Close Brothers
Venture Capital Trust PLC

Report & Accounts
for the year to
31 March 2005

The new Express by Holiday Inn at Stansted Airport developed by Kew Green VCT (Stansted) Limited

Barleycroft Care Home in Romford

The Bell Hotel in Sandwich recently acquired by The Place Sandwich VCT Limited

The Bear Hotel in Hungerford recently acquired by The Bear Hungerford Limited

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DIRECTORS AND ADMINISTRATION

Company number	3142609
Directors	D J Watkins MBA (Harvard), Chairman (US citizen) R M Davidson J M B L Kerr ACMA J G T Thornton MBA, FCA
Investment Manager	Close Venture Management Limited 4 Crown Place London EC2A 4BT Tel: 020 7422 7830
Secretary and Registered Office	C Kinnear 10 Crown Place London EC2A 4FT
Registrar	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4BR Tel: 0870 162 3100
Auditors	Deloitte & Touche LLP London
Safe Custodians	RBSI Custody Bank Ltd Liberte House 19-23 La Motte Street St Helier Jersey JE4 5RL Capita Trust Company Ltd Guildhall House 81-87 Gresham Street London EC2V 7QE

INVESTMENT OBJECTIVES

Close Brothers Venture Capital Trust PLC ("Close Brothers VCT" or "the Company") is a venture capital trust which raised a total of £39.7 million through an issue of Ordinary Shares in the spring of 1996 and through an issue of 'C' Shares in the following year. The Company offers tax-paying investors substantial tax benefits at the time of investment, on payment of dividends and on the ultimate disposal of the investment. Its investment strategy is to minimise the risk to investors whilst maintaining an attractive yield. This is achieved as follows:

- qualifying unquoted investments are predominantly in specially-formed companies which provide a high level of asset backing for the capital value of the investment;
- Close Brothers VCT invests alongside selected partners with proven experience in the sectors concerned;
- investments are normally structured as a mixture of equity and loan stock. The loan stock represents the majority of the finance provided, and is secured on the assets of the investee company. Funds managed or advised by Close Venture Management Limited typically own 50 per cent. of the equity of the investee company;
- other than the loan stock issued to funds managed or advised by Close Venture Management Limited and, in certain circumstances, temporary bridging finance prior to further investment by funds managed or advised by Close Venture Management Limited, investee companies do not normally have external borrowings; and
- a clear strategy for the realisation of each qualifying unquoted investment within five years or shortly thereafter is identified from the outset.

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2005	Year ended 31 March 2004
Dividends per ordinary share (pence)	9.00	8.50
Revenue return per ordinary share (pence)	5.87	5.60
Capital return per ordinary share (pence)	5.91	7.10
Net asset value per ordinary share (pence)	115.89	113.11

Shareholder value created per share since launch:	Ordinary shares (Pence)	'C' shares (Pence)
Gross revenue dividends for the year ended 31 March 1997	5.00	–
Gross revenue dividends for the year ended 31 March 1998	6.00	5.00
Gross interim dividends and net final dividend for the year ended 31 March 1999	7.75	6.25
Net revenue and capital dividends for the year ended 31 March 2000	8.55	4.50
Net revenue and capital dividends for the year ended 31 March 2001	7.50	7.50
Net revenue dividends for the year ended 31 March 2002	7.50	7.50
Net revenue and capital dividends for the year ended 31 March 2003	8.00	8.00
Net revenue and capital dividends for the year ended 31 March 2004	8.50	8.50
Net revenue and capital dividends for the year ended 31 March 2005	9.00	9.00
Total dividends paid or declared to date	67.80	56.25
Net asset value	115.89	115.89
Total return to 31 March 2005	**183.69**	**172.14**

Notes:

i) Dividends paid before 5 April 1999 were paid to qualifying shareholders inclusive of the associated tax credit. The dividends for the year to 31 March 1999 were maximised in order to take advantage of this tax credit.

ii) A capital dividend of 2.55 pence in the year to 31 March 2000 enabled the Ordinary Shares and the 'C' Shares to merge on an equal basis.

iii) Revenue dividends to date amount to 55.30 pence for holders of original Ordinary Shares and 46.30 pence for holders of original 'C' Shares.

iv) Capital dividends to date amount to 12.50 pence for holders of original Ordinary Shares and 9.95 pence for holders of original 'C' Shares.

v) All dividends paid by the Company are free of income tax. It is an Inland Revenue requirement that dividend vouchers indicate the tax element should dividends have been subject to income tax. Investors should ignore this figure on their dividend voucher and need not disclose any income they receive from a VCT on their tax return.

vi) The net asset value of the Company is not its share price as quoted on the official list of the London Stock Exchange. The share price of the Company can be found in the Investment Companies section of the Financial Times on a daily basis.

FINANCIAL CALENDAR

Ex date for dividend	15 June 2005
Record date for final dividend	17 June 2005
Annual General Meeting	11 July 2005
Posting of dividend cheques in respect of the final dividend	14 July 2005
Announcement of interim results for the six months ended 30 September 2005	December 2005
Payment of interim dividend	January 2006

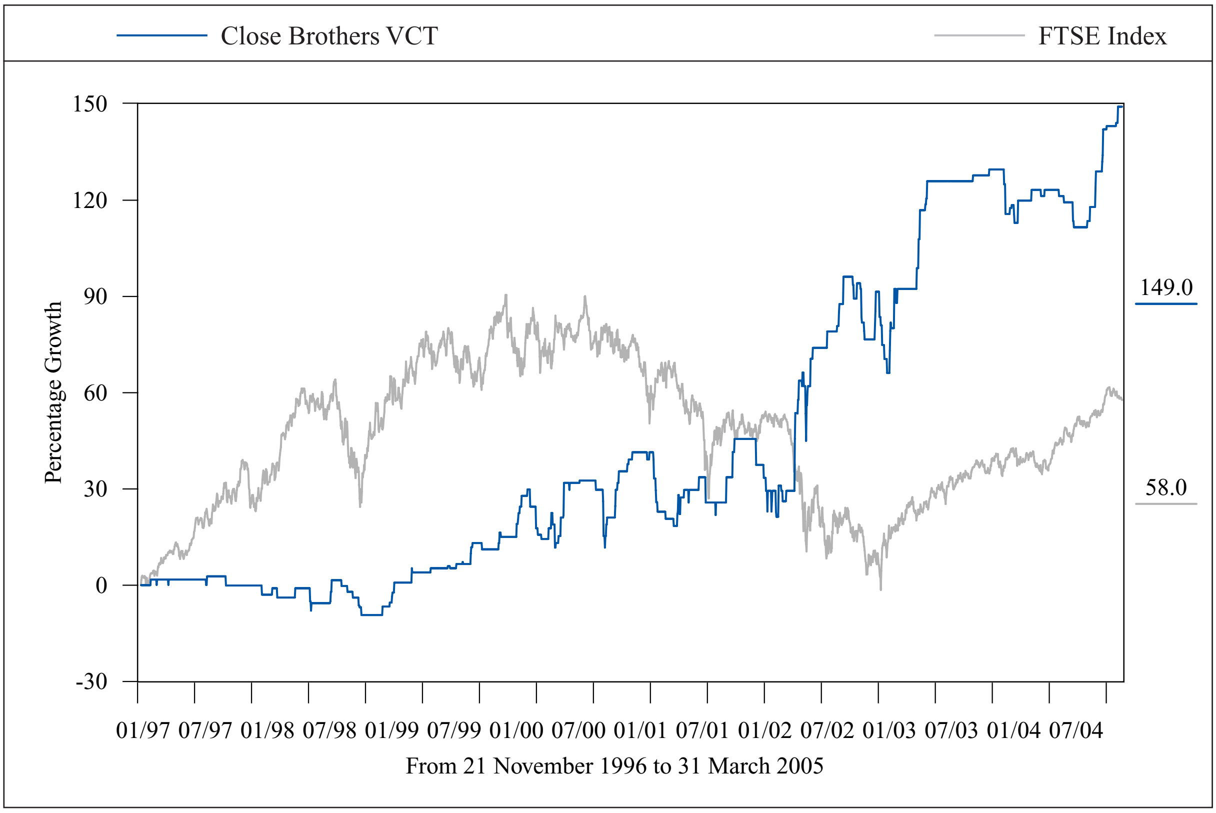
CHAIRMAN'S STATEMENT

Introduction

The progress of your Company's investment portfolio during the year has continued to be encouraging. As well as the sale of the five homes for people with learning disabilities for a profit of £4.0 million on cost of £9.9 million, as referred to in last year's statement, the Company also sold its investment in the Odyssey Glory Mill health and fitness club outside Beaconsfield for a profit of £1.3 million on a cost of £4.5 million. The disposals have enabled the Company's total dividend to be increased from last year's 8.50 pence per share to 9.00 pence per share for the year to 31 March 2005. Investments of £3.4 million have been made in five new companies, together with follow on investments of £3.9 million in four existing investee companies.

As a result of the disposals, the realised capital reserve now stands at £3.5 million with the reserve for unrealised appreciation amounting to a further £3.5 million. Your Company's net asset value per share has risen by a further 2.4 per cent. to 115.89 pence per share. The capital return of 5.91 pence per share combined with the revenue return, has resulted in an overall return of 11.78 pence per share for the year. This builds on strong returns over the previous years and your Company has now paid or declared total dividends since launch for the Ordinary Shares and 'C' Shares (now converted) amounting to 67.80 pence and 56.25 pence per share respectively.

The performance of the market value of the Ordinary Shares against the FTSE 100, with dividends reinvested, in both cases, is shown below.



Review of Investments

Our key investment areas continue to be the hotel, care home, leisure and residential property development sectors.

In the hotel sector, we have seen an uplift in the valuation of our investment in the Days Hotel in the Mailbox development in Birmingham over the course of the year and are currently preparing to re-brand the hotel as a Ramada which should enhance the hotel's profitability. The new 183 bedroom Stansted

CHAIRMAN'S STATEMENT
(continued)

Express by Holiday Inn hotel at Stansted Airport is now open and trading to date has been very encouraging, leading to an increase of £1.1 million in the valuation of the Company's investment. Recently the Company has made two additional investments in the sector, in The Place Sandwich Limited, which acquired the Bell Hotel in Sandwich in January, and The Bear Hungerford Limited, which acquired the historic Bear Hotel in Hungerford in March of this year. Both of these latter hotels are undergoing significant refurbishment.

In the care home sector the very successful sale of our five homes for people with learning disabilities in East Anglia was completed in April 2004 and was mentioned in my last statement. The newly built 80 bed nursing home in Romford owned by Barleycroft Care Home Limited opened in January of this year and is filling swiftly. Meanwhile performance at the 75 bed home in Dover owned by Applecroft Care Home Limited is continuing to improve. Further opportunities in the care home sector are currently under negotiation.

In the leisure sector, the most significant event was the successful disposal in December 2004 of the Company's investment in Odyssey Glory Mill Limited which built and operated a health and fitness club outside Beaconsfield. This generated a capital profit of £1.3 million on total cost of £4.5 million as well as a running return in excess of 10 per cent. per annum. In the cinema arena, profits at the Cambridge Arts Picturehouse were lower than the previous year but the recent independent valuation of the cinema increased as the impact of a new cinema in Cambridge was less than originally feared. The performance of the Liverpool Picturehouse at FACT continued to improve and the Company has invested £0.9 million as part of a £2.5 million investment in CS (Greenwich) Limited, which is undertaking the redevelopment of a cinema in Greenwich, London, expected to re-open in September of this year. The Bold Pub Company Limited, in which the Company invested a further £1 million during the course of the year, has shown continued progress, now owning 27 pubs, principally in the North West of England. Meanwhile new investments have been made in The Independent Pub Company (VCT) Limited, which has acquired the Pelican public house outside Hungerford, and Churchill Taverns VCT Limited, which has acquired and refurbished Ye Three Fyshes public house in Turvey, outside Bedford.

In the residential development sector, which is restricted to 20 per cent. of the portfolio, we continue to have four companies established with separate developers. Slower than anticipated sales progress and some unforeseen additional costs have led us to make a provision against the holding value of one of these, but dividends were received from the remaining three companies during the course of the year, with further dividends anticipated in the current year, in addition to the running return provided by the loan stock from all four.

Results and Dividend

As at 31 March 2005 the net asset value was £41.6 million or 115.9 pence per share, which compares with a net asset value at 31 March 2004 of £40.6 million or 113.1 pence per ordinary share. Net revenue income before taxation was £2.9 million (2004: £2.8 million), out of which the Company paid an interim revenue dividend of 2.80 pence per share. The Company also had sufficient capital profits to pay an interim capital dividend of 1.45 pence per share. The board now proposes a final revenue dividend of 2.95 pence per share and a final capital dividend of 1.80 pence per share, resulting in total revenue dividends for the year of 5.75 pence and total capital dividends of 3.25 pence, or 9.00 pence per share in total (2004: total dividends of 8.50 pence per share). The final dividends for the year ended 31 March 2005 will be paid on 14 July 2005 to shareholders registered on 17 June 2005.

David Watkins
Chairman

9 June 2005

THE BOARD OF DIRECTORS

The following are the Directors of the Company, all of whom operate in a non-executive capacity:

David Watkins MBA (Harvard), Chairman (60). From 1972 until 1991 he worked at Goldman Sachs, where he was Head of Euromarkets Syndication and Head of the European Real Estate Department. He subsequently joined Mountleigh Group PLC where he worked as a director for 12 months on the restructuring of the business. Until late 1995 he worked at Baring Securities Limited as Head of Equity Capital Markets - London, before leaving to join Capital Risk Strategies (UK) Limited, a consultancy formed to provide risk management solutions to large corporations. From 1985 to 1990 he was a director of the Association of International Bond Dealers, and from 1986 to 1990 was a member of the Council of the London Stock Exchange. He is currently a Director of Close Income & Growth VCT PLC and a number of private UK companies.

Roderick Davidson (67). He joined B S Stock & Co, stockbrokers in Bristol in 1960, becoming a partner in 1965 and managing director of Stock Beech & Co. Limited in 1985. In 1990 he joined Albert E Sharp where he managed investment portfolios on behalf of pension funds, charitable trusts and private investors. He retired in the spring of 1998. He is chairman of Close Brothers Development VCT PLC.

John Kerr ACMA (62). John Kerr has worked as a venture capitalist and also in manufacturing and service industries. He held a number of finance and general management posts in the UK and USA, before joining SUMIT Equity Ventures, an independent Midlands based venture capital company, where he was managing director from 1985 to 1992. He then became chief executive of Price & Pierce Limited, which acted as the UK agent for overseas producers of forestry products, before leaving in 1997 to become finance director of Ambion Brick, a building material company bought out from Ibstock PLC. After retiring in 2002, he now works as a consultant. He is also a Director of Close Income & Growth VCT PLC.

Jonathan Thornton MBA, FCA (58). He retired as a director of Close Brothers Group plc in 1998. In 1984 he was responsible for establishing Close Brothers Private Equity. Prior to this he worked for both 3i plc and Cinven. He is a director of Close Brothers Development VCT PLC.

THE MANAGER

Close Venture Management Limited, which is authorised and regulated by the Financial Services Authority, is the Manager of Close Brothers Venture Capital Trust PLC. In addition to Close Brothers VCT, it manages a further seven VCTs: Close Brothers Protected VCT PLC, which raised £27.9 million in 1997, co-invests alongside Close Brothers Venture Capital Trust PLC; Close Brothers Development VCT PLC, which raised £14.6 million in 1999 and a further £11.5 million in 2002/3 and £7.0 million in 2003/4 to provide development capital to unquoted companies; Close Technology & General VCT which has raised £14.3 million to invest in both 'old economy' and 'new economy' businesses; Close Income & Growth VCT which raised £45.3 million in 2004/5 to invest in higher growth companies and asset-based businesses in the leisure sector and spin outs from Brunel University; and three existing Murray VCTs formerly managed by Aberdeen Asset Management Limited.

Close Venture Management Limited also manages Bamboo Investments PLC, which specialises in technology investments and acts as investment adviser to the Healthcare and Leisure Property Fund PLC, which co-invests in asset-based businesses alongside Close Brothers Venture Capital Trust PLC. Close Venture Management won the "Best VCT Provider" category in the Professional Adviser Awards 2005.

The Manager's ultimate parent company is Close Brothers Group plc, a substantial independent merchant banking group incorporated in the United Kingdom and listed on the London Stock Exchange. Close Brothers Group has extensive experience in asset-based finance over a range of specialised lending activities.

The following are specifically responsible for the management and administration of the VCTs managed by Close Venture Management, including Close Brothers Venture Capital Trust PLC:

Patrick Reeve MA, ACA (45). He qualified as a chartered accountant with Deloitte Haskins & Sells before joining Cazenove & Co where he spent three years in the corporate finance department. He joined the Close Brothers Group in 1989, initially in the development capital subsidiary, where he was a director specialising in the financing of smaller unquoted companies. He joined the corporate finance division in 1991, where he was also a director. He established Close Venture Management with the launch of Close Brothers Venture Capital Trust PLC in the spring of 1996.

Henry Stanford MA, ACA (40). He qualified as a chartered accountant with Arthur Andersen before joining the corporate finance division of the Close Brothers Group in 1992. He became an assistant director in 1996 and transferred to Close Venture Management in 1998 to concentrate on VCT investment.

Will Fraser-Allen BA (Hons), ACA (34), qualified as a chartered accountant with Cooper Lancaster Brewers in 1996 before specialising in corporate finance and investigation. He joined Close Venture Management in 2001.

Emil Gigov BA (Hons), ACA (35), qualified as a chartered accountant with KPMG in 1997 and subsequently worked in KPMG's corporate finance division working on the media, marketing and leisure sectors. He joined Close Venture Management in 2000.

David Gudgin BSc (Hons), ACMA (32), after working for ICL from 1993 to 1999 where he qualified as an accountant, he joined 3i Plc as an investment manager based in London and Amsterdam. In 2002 he joined Foursome Investments, the venture capital arm of the Englehorn family, responsible for investing an evergreen fund of US$80 million, before joining Close Venture Management Limited in 2005.

Robert Whitby-Smith BA (Hons), MSI, ACA (30), qualified as a chartered accountant with KPMG in their corporate finance division. From 2000 to early 2005 he worked in the UK corporate finance departments of Credit Suisse First Boston and subsequently ING Barings, where he was a vice president. He joined Close Venture Management Limited in 2005.

Ed Lascelles BA (Hons) (29), joined the corporate broking department of Charterhouse Securities in 1998 focusing on primary and secondary equity fundraisings. He then moved to the corporate finance department of ING Barings in 2000, retaining his focus on smaller UK companies. He joined Close Venture Management Limited in 2004.

Mark Toomey BA (Hons) (28), after graduating from The London School of Economics with a degree in Geography and Economics, he joined Lee & Allen Consulting focusing on forensic accounting. He joined Close Venture Management Limited in 2001.

THE PORTFOLIO OF INVESTMENTS

The following is a summary of qualifying investments at 31 March 2005, comprising amounts invested and scheduled for investment, and after including the revaluations referred to in the Chairman's statement above:

Sector and investment	Investment at cost £'000	Cumulative revaluation £'000	Valuation 31 March 2005 £'000	Valuation 31 March 2004 £'000	Valuation movement £'000	Reserved for investment £'000
Hotels						
Premier VCT (Mailbox) Limited	4,600	2,200	6,800	5,688	1,112	–
Kew Green VCT (Stansted) Limited	3,000	1,101	4,101	2,000	1,101	2,000
The Place Sandwich VCT Limited	1,000	–	1,000	–	–	–
The Bear Hungerford Limited	1,000	–	1,000	–	–	700
Total investment in the hotel sector	**9,600**	**3,301**	**12,901**	**7,688**	**2,213**	**2,700**
Care Homes						
Applecroft Care Home Limited	1,925	–	1,925	1,000	–	–
Barleycroft Care Home Limited	2,000	–	2,000	1,000	–	275
Total investment in the care home sector	**3,925**	**–**	**3,925**	**2,000**	**–**	**275**
Leisure						
Churchill Taverns VCT Limited	180	–	180	–	–	–
City Screen (Cambridge) Limited	1,210	295	1,505	1,336	169	–
City Screen (Liverpool) Limited	200	(22)	178	180	(2)	–
CS (Greenwich) Limited	900	–	900	–	–	–
The Bold Pub Company Limited	1,260	36	1,296	260	36	–
The Independent Pub Company VCT Limited	290	–	290	–	–	–
Total investment in the leisure sector	**4,040**	**309**	**4,349**	**1,776**	**203**	**–**
Residential property development						
Chase Midland VCT Limited	1,600	–	1,600	1,600	–	–
Country & Metropolitan VCT Limited	3,000	–	3,000	3,000	–	–
Prime VCT Limited	2,200	(100)	2,100	2,200	(100)	–
Youngs VCT Limited	1,200	–	1,200	1,200	–	–
Total investment in the residential property development sector	**8,000**	**(100)**	**7,900**	**8,000**	**(100)**	**–**
Total qualifying investments	**25,565**	**3,510**	**29,075**	**19,464**	**2,316**	**2,975**

THE PORTFOLIO OF INVESTMENTS
(continued)

HOTELS

1. Kew Green VCT (Stansted) Limited

Kew Green VCT (Stansted) was established to develop and operate a limited service hotel under the "Express by Holiday Inn" brand at Stansted Airport. The hotel opened in January 2005 and initial trading has been very encouraging.

Date of initial investment:	March 2003
Operating partner:	Kew Green Hotels Limited
Amount invested at 31 March 2005:	£3.00 million
Further amount reserved for investment:	£2.00 million
Proportion of share capital and voting rights held:	27%

Latest audited financial information	**31 August 2004 £'000**
Turnover for the year	–
Loss before taxation for the year	14
Accumulated retained losses	16
Net assets	1,978

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management had invested at 31 March 2005 £2 million and £0.5 million respectively in the company. Subsequently Close Brothers Venture Capital Trust PLC and Close Brothers Protected VCT PLC have each invested a further £1 million.

The investment is valued based upon the company's net asset value as adjusted for the revaluation of the hotel as provided by an independent valuer at the year end. This has led to an uplift in the valuation of £1.1 million over its original cost.

2. Premier VCT (Mailbox) Limited

This company was formed to build and operate a 90 room hotel operating under the "Days Inn" brand at the Mailbox development in the centre of Birmingham. It opened in April 2001 and has since been rebranded as a "Days Hotel". It is further proposing to rebrand as a "Ramada" hotel.

Date of initial investment:	December 1999
Operating partner:	Hospitality Management International Ltd
Amount invested at 31 March 2005:	£4.60 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	43%

Latest audited financial information	**30 June 2004 £'000**
Turnover for the year	1,786
Loss before taxation for the year	3
Accumulated retained losses	218
Net assets	779

In the year to 30 June 2004 the company made an operating profit before management fees, depreciation and interest of approximately £793,000.

Healthcare & Leisure Property Fund PLC, which is advised by Close Venture Management, has invested £750,000 in the company.

The investment is valued based upon the company's net asset value as adjusted for the revaluation of the hotel as provided by an independent valuer at the year end. On this basis the valuation of your Company's investment has increased by £2.2 million over its original cost.

THE PORTFOLIO OF INVESTMENTS
(continued)

3. The Bear Hungerford Limited

This company was formed to acquire the historic 41 room Bear Hotel in Hungerford. The hotel was acquired in March 2005 and a refurbishment programme has commenced.

Date of initial investment:	March 2005
Operating partner:	The Considered Hotel Company Limited
Amount invested at 31 March 2005:	£1.0 million
Further amount reserved for investment:	£0.7 million
Proportion of share capital and voting rights held:	20%

As a newly incorporated company, The Bear Hungerford Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management had invested at 31 March 2005 £950,000 and £600,000 respectively in the company.

The investment is valued at cost in view of the recent nature of the investment.

4. The Place Sandwich VCT Limited

This company was formed to acquire and operate the 33 room Bell Hotel in Sandwich. The hotel was acquired in January 2005 and refurbishment is currently taking place.

Date of initial investment:	January 2005
Operating partner:	WAW Leisure Limited
Amount invested at 31 March 2005:	£1.00 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	25%

As a newly incorporated company, The Place Sandwich Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management had invested at 31 March 2005 £550,000 and £450,000 respectively in the company.

The investment is valued at cost in view of the recent nature of the investment.

THE PORTFOLIO OF INVESTMENTS
(continued)

CARE HOMES

5. Applecroft Care Home Limited

Applecroft Care Home was formed to acquire an existing 75 bed nursing home in Dover. The acquisition took place in January 2004 and performance has been steadily improving.

Date of initial investment:	August 2003
Operating partner:	Festival Care Homes Limited
Amount invested at 31 March 2005:	£1.93 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	23%

Latest audited financial information	**31 December 2004 £'000**
Turnover for the year	1,422
Loss before taxation for the year	328
Accumulated retained losses	258
Net assets	930

In the 17 month period to 31 December 2004 the company made an operating profit before management fees, depreciation and interest of approximately £158,000.

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management had invested at 31 March 2005 £1.925 million and £0.35 million respectively in the company.

The investment is valued at cost based upon an independent third party valuation.

6. Barleycroft Care Home Limited

Barleycroft Care Home was formed to develop an 80 bed nursing home in Romford which opened in January 2005 and initial performance has been encouraging.

Date of initial investment:	October 2003
Operating partner:	Festival Care Homes Limited
Amount invested at 31 March 2005:	£2.00 million
Further amount reserved for investment:	£0.28 million
Proportion of share capital and voting rights held:	23%

Latest audited financial information	**31 December 2004 £'000**
Turnover for the year	–
Loss before taxation for the year	459
Accumulated retained losses	372
Net assets	848

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management had invested at 31 March 2005 £2.0 million and £0.35 million respectively in the company.

The investment is valued at cost based upon an independent third party valuation.

THE PORTFOLIO OF INVESTMENTS
(continued)

LEISURE

7. Churchill Taverns VCT Limited

The company was formed to acquire "Ye Three Fyshes" public house in the village of Turvey, near Bedford, which had previously ceased trading. The pub has recently reopened.

Date of initial investment:	January 2005
Operating partner:	Churchill Taverns Limited
Amount invested at 31 March 2005:	£0.2 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	14%

As a newly incorporated company, Churchill Taverns VCT Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC, Close Technology & General VCT PLC, Close Income & Growth VCT PLC and Healthcare & Leisure Property Fund PLC, which are all managed or advised by Close Venture Management, have invested £100,000, £165,000, £45,000, £66,000 and £70,000 respectively.

The investment is valued at cost in view of the recent nature of the investment.

8. City Screen (Cambridge) Limited

The company was formed to develop and operate a three screen "art-house" cinema in the centre of Cambridge. The cinema opened in August 1999. Close Brothers Venture Capital Trust PLC has charged management fees of £240,000 to date in addition to its running return of approximately 10 per cent. from loan stock.

Date of initial investment:	July 1999
Operating partner:	City Screen Limited
Amount invested at 31 March 2005:	£1.21 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	50%

Latest audited financial information	**31 December 2004 £'000**
Turnover for the year	1,429
Loss before taxation for the year	92
Accumulated retained losses	381
Net assets	(18)

In the year to 31 December 2004 the company made an operating profit before management fees, depreciation and interest of approximately £332,000.

The investment is valued based upon the company's net asset value as adjusted for the revaluation of the cinema as provided by an independent valuer at the year end. On this basis the valuation of your Company's investment has increased by approximately £0.3 million over its original cost.

THE PORTFOLIO OF INVESTMENTS
(continued)

9. City Screen (Liverpool) Limited

The company was formed to develop and operate a three screen "art-house" cinema in the FACT centre in Liverpool. The cinema commenced trading in February 2003 but a temporary structural issue led to the three screens closing in April 2003. The cinema became fully operational again in November 2003.

Date of initial investment:	November 2002
Operating partner:	City Screen Limited
Amount invested at 31 March 2005:	£0.2 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	18%

Latest audited financial information	**31 December 2004 £'000**
Turnover for the year	985
Loss before taxation for the year	68
Accumulated retained losses	233
Net assets	15

In the year to 31 December 2004 the company made an operating profit before management fees, depreciation and interest of approximately £62,000.

Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC and Close Technology & General VCT PLC, which are all managed by Close Venture Management, have invested £250,000, £50,000 and £50,000 respectively.

The investment is valued based upon the company's net asset value as adjusted for the revaluation of the cinema as provided by an independent valuer at the year end. On this basis the valuation of your Company's investment has been reduced by approximately £22,000 from its original cost.

10. The Bold Pub Company Limited

The company was formed to acquire a group of 10 freehold and long leasehold pubs in the North West of England. It has subsequently acquired a further 17 public houses in the region, taking the total in the portfolio to 27.

Date of initial investment:	February 2004
Operating partner:	The Pub Support Company Limited
Amount invested at 31 March 2005:	£1.26 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	12%

As a newly incorporated company, The Bold Pub Company Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC, Close Technology & General VCT PLC and Close Income & Growth VCT PLC, which are all managed by Close Venture Management, have invested £930,000, £1,670,000, £500,000 and £350,000 respectively.

The initial investments were revalued upon the basis of independent valuations at the time of the most recent investment resulting in an increase in valuation of approximately £36,000. The most recent investment has been held at cost.

THE PORTFOLIO OF INVESTMENTS
(continued)

11. The Independent Pub Company (VCT) Limited

The company was formed to acquire the "Pelican" public house outside Hungerford.

Date of initial investment:	December 2004
Operating partner:	The Independent Pub Company Limited
Amount invested at 31 March 2005:	£0.29 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	12%

As a newly incorporated company, The Independent Pub Company VCT Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC, Close Technology & General VCT PLC, Close Income & Growth VCT PLC and Healthcare & Leisure Property Fund PLC, which are all managed or advised by Close Venture Management, have invested £200,000, £290,000, £120,000, £150,000 and £150,000 respectively.

The investment is valued at cost in view of the recent nature of the investment.

12. CS (Greenwich) Limited

The company was formed to acquire and redevelop a redundant cinema in Greenwich. It is expected to open a five screen "art-house" cinema in September 2005.

Date of initial investment:	September 2004
Operating partner:	City Screen Limited
Amount invested at 31 March 2005:	£0.90 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	18%

As a newly incorporated company, CS (Greenwich) Limited has not yet filed audited accounts.

Close Brothers Protected VCT PLC, Close Brothers Development VCT PLC, Close Technology & General VCT PLC and Healthcare & Leisure Property Fund PLC, which are all managed or advised by Close Venture Management, have invested £370,000, £760,000, £100,000 and £370,000 respectively.

The investment is valued at cost on the basis that the cinema has yet to start trading.

THE PORTFOLIO OF INVESTMENTS
(continued)

RESIDENTIAL DEVELOPMENT

13. Chase Midland VCT Limited

The company is currently undertaking its seventh development, comprising six houses in the Walmley, Sutton Coldfield area of Birmingham. Construction is nearing completion.

Date of initial investment:	March 1997
Developer partner:	Chase Midland Plc
Amount invested at 31 March 2005:	£1.60 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	50%

Latest audited financial information	30 June 2004 £'000
Turnover for the year	1,758
Profit before taxation for the year	172
Accumulated retained profits	63
Net assets	783

The investment is valued at cost in view of the fact that Chase Midland VCT is a residential property development company and distributes all its profits by way of dividend.

14. Country & Metropolitan VCT Limited

The company is close to completing construction of its eleventh development, of 23 apartments in Shipley, and it has acquired a further site, for the construction of 12 apartments in Nottingham.

Date of initial investment:	November 1996
Developer partner:	Country & Metropolitan Plc (recently acquired by Gladedale Holdings plc)
Amount invested at 31 March 2005:	£3.00 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	43%

Latest audited financial information	30 June 2004 £'000
Turnover for the year	2,632
Profit before taxation for the year	192
Accumulated retained profits	10
Net assets	1,580

Healthcare & Leisure Property Fund PLC, which is advised by Close Venture Management, has invested £500,000 in the company.

The investment is valued at cost in view of the fact that Country & Metropolitan VCT is a residential property development company and distributes all its profits by way of dividend.

THE PORTFOLIO OF INVESTMENTS
(continued)

15. Prime VCT Limited

This company has developed a 12 apartment scheme in Hertford and is currently in the marketing phase with 8 apartments sold or reserved to date. The company is proposing to acquire a follow on site in Bristol.

Date of initial investment:	September 1996
Developer partner:	Prime Residential Limited
Amount invested at 31 March 2005:	£2.20 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	50%

Latest audited financial information	**30 September 2004 £'000**
Turnover for the year	354
Profit before taxation for the year	19
Accumulated retained losses	24
Net assets	976

In light of additional unforeseen construction costs, delays and slower than anticipated sales, leading to higher interest payments to your Company, a provision of £100,000 has been made against the cost of the investment.

16. Youngs VCT Limited

The company has two apartments remaining at its 11 apartment scheme at Lee-on-the-Solent, overlooking the Isle of Wight, and has exchanged contracts on five of the 19 apartments in Southampton, where construction is not scheduled to complete until October 2005.

Date of initial investment:	March 2000
Developer partner:	Youngs Developments Ltd
Amount invested at 31 March 2005:	£1.20 million
Further amount reserved for investment:	Nil
Proportion of share capital and voting rights held:	25%

Latest audited financial information	**31 December 2004 £'000**
Turnover for the year	2,755
Profit before taxation for the year	240
Accumulated retained profits	5
Net assets	1,077

Close Brothers Protected VCT PLC and Healthcare & Leisure Property Fund PLC, which are managed or advised by Close Venture Management, have invested £1 million and £160,000 respectively in the company.

The investment is valued at cost in view of the fact that Youngs VCT is a residential property development company and distributes all its profits by way of dividend.

REPORT OF THE DIRECTORS

The Directors submit the Report and Accounts of the Company for the year to 31 March 2005.

Principal Activity and Status

The principal activity of the Company is that of a venture capital trust. It was approved by the Inland Revenue as a venture capital trust in accordance with Section 842 of the Income and Corporation Taxes Act 1988 and in the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to continue to obtain such approval. Approval for the year ended 31 March 2005 is subject to review should there be any subsequent enquiry under corporation tax self assessment. The Company is not a close company for taxation purposes. Details of the principal investments made by the Company are given above in the review of the portfolio of investments. A review of the Company's business during the year is contained in the Chairman's Statement.

The Company is no longer an investment company as defined in Section 266 of the Companies Act 1985. The Company revoked its investment company status on 11 May 2000 to enable the Company to pay dividends from realised capital profits.

Results and Dividends

	£'000
Revenue return attributable to shareholders for the year ended 31 March 2005	2,106
Net interim revenue dividend of 2.80 pence per share paid on 7 January 2005	(1,005)
Net final revenue dividend of 2.95 pence per share payable on 14 July 2005	(1,058)
Revenue transferred to reserves	**43**
Realised capital return attributable to shareholders for the year ended 31 March 2005	5,354
Prior year unrealised return realised in the year	(4,985)
Unrealised capital return attributable to shareholders for the year ended 31 March 2005	2,315
Realised capital loss attributable to shareholders on expenses for the year ended 31 March 2005	(563)
Net interim capital dividend of 1.45 pence per share paid on 7 January 2005	(520)
Net final capital dividend of 1.80 pence per share payable on 14 July 2005	(646)
Capital transferred to reserves	**955**
Total transferred to reserves	**998**

Purchase of Own Shares

The purchase of shares by the Company is intended, inter alia, to provide a market for the shares and thereby to reduce the discount at which shares may trade. Since any purchases are made at a discount to net asset value at the time of purchase, the net asset value per share of the remaining shares in issue should increase.

During the financial year under review the Company did not purchase any of its shares for cancellation.

Directors

The Directors who held office throughout the year, and their interests in the shares of the Company (together with those of their immediate family) were:

	31 March 2005 Shares held	31 March 2004 Shares held
D J Watkins	10,000	10,000
R M Davidson	5,000	5,000
J M B L Kerr	13,109	13,109
J G T Thornton	36,218	31,218

No Director has a service contract with the Company. The Company does not have any employees.

All Directors are members of the Audit Committee

REPORT OF THE DIRECTORS
(continued)

Management Agreement

The Company and Close Venture Management Limited ("the Manager") entered into a management agreement for an initial fixed period to 3 April 2000 which may now be terminated by either party on 12 months' notice. Under this agreement, the Manager also provides secretarial and administrative services to the Company. The management agreement is subject to earlier termination in the event of certain breaches or on the insolvency of either party. The following fees are payable to the Manager by the Company under the terms of the agreement:

- **Non-Qualifying Investments**
  A fee equal to 0.50 per cent. of funds invested in non-qualifying investments.
- **Qualifying Investments**
  A fee equal to 1.8 per cent. of funds invested in qualifying investments.
- **Secretarial and administrative services**
  A fee of £34,509 per annum, plus VAT, rising annually in line with the Retail Prices Index.

The Manager is also entitled to an arrangement fee, payable by each company in which the Company invests, in the region of two per cent. on each investment made.

New Management Performance Incentive

Following shareholder approval at the AGM on 26 July 2004, a new performance incentive to reward the Manager for the strong performance of the Company is now in existence. The Directors proposed that the new performance incentive should retain the key principles of the prior performance incentive, and be an 8 per cent. share of the excess return above the hurdle rate, paid out annually in cash as an addition to the management fee. The hurdle rate is set at an annual return of 5 per cent. per annum, representing dividends paid and growth in share value, on the preceding year's share value. Share value will continue to be calculated as the average of:

(i) the net asset value per Share at the end of the relevant financial year, and

(ii) the average mid-market price of a Share, between the date of the preliminary announcement of the results for the relevant financial year and the AGM at which the accounts are presented to Shareholders.

The amounts payable under the new performance incentive will be limited to the extent that, over any two year period, the aggregate total amount payable under the new incentive and the ongoing management fees may not exceed 5 per cent. of the Company's gross asset value at the relevant period end. Incentive fees will be paid out on annual basis, following the AGM. Both the total return and the hurdle rate will be cumulative from the inception of the new scheme, with any shortfall resulting in payments not being made until performance catches up.

The outstanding Management fees and Management performance fee as at 31 March 2005 amount to approximately £485,000.

Auditors

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

Substantial Interests

As at 9 June 2005 the Company was not aware of any beneficial interest exceeding 3 per cent. of the issued share capital.

Statement of Directors' Responsibilities

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

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

REPORT OF THE DIRECTORS
(continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that applicable accounting standards have been followed in the financial statements accompanying this report.

Annual General Meeting

The Annual General Meeting will be held at 10 Crown Place, London EC2A 4FT at 10.30 a.m. on 11 July 2005. The notice of the Annual General Meeting is at the end of this document. A resolution will be proposed as special business at the Annual General Meeting for the following purpose:

Purchase of Own Shares

A resolution concerning Special Business, number 5 in the notice of meeting, will renew the authority to purchase in the market and cancel up to 3,587,822 of the Company's issued shares (equivalent to 10 per cent. of the share capital currently in issue).

Purchases of shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its shareholders taken as a whole. Purchases will only be made in the market for cash at prices below the prevailing net asset value per Ordinary Share. Under the rules of the London Stock Exchange the maximum price which can be paid by the Company is 5 per cent. above the average of the relevant market value of the shares for the five business days preceding the purchase. Shares which are purchased will be cancelled. In making purchases the Company will deal only with member firms of the London Stock Exchange. Purchases of shares will be funded from distributable reserves. To the extent that the Company purchases shares at a discount to net asset value, the net asset value of the remaining shares in issue will increase.

Supplier payment policy

The Company's policy is to pay all supplier invoices within 30 days of the invoice date, or as otherwise agreed. There were no overdue trade creditors at 31 March 2005 (2004: £nil).

By Order of the Board

C Kinnear
Secretary

10 Crown Place
London EC2A 4FT

9 June 2005

STATEMENT OF CORPORATE GOVERNANCE

Background

The Financial Services Authority requires all listed companies to disclose how they have applied the principles and complied with the provisions of the Combined Code issued by the Financial Reporting Council ("FRC") in July 2003 ("the Code").

Application of the Principles of the Code

The Board attaches importance to matters set out in the Code and applies its principles. However, as a venture capital trust company, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the Code are directly applicable to the Company.

Board of Directors

The Board consists solely of non-executive Directors. Mr Watkins is the Chairman and senior independent Director. Messrs Davidson, Kerr and Thornton are also independent Directors. The Directors have a range of business and financial skills which are relevant to the Company. All Directors are able to take independent professional advice in furtherance of their duties if necessary. In accordance with the Combined Code, the Company has in place Directors & Officers insurance.

The Board met four times during the year ended 31 March 2005 with all of the Directors having attended each meeting. The Chairman ensures that all Directors receive in a timely manner all relevant management, regulatory and financial information. The Board receives and considers reports regularly from the Manager and other key advisers and ad hoc reports and information are supplied to the Board as required. The Board has a formal schedule of matters reserved for it and the agreement between the Company and its Manager sets out the matters over which the Manager has authority and limits beyond which Board approval must be sought, these include the following:

The Manager has authority over management of the investment portfolio, the organisation of custodial services, accounting, secretarial and administrative services. The main issues reserved for the Board include:

- the consideration and approval of future developments or changes to the investment policy including risk and asset allocation;
- consideration of corporate strategy;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Manager;
- the performance of the Company including monitoring of the discount of the net asset value and the share price; and
- monitoring shareholder profile and considering shareholder communications.

Directors' Performance Evaluation

The Board takes corporate governance very seriously. Performance of the Board and the Directors is assessed on the following:

- attendance at Board and Committee meetings; and
- the contribution made by individual Directors at Board and Committee meetings.

Remuneration Committee

Since the Company has no executive directors, with Mr Watkins as Chairman, the detailed Directors' Remuneration disclosure requirements set out in Listing Rules 12.43A(a), 12.43A(b) and 12.43A(c) as they relate to Combined Code Provisions B.1 to B.2, B1.1 to B1.6, and B2.1 to B2.4 are not relevant.

STATEMENT OF CORPORATE GOVERNANCE
(continued)

Audit Committee

The Audit Committee consists of all Directors of which Mr Kerr is Chairman. In accordance with the Code, the members of the Audit Committee have recent and relevant financial experience. The Committee met twice during the year ended 31 March 2005; all members attended.

Written terms of reference have been constituted for the Audit Committee, these are:

- providing an overview of the Company's accounting policies and financial reporting;
- considering the effectiveness of the Company's internal controls;
- to monitor the integrity of the financial statements of the Company;
- meeting the Company's external auditors twice yearly, approving their appointment, reappointment and providing an ongoing review of auditor independence and objectivity;
- meeting with the Head of Internal Audit when appropriate; and
- the Audit Committee also undertakes the duties of the Engagement Committee, and therefore also reviews all matters arising under the management agreement.

Nomination Committee

A Nomination Committee has not been formed as the size of the Board does not warrant its formulation.

Internal Control

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process is subject to regular review by the Board and accords with the Internal Control Guidance for Directors on the Combined Code published in September 1999 ("the Turnbull guidance"). The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risks of failure to achieve the Company's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board, assisted by the Manager, undertakes an annual review of the Company's business risks. The Board receives each year from the Manager a formal report which details the steps taken to monitor the areas of risk, including those that are not directly the responsibility of the Manager, and which reports the details of any known internal control failures. Steps will continue to be taken to embed the system of internal control and risk management into the operations and culture of the Company and its key suppliers, and to deal with areas of improvement which come to management's and the Board's attention.

The Company does not have an internal audit function but it does have access to the internal audit department of Close Brothers Group which reports on the Manager's activities. The Board will continue to monitor its system of internal control in order to provide assurance that it operates as intended.

Going Concern

After making reasonable enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors have adopted the going concern basis in preparing the accounts.

Statement of Compliance

The Directors consider that the Company has complied throughout the year ended 31 March 2005 with all the relevant provisions set out in the Code. The Company continues to comply with the Code as at the date of this report.

DIRECTORS' REMUNERATION REPORT

Introduction

This report is submitted in accordance with the Directors' Remuneration Report Regulations 2002 in respect of the year ended 31 March 2005.

Remuneration Committee

Since the Company has no executive Directors and consists solely of non-executive Directors, a remuneration committee is not warranted.

Directors' Remuneration Policy

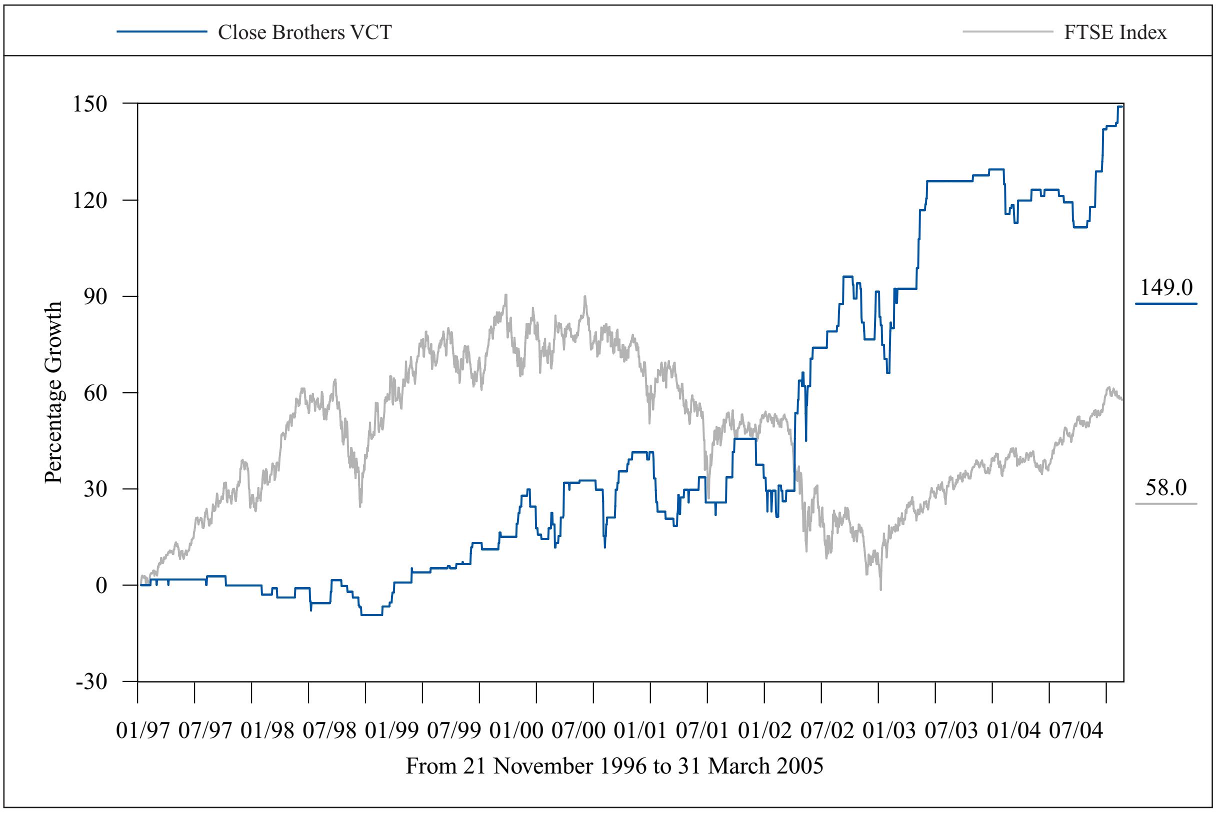
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration market equivalents are considered in comparison to the overall activities and size of the Company.

The maximum level of non-executive directors' remuneration is fixed by the Company's Articles of Association, amendment to which is by way of a special resolution subject to ratification by shareholders. The Articles of Association provide for aggregate non-executive Directors' fees not to exceed £70,000 per annum.

Performance Graph

The graph below shows the performance of Close Brothers Venture Capital Trust PLC's share price against the FTSE 100 Index, in both instances with dividends reinvested, over the last seven years. The directors consider this to be the most appropriate benchmark.

There are no options, issued or exercisable, in the Company which would distort the graphical representation below.



Service contracts

No Director has a service contract with the Company.

DIRECTORS' REMUNERATION REPORT
(continued)

Directors' Remuneration

The following items have been audited:

The following table shows a breakdown of the remuneration of individual Directors, exclusive of National Insurance or VAT:

	Year ended 31 March 2005			Year ended 31 March 2004		
	Fees £'000	Expenses £'000	Total £'000	Fees £'000	Expenses £'000	Total £'000
David Watkins	17	–	17	16	–	16
Roderick Davidson	17	–	17	16	–	16
John Kerr	17	–	17	16	–	16
Jonathan Thornton	17	–	17	16	–	16
	68	–	68	64	–	64

The Company does not confer any share options, long term incentives or retirement benefits to any director, nor does it make a contribution to any pension scheme on behalf of the Directors.

Roderick Davidson and John Kerr are remunerated personally.

Jonathan Thornton's services are provided by Jonathan Thornton Limited.

David Watkins services were provided by Shippan Point LLC.

In addition to Directors' remuneration, the Company pays annual premiums in respect of Directors' liability insurance.

By Order of the Board

C Kinnear
Secretary

9 June 2005

INDEPENDENT AUDITORS’ REPORT
to the Members of Close Brothers Venture Capital Trust PLC

We have audited the financial statements of Close Brothers Venture Capital Trust PLC for the year ended 31 March 2005 which comprise the statement of total return, the balance sheet, the cash flow statement and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the part of the Directors’ remuneration report that is described as having been audited.

This report is made solely to the Company’s members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the statement of Directors’ responsibilities, the Company’s Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. They are also responsible for the preparation of the other information contained in the annual report including the Directors’ remuneration report. Our responsibility is to audit the financial statements and the part of the Directors’ remuneration report described as having been audited in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors’ remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors’ report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors’ remuneration and transactions with the Company is not disclosed.

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

We read the Directors’ report and the other information contained in the annual report for the above year as described in the contents section including the unaudited part of the Directors’ remuneration report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors’ remuneration report described as having been audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors’ remuneration report described as having been audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors’ remuneration report described as having been audited.

INDEPENDENT AUDITORS' REPORT
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company as at 31 March 2005 and its total return for the year then ended; and
- the financial statements and part of the Directors' remuneration report described as having been audited have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

9 June 2005

Note to those who access this document by electronic means

The maintenance and integrity of the Close Second AIM VCT PLC information, contained on the Close Ventures website is the responsibility of the Directors; the work carried out by the Auditors does not involve consideration of these matters and accordingly, the Auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF TOTAL RETURN
for the year to 31 March 2005

		Year ended 31 March 2005			Year ended 31 March 2004		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	–	2,684	2,684	–	2,971	2,971
Investment income	3	3,384	–	3,384	3,438	–	3,438
Investment management fees	4	(263)	(788)	(1,051)	(419)	(478)	(897)
Administration expenses	5	(232)	–	(232)	(151)	(131)	(282)
Return on ordinary activities before interest and tax		2,889	1,896	4,785	2,868	2,362	5,230
Finance charge	7	(5)	(16)	(21)	(54)	–	(54)
Return on ordinary activities before tax		2,884	1,880	4,764	2,814	2,362	5,176
Tax on ordinary activities	8	(778)	241	(537)	(802)	183	(619)
Return attributable to shareholders		2,106	2,121	4,227	2,012	2,545	4,557
Distributions	9	(2,063)	(1,166)	(3,229)	(1,633)	(1,417)	(3,050)
Transfer to reserves		43	955	998	379	1,128	1,507
Return per share (pence)	10	5.87	5.91	11.78	5.60	7.10	12.70

All revenue and capital items in the above statement derive from continuing operations.

No operations were acquired or discontinued in the year.

The accompanying notes on pages 30 to 39 form an integral part of these financial statements.

BALANCE SHEET
as at 31 March 2005

	Note	31 March 2005 £'000	31 March 2004 £'000
Fixed asset investments			
Qualifying:			
Scheduled for investment		32,050	44,230
Less: uninvested		(2,975)	(5,340)
Net qualifying investments to date		29,075	38,890
Non-qualifying investments		2	–
Total fixed asset investments	11	29,077	38,890
Current assets			
Debtors and accrued income	13	267	225
Cash at banks	20	14,737	5,735
		15,004	5,960
Creditors: due within one year	14	(2,500)	(3,269)
Net current assets		12,504	2,691
Creditors: due after one year	15	–	(1,000)
Total assets		41,581	40,581
Shareholders funds			
Ordinary share capital	16	17,939	17,939
Special reserve	17	14,110	14,110
Capital redemption reserve	17	1,914	1,914
Capital reserves:	17		
realised		3,478	222
unrealised		3,510	5,811
Revenue reserve	17	630	585
Total shareholders' funds	18	41,581	40,581
Net asset value (pence per share)	18	115.89	113.11

The financial statements on pages 27 to 39 were approved by the Board of Directors on 9 June 2005.

Signed on behalf of the Board of Directors

David Watkins
Chairman

CASH FLOW STATEMENT
for the year ended 31 March 2005

	Note	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Operating activities			
Investment income		2,693	3,189
Dividend income		197	208
Deposit interest		433	287
Other income		13	-
Investment management fees paid		(1,284)	(923)
Administrative expenses paid		(218)	(202)
Net cash inflow from operating activities	21	1,834	2,559
Servicing of finance			
Finance interest		(31)	(53)
Taxation			
UK corporation tax paid		(743)	(150)
VAT (paid)/repaid		(53)	1
Capital expenditure and financial investment			
Purchase of qualifying investments		(7,295)	(4,428)
Purchase of non-qualifying investments		(388)	–
Disposal of qualifying investments		19,739	89
Disposal of non-qualifying investments		386	100
Net cash inflow/(outflow) from investing activities		12,442	(4,239)
Equity dividends paid			
Revenue dividends paid on ordinary shares		(1,632)	(2,332)
Capital dividends paid on ordinary shares		(1,865)	(610)
Net cash inflow/(outflow) before financing		9,952	(4,824)
Financing			
Redemption of equity net of expenses		–	(92)
Repayment of loan facilities		(950)	–
Net cash outflow from financing		(950)	(92)
Increase/(decrease) in cash		9,002	(4,916)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2005

1. Accounting policies

Accounting convention
The financial statements are prepared under the historical cost convention, modified by the revaluation of certain investments.

True and fair override
The Company is no longer an investment company within the meaning of s266, Companies Act 1985. However, it conducts its affairs as a venture capital trust for taxation purposes under s842AA of the Income and Corporation Taxes Act 1988.

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies" (SORP) issued in January 2003. The absence of Section 266 status does not preclude the Company from presenting its financial statements in accordance with the AITC SORP, furthermore the Directors consider it appropriate to continue to present the financial statements in accordance with the SORP. Under the SORP, the financial performance of the trust is presented in a statement of total return in which the revenue column is the profit and loss account of the company. The revenue column excludes certain capital items, which, since the Company is no longer an investment company, the Companies Act 1985 would ordinarily require to be included in the profit and loss account: net profits on disposal of investments, calculated by reference to their previous carrying amount or permanent diminution in value of investments, management expenses charged to capital less tax relief thereon and the distribution of capital profits.

The presentation adopted enables the Company to report in a manner consistent with the sector within which it operates. The Directors therefore consider that these departures from the specific provisions of Schedule 4 of the Companies Act 1985 relating to the form and content of financial statements for companies other than investment companies and these departures from accounting standards are necessary to give a true and fair view. The departures have no effect on the total return or balance sheet. The particular accounting policies adopted are described below.

Capital reserves

Realised reserves
The following are accounted for in this reserve:

- gains and losses on the realisation of investments;

- expenses and finance costs, together with the related taxation effect; and

- realised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

Unrealised reserve
The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year end; and

- unrealised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

Special reserve
This reserve is distributable and is primarily used for the cancellation of the Company's share capital.

Investments
Unquoted investments are stated at a valuation determined by the directors as supported, where appropriate, by independent professional valuations and in accordance with the revised British Venture Capital Association (BVCA) guidelines. The unrealised depreciation or appreciation on the valuation of investments is dealt with in the unrealised reserve and gains and losses arising on the disposal of investments are dealt with in the realised capital reserve.

NOTES TO THE FINANCIAL STATEMENTS (continued)

It is not the Company's policy to exercise controlling or significant influence over investee companies. Therefore the results of these companies are not incorporated into the revenue account.

Income and expenses
All income and expenses are treated on the accruals basis and dividend income (other than on non-equity shares) is included in revenue when the investment is quoted ex-dividend. The fixed returns on non-equity shares and on debt securities are recognised on a time apportionment basis. Income received is treated in accordance with Financial Reporting Standard No. 16.

Management expenses
As of 1 April 2004, the Board of Directors has changed the allocation of management fees to capital from 50 per cent. to 75 per cent., representing the proportion of the investment management fee attributable to the enhancement of the value of the investments of the Company. The balance is charged to the revenue account. This does not represent a change in accounting policy but reflects the Board's expected long-term split of returns, in the form of capital gains and income respectively.

Management performance incentive
In line with management expenses, 75 per cent. of the management performance incentive fee, representing the proportion of the investment management fee attributable to the enhancement of the value of the investments of the Company, has been charged to capital reserves, net of corporation tax. The balance is charged to the revenue account.

Taxation
Deferred taxation is considered in accordance with FRS 19 on timing differences that result in an obligation at the balance sheet date to pay more 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.

The specific nature of the taxation of VCTs means that it is unlikely any deferred tax will arise. The directors have considered the requirements of FRS 19 and do not believe any provision should be made.

Finance interest
Finance interest is capitalised in the same proportion as management fees, representing the proportion attributable to the enhancement of the value of the investments of the Company. This has been charged to capital reserves, net of corporation tax, the balance being charged to the revenue account. This represents a departure from the policy adopted in the previous year, where all finance interest was charged to the revenue account, following the introduction of the revised SORP. In accordance with the SORP, the comparative figures do not need to be restated.

2. Gains on investments

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Realised gains	369	21
Unrealised gains	2,315	2,950
Total	2,684	2,971

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Income

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Income from qualifying shares and securities		
UK franked investment income	170	160
UK unfranked investment income	2,558	2,880
Other income	172	108
	2,900	3,148
Non-qualifying income		
Bank deposit interest	442	290
Other income	42	–
	484	290
Total income	3,384	3,438
Total income comprises		
Dividends	170	160
Interest	3,000	3,170
Other	214	108
Total income	3,384	3,438

4. Investment management fees

	Year ended 31 March 2005			Year ended 31 March 2004		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	185	555	741	384	384	768
Performance incentive fee provision	78	233	310	35	94	129
Total	263	788	1,051	419	478	897

Further details of the management agreement under which the investment management fee is paid are given in the Report of the Directors.

5. Expenses

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Secretarial and administrative fee	41	40
Directors' fees	70	66
Auditors' remuneration - audit fees	21	26
Amortisation of loan facility fees	20	20
Other expenses	80	130
Total expenses	232	282

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Directors' fees

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Directors' fees	68	64
National insurance and VAT	2	2
Total	70	66

The amounts represent those paid on behalf of Directors during the year.

7. Finance charge

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Loan interest	21	54

Interest payable under the facility provided by The Royal Bank of Scotland plc is based upon six month LIBOR, plus 1.5% per annum on the amount advanced from the date of draw down.

8. Tax on ordinary activities

	Year ended 31 March 2005			Year ended 31 March 2004		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
UK Corporation tax at 30%	537	–	537	619	–	619
Tax attributable to capital expenses	241	(241)	–	183	(183)	–
	778	(241)	537	802	(183)	619
Return before taxation	2,884	1,880	4,764	2,814	2,362	5,176
UK corporation tax at 30%	865	564	1,429	844	709	1,553
Factors affecting the tax charge:						
Tax refund in respect of prior years	(42)	–	(42)	–	–	–
Capital gains not subject to taxation	–	(805)	(805)	–	(892)	(892)
Non-taxable income	(50)	–	(50)	(48)	–	(48)
Tax attributable to capitalised expenses	241	(241)	–	183	(183)	–
Excess management expenses	(236)	241	5	(177)	183	6
Tax charge for the year	778	(241)	537	802	(183)	619

Notes

(i) Venture Capital Trusts are not subject to corporation tax on capital gains.

(ii) Tax relief on expenses charged to capital has been determined by allocating tax relief to all expenses proportionately by reference to the applicable corporation tax rate of 30% and allocating the relief in the same ratio as expenses between revenue and capital.

(iii) No deferred tax asset or liability has arisen in the year.

(iv) Tax is provided at the current rate of 30 per cent.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Dividends on equity shares

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Interim		
Revenue dividend of 2.80p per share (2004: 2.80p)	1,005	1,005
Capital dividend of 1.45p per share (2004: 3.95p)	520	1,417
Final		
Revenue dividend of 2.95p per share (2004: 1.75p)	1,058	628
Capital dividend of 1.80p per share (2004: nil)	646	–
Total	3,229	3,050

10. Equity return per share

	Year ended 31 March 2005			Year ended 31 March 2004		
	Revenue	Capital	Total	Revenue	Capital	Total
Return attributable to equity shares (£'000)	2,106	2,121	4,227	2,012	2,545	4,557
Weighted average shares in issue (number)	35,878,228	35,878,228	35,878,228	35,878,228	35,878,228	35,878,228
Return attributable per equity share (pence)	5.87	5.91	11.78	5.60	7.10	12.70

Revenue return per share is based on the net revenue on ordinary activities after taxation but before deduction of dividends and other appropriations of £2,105,000 (2004: £2,012,000) in respect of 35,878,228 (2004: weighted average of 35,878,228 shares in issue) shares, being the weighted average number of shares in issue during the year.

Capital return per ordinary share is based on net capital profit for the financial year of £2,121,000 (2004: £2,545,000), based on the same number of shares as for revenue return shown above.

11. Investments

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Qualifying investments	29,075	38,890
Non-qualifying investments	2	–
	29,077	38,890

	Qualifying £'000	Non-qualifying £'000	Total £'000
Valuation basis			
Opening valuation	38,890	–	38,890
Additions at cost	7,295	388	7,683
Disposals: proceeds	(19,803)	(386)	(20,189)
realised gains on disposal	5,363	–	5,363
Unrealised movement	(2,670)	–	(2,670)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Closing valuation	29,075	2	29,077

11. Investments (continued)

	Qualifying £'000	Non-qualifying £'000	Total £'000
Unrealised gains/(losses)			
Opening unrealised gains/(losses)	6,180	–	6,180
Unrealised movement	(2,670)	–	(2,670)
Closing unrealised gains/(losses)	3,510	–	3,510
Historic cost basis			
Opening book cost	32,710	–	32,710
Additions at cost	7,295	388	7,683
Disposals at cost	(14,440)	(386)	(14,826)
Closing book cost	25,565	2	25,567

12. Significant interests

Details of investments in which the company has a material interest in the nominal value of the allotted shares of any class, or of the net assets at 31 March 2005, are as follows. Greater detail of each investment is given in the Portfolio of investments on pages 10 to 17.

Name of Undertaking	Country of operation and incorporation	Description of shares held	Percentage held
Applecroft Care Home Limited	Great Britain	Ordinary shares	23%
Barleycroft Care Home Limited	Great Britain	Ordinary shares	23%
Chase Midland VCT Limited	Great Britain	Ordinary shares	50%
Churchill Taverns VCT Limited	Great Britain	Ordinary shares	14%
City Screen (Cambridge) Limited	Great Britain	Ordinary shares	50%
City Screen (Liverpool) Limited	Great Britain	Ordinary shares	18%
Country & Metropolitan VCT Limited	Great Britain	Ordinary shares	43%
CS (Greenwich) Limited	Great Britain	Ordinary shares	18%
Kew Green VCT (Stansted) Limited	Great Britain	Ordinary shares	27%
Premier VCT (Mailbox) Limited	Great Britain	Ordinary shares	43%
Prime VCT Limited	Great Britain	Ordinary shares	50%
The Bear Hungerford Limited	Great Britain	Ordinary shares	20%
The Bold Pub Company Limited	Great Britain	Ordinary shares	12%
The Independent Pub Company (VCT) Limited	Great Britain	Ordinary shares	12%
The Place Sandwich VCT Limited	Great Britain	Ordinary shares	25%
Youngs VCT Limited	Great Britain	Ordinary shares	25%

13. Debtors

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Prepayments and accrued income	202	157
Other debtors	65	68
Total	267	225

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Creditors: amounts due within one year

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
UK corporation tax	183	389
VAT	27	50
Proposed dividend	1,704	1,973
Operating creditors and accruals	574	819
Other creditors	12	38
Total	2,500	3,269

15. Creditors: amounts due after one year

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
RBS loan facility	–	1,000

16. Called up share capital

	Year ended 31 March 2005 £'000	Year ended 31 March 2004 £'000
Authorised		
68,000,000 shares of 50p each (2004: 68,000,000)	34,000	34,000
Allotted, called up and fully paid		
35,878,228 shares of 50p each (2004: 35,878,228)	17,939	17,939

17. Reserves

	Special reserve £'000	Capital redemption £'000	Capital realised £'000	Capital unrealised £'000	Revenue reserve £'000	Total reserves £'000
Opening reserves	14,110	1,914	222	5,811	585	22,642
Capitalised fees and expenses	–	–	(804)	–	804	–
Realisation of prior year performance provision	–	–	(369)	369	–	–
Tax effect of capitalised fees and expenses	–	–	241	–	(241)	–
Realisation of investments	–	–	369	–	–	369
Realisation of previous year's revaluation	–	–	4,985	(4,985)	–	–
Increase in unrealised appreciation	–	–	–	2,315	–	2,315
Distributions	–	–	(1,166)	–	(2,063)	(3,229)
Total shareholder return before management fees, financing and taxation	–	–	–	–	1,545	1,545
Closing reserves	14,110	1,914	3,478	3,510	630	23,642

NOTES TO THE FINANCIAL STATEMENTS
(continued)

18. Net asset value per share

The net asset value per share and the net asset values at the year end calculated in accordance with the Articles of Association were as follows:

	31 March 2005	31 March 2004
Net assets attributable to shareholders (£'000)	41,581	40,581
Ordinary shares of 50p in issue (number)	35,878,228	35,878,228
Net asset value per share (pence)	115.89	113.11

The movements during the year of the assets attributable to ordinary shareholders were as follows:

	31 March 2005 £'000	31 March 2004 £'000
Movement attributable to the net asset value		
Opening net assets	40,581	39,075
Share capital purchased for cancellation	0	(1)
Total return for the year	4,229	4,557
Dividends appropriated	(3,229)	(3,050)
Closing net assets attributable to shareholders	41,581	40,581

Net asset value per share is based on net assets at the year end, and on 35,878,228 shares, being the number of shares in issue at the year end.

19. Reconciliation of movement in shareholders' funds

	31 March 2005 £'000	31 March 2004 £'000
Opening shareholders' funds	40,581	39,075
Consideration for share purchases	–	(1)
Total return to shareholders before dividends	4,229	4,557
Dividends	(3,229)	(3,050)
Closing shareholders' funds	41,581	40,581

20. Analysis of changes in cash during the year

	31 March 2005 £'000	31 March 2004 £'000
Opening cash balances	5,735	10,651
Net cash inflow/(outflow)	9,002	(4,916)
Closing cash balances	14,737	5,735

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. Reconciliation of net revenue before finance costs and taxation to net cash flow from operating activities

	31 March 2005 £'000	31 March 2004 £'000
Net revenue before finance costs and taxation	2,889	2,868
Investment management fees charged to capital	(555)	(384)
Performance incentive fees charged to capital	(233)	(94)
Other expenses charged to capital	0	(131)
(Increase)/decrease in operating debtors	(13)	247
(Decrease)/increase in operating creditors	(274)	33
Amortisation of finance fees	20	20
Net cash inflow from operating activities	1,834	2,559

22. Financial instruments and risk management

The Company's financial instruments comprise investments in unquoted companies cash and liquid resources. The main purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations. Investments in unquoted companies comprise equity and fixed rate loan stock.

The principal risks arising from the Company's operations are:

- interest rate risk; and
- investment risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the beginning of the financial year.

Interest rate risk

The Company's policy is to accept a degree of interest rate risk on non-qualifying investments. On the basis of the Company's analysis, it is estimated that a fall of one percentage point in interest rates would have reduced profit before tax to 31 March 2005 by approximately 3 per cent. (2004: 3 per cent.).

Investment risk

As a venture capital trust, it is the Company's specific business to evaluate and control the investment risk in its portfolio of unquoted companies, the results of which are detailed in the Chairman's statement.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. Financial instruments and risk management (continued)

Financial assets

The Company's interest rate risk on its financial assets is as follows:

	31 March 2005				31 March 2004			
	Fixed rate £'000	Floating rate £'000	No interest £'000	Total £'000	Fixed rate £'000	Floating rate £'000	No interest £'000	Total £'000
Sterling	17,657	9,850	14,074	41,581	22,659	5,735	12,187	40,581

- Fixed rate assets bear interest at rates based on predetermined yield targets. The weighted average interest rate at 31 March 2005 was 13.6% (2004: 13.6%).
- Floating rate assets bear interest at rates based predominantly on base rates.
- The weighted average period to maturity for the fixed rate assets is approximately 3 years.

Financial liabilities

The Company's financial liabilities comprise the guarantees detailed in note 23 below.

Currency exposure

As at 31 March 2005, the Company has no foreign currency exposures (2004: £nil).

Borrowing facilities

The Company has a £5 million committed draw down borrowing facility with The Royal Bank of Scotland plc as at 31 March 2005 (2004: £5 million).

Fair values of financial assets and financial liabilities

All the Company's financial assets and liabilities as at 31 March 2005 are stated in accordance with the revised BVCA guidelines which in the directors' opinion represent a fair value. See note 1 to the financial statements.

23. Contingencies, guarantees and financial commitments

There are no contingencies, guarantees and financial commitments of the Company at the year end which have not been accrued for, except those funds scheduled for investment as detailed in the asset-based portfolio summary. There is a guarantee to The Royal Bank of Scotland plc relating to Kew Green VCT (Stansted) Limited. As at 31 March 2005 this amounted to £2.25 million. This has subsequently reduced to £1 million.

24. Post balance sheet events

The following disposals and investments have occurred since 31 March 2005:

- On 5 April 2005, £150,000 was invested in Weybridge Health Club Limited.
- On 7 April 2005, a further £275,000 was invested in Barleycroft Care Home Limited.
- On 12 April 2005, a further £1 million was invested in Kew Green VCT (Stansted) Limited.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Close Brothers Venture Capital Trust PLC will be held at 10.30 a.m. on Monday 11 July 2005 at 10 Crown Place, London EC2A 4FT for the purpose of dealing with the following business, of which item 5 is special business.

Ordinary Business

1. To receive and adopt the accounts and the reports of the Directors and Auditors for the year ended 31 March 2005.
2. To approve the Directors' remuneration report.
3. To reappoint Deloitte & Touche LLP as auditors for the ensuing year and to authorise the directors to fix their remuneration.
4. To declare a net final revenue dividend of 2.95 pence per share and a net final capital dividend of 1.80 pence per share payable to Shareholders on the register at the close of business on 17 June 2005.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution:

5. That the Company be generally and unconditionally authorised to make one or more market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of Ordinary Shares of 50p in the capital of the Company ("Shares") provided that:
   (a) the maximum aggregate number of Shares authorised to be purchased is 3,587,822 (representing approximately 10 per cent of the issued share capital);
   (b) the minimum price which may be paid for a Share is 50p;
   (c) the maximum price which may be paid for a Share is an amount equal to 5 per cent above the average of the middle market quotations for an Ordinary Share in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Share is purchased;
   (d) this authority expires at the conclusion of the next Annual General Meeting of the Company or eighteen months from the date of the passing of this resolution whichever is earlier; and
   (e) the Company may make a contract or contracts to purchase Shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of Shares in pursuance of any such contract or contracts.

By the order of the Board

C Kinnear
Secretary

Registered Office
10 Crown Place, London EC2A 4FT — 9 June 2005

Notes

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his or her stead. Such proxy need not be a member of the Company.
2. A form of proxy is enclosed and to be valid must be lodged with the Registrars of the Company not less than forty-eight hours before the time fixed for the meeting.
3. The register of interests of directors kept by the Company in accordance with Section 325 of the Companies Act 1985 will be open for inspection at the meeting.
4. No director has a contract of service with the Company.

Close Brothers Venture Capital Trust PLC