminable by either party at any time by one year's prior written notice. The total fees relating to this service amounted to £3,981,000 (2021: £2,453,000), comprising a management fee of £2,963,000 (2021: £2,321,000) and performance incentive fees as described below of £1,018,000 (2021: £132,000). At the year end, an amount of £1,018,000 (2021: £132,000) was outstanding.

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

Throughout the year ended 28 February 2022, Beringea also provided administration services to the Company. In the year, total administration fees amounted to £65,000 (2021: £64,000).

The annual running costs (excluding any performance fees payable) of the Company are subject to a cap of 3.25% of the Company's net assets at the end of the year. Any running costs in excess of this are borne by Beringea.

Beringea also received arrangement fees in respect of investments made by the Company and other VCTs managed by Beringea totalling £398,000 (2021: £158,000) and monitoring fees of £605,000 (2021: £655,000) during the year ended 28 February 2022. These fees are payable by the investee companies into which the Company invests and are not a direct liability or expense of the Company.

Performance Incentive Fees

The Investment Manager is entitled to receive an annual performance incentive fee in respect of the shares in issue at 29 February 2012 (the "Original Offer") and each share offer made by the Company since the Original Offer (each being a "Relevant Offer"), if the Performance Value of the Relevant Offer achieves a Hurdle Amount.

The "Performance Value" is calculated on an annual basis based on the latest annual audited NAV, plus cumulative dividends and any previous performance fees paid in respect of the Relevant Offer since 29 February 2012.

The "Hurdle Amount" is represented by the higher of: (i) 1.25 times the initial share offer NAV; and (ii) the initial share offer NAV compounded by the annual Bank of England base rate plus 1%. Please note the hurdle amount for the Original Offer is calculated differently but based on similar principles.

For each Relevant Offer, if the Hurdle Amount is not met, no performance incentive fee will be payable. Once the Hurdle Amount has been met, the performance incentive fee payable in relation to a financial year is 20% of the amount by which the Performance Value exceeds the initial NAV of the Relevant Offer, less any performance fees paid previously.

Performance fees will be reduced, if necessary, to ensure that i) the cumulative performance fee per share payable to the Manager in respect of a Relevant Offer does not exceed 20% of the relevant cumulative dividends paid in respect of that share; and ii) the audited net asset value per share at the relevant financial year end plus the relevant cumulative dividends is at least equal to the relevant respective Hurdle Amount.

Performance fees for the year ended 28 February 2022 amounted to £1,018,000 (2021: £132,000).

Strategic Report (cont.)

Key Performance Indicators

At each Board meeting, the Directors consider a number of key performance indicators to assess the Company's success in meeting its objective of delivering long term returns. Some of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. The Board believes the Company's key performance indicators are:

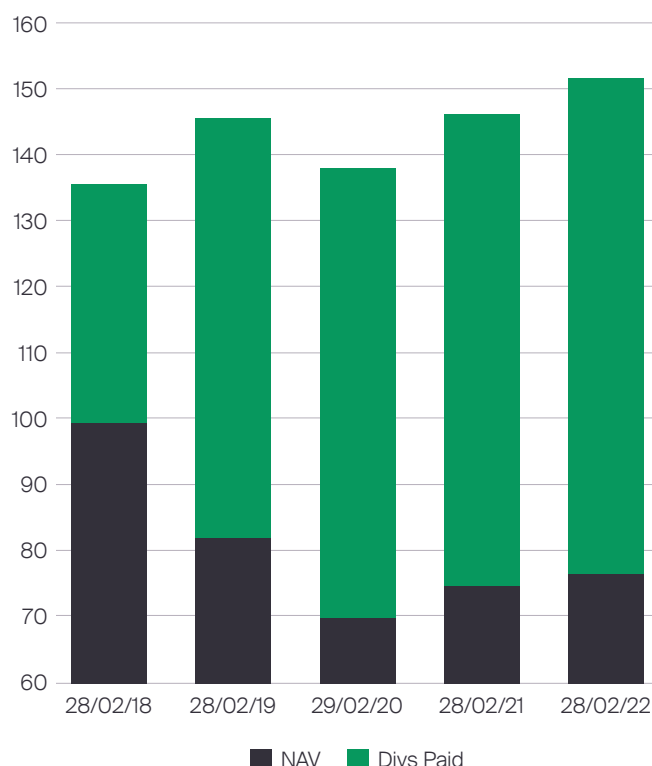
- total return (net asset value plus dividends paid since launch)*;
- dividends paid and the dividend yield; and
- net asset value per share (adjusted for dividends paid in the year)*.

* Classified as an APM.

The total return is calculated as the net asset value per share plus the cumulative dividends paid to date. This is a performance measure of the fund and used to evaluate the total value generated for Shareholders. The graph shows the total return over the last five years and is split between the net asset value and the cumulative dividends paid.

The following table shows the total return, annual return shown as the movement in net asset value per share, dividends paid per annum and the dividend yield.

Last 5 Years Total Return



	28/02/2018	28/02/2019	29/02/2020	28/02/2021	28/02/2022
Total return	135.7	145.95	138.35	146.55	151.95
Increase/(decrease) in net asset value per share (adjusted for dividends paid in the year) ¹	2.7%	10.3%	(9.2%)	11.7%	7.2%
Dividends paid per share	9.5p	27.75p	4.5p	3.5p	3.5p
Dividend yield ²	8.9%	27.8%	5.5%	5.1%	4.7% ³

¹ Calculated as the change in total return in the year divided by the opening net asset value.

² Calculated as the total dividends paid in the year divided by the opening net asset value.

³ The Dividend yield shown above for the year ended 28 February 2022 of 4.7% is calculated as per the description in note 2 above. This differs from the dividend yield of 7.2% shown in the Chair's Statement on page 4 which is calculated as dividends paid in respect of the year ended 28 February 2022 divided by the opening net asset value adjusted for the 2.0p final dividend paid on 30 July 2021 in respect of the year ended 28 February 2021. Dividends paid in respect of the year ended 28 February 2022 are an interim dividend of 1.5p per share paid on 10 December 2021 and the proposed final and special dividends of 2.25p and 1.5p respectively, which will be paid (subject to Shareholder approval for the final dividend) on 5 August 2022.

The change in net asset value per share (adjusted for dividends paid in the year) is defined as an APM and the Board considers it to be the primary measure of shareholder value.

The dividends per share are also set out in Note 8 on page 60. The key performance indicators are discussed further in the Chair's Statement on pages 4 to 7 and the Investment Manager's Review on pages 8 to 11.

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 15 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, also faces a number of non-financial principal risks. A breach of the VCT Regulations could result in the loss of VCT status, the 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 Listing Rules of the Financial Conduct Authority and the Companies Act 2006, could lead to suspension from the Stock Exchange and damage to the Company's reputation.

The Company has also made a number of its initial investments in a foreign currency; most often in Euro or US Dollars. Furthermore, as not all companies' operations are restricted to the UK, some companies may function, in part, in a currency other than GBP. The portfolio is therefore exposed, to some extent, to foreign exchange risk and specifically that of transaction risk and translation risk.

The Company invests in small and immature businesses and there is a risk that the performance of these individual businesses negatively impacts the performance of the Company. The Investment Manager follows a rigorous process in vetting and careful structuring of new investments and, after an investment is made, close monitoring of the businesses.

The Board reviews and agrees policies for managing each of these risks. The Directors receive reports annually from the Investment Manager on the compliance of systems to manage these risks, and place reliance on the Investment Manager to give updates in the intervening periods.

The risks faced by the Company have remained unchanged since the beginning of the financial year though the Board is cognizant of the ongoing economic and geopolitical disruption caused both by increasing inflation and the war in Ukraine. The Board is aware of the strains this can put on some investee companies and therefore continues to keep a watchful eye on the health of the portfolio.

Viability Statement

The Board has assessed the Company's prospects over the three-year period to 28 February 2025. A three-year period has been considered appropriate as it broadly aligns with the time frame during which the Investment Manager will be required to invest 80% of the funds from the most recent offer for subscription in qualifying investments.

In order to support this statement, the Board has carried out a robust assessment of the principal and emerging risks faced by the Company, as detailed above, including those risks associated with the COVID-19 pandemic and the war in Ukraine, and considered the availability of mitigating factors.

The Board considers that the primary risk faced by the Company is compliance with the VCT rules and although there are a number of mitigating factors such as a robust deal identification and diligence process, an experienced investment team and consultation with the Company's VCT status advisers to ensure that investments made comply with the VCT rules, these factors cannot mitigate the risk that insufficient qualifying investments are identified to ensure ongoing compliance with the VCT rules.

Accordingly, the amount required to invest in qualifying holdings to maintain compliance with the VCT rules was a major consideration in the Board's analysis. Together with the expected liabilities of the Company for the three years to 28 February 2025, the Board considered the forecast cash requirements against the expected cash position, taking into account a level of assumed investment realisations and investment income during the period.

Based on the assessment of the above considerations on the cash flow forecasts, the Board has determined that the Company will be able to continue in operation, maintain compliance with the VCT rules and meet its liabilities as they fall due for the three years to 28 February 2025.

Strategic Report (cont.)

Section 172 Statement

Section 172 of the Companies Act 2006 requires the Directors of the Company to act in a way that they consider, in good faith, will most likely promote the success of the Company for the benefit of the members as a whole. In doing so, the Directors should have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The Board considers its significant stakeholder groups to be its Shareholders, its suppliers (including the Investment Manager to whom most executive functions are delegated) and its portfolio companies. The Company is an externally managed investment company with no employees and no customers in the traditional sense and, therefore, there is nothing to report in relation to these relationships. The Company takes a number of steps to understand the views of its key stakeholders and considers these, along with the matters set out above, in Board discussions and decision making.

Shareholders

The Company's Shareholders are key to the success of the Company and the Board engages and communicates with Shareholders by various means. The Company encourages all Shareholders to attend its annual shareholder event, which last year was held virtually on 17 November 2021 and attended by over 300 Shareholders, and gives Shareholders the opportunity to ask questions of the Board and the Investment Manager and also hear from some of our portfolio companies. Following the success of last year's event, plans are in motion for a hybrid event in 2022. Invitations to this event will be distributed alongside publication of this Report. The event has been scheduled for Wednesday 16 November 2022.

The Board also encourages all Shareholders to vote on the resolutions at the Annual General Meeting. In light of the 'social distancing' measures and the legislation proposed to allow companies to hold general meetings safely, last year's AGM was held as a closed AGM and Shareholders were unfortunately unable to attend. We are pleased to report that this year sees a return to a more traditional format with the next AGM of the Company being held in the Tavern Room at RSA House, 8 John Adam Street, London, WC2N 6EZ at 9.30am on Wednesday 20 July 2022. For further details, please see the Chair's Statement on page 6 and the Notice of Annual General Meeting at the end of the document.

As a result of the shareholder event, together with other communications with Shareholders and advisors, the Company has received useful feedback which allows the Board to understand the nature of stakeholder concerns better. The Board works very closely with the Investment Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs. Ultimately, the Directors' decisions are intended to achieve the Company's principal objective of long term returns for Shareholders greater than those available from investing in a portfolio of quoted companies. In addition, the Board has continued to maintain the existing arrangements for payments of dividends, dividend re-investment and buy-backs in order to give predictable income returns and liquidity to Shareholders when requested.

Suppliers

The Company's suppliers, and in particular Beringea as Investment Manager, are the cornerstone of the Company's business. There is regular contact with the Investment Manager and members of the Investment Manager's senior management team attend all of the Company's Board meetings.

Portfolio Companies

The Investment Manager provides updates to the Board on the entire portfolio at least quarterly. Furthermore, the Investment Manager continuously supports the portfolio via a host of practices, including, but not limited to, having a representative of the Investment Manager on the Board of portfolio companies, where necessary, and support with talent acquisition. The Investment Manager recently established a Portfolio Value-Add Initiative to support companies as they look to develop key areas that will drive their future growth. This group includes key members of the Manager's Team including Harry Thomas (Investment Manager, Portfolio), Vanessa Evanson-Goddard (General

Counsel), James Adams (Head of Talent) and Henry Philipson (Director of Marketing and Communications). One of the key elements of the Value-Add Initiative is the Beringea Scale-Up Academy, an annual programme of events for portfolio leadership teams. In 2021, seven webinars were delivered to portfolio company senior managers, providing insight and training on topics such as SaaS pricing, product strategy and remote working.

Environmental, Social, Human Rights Policy and Greenhouse Emissions

The Board seeks to conduct the Company's affairs responsibly and maintain high standards in respect of ethical, environmental, governance and social issues. The Board recognises the requirement under section 414C of the Companies Act 2006 to detail information about social and community issues, employees and human rights; including any policies it has in relation to these matters and effectiveness of these policies.

As an externally managed investment company with no employees, the Company has no formal policies in these matters. However, the Company and the Investment Manager recognise the growing need for the Company and the businesses within its portfolio to embrace environmental, social and governance ("ESG") practices and are working together to consider new policies and processes relating to ESG. This has included significant work on diversity and inclusion, which resulted in certification for the Investment Manager as a Level 1 firm under the Diversity VC Standard, an industry accreditation for diversity and inclusion best practice, as well as a nomination for Diversity and Inclusion Leader of the Year at the Private Equity Awards 2021.

The Investment Manager has also led the creation of an industry initiative – ESG_VC – to support early-stage companies to measure, monitor and maximise their performance against key ESG metrics. This initiative, with the involvement of the British Venture Capital Association, has support from more than 150 venture capital funds, and will enable entrepreneurs in the Company's portfolio to access resources that drive ESG and commercial improvements.

On a general note, the Board considers that the Company's investment operations create employment, aid economic growth, generate tax revenues and produce wealth, thus benefiting the community and the economy more generally. Where appropriate, the investment proposals considered by the Investment Manager and the Board also include any relevant information on any social, employee, ethical or environmental matters relevant to that investment.

Whilst as a UK quoted company the VCT is required to report on its Greenhouse Gas (GHG) Emissions for any direct emissions, as it outsources all of its activities and does not have any physical assets, property, employees or operations, it is not responsible for any direct emissions. As a result, total energy emissions are less than 40,000 kWh and the additional Streamlined Energy and Carbon Reporting (SECR) disclosures have not been made.

Directors and Senior Management

The Company had four non-executive Directors at the year end, three of whom are male and one of whom is female. The Company has no employees and the same was true of the previous year.

Directors' Remuneration

It is a requirement under Companies Act 2006 for Shareholders to approve the Directors' remuneration policy every three years, or sooner if the Company wishes to make changes to the policy. No changes are being proposed to the Directors' remuneration policy, which is set out on page 40. The Directors' remuneration policy that was approved at the AGM of the Company on 14 July 2021 is set out on page 41.

Future Prospects

The Company's future prospects are set out in the Chair's Statement and Investment Manager's Review.

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 or with a presence in the United Kingdom, with a view to providing both capital growth and dividend income to Shareholders over the long term whilst maintaining VCT qualifying status.

By order of the Board

Beringea LLP

Company Secretary of ProVen VCT plc
Company number: 03911323

Charter House
55 Drury Lane
London, WC2B 5SQ
9 June 2022

Directors' Report

The Directors present the Annual Report and Accounts of the Company for the year ended 28 February 2022.



Results and Dividends

	£'000	Pence per share
Profit on ordinary activities after tax for the year ended 28 February 2022	10,642	5.7p

During the year ended 28 February 2022, the Company paid a final dividend of 2.0p per share in respect of the year ended 28 February 2021 on 30 July 2021 and the Company paid an interim dividend of 1.5p per Ordinary Share in respect of the year ended 28 February 2022 on 10 December 2021.

The Board is proposing a final dividend of 2.25p per share and a special dividend of 1.5p per share, to be paid on 5 August 2022 to Shareholders on the register at 15 July 2022.

Directors

The Directors whose names and biographies are set out on page 21, all served throughout the year.

All the Directors will retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. The Board recommends that Shareholders take into consideration each Director's considerable experience in VCTs and other areas, as shown in their respective biographies on page 21 together with the performance of the Company over a number of years, in order to support the resolutions to re-appoint all four Directors.

Each of the Directors has an agreed 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.

Share Capital

The Company has one class of shares: Ordinary Shares of 10p each ("Ordinary Shares"). The total number of Ordinary Shares in issue at 28 February 2022 was 192,378,178.

During the year, 25,836,664 shares were issued at 73.7p per share, with an aggregate nominal value of £2,583,666 pursuant to the offer for subscription announced on 3 December 2020. The aggregate consideration for the shares was £19,908,778 which excluded share issue costs of £866,760.

Under the terms of the Company's Dividend Reinvestment Scheme, the Company allotted: 846,549 Ordinary Shares at 74.4p per share to subscribing Shareholders on 30 July 2021 and 637,077 Ordinary Shares at 74.2p per share to subscribing Shareholders on 10 December 2021. The aggregate consideration for the shares was £1,102,544.

At the 2021 Annual General Meeting, Shareholders authorised the Company to make market purchases of its own shares of up to 14.99% of the share capital in issue at that date and to waive pre-emption rights and issue up to 29,214,237 Ordinary Shares.

During the year, the Company repurchased a further 4,762,331 Ordinary Shares for an aggregate consideration (net of costs) of £3,388,792 being an average price of 71.2p per share and which represented 2.8% of the Company's issued share capital at the start of the year and which had an aggregate nominal value of £476,233. These shares were subsequently cancelled. Costs relating to the share repurchases amounted to £16,969. These shares were repurchased in accordance with the Company's buyback policy in order to provide liquidity to Shareholders.

At the current date, authority remains for the Company to make market purchases of up to 24,451,906 Ordinary

Shares. A resolution to renew this authority will be put to Shareholders at the Annual General Meeting taking place on 20 July 2022.

Auditor

The financial year to 28 February 2022 sees the eleventh audit completed by BDO LLP. In line with the FRC's guidance on audit best practice and its recommendation that companies should put their audit out to tender every 10 years, the Company completed an audit tender process in May 2021 which led to the re-appointment of BDO LLP at last year's AGM.

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

Annual General Meeting

In light of COVID-19 restrictions, last year's AGM was held as a closed AGM and Shareholders were unfortunately unable to attend.

We are, however, keen to welcome Shareholders in person to our 2022 AGM, particularly given the constraints we have faced in recent years. At the time of writing, the Government has removed all legal limits on social contact. We are therefore proposing to hold the Annual General Meeting in The Tavern Room at RSA House, 8 John Adam Street, London, WC2N 6EZ at 9:30am on Wednesday 20 July 2022 and to welcome the maximum number of Shareholders we can. Should the situation change such that we consider that it is no longer possible for Shareholders to attend the meeting, we will notify Shareholders via RNS and via the Company's website.

We always welcome questions from our Shareholders at the AGM. This year, as in 2021, we also welcome Shareholders to send any questions via email in advance of the AGM to info@beringea.co.uk. Questions should be sent by 5:00 pm on Monday 11 July 2022 and answers to the themes in the questions received will be addressed on the website <https://www.provenvcts.co.uk/> ahead of the AGM. In addition the Company's annual Shareholder event will again proceed in the Autumn, with the option to attend in person or virtually, in order to reach the maximum number of Shareholders (please see the Chair's Statement for further details).

We still recommend all Shareholders vote electronically at www.signalshares.com as each vote will be counted automatically.

Full details of the business to be conducted at the AGM are given at the end of this document.

Substantial Interests

As at 28 February 2022, and at the date of this report, the Company was not aware of any beneficial interest exceeding 3% of the issued share capital. The same was true of the prior year.

Directors' Indemnity

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

Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report and Accounts includes information required by the Listing Rules of the Financial Conduct 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the Companies Act 2006.

Directors' Report (cont.)

The Board considers that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and that they provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, to disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. The maintenance and integrity of the Company's website is the responsibility of the Directors. 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.

Website Publication

The Directors are responsible for ensuring that the Annual Report and Accounts are made available on a website. The Annual Report and Accounts are published on the ProVen VCTs' website www.provenvcts.co.uk, in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein. The maintenance and integrity of the Company's website is also the responsibility of the Directors.

Directors' Responsibilities Pursuant to the Disclosure and Transparency Rule 4

Each of the Directors, whose names are listed on page 21, confirms that to the best of each person's knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Directors' Report, Chair's Statement, Strategic Report, Investment Manager's Review and Review of Investments 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.

Corporate Governance

The Statement of Corporate Governance is set out on pages 34 to 39 and forms part of this Directors' Report.

Political Donations

No political donations were made by the Company during the year ended 28 February 2022 (2021: £nil).

Other Matters

Information in respect of financial instruments, greenhouse gas emissions and future developments which were previously disclosed within the Directors' Report has been disclosed within the Strategic Report on pages 28 and 29 and in the Auditor's Report.

Post Balance Sheet Events

Between 28 February 2022 and the date of this report, the Company issued 40,595,362 Ordinary Shares for an aggregate consideration of £32.7 million under the combined offer for subscription with ProVen Growth and Income VCT plc which launched on 11 January 2022. Share issue costs thereon amounted to £1.4 million.

In March 2022, there was a part-disposal of the Company's holding in Zoovu. The Company received £13.1 million in disposal proceeds. Having performed well since the initial investment by the Company in August 2017, Zoovu had been exploring fundraising options and agreed on an offer which saw the Company sell 70% and roll over the remaining shares at a new valuation, resulting in an overall return of 4.1x on initial cost.

On 14 March 2022, the Company sold its holding in Exonar to NowVertical Group Inc. in return for shares in the acquirer. Nil value is being attributed to these shares.

After the year end, the Company made follow-on investments into CreativeX (£1.0 million), as part of a £20 million funding round, and Mycs (£0.5 million). The Company also made a new investment of £3.7 million into WS HoldCo, PBC, a property technology company.

Between March and May 2022, the Company sold its shares in Netcall plc for an aggregate consideration of £0.2 million.

Rapid Charge Grid repaid £0.6 million of loans to the Company in March 2022. This included £0.1 million in loan note interest.

Finally, following the year end, one portfolio company was adversely impacted by market conditions. Whilst no formal valuation has been completed, the estimated fall in value is in the region of £3.0 million to £3.5 million, as a consequence of loan providers introducing new lending caps in March 2022 and a sharp decline of consumer confidence in the company's markets. As these conditions were not in existence at the balance sheet date, this is considered to be a non-adjusting post balance sheet event.

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.

This Directors' Report, which has been approved by the Board, includes all relevant information required to be disclosed under LR9.8.4R.

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 Chair's Statement on pages 4 to 7, the Investment Manager's Review on pages 8 to 11, the

Strategic Report on pages 22 to 29 and the Directors' Report on pages 30 to 33. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Statement of Financial Position on page 54, the Statement of Cash Flows on page 55 and the Strategic Report on pages 22 to 29. In addition, notes 15 and 16 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 part of the viability statement, financial projections for a three year period are also prepared and subjected to stress testing. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the twelve months from the date of sign off of this Report. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

By order of the Board

Beringea LLP

Company Secretary
Charter House
55 Drury Lane
London, WC2B 5SQ
9 June 2022

Statement of Corporate Governance

The Statement of Corporate Governance forms part of the Directors' Report on pages 30 to 33. The longer term viability statement on page 27 also forms part of this report.

The Board has considered the principles and provisions of the AIC Code of Corporate Governance ("AIC Code").

The AIC Code addresses the principles and provisions set out in the 2018 UK Corporate Governance Code (the "UK Code"), as well as setting out additional provisions on issues that are of specific relevance to investment companies. The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders. Except as set out below, the Company has complied with the principles and provisions of the AIC Code.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the principles and provisions set out in the UK Code to make them relevant for investment companies.

By reporting against the AIC Code, the Board are meeting their obligations in relation to the UK Code and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules. The UK Code includes provisions relating to the role of the chief executive, executive directors' remuneration and workforce which are not relevant to an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board

The Company has a Board comprising four non-executive Directors. The Chair is Neal Ransome and the Senior Independent Director is Barry Dean. Neal Ransome, Barry Dean and Lorna Tilbian are considered to be independent Directors by the Board. Barry Dean has served on the Board for more than nine years and will offer himself for re-election at the forthcoming AGM in accordance with Company policy. The Board has reviewed the independence of Barry Dean and concluded that despite his long tenure, he continues to be independent. He is not involved in the day-to-day running of the Company and provides strong strategic insight to the Company as well as robust challenge to the Investment Manager. Malcolm Moss is not independent by virtue of being a partner of the Investment Manager. Biographical details of all Board members (including the significant commitments of the Chair) are shown on page 21. All non-executive Directors have sufficient time to meet their board responsibilities and no significant additional external appointments have been taken by any of the non-executive Directors during the current financial year. Following the year end, Lorna Tilbian was appointed non-executive director of Premier Foods plc with effect from 1 April 2022.

In accordance with Company policy, all Directors will resign at the forthcoming AGM and, being eligible, offer themselves for re-election. Following a formal Board evaluation (further details of which are set out on page 38), each Director continues to be effective, providing considerable experience and continuity to the Company. Each of the Directors demonstrates commitment to their role, to the Board and the Company and the Board therefore has no hesitation in recommending each of the Directors for re-election at the forthcoming AGM.

The primary focus of Board meetings is the review of investment performance and associated matters. Full Board meetings take place to discuss and approve the quarterly results of the Company and the Board may meet periodically to address specific issues including considering recommendations from the Investment Manager.

The Board has a formal schedule of matters specifically reserved for its decision which include:

- determination of the Company's investment objective and policy;
- regular review of the group's overall corporate governance arrangements; and
- regular review of the performance of the Company's Investment Manager.



The Board also provides oversight of the Company's strategy. The Investment Manager regularly consults with the Board on potential new investments as well as preparing detailed reports to the Board covering advanced investment prospects and the performance of individual portfolio companies which are considered by the Board on a quarterly basis. When considering business strategy, the Board also considers other matters such as the interests of its various stakeholders and the long-term impact of its actions on the Company's future and reputation.

The Chair leads the Board in the determination of its strategy and in the achievement of its objectives. The Chair is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda, and has no involvement in the day-to-day business of the Company or any other relationships that may create a conflict of interest between the Chair's interest and those of the Shareholders. The Board does not have a policy of limiting the tenure of any Director, including the Chair, as the Board does not consider that a Director's length of service reduces his or her ability to act independently of the Investment Manager.

The Senior Independent Director is available to Shareholders if they have a concern that contact through the normal channels of the Chair and/or other Directors have failed to resolve or where such contact would be inappropriate. The Senior Independent Director also provides a sounding board for the Chair and serves as an intermediary to other non-executive directors where necessary as well as reviewing and appraising the Chair's performance on at least an annual basis.

Whilst the Company does not have a workforce, the Board assesses and monitors its own behaviour to ensure it promotes a culture of openness and debate. The Board is also very conscious of promoting its culture in its engagement with the wider stakeholders of the Company. The Board works closely with the Investment Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs.

Directors review the disclosure of conflicts of interest regularly, with any changes reviewed and noted at the beginning of each Board meeting. Procedures to disclose and authorise conflicts of interest have been adhered to throughout the year.

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 Chair, in advance of each Board meeting as well as advising on corporate governance related matters. Should any Director have concerns about the operation of the Boards or Company that cannot be resolved by the Board, they can raise such concerns with the Company Secretary or with independent professional advisers. Any such concerns would be recorded in Board minutes of the Company and in the case of a resigning non-executive Director, the Director would be asked to make a written statement to the Chair, for circulation to the Board.

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 Chair's Statement on page 5 and the Directors' Report on pages 30 to 33.

Board and Committee Meetings

The following table sets out the Directors' attendance at full Board and Committee meetings held during the year ended 28 February 2022.

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	held	attended	held	attended	held	attended	held	attended
Director								
Neal Ransome	6	6	2	2	1	1	1	1
Barry Dean	6	6	2	2	1	1	1	1
Malcolm Moss	6	6	n/a	n/a	n/a	n/a	n/a	n/a
Lorna Tilbian	6	6	2	2	1	1	1	1

Statement of Corporate Governance (cont.)

Audit Committee

The Company has an Audit Committee currently comprising of Barry Dean, as Chair, Lorna Tilbian and Neal Ransome (who sits on the Audit Committee despite being Chair of the Board because he is a chartered accountant and brings valuable experience from sitting on several other audit committees).

The Audit Committee has defined terms of reference and duties and is responsible for:

- monitoring the Company's financial reporting;
- advising the Board on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable;
- advising the Board on whether the Annual Report and Accounts provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy;
- reviewing internal controls and risk management systems; and

- matters regarding audit and external auditors.

The Directors' Responsibilities Statement for preparing the accounts is set out in the Directors' Report on pages 31 and 32, and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's Report on pages 48 and 49.

The Audit Committee has considered the Annual Report and Accounts for the year ended 28 February 2022 and has reported to the Board that it considers them to be fair, balanced and understandable providing the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

The key areas considered by the Audit Committee to be principal risks in relation to the business activities and financial statements of the Company are set out in the following table, together with how these risks were addressed. The Board also discusses emerging risks as they arise, such as the COVID-19 pandemic and the economic disruption caused by high inflation and the war in Ukraine, and puts in place appropriate procedures to monitor and, where possible, mitigate the effects of these emerging risks on the portfolio.

Principal Risks	Mitigation
Valuation of unquoted investments.	The unquoted investment valuations are prepared by the Investment Manager and agreed by the Board on a quarterly basis although new valuations may be prepared and agreed as required in the event of a material movement in the valuations. On an annual basis, at the year end, the Company's Auditor, BDO LLP, reports to, and discusses with, the Audit Committee their findings and any concerns arising from their review of the investment valuations. No material issues were identified for the year ended 28 February 2022.
Compliance with HM Revenue & Customs conditions for approval as a Venture Capital Trust and the consequent preservation and/or availability of tax reliefs for Shareholders.	VCT qualification monitoring reports are prepared by the Administration Manager and approved by the Board on a quarterly basis. On a bi-annual basis, the Company's VCT status adviser reports to the Audit Committee in relation to compliance with the VCT legislation. The report for the year ended 28 February 2022 showed compliance with all aspects of the VCT regulations as summarised on page 24. The Investment Manager regularly liaises with the Company's VCT status adviser in relation to VCT qualification on individual investments and addresses any recommended actions to ensure compliance. No issues were identified for the year ended 28 February 2022.
Investment risk which could reduce the returns for Shareholders through downward valuations. By nature, companies that qualify for venture capital trust purposes have a higher level of risk than larger quoted companies.	The Directors place reliance on the Investment Manager's experience and expertise in adding new companies to the portfolio. The Investment Manager has a rigorous and robust formal process in selecting new companies which includes an Investment Committee whilst also drawing on the expertise of the Directors. The Board reviews the investment portfolio and its performance at least on a quarterly basis. The risks faced by the Company have remained unchanged since the beginning of the financial year though the Board is cognizant of the ongoing economic and geopolitical disruption caused both by increasing inflation and the war in Ukraine and continues to closely monitor its effects on the portfolio.

These areas are discussed between the Audit Committee, Board and the Investment Manager during the year and at the regular Board meetings in order that any potential issues are identified and addressed on a timely basis. The Audit Committee and/or Investment Manager will engage outside professional support where this is deemed desirable and in the interests of Shareholders.

The Audit Committee reviews the performance and continued suitability of the Company's auditor. In advance of each audit, BDO LLP provides an audit strategy plan for consideration by the Committee, including confirmation of BDO's compliance with the Ethical Standards of the Financial Reporting Council and of the audit and non-audit fees chargeable to the Company. BDO liaises directly with the Investment Manager during the audit process and attends the Audit Committee meeting at which the Annual Report and Accounts is considered. BDO provides a detailed Audit Committee Report outlining their audit process and setting out their findings. The Audit Committee and Investment Manager are able to assess the quality of BDO's work and of BDO's understanding of the business. Based on these procedures, the Audit Committee has obtained sufficient assurance as to BDO's independence and performance and it therefore recommends to Shareholders that BDO be re-appointed as Auditor for the forthcoming year. Audit fees are disclosed in Note 5, on page 59.

The Audit Committee safeguards the objectivity and independence of the Auditor by reviewing the nature and extent of non-audit services supplied by the external Auditor of the Company, seeking to balance objectivity and value for money, and pre-approves all non-audit work.

The Audit Committee has considered the need for an internal audit function. Given the size and nature of the Company and its relationship with key service providers, the Audit Committee has recommended to the Board that the oversight of the Audit Committee, together with the processes in place, are sufficiently robust and that no internal audit function is required.

The Audit Committee terms of reference are available from www.provenvcts.co.uk.

Remuneration Committee

The Board has appointed a Remuneration Committee comprising all independent Directors and chaired by Lorna Tilbian. The Remuneration Committee determines and agrees with the Board the framework or broad policy for the remuneration of the Company's non-executive Directors and reviews the ongoing appropriateness and relevance of the remuneration policy. The Committee generally meets once a year and at other times as required and has specific terms

of reference in order to fulfil its duties in respect of matters relating to remuneration. The Remuneration Committee terms of reference are available from www.provenvcts.co.uk.

Nomination Committee

The Board has appointed a Nomination Committee comprising all independent Directors and chaired by Neal Ransome. The Nomination Committee's primary function is to make recommendations to the Board on all new appointments and also to advise generally on issues relating to the Board composition and balance.

In particular, the Nomination Committee:

- regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity) required of the Board compared to its current position and makes recommendations to the Board with regard to any changes;
- gives full consideration to succession planning for Directors in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- is responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- before any appointment is made by the Board, evaluates the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation prepares a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Nomination Committee:
 - uses open advertising or the services of external advisers to facilitate the search;
 - considers candidates from a wide range of backgrounds; and
 - considers candidates on merit and against objective criteria, and with due regard for the benefits of diversity on the board, including gender and ethnicity, taking care that appointees have enough time available to devote to the position;
- ensures that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings.

The Nomination Committee meets as and when appropriate. The Nomination Committee terms of reference are available from www.provenvcts.co.uk.

Statement of Corporate Governance (cont.)

Diversity

When considering a new appointment to the Board, the Nomination Committee's responsibility is to ensure that Shareholders are safeguarded by appointing the most appropriate person for the position (irrespective of gender or ethnicity) giving due regard to past and present experience in the sectors in which the Company invests. The Company therefore does not have a specific diversity policy in place. However, the Nomination Committee regularly reviews the composition of the Board, including diversity and, when considering new candidates, will take due regard to the benefits of diversity on the Board.

Anti-Bribery Policy

The Company operates an anti-bribery policy to ensure that it meets its responsibilities arising from the Bribery Act 2010. This policy can be found at www.provenvcts.co.uk.

Board Performance Evaluation

An evaluation of the performance of the Board, each of its committees and of the non-executive Directors was last conducted in May 2022 using a series of questionnaires. A broad range of standard topics was covered including the programme of regular Board or Committee business, Board behaviours, culture and strategy. The evaluation will be updated each year to assess the approach to risk, Board training and the Directors' ability to provide effective challenge.

Representatives of the Company Secretary were well placed to prepare an updated evaluation that i) was relevant and appropriate to the Company, ii) was understandable and iii) ensured a full and frank discussion around any concerns raised.

The Chair has reviewed the results of the questionnaire and followed up relevant matters with each Director. The outcome of the 2022 Board review has confirmed that the Directors consider the Board to have a good balance of skills and to be working well. The Board does not undergo an externally facilitated board evaluation, but will consider the merits of such a review on an annual basis.

Investment Manager and Third Party Performance

The Board conducts a review of the terms and performance of all service providers, including the Investment Manager

and Administration Manager on at least an annual basis. The 2022 review did not raise any concerns and the performance of all third party service providers was considered satisfactory. The Board also reviews the terms of the investment management agreement with the Investment Manager immediately before an offer is launched. The investment management agreement sets out the duties and responsibilities of the Investment Manager.

Relations with Shareholders

Shareholders would usually have the opportunity to meet the Board at the Annual General Meeting. Last year this was not possible in light of the 'social distancing' measures in place during the COVID-19 pandemic. We therefore welcomed questions from our Shareholders via email as an alternative and answers to the themes in the questions were addressed on the website. We are pleased to report that (unless regulations change) there will be a return to a more traditional format for our AGM this year. This is due to be held in The Tavern Room at RSA House, 8 John Adam Street, London, WC2N 6EZ on Wednesday 20 July 2022 at 9.30am. We will also welcome questions once again via email and publish answers to the themes raised on our website.

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 (and if possible to do so safely). A shareholder event for the ProVen VCTs is also held each year and Shareholders were invited to attend a digital version of this in Autumn 2021. Following its success



and with over 300 attendees, plans are in place for a similar event in 2022. This has been scheduled for Wednesday 16 November 2022, and we hope that Shareholders will be able to attend either in person or online.

Separate resolutions are proposed at the Annual General Meeting on each substantially separate issue. The proxy votes are collated and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the Annual General Meeting. Proxy votes are announced at the Annual General Meeting, except in the event of a poll being called. The notice of the next Annual General Meeting can be found at the end of the Annual Report and Accounts on page 72.

Risk Management and Internal Control

The Board has adopted an Internal Control Manual (the "Manual") for which they are responsible, which has been compiled to comply with the UK Corporate Governance Code and the AIC Code of Corporate Governance. 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 reviews a Risk Register on at least an annual basis. The main aspects of internal control in relation to financial reporting by the Board are as follows:

- review of quarterly reports from the Investment Manager on the portfolio of investments held, including additions and disposals;
- quarterly reviews by the Board of the Company's investments, other assets and liabilities, and revenue and expenditure and detailed review of unquoted investment valuations;
- quarterly reviews by the Board of compliance with the venture capital trust regulations to retain status, including a review of half yearly reports from Philip Hare & Associates LLP;
- a separate review of the Annual Report and Accounts and Half Yearly report by the Audit Committee prior to Board approval; and
- a review by the Board of all financial announcements prior to release.

The Board is responsible for ensuring that the procedures to be followed by the advisers and themselves are in place, and for monitoring the systems of risk management and internal control. It also 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 external advisers, including Beringea LLP as the Investment Manager and the Administration Manager.

The Board is satisfied that the risk management and internal control systems are effective and has identified no significant problems that warrant disclosure in the Annual Report and Accounts.

By order of the Board

Beringea LLP

Company Secretary
Charter House
55 Drury Lane
London, WC2B 5SQ
9 June 2022



Directors' Remuneration Report



Annual Statement by the Chair of the Remuneration Committee

The Remuneration Committee comprises all independent members of the Board and is chaired by Lorna Tilbian. An increase in Directors' remuneration in accordance with the current remuneration policy was recommended based on a review of similar companies and was effective from 1 March 2021. No increases to the existing rates of Directors' remuneration are proposed for the forthcoming year.

Directors' Remuneration Policy

Shareholders must vote on the Directors' remuneration policy every three years or sooner if the Company wishes to make changes to the policy. Shareholders last voted on the remuneration policy on 14 July 2021 and no further changes to the Directors' remuneration policy are proposed.

The Company's policy on Directors' remuneration is to seek to remunerate board members at a level appropriate for the time commitment and high level of responsibility borne by the non-executive Directors and should be broadly comparable with that paid by similar companies.

Non-executive Directors will not be entitled to any performance related pay or incentive (other than Malcolm Moss by virtue of also being a partner of the Investment Manager).

Directors' remuneration is also subject to 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 £150,000 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; and

- the Directors shall be entitled to be repaid all reasonable travel, hotel and other expenses incurred by them respectively in the performance of their duties as Directors including any expenses incurred in attending meetings of the Board or of Committees of the Board or General Meetings and if, in the opinion of the Directors, it is desirable that any of their number should make any special journeys or perform any special services on behalf of the Company or its business, such Director or Directors may be paid reasonable additional remuneration and expenses as the Directors may from time to time determine.

The Company's policy in respect of loss of office payments is to consider each situation as it arises on its own merits.

Statement of Voting at Annual General Meeting

The Board usually receives feedback from Shareholders from time to time via direct correspondence, telephone calls, at the Annual General Meeting and at the Shareholder presentation held each year. The Remuneration Committee will take account of any comments in respect of the remuneration policy when it undertakes its regular review of the Company's policy.

Shareholders' views in respect of Directors' remuneration are communicated at the Company's Annual General Meeting and are taken into account in formulating the Directors' remuneration policy. At the last Annual General Meeting held on 14 July 2021, the following votes were received in respect of the resolution approving the Directors' Remuneration Report:

Voting	Votes received	Percentage
Votes for	7,931,140	89.7%
Votes for – discretion	291,527	3.3%
Votes against	620,071	7.0%
Votes received	8,842,738	100.0%
Votes withheld	254,956	

Agreements for Service

Each of the Directors has an agreed letter of appointment (which is available for inspection at the Company's registered office) whereby he or she is required to devote such time to the affairs of the Company as the Board reasonably requires consistent with his or her role as a non-executive Director. A three month rolling notice applies.

Annual Report on Remuneration

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 20 July 2022.

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 Independent Auditor's Report on pages 43 to 49.

Directors' Remuneration (Audited)

Directors' fees for the year under review were as follows:

	Year ended 28 Feb 2022 £	Year ended 28 Feb 2021 £
Neal Ransome (Chair)	40,000	37,500
Barry Dean	34,000	30,000
Malcolm Moss	15,000	15,000
Lorna Tilbian	32,000	30,000
	121,000	112,500

The remuneration of Malcolm Moss is paid to Beringea LLP.

No other emoluments or pension contributions were paid by the Company to, or on behalf of, any Director. The Company does not have any share options in place.

Directors' Remuneration for the Year to 28 February 2023

The remuneration levels for the forthcoming year are expected to be at the following rates:

	Expected Annual Expense £
Neal Ransome (Chair)	40,000
Barry Dean	34,000
Malcolm Moss	15,000
Lorna Tilbian	32,000
	121,000

Insurance Cover

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

Directors

The Directors of the Company during the year and their beneficial interests in the issued Ordinary Shares of the Company at 28 February 2022 and 28 February 2021 were as follows:

Director	28 Feb 2022	28 Feb 2021
Neal Ransome	64,985	51,621
Barry Dean	29,252	29,252
Malcolm Moss	142,662	102,763
Lorna Tilbian	–	–

On 31 March 2022, Malcolm Moss was allotted 127,922 Ordinary Shares under the combined offer for subscription dated 11 January 2022. On 31 March 2022, Lorna Tilbian was allotted 62,987 Ordinary Shares under the combined offer for subscription dated 11 January 2022. There have been no other movements in Directors' holdings since the year end.

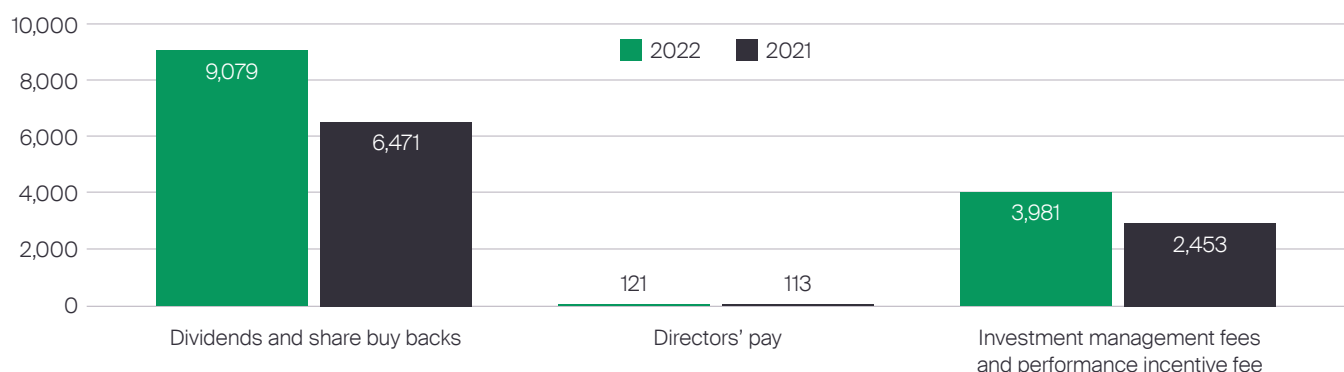
The Company has not set out any formal shareholding guidelines for Directors.

Directors' Remuneration Report (cont.)

Relative Importance of Spend on Pay

The difference in actual spend between 2022 and 2021 on remuneration for all Directors in comparison to distributions (dividends and share buy backs) and other significant spending are set out in the tabular graph below:

Relative Spend on Pay (£'000)



Performance Graph



The chart above represents the Company's Ordinary Share performance over the reporting periods since 28 February 2008 and compares the Net Asset Value Total Return and the Share Price Total Return to the rebased Numis Smaller Companies Index (excluding investment companies) ("Numis"). Net Asset Value Total Return is calculated as Net Asset Value plus dividends and/or capital distributions reinvested in the share class at the Net Asset Value prevailing at the date the dividends/distributions were paid. Share Price Total Return is calculated in a similar way, but reinvesting dividends at the mid-market share price at the date dividends are paid. Numis is not considered to be a

benchmark for the Company but has been selected as an appropriate publicly available broad equity market index. The series has been rebased to 100 as at 28 February 2008.

By order of the Board

Beringea LLP
Company Secretary
Charter House
55 Drury Lane
London, WC2B 5SQ
9 June 2022

Independent Auditor's Report



To the members of ProVen
VCT plc

Opinion on the 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 2022 and of the return attributable after tax to equity shareholders 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.

We have audited the financial statements of ProVen VCT plc (the 'Company') for the year ended 28 February 2022 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors to audit the financial statements for the year ending 29 February 2012 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 11 years, covering the years ending 29 February 2012 to 28 February 2022. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's Going Concern and considering the reasonableness of the inputs, judgements and assumptions underpinning the forecasts, in particular the forecast expenditure with reference to the average historical expenditure.
- Consideration of the Company's continued and expected future compliance with VCT legislation through review of forecast and VCT compliance requirements, the current cash position and cash required to meet forecast annual expenditure, the absence of bank debt and contingencies and commitments and any market or reputational risks.

Independent Auditor's Report (cont.)

- Calculating financial ratios to ascertain the financial health of the Company.
- Assessed management's consideration on the future outlook of the market volatility as a result of the Covid-19 pandemic and the war in Ukraine.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	Valuation of Unquoted Investments 2022 ✓ 2021 ✓
Materiality	Financial statements as a whole £2,500,000 (2021: £1,800,000) based on 2% of investments (2021: 2% of investments)

An Overview of the Scope of our Audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of unquoted investments (Note 1 and Note 10)

We consider the valuation of unquoted investments to be the most significant audit area as there is a high level of estimation uncertainty involved in determining the valuations of unquoted investments.

There is also a risk of bias arising from the unquoted investments being prepared by the Investment Manager,



who is remunerated based on the net asset value of the Company.

How the scope of our audit addressed the key audit matter

Our sample for testing the unquoted investments was stratified according to risk considering, inter alia, the value of individual investments, the extent of the fair value movement and the subjectivity of the valuation technique. For the investments sampled we:

- Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and the applicable accounting standards; and
- Recalculated the value attributable to the Company, having regard to the application of enterprise value across the capital structures of the investee companies.
- Considered any potential impact of Covid-19, Brexit, or the war in Ukraine on the valuation.

For a sample of investments valued using less subjective valuation techniques (cost and price of recent investment reviewed for changes in fair value) we:

- Agreed the cost or price of recent investment to supporting documentation;
- Assessed whether the investment was an arm's length transaction through reviewing the parties involved in the transaction and checking whether or not they were already investors of the investee company;
- Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value with reference to the current performance of the investee company; and
- Considered whether the price of the recent investment is supported by alternative valuation techniques.

For a sample of investments valued using less subjective valuation techniques (net asset value) we:

- Agreed the net assets to supporting management accounts, agreed the cash balances to bank statements and where applicable agreed other assets to supporting documentation such as loan agreements; and
- Considered whether there were any indications that net asset value was no longer representative of fair value.

For a sample of investments valued using more subjective techniques (revenue and earnings multiples) we:

- Challenged and agreed the inputs to the valuation with reference to management information of investee companies, market data and our prior knowledge of the investee companies from previous audits and assessed the impact on the valuation of the estimation uncertainty concerning these assumptions;
- Reviewed the historical financial statements and any recent management information available to support assumptions about maintainable revenues and earnings used in the valuations;
- Considered the revenue or earnings multiples applied by reference to observable listed company market data;
- Challenged the consistency and appropriateness of discounts applied to multiples;
- Challenged the consistency and appropriateness of adjustments made to such market data in establishing the multiples applied in arriving at the valuations adopted by agreeing multiples to independent sources namely Capital IQ, Pitchbook, Yahoo Finance and Bloomberg.

Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable.

Key observations

Based on the procedures performed we consider the judgements made in respect of the unquoted investment valuations to be appropriate.



Independent Auditor's Report (cont.)

Our Application of Materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine

the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Financial Statements	
Total return	2022 £	2021 £
Materiality	2,500,000	1,800,000
Basis for determining materiality	2% of investments	
Rationale for the benchmark applied	As a VCT, investments are considered to be the key measure of performance.	
Performance materiality	1,875,000	1,350,000
Basis for determining performance materiality	75% of materiality based on the brought forward uncorrected misstatements, known or expected misstatements for the current year, management's attitude towards adjusting for proposed misstatements and the number of areas of the financial statements subject to estimation uncertainty.	

Specific Testing Threshold

We determined that for Revenue return before tax, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements as it is a measure of the Company's performance of income generated from its investments after expenses. As a result, we have set a lower testing threshold for those items impacting on revenue return of £125,000, which is based on the reporting threshold (2021: £321,000 based on 10% of expenditure excluding any performance fee expense).

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £125,000 (2021: £90,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.





Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report and accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate.

Other Code provisions

- Directors' statement on fair, balanced and understandable;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and
- The section describing the work of the audit committee.

Independent Auditor's Report (cont.)

Other Companies Act 2006 Reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: - the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and - the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and industry in which the Company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were

not limited to compliance with Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP and FRS 102. We also considered the company's qualification as a VCT under UK tax legislation. The area where the financial statements are considered to be most susceptible to fraud is with regards to the valuation of investments because they are inherently subjective and prepared by the Investment Manager who is remunerated based on the net assets value of the Company.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements and the susceptibility of the entity's financial statements to material misstatement including fraud. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and the Audit Committee regarding compliance with laws and regulations;
- testing of a risk based sample of journal postings made during the year to identify potential management override of controls;
- the testing performed in respect of investments as outlined in the key audit matters (KAM) section;
- review of any legal invoice and legal correspondence in the period;
- review of the VCT compliance reports prepared by the VCT status adviser for indications of non-compliance issues;
- review of minutes of board meetings throughout the period for non-compliance with laws and regulations; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our Report

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.

Ariel Grosberg (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK
9 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



Income Statement

For the year ended 28 February 2022

	Note	Year ended 28 February 2022			Year ended 28 February 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	2	199	–	199	26	–	26
Realised gains on investments	10	–	2,490	2,490	–	35	35
Unrealised gains on investments	10	–	12,673	12,673	–	17,546	17,546
		199	15,163	15,362	26	17,581	17,607
Investment management fees	3	(741)	(2,222)	(2,963)	(580)	(1,741)	(2,321)
Performance incentive fees	4	–	(1,018)	(1,018)	–	(132)	(132)
Other expenses	5	(736)	(3)	(739)	(723)	(4)	(727)
FX Translation		–	–	–	–	(35)	(35)
(Loss)/return on ordinary activities before tax		(1,278)	11,920	10,642	(1,277)	15,669	14,392
Tax on ordinary activities	7	–	–	–	–	–	–
(Loss)/return attributable after tax to equity shareholders		(1,278)	11,920	10,642	(1,277)	15,669	14,392
Basic and diluted (loss)/return per share	9	(0.7p)	6.4p	5.7p	(0.8p)	9.5p	8.7p

All revenue and capital movements in the year relate to continuing operations. No operations were acquired or discontinued during the year. The total column within the Income Statement represents the Income Statement 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 Comprehensive Income has not been prepared as no items have been recognised in 'other comprehensive income' in the current or prior year as shown.

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

Statement of Changes in Equity

For the year ended 28 February 2022

	Note	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Share premium reserve £'000	Revaluation reserve £'000	Capital reserve-realised £'000	Revenue reserve £'000	Total £'000
At 1 March 2021		16,982	590	42,765	52,739	13,915	3,440	(3,451)	126,980
Comprehensive Income for the year:									
Management fees allocated as capital expenditure	3	-	-	-	-	-	(2,222)	-	(2,222)
Legal fees allocated as capital expense		-	-	-	-	-	(3)	-	(3)
Realised gain on investments	10	-	-	-	-	-	2,490	-	2,490
Unrealised gain on investments	10	-	-	-	-	12,673	-	-	12,673
Loss after tax		-	-	-	-	-	-	(1,278)	(1,278)
Performance fee	4	-	-	-	-	-	(1,018)	-	(1,018)
Total comprehensive return		-	-	-	-	12,673	(753)	(1,278)	10,642
Contributions by and distributions to owners:									
Issue of new shares (includes DRIS) (net of share issue costs)	13	2,732	-	(866)	18,279	-	-	-	20,145
Share buybacks	13	(476)	476	(3,406)	-	-	-	-	(3,406)
Dividends paid (includes DRIS)	8	-	-	(6,777)	-	-	-	-	(6,777)
Total contributions by and distributions to owners		2,256	476	(11,049)	18,279	-	-	-	9,962
Other movements:									
Transfer of previously unrealised gains now realised						(1,795)	1,795		
FX translation		-	-	-	-	-	-	-	-
Total other movements		-	-	-	-	(1,795)	1,795	-	-
At 28 February 2022		19,238	1,066	31,716	71,018	24,793	4,482	(4,729)	147,584

Statement of Changes in Equity (cont.)

For the year ended 28 February 2021

	Note	Called up share capital £'000	Capital redemption reserve £'000	Special reserve £'000	Share premium reserve £'000	Revaluation reserve £'000	Capital reserve- realised £'000	Revenue reserve £'000	Total £'000
At 1 March 2020		15,028	359	50,727	39,733	(2,969)	4,620	(2,139)	105,359
Comprehensive Income for the year:									
Management fees allocated as capital expenditure	3	-	-	-	-	-	(1,741)	-	(1,741)
Legal fees allocated as capital expense		-	-	-	-	-	(4)	-	(4)
Realised gain on investments		-	-	-	-	-	35	-	35
Unrealised gain on investments		-	-	-	-	17,546	-	-	17,546
Loss after tax		-	-	-	-	-	-	(1,277)	(1,277)
Performance fee	4	-	-	-	-	-	(132)	-	(132)
Total comprehensive return		-	-	-	-	17,546	(1,842)	(1,277)	14,427
Contributions by and distributions to owners:									
Issue of new shares (includes DRIS) (net of share issue costs)		2,185	-	(502)	13,006	-	-	-	14,689
Share buybacks		(231)	231	(1,507)	-	-	-	-	(1,507)
Dividends paid (includes DRIS)	8	-	-	(5,953)	-	-	-	-	(5,953)
Total contributions by and distributions to owners		1,954	231	(7,962)	13,006	-	-	-	7,229
Other movements:									
Transfer of previously unrealised gains now realised		-	-	-	-	(662)	662	-	-
FX translation		-	-	-	-	-	-	(35)	(35)
Total other movements		-	-	-	-	(662)	662	(35)	(35)
At 28 February 2021		16,982	590	42,765	52,739	13,915	3,440	(3,451)	126,980

The special reserve, capital reserve-realised and revenue reserve are all distributable reserves. Reserves available for distribution therefore amount to £31,469,000 (2021: £42,754,000). During the year the Company repurchased 4,762,331 shares (2021: 2,312,011) with a nominal value of £476,233 (2021: £231,201). All shares were subsequently cancelled.

The composition of each of these reserves is explained below:

Called up share capital – The nominal value of shares issued, increased for subsequent share issues either via an offer for subscription or the Company's dividend reinvestment scheme, or reduced due to shares bought back by the Company for cancellation.

Capital redemption reserve – The nominal value of shares bought back and cancelled.

Special reserve – The Company has previously cancelled its share premium reserve and capital redemption reserve to create a special reserve that can assist in writing off losses, which in turn enhances the ability for a company to make distributions and implement share buybacks. This is the distributable reserve which is currently used to fund shares bought back by the Company for cancellation and share issue costs on shares issued under an Offer for Subscription. Dividends that are classified as capital may be paid from this reserve.

Share premium reserve – This reserve contains the excess of gross proceeds over the nominal value of shares allotted under offers for subscription and the Company's dividend reinvestment scheme, to the extent that it has not been cancelled.

Revaluation reserve – Increases and decreases in the valuation of investments held at the year end are accounted for in this reserve, except to the extent that the diminution is deemed permanent.

In accordance with stating all investments at fair value through profit and loss, all such movements through both revaluation and capital reserve – realised are shown within the Income Statement for the year.

Capital reserve-realised – The following are accounted for in this reserve:

- gains and losses on realisation of investments;
- permanent diminution in value of investments;
- transaction costs incurred in the acquisition of investments;
- 75% of the investment manager's fee expense and 100% of any performance incentive fee payable; and
- other capital expenses and charges.

Dividends that are classified as capital may be paid from this reserve.

Revenue reserve – Income and expenses that are revenue in nature are accounted for in this reserve together with the related tax effect, as well as dividends paid that are classified as revenue in nature.

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



Statement of Financial Position

As at 28 February 2022

		28 February 2022	28 February 2021
		Total	Total
	Note	£'000	£'000
Fixed assets			
Investments	10	124,836	90,095
Current assets			
Debtors	11	576	304
Cash at bank and in hand		23,497	37,014
		24,073	37,318
Creditors: amounts falling due within one year	12	(1,325)	(433)
Net current assets		22,748	36,885
Total assets less current liabilities		147,584	126,980
Capital and reserves			
Called up share capital	13	19,238	16,982
Capital redemption reserve		1,066	590
Special reserve		31,716	42,765
Share premium reserve		71,018	52,739
Revaluation reserve		24,793	13,915
Capital reserve – realised		4,482	3,440
Revenue reserve		(4,729)	(3,451)
Total equity shareholders' funds		147,584	126,980
Basic and diluted net asset value per share	14	76.7p	74.8p

The financial statements on pages 50 to 69 were approved and authorised for issue by the Board of Directors on 9 June 2022 and were signed on its behalf by:

Neal Ransome
Chair

ProVen VCT plc
Company number: 03911323

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

Statement of Cash Flows

As at 28 February 2022

		Year ended 28 February 2022	Year ended 28 February 2021
		Total	Total
	Note	£'000	£'000
Return on ordinary activities before taxation		10,642	14,392
Gain on investments		(15,163)	(17,581)
Decrease in prepayments, accrued income and other debtors		21	447
Increase/(decrease) in accruals and other creditors		894	(66)
Net cash outflow from operating activities		(3,606)	(2,808)
Cash flows from investing activities			
Purchase of investments	10	(28,982)	(8,551)
Sale of investments	10	9,104	5,268
Net cash outflow from investing activities		(19,878)	(3,283)
Cash flows from financing activities			
Proceeds from share issues	13	19,909	14,201
Share issue costs	13	(867)	(502)
Purchase of own shares		(3,402)	(1,941)
Equity dividends paid	8	(5,673)	(4,963)
Net cash inflow from financing activities		9,967	6,795
(Decrease)/increase in cash and cash equivalents		(13,517)	704
Cash at beginning of year		37,014	36,310
Cash at end of year		23,497	37,014

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

'Net cash used in operating activities' includes interest received of £282,000 (2021: £396,000) and dividends received of £4,000 (2021: £1,000). No interest was paid during the period.

Notes to the Accounts

For the year ended 28 February 2022

1. Accounting Policies

Basis of preparation

The Company has prepared its financial statements under Financial Reporting Standard 102 ("FRS102") and in accordance with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued by the Association of Investment Companies ("AIC"), which was updated in April 2021.

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

The following accounting policies have been applied consistently throughout the period.

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 twelve months from the date of sign off of these financial statements. 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 pages 34 to 39.

Presentation of Income Statement

In order to better reflect the activities of an investment company and, in accordance with guidance issued by the AIC, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The revenue return attributable to equity shareholders 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.

Investments

Investments, including equity and loan stock, are recognised at their trade date and measured at "fair value through profit or loss" 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 International Private Equity and Venture Capital Valuation Guidelines ("IPEV Guidelines") issued in December 2018, together with sections 11 and 12 of FRS102.

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

Key judgements

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

- where a company is in the early stage of development, the estimate of fair value is based on market data and assumptions as to the potential outcomes, benchmarked against alternative valuation methodologies during this time;
- where a company is well established after an appropriate period, the investment may be valued by applying a suitable earnings, revenue or transaction multiple to that company's maintainable earnings or revenue. The multiple used is based on comparable listed companies, transaction data or a sector but discounted to reflect factors such as the different sizes of the comparable businesses, different growth rates and the lack of marketability of unquoted shares;
- where a value is indicated by a material arm's-length transaction by a third party in the shares of the company the valuation will normally be based on this, whilst also being benchmarked against alternative valuation methodologies;
- where alternative methods of valuation, such as net assets of the business, are more appropriate then such methods may be used; and
- where repayment of the equity is not probable, redemption premiums will be recognised.

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. Methodologies are applied consistently from year to year except where a change results in a better estimate of fair value.

Where an investee company has gone into receivership or liquidation, or the loss in value below cost is considered to



be permanent, 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.

All investee companies are held as part of an investment portfolio and measured at fair value. Therefore, it is not the policy for investee companies to be consolidated and any gains or losses arising from changes in fair value are included in the Income Statement for the period as a capital item.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item and transaction costs on acquisition or disposal of the investment are expensed.

Investments are derecognised when the contractual rights to the cash flows from the asset expire or the Company transfers the asset and substantially all the risks and rewards of ownership of the asset to another entity.

Key estimates

- identifying a relevant basket of market comparables;
- deducing the discount to take on those market comparables;
- determining reoccurring revenue;
- determining reoccurring earnings; or
- identifying surplus cash.

Fair value

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. 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: The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable (i.e., developed using market data) for the asset or liability, either directly or indirectly.

Level 3: Inputs are unobservable (i.e., for which market data is unavailable) for the asset or liability.

Income

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

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

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;
- 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. 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; and
- performance incentive fees are treated as a capital item.

Notes to the Accounts (cont.)

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.

Deferred taxation, which is not discounted, 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.

Share issue costs

Expenses in relation to share issues are deducted from the Special Reserve.

Cash

Cash comprises cash on hand and demand deposits.

Debtors

Short term debtors are initially measured at transaction price. Subsequent remeasurement deducts any impairment from the transaction price.

Creditors

Short term trade creditors are initially and subsequently measured at the transaction price.

2. Income

	2022 £'000	2021 £'000
Income from investments		
Loan stock interest	195	16
Dividend income	2	1
	197	17
Other income		
Deposit interest	2	9
	199	26

The Directors consider that the Company has only one operating segment as reported to the Board of Directors in their capacity as chief operating decision makers. All activities arise in the United Kingdom.

3. Investment Management Fees

	2022 £'000	2021 £'000
Investment management fees	2,963	2,321

The Company has an agreement with Beringea LLP for the provision of management services in respect of its portfolio of venture capital investments, which is terminable with one year's notice. The management fee is based upon an annual amount of 2.0% of net assets. The annual running costs (excluding performance incentive fees and trail commission) of the Company are subject to a cap of 3.25% of the Company's net assets.

4. Performance Incentive Fees

	2022 £'000	2021 £'000
Performance incentive fees	1,018	132

Beringea LLP is entitled to receive performance incentive fees as described in the Strategic Report on page 25.

5. Other Expenses

	2022 £'000	2021 £'000
Administration services	65	64
Directors' remuneration	121	113
Social security costs on Directors' remuneration	14	12
Trail commission	169	210
Auditor's remuneration for the audit of the Company's annual accounts	61	43
Other expenses	309	285
	739	727

Included within other expenses is £3,000 (2021: £4,000) allocated to capital expenses in respect of expenses incurred in relation to investments. All other expenses are allocated as revenue costs.

6. Directors' Remuneration

Details of remuneration (excluding employers' NIC and VAT) are given in the Directors' Remuneration Report on page 41.

The Company had no employees (other than Directors) during either year. Costs in respect of Directors are disclosed in note 5.

7. Taxation on Ordinary Activities

	2022 £'000	2021 £'000
(a) Tax charge for the year		
Current year		
UK corporation tax (charged to the revenue account)	-	-
Charged to capital expenses	-	-
Charge for the year	-	-
(b) Factors affecting tax charge for the year		
Return on ordinary activities before tax	10,642	14,392
Tax charge calculated on operating profit at the applicable rate of 19% (2021: 19%)	2,022	2,734
Effects of:		
UK dividend income	-	-
Gain on investments	(2,881)	(3,340)
Expenses disallowed for tax purposes	6	1
Deferred tax not recognised	853	605
	-	-

(c) Deferred tax not recognised

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £32,455,000 (2021: £27,951,000). The deferred tax asset, calculated at a rate of 25%, of £8,114,000 (2021: £5,311,000) would only be recovered were the Company to make sufficient taxable profits in the future. Given the Company is not expected to generate taxable income in excess of deductible expenses, no deferred tax asset has been recognised for the year ended 28 February 2022.

Notes to the Accounts (cont.)

8. Dividends

	Pence	Year ended 28 February 2022			Year ended 28 February 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Ordinary Share dividends paid in the year							
2020 Final	2.0	-	-	-	-	3,399	3,399
2021 Interim	1.5	-	-	-	-	2,554	2,554
2021 Final	2.0	-	3,872	3,872	-	-	-
2022 Interim	1.5	-	2,905	2,905	-	-	-
		-	6,777	6,777	-	5,953	5,953
Proposed dividends							
2021 Final	2.0	-	-	-	-	3,396	3,396
2022 Final	2.25	-	5,242	5,242	-	-	-
2022 Special	1.5	-	3,495	3,495	-	-	-

Dividends paid in the year ended 28 February 2022 of £6,777,000 as shown above differs to that shown in the Statement of Cash Flows of £5,673,000 due to £1,104,000 of new shares issued as part of the Company's DRIS.

9. Basic and Diluted Return per Share

	Year ended 28 February 2022	Year ended 28 February 2021
Revenue loss per share based on:		
Net revenue loss after taxation (£'000)	(1,278)	(1,277)
Weighted average number of shares in issue	186,421,327	164,391,561
Pence per share	(0.7)	(0.8)
Capital return per share based on:		
Net capital return for the financial year (£'000)	11,920	15,669
Weighted average number of shares in issue	186,421,327	164,391,561
Pence per share	6.4	9.5
Total return per share based on:		
Total return for the financial year (£'000)	10,642	14,392
Weighted average number of shares in issue	186,421,327	164,391,561
Pence per share	5.7	8.7

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.

10. Investments

“Fair value through profit or loss” assets

	Investments quoted on AIM £'000	Unquoted investments £'000	Total £'000
Opening cost at 1 March 2021	287	79,775	80,062
Unrealised gains at 1 March 2021	34	12,055	12,089
Realised losses on investments still held at 1 March 2021	–	(2,056)	(2,056)
Opening fair value at 1 March 2021	321	89,774	90,095
Movement in year:			
Purchases at cost (Note a)	–	28,975	28,975
Sales – proceeds (Note b)	–	(9,397)	(9,397)
– realised gains on sales	–	2,490	2,490
Unrealised (losses) / gains in the income statement	(23)	12,696	12,673
Closing fair value at 28 February 2022	298	124,538	124,836
Closing cost at 28 February 2022	287	102,635	102,922
Unrealised gains at 28 February 2022	11	24,781	24,792
Realised losses on investments still held at 28 February 2022	–	(2,878)	(2,878)
Closing fair value at 28 February 2022	298	124,538	124,836

Note a) Purchases in the year of £28,975,000 as shown above is lower than that shown in the Statement of Cash Flows of £28,982,000 due to £7,000 of legal costs associated with the purchase of an investment which were recognised in the previous year but paid in the year under review.

Note b) Sale proceeds in the year of £9,397,000 as shown above is higher than that shown in the Statement of Cash Flows of £9,104,000. The difference arises due to a deferred proceeds debtor of £343,000 held at the year end, partly offset by a deferred proceeds debtor of £50,000 at the previous year end which was received in the year under review.

An analysis of venture capital investments is set out in the review of the investments on pages 14 to 20. Note 15 includes an analysis of the fair value of the financial instruments.

Notes to the Accounts (cont.)

11. Debtors

	2022 £'000	2021 £'000
Contingent proceeds receivable	343	50
Prepayments and accrued income	233	239
Other debtors	-	15
	576	304

Contingent proceeds receivable has increased as a number of the disposals in the year included an element of contingent proceeds which are yet to be received.

12. Creditors: Amounts Falling Due Within One Year

	2022 £'000	2021 £'000
Accruals	1,306	419
Share buybacks awaiting settlement	4	-
Other creditors	15	14
	1,325	433

Creditors have increased in 2022 compared to the prior year largely due to the increased performance incentive fee which is due to be paid to the Manager.

13. Called Up Share Capital

	2022 £'000	2021 £'000
Issued, allotted, called up and fully-paid:		
192,378,178 (2021: 169,820,219) Ordinary Shares of 10p each	19,238	16,982

During the year 25,836,664 shares were issued at 73.7p per share, with an aggregate nominal value of £2,583,666 pursuant to the offer for subscription announced on 11 January 2022. The aggregate consideration for the shares was £19,908,778 which excluded share issue costs of £866,760.

Under the terms of the Company's Dividend Reinvestment Scheme, the Company allotted: 846,549 Ordinary Shares at 74.4p per share to subscribing Shareholders on 30 July 2021 and 637,077 Ordinary Shares at 74.2p per share to subscribing Shareholders on 10 December 2021. The aggregate consideration for the shares was £1,102,544.

At the 2021 Annual General Meeting, Shareholders authorised the Company to make market purchases of its own shares of up to 14.99% of the share capital in issue at that date and to waive pre-emption rights and issue up to 29,214,237 Ordinary Shares.

During the year, the Company repurchased a further 4,762,331 Ordinary Shares for an aggregate consideration (net of costs) of £3,389,000 being an average price of 71.2p per share and which represented 2.8% of the Company's issued share capital at the start of the year and which had an aggregate nominal value of £476,233. These shares were subsequently cancelled. Costs relating to the share repurchases amounted to £16,969. These shares were repurchased in accordance with the Company's buyback policy in order to provide liquidity to Shareholders.

The below table sets out a reconciliation of the movement in Ordinary Shares during the year. All Ordinary Shares have full voting, dividend and capital distribution rights.

	2022	2021
Ordinary Shares brought forward	169,820,219	150,278,338
Ordinary Shares issued	27,320,290	21,853,892
Ordinary Shares repurchased for cancellation	(4,762,331)	(2,312,011)
Ordinary Shares carried forward	192,378,178	169,820,219

14. Basic and Diluted Net Asset Value per Share

	Shares in issue		2022		2021	
	2022	2021	Pence per share	Net asset value £'000	Pence per share	Net asset value £'000
Ordinary Shares	192,378,178	169,820,219	76.7p	147,584	74.8p	126,980

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

15. Financial Instruments

The Company's financial instruments comprise investments held at fair value through profit and loss, being equity and loan stock investments in quoted companies and unquoted companies; loans and receivables being cash deposits and short term debtors; and financial liabilities being 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.

The fair value of investments is determined using the detailed accounting policy as shown in note 1. The composition of the investments is set out in note 10 and below.

The fair value of cash deposits and short-term debtors and creditors equates to their carrying value in the Statement of Financial Position.

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 risks 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. Except for the economic disruption caused by high inflation and the war in Ukraine, 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 (cont.)

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 Investment Manager monitors investments through regular contact with the management of investee companies, regular review of management accounts and other financial information and attendance at investee company board meetings. This enables the Investment 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 held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through market price movements in respect of quoted investments and also changes in the fair value of unquoted investments that it holds.

At 28 February 2022, the AIM-quoted portfolio was valued at £298,000 (2021: £321,000).

The Company's sensitivity to fluctuations in the share prices of its AIM-quoted investments is summarised below. A 20% movement in the share price of all of the AIM-quoted investments held by the Company would have an effect as follows:

20% movement in AIM-quoted investments	Impact on net assets £'000	2022 Impact on NAV per share Pence	Impact on net assets £'000	2021 Impact on NAV per share Pence
AIM-quoted investments	60	0.0p	64	0.0p

At 28 February 2022, the unquoted portfolio was valued at £124,538,000 (2021: £89,774,000). 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 20% movement in the valuations of all of the unquoted investments held by the Company would have an effect as follows:

20% movement in unquoted investment valuations	Impact on net assets £'000	2022 Impact on NAV per share Pence	Impact on net assets £'000	2021 Impact on NAV per share Pence
Unquoted investments	24,908	12.9p	17,955	10.6p

The sensitivity analysis for unquoted valuations below 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 20%. 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. Investments in loan stock attract interest predominately at fixed rates. A summary of the interest rate profile of the Company's financial instruments 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.
- "Floating rate" assets predominantly bear interest at rates linked to Bank of England base rate or LIBOR and comprise cash at bank 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	2022 £'000	2021 £'000
Fixed rate	6.2%	494 days	9,291	8,040
Floating rate	0.3%	0 days	23,669	37,157
No interest rate			114,624	81,783
			147,584	126,980

The Company monitors the level of income received from fixed, floating and non-interest bearing 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 £237,000 (2021: £372,000). Given the low level of interest rates through the year and interest rates on the rise due to the increase in cost of living, a further decrease is not considered 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 investments in cash deposits and debtors. Credit risk relating to loan stock investee companies is considered to be part of market risk.

The Company's exposure to credit risk is summarised as follows:

	2022 £'000	2021 £'000
Cash and cash equivalents	23,497	37,014
Interest, dividends and other receivables	185	200
	23,682	37,214

Notes to the Accounts (cont.)

The management of credit risk associated with interest, dividends and other receivables is covered within the investment management procedures.

Cash is mainly held by the Royal Bank of Scotland plc, rated A and A+ by Standard and Poor's and Fitch, respectively, and is 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 generally maintains a relatively low level of creditors relative to cash balances (£1.3 million relative to

cash balances of £23.5 million at 28 February 2022) and has no borrowings.

The Company always holds sufficient levels of funds as cash 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 loan stock, highlighting the length of time that it could take the Company to realise its loan stock assets if it were required to do so.

The carrying value of loan stock investments (as opposed to the contractual cash flows) held at 28 February 2022, which is analysed by expected maturity date, is as follows:

	Not later than 1 Year £'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
As at 28 February 2022						
Fully performing loan stock	4,111	640	-	2,551	-	7,302
Past due loan stock	2,161	-	-	-	-	2,161
	6,272	640	-	2,551	-	9,463
As at 28 February 2021						
Fully performing loan stock	1,065	-	732	-	1,087	2,884
Past due loan stock	5,299	-	-	-	-	5,299
	6,364	-	732	-	1,087	8,183

Of the loan stock classified as "past due" above, the full amount relates to the principal of loan notes where the principal has passed its maturity date.

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 financial liabilities recorded at amortised cost, which includes short term debtors and creditors, is considered by the 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.

Level 2 – Reflects financial instruments that have been valued using inputs, other than quoted prices, that are observable.

Level 3 – Reflects financial instruments that have been valued using valuation techniques with unobservable inputs.

	2022				2021			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
AIM quoted	298	–	–	298	321	–	–	321
Loan notes	–	–	9,463	9,463	–	–	8,183	8,183
Unquoted investments	–	–	115,075	115,075	–	–	81,591	81,591
	298	–	124,538	124,836	321	–	89,774	90,095

There have been no movements between levels during the financial year to 28 February 2022.

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

	Loan Notes £'000	Unquoted Equity £'000	Total £'000
Balance at 1 March 2021	8,183	81,591	89,774
Movements in the Income Statement:			
Gains / (losses) in the Income Statement	454	14,732	15,186
Reclassification at value	(1,156)	1,156	–
Purchases at cost	1,982	26,993	28,975
Sales proceeds	–	(9,397)	(9,397)
Balance at 28 February 2022	9,463	115,075	124,538

There is an element of judgement in the choice of assumptions for unquoted investments. If different assumptions were used, different valuations could have been attributed to the VCT's investments.

Valuations are subject to fluctuations in market conditions and the sensitivity of the Company to such changes is shown on page 64.

Notes to the Accounts (cont.)

16. Capital Management

The Company's capital is managed in accordance with its investment policy as shown in the Strategic Report on pages 22 to 29, in pursuit of its principal investment objectives as stated on page 22. 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 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.

17. Post Balance Sheet Events

Between 28 February 2022 and the date of this report, the Company issued 40,595,362 Ordinary Shares for an aggregate consideration of £32.7 million under the combined offer for subscription with ProVen Growth and Income VCT plc which launched on 11 January 2022. Share issue costs thereon amounted to £1.4 million.

In March 2022, there was a part-disposal of the Company's holding in Zoovu Limited. The Company received £13.1 million in disposal proceeds. Having performed well since the initial investment by the Company in August 2017, Zoovu had been exploring fundraising options and agreed on an offer which saw the Company sell 70% and roll over the remaining shares at a new valuation, resulting in an overall return of 4.1x on initial cost.

On 14 March 2022, the Company sold its holding in Exonar to NowVertical Group Inc. in return for shares in the acquiror. Nil value is being attributed to these shares.

After the year end, the Company made follow-on investments into CreativeX (£1.0 million), as part of a £20 million funding round, and Mycs (£0.5 million). The Company also made a new investment of £3.7 million into WS HoldCo, PBC, a property technology company.

Between March and May 2022, the Company sold its shares in Netcall plc for an aggregate consideration of £0.2 million.

Rapid Charge Grid repaid £0.6 million of loans to the Company in March 2022. This included £0.1 million in loan note interest.

Finally, following the year end, one portfolio company was adversely impacted by market conditions. Whilst no formal valuation has been completed, the estimated fall in value is in the region of £3.0 million to £3.5 million, as a consequence of loan providers introducing new lending caps in March 2022 and a sharp decline of consumer confidence in the company's markets. As these conditions were not in existence at the balance sheet date, this is considered to be a non-adjusting post balance sheet event.

18. Contingencies, Guarantees and Financial Commitments

Based on the NAV per share at 28 February 2022 before any performance fee accrual and cumulative dividends paid up to this date, a performance fee of £1.0 million (2021: £132,000) is payable to Beringea LLP at 28 February 2022 in relation to certain vintage fundraisings for which the performance hurdles have been achieved. An accrual for this amount has been included within the accounts and is therefore reflected in the NAV per share.

The payment of a performance fee in future years and the amount thereof, if any, will be dependent on both the performance of the Company and the level of dividends paid to Shareholders.

The Company had no other contingent liabilities, guarantees and financial commitments at the year end.

19. Controlling Party and Related Party Transactions

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

Malcolm Moss, a Director of the Company, is also a Partner of Beringea LLP. Beringea LLP was the Company's investment manager during the period. During the year ended 28 February 2022, £2,963,000 was payable to Beringea LLP in respect of these services (2021: £2,321,000). At the period end the Company owed Beringea LLP £nil (2021: £nil).

As the Company's investment manager, Beringea LLP is also entitled to receive a performance incentive fee based on the Company's performance for each financial year to 28 February. The performance incentive fee arrangements are set out, in detail, on page 25. For the year ended 28 February 2022, total performance incentive fees of £1,018,000 were payable (2021: £132,000). At the year end an amount of £1,018,000 was outstanding (2021: £132,000).

Beringea LLP may charge arrangement fees, in line with industry practice, to companies in which it invests. It may also receive directors' fees or monitoring fees from

investee companies. These costs are borne by the investee company not the Company. In the year to 28 February 2022, £398,000 (2021: £158,000) was payable to Beringea LLP for arrangement fees under such arrangements. Directors' and monitoring fees payable to Beringea LLP in the year to 28 February 2022 amounted to £605,000 (2020: £655,000).

Beringea LLP was also the Company's Administration Manager during the period. Fees paid to Beringea in its capacity as Administration Manager for the year ended 28 February 2022 amounted to £65,000 (2021: £64,000).

During the year ended 28 February 2022, an amount of £121,000 (2021: £113,000) was payable to the Directors of the Company as remuneration for services provided to the Company.

In its role as promoter to the Company, Beringea received promoter fees totalling £0.4 million for the year ended 28 February 2022 (2021: £0.3 million).



Shareholder Information

Websites

Latest financial information, including information on recent investment transactions, newsletters and electronic copies of the Annual Report and Accounts, and Half Yearly Financial Statements can be found on the Company's website:

www.provenvcts.co.uk

Shareholders can also check details of their shareholdings using Link Asset Service's website at www.signalshares.com.

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.linkassetservices.com). Queries relating to dividends and requests for mandate forms should be directed to the Company's Registrar, Link Group, by calling 0371 664 0324 (calls are charged at the standard geographic rate and will vary by provider), or by writing to them at 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

Share prices

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

TIDM/EPIC code	"PVN"
Latest share price (8 June 2022):	73.0p per share

Selling shares

The Company's shares can be bought and sold in the same way as any other company listed on the London Stock Exchange via a stockbroker. Shareholders who subscribed for new shares in the Company in the 2017/2018 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 financial adviser if you have any queries.

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

sell your shares. If you are considering selling your shares or trading in the secondary market, please contact the Company's Corporate Broker, Panmure Gordon (UK) Limited ("Panmure").

Panmure 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 VCT has bought in shares. Panmure can be contacted as follows:

Chris Lloyd	0207 886 2716 chris.lloyd@panmure.com
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Paul Nolan	0207 886 2717 paul.nolan@panmure.com
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Financial calendar

20 July 2022	Annual General Meeting
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November 2022	Announcement of half year results
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Unsolicited communication with Shareholders

We are aware of cases in previous years of shareholders in VCTs having received unsolicited telephone calls, e-mails or correspondence concerning investment matters. Please note that it is very unlikely that either the Company, Beringea or the Company registrar, Link Asset Services, 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 Beringea LLP, the Company Secretary, on 020 7845 7820.

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, Link Asset Services, under the signature of the registered holder.

Company Information

Company number
03911323

Directors
Neal Ransome (Chair)
Barry Dean
Lorna Tilbian
Malcolm Moss

all of

Charter House
55 Drury Lane
London WC2B 5SQ

Investment manager
Beringea LLP
Charter House
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Tel: 020 7845 7820
www.provenvcts.co.uk

Registrars
Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL
Tel: 0371 664 0324
(calls are charged at the
standard geographic rate
and will vary by provider)
www.linkgroup.eu

Auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Corporate Broker
Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

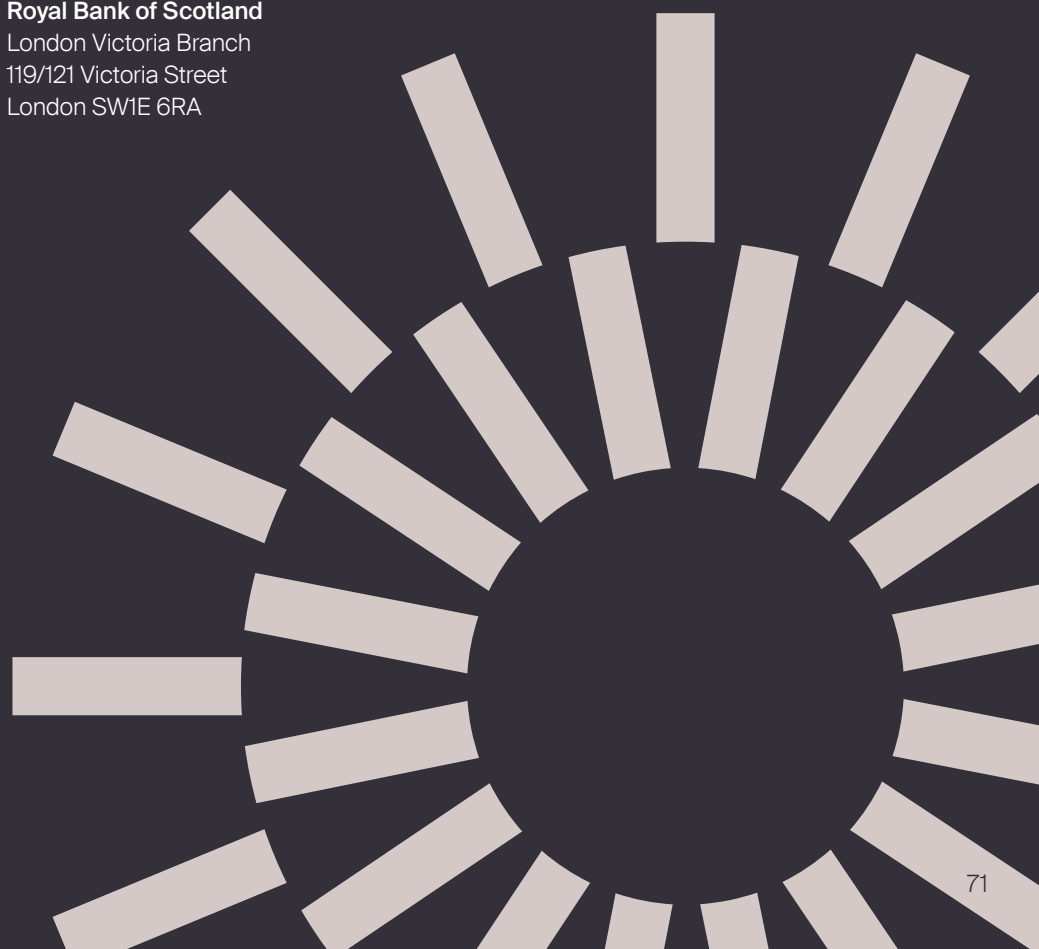
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London WC2B 5SQ

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Tel: 020 7845 7820

Administration manager
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VCT status adviser
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6 Snow Hill
London
EC1A 2AY

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



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **ProVen VCT plc** will be held in The Tavern Room at RSA House, 8 John Adam Street, London, WC2N 6EZ on Wednesday 20 July 2022 at 9.30am.

As **Ordinary Business**, to consider and, if thought fit, pass resolutions 1 to 9, 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 2022 together with the report of the Auditor thereon.
2. To approve the Directors' Remuneration Report set out on pages 40 to 42, for the year ended 28 February 2022.
3. To declare a final dividend of 2.25p per Ordinary Share in respect of the year ended 28 February 2022.
4. To re-appoint BDO LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts of the Company are presented.
5. To authorise the Directors to determine the Auditor's remuneration.
6. To re-elect as Director, Neal Ransome, who retires in accordance with Company policy and, being eligible, offers himself for re-election.
7. To re-elect as Director, Barry Dean, who retires in accordance with Company policy and, being eligible, offers himself for re-election.
8. To re-elect as Director, Malcolm Moss, who retires in accordance with Company policy and, being eligible, offers himself for re-election.
9. To re-elect as Director, Lorna Tilbian, who retires in accordance with Company policy and, being eligible, offers herself for re-election.

As **Special Business**, to consider and, if thought fit, pass resolution 10 as an Ordinary Resolution and resolutions 11 and 12 as Special Resolutions:

10. THAT, in addition to existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 ("CA 2006" or the "Act") to exercise all the powers of the Company to allot and issue shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal amount of £17,473,016 (representing approximately 75% of the Ordinary Share capital in issue at today's date), provided that the authority conferred by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution or, if earlier, on the expiry of 15 months on the passing of this resolution (unless renewed, varied or revoked by the Company in a general meeting) but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require shares to be allotted or rights to be granted after such expiry.

11. THAT, the directors of the Company be and hereby are empowered pursuant to Sections 570(1) of the CA 2006 to allot or make offers to or agreements to allot equity securities (which expression shall have the meaning ascribed to it in Section 560(1) of the CA 2006) for cash pursuant to the authority given pursuant to resolution 10 above, as if Section 561(1) of the CA 2006 (pre-emption rights) did not apply to such allotment, provided that the power provided by this resolution shall expire on the conclusion of the next Annual General Meeting of the Company held after the passing of this resolution or, if earlier, on the expiry of 15 months on the passing of this resolution (unless renewed, varied or revoked by the Company in general meeting) but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require equity securities to be allotted after such expiry.

12. THAT, the Company be and is hereby generally and unconditionally authorised for the purpose of section 701 of the Act to make one or more market purchases (as defined in section 693(4) of the Act) of Ordinary Shares provided that:

- (i) the maximum number of Ordinary Shares hereby authorised to be purchased is 34,922,734 representing approximately 14.99% of the present issued Ordinary Share capital of the Company;

(ii) the minimum price (exclusive of expenses) which may be paid for such Ordinary Shares is 10p the nominal amount thereof;

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

(iv) the Company may make a contract to purchase its own Ordinary Shares 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 in pursuance of any such contract; and this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this resolution or, if earlier, on the expiry of 15 months from the passing of this resolution.

By order of the Board

Beringea LLP

Company Secretary
Registered Office
Charter House
55 Drury Lane
London, WC2B 5SQ
9 June 2022

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

Note: Please see the notes set out on pages 74 and 75 which contain important information about the Annual General Meeting.



Notes for Notice of Annual General Meeting

The following notes explain your general rights as a Shareholder and your right to vote at the Annual General Meeting.

1. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), Shareholders must be registered in the Register of Members of the Company at close of trading on 18 July 2022. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Annual General Meeting.

2. Any Shareholder attending the Annual General Meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006, the Company must cause to be answered. Shareholders may also submit questions in relation to the business to be transacted at the Annual General Meeting via email in advance to info@beringea.co.uk by 5:00 pm on Monday 11 July 2022. Answers to the themes arising out of questions received will be addressed on the website at <https://www.provenvcts.co.uk/>.

3. We recommend that all Shareholders appoint the Chair of the meeting as proxy. This will ensure that your vote is counted even if attendance at the meeting is restricted or you or any other proxy you might appoint are unable to attend in person. The return of a completed proxy will not prevent a member attending the Annual General Meeting and voting in person if the member wishes to do so.

4. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

5. In the case of a Shareholder which is a company, the proxy form 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 proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. For the purposes of determining the time for delivery of

proxies, no account has been taken of any part of a day that is not a working day.

6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

7. 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, your proxy will vote or abstain from voting at his or her discretion. Your 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.

8. To be valid, any Form of Proxy or other instrument appointing a proxy, must be returned by no later than 9.30 a.m. on Monday 18 July 2022 through any one of the following methods:

i) by post, courier or (during normal business hours only) hand to the Company's UK registrar at:

Link Group
PXS1
10th Floor, Central Square
29 Wellington Street
Leeds, LS1 4DL;

ii) electronically through the website of the Company's UK registrar at www.signalshares.com; or

iii) in the case of shares held through CREST, via the CREST system (see notes below);

We strongly recommend voting electronically at www.signalshares.com as your vote will automatically be counted.

9. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.

10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting (and any adjournment of the Annual General Meeting) by using

the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. CREST members are strongly encouraged to appoint the Chair as their proxy to exercise all or part of their rights to attend and vote on their behalf at the Annual General Meeting.

11. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 09.30 a.m. on 18 July 2022. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

12. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

13. Any corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Shareholder provided that no

more than one corporate representative exercises powers in relation to the same shares.

14. As at 8 June 2022 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 232,973,540 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 8 June 2022 are 232,973,540.

15. Under Section 527 of the Companies Act 2006, Shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the Shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

16. The following documents are available on request by email to info@beringea.co.uk from the date of this Notice until the time of the Annual General Meeting:

- copies of the Directors' Letters of Appointments; and
- copies of the Register of Directors' interests in the Ordinary Shares of the Company.

17. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website at www.provenvcts.co.uk.



ProVenVCTs

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