CLOSE BROTHERS

PROTECTED

VCT

PLC

Report & Accounts
for the year ended
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

CONTENTS

Page

2	Directors and administration
3	Financial highlights
4	Investment objectives
4	Financial calendar
5	Chairman's statement
6	The Board of Directors
7	The Manager
9	Portfolio of investments
18	Report of the Directors
21	Statement of corporate governance
23	Directors' remuneration report
25	Independent auditors' report
26	Statement of total return
27	Balance sheet
28	Cash flow statement
29	Notes to the financial statements
38	Notice of meeting

DIRECTORS AND ADMINISTRATION

Directors	D M Bralsford MSc, FCA, FCT, Chairman G W Pitman MA, FCA, ACMA C Holdsworth Hunt MSI P H Reeve MA, ACA
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 4TU Tel: 0870 162 3100
Auditors	Deloitte & Touche LLP London
Custodians	RBSI Custody Bank Limited Liberte House 19-23 La Motte Street St Helier Jersey JE4 5RL Capita Trust Company Limited Guildhall House 81-87 Gresham Street London EC2V 7QE
Company Number	03265074

FINANCIAL HIGHLIGHTS

	Year ended 31 March 2005	Year ended 31 March 2004
Total return per share (pence)	2.20	14.72
Net revenue dividends per share (pence)	2.70	1.75
Net asset value per share (pence)	90.60	91.09

Shareholder value per share since launch:	**Year ended 31 March pence per share**
Gross dividends for the year ended 31 March 1998	4.00
Gross interim dividends and net final dividend for the year ended 31 March 1999	4.00
Net dividends for the year ended 31 March 2000	4.00
Net dividends for the year ended 31 March 2001	3.25
Net dividends for the year ended 31 March 2002	2.25
Net dividends for the year ended 31 March 2003	1.00
Net dividends for the year ended 31 March 2004	1.75
Net dividends for the year ended 31 March 2005	2.70
Total dividends to 31 March 2005	22.95
Net asset value at 31 March 2005	90.60
Total at 31 March 2005	113.55

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) The above table excludes the tax benefits investors received upon subscription for shares in the Company.

INVESTMENT OBJECTIVES

Close Brothers Protected VCT PLC commenced trading in April 1997. Within the overall aim of maximising the considerable tax benefits available to shareholders in a venture capital trust, the Company's investment strategy was designed to meet the requirements of investors who seek to protect the capital value of their investment whilst still providing an attractive level of return. Following shareholder approval in 2002 to change the Company's investment policy, the investments made by Close Brothers Protected VCT PLC currently fall into the following categories:

- **Qualifying Asset Based Investments**
  These comprise investments principally in the hotel, care home, leisure and residential development sectors, comprising a mixture of equity and loan stock, with the loan stock normally holding a first charge over freehold or long leasehold property.

- **Qualifying AIM Investments**
  These comprise new ordinary shares issued by companies quoted on AIM.

- **Non Qualifying Investments**
  The remaining funds are invested in cash and floating rate notes with banks with a Moody's rating of A and above.

FINANCIAL CALENDAR

Ex dividend date	20 July 2005
Record date for final dividend	22 July 2005
Annual General Meeting	12 August 2005
Posting of dividend cheques in respect of the final dividend	25 August 2005
Announcement of interim results to 30 September 2005	December 2005
Payment of interim dividend	January 2006

CHAIRMAN'S STATEMENT

Investment Progress

I am pleased to report further progress in the transformation of your Company's portfolio under its asset-based investment strategy. At 31 March 2005 high yielding asset-based investments amounted to £12.3 million, up from £5.6 million at the end of the previous financial year, and accounting for 56 per cent. of net assets. This in turn has enabled the Company to increase total dividends by over 50 per cent. to 2.7 pence for the year, up from 1.75 pence in the period to March 2004. All of the qualifying loans guaranteed by Royal Bank of Scotland have been repaid and, following shareholders' approval for a further extension of our asset-based investment policy, the Company has started to dispose of its portfolio of investments in companies quoted on AIM. Proceeds of £1.6 million were realised on the sale of AIM investments during the year, realising a profit of £323,000.

The major event amongst existing portfolio companies was the opening of the Express by Holiday Inn at Stansted Airport in January 2005. Performance since then has been strong and well above budget, resulting in a pleasing revaluation of our investment at the year end. Good progress was made in building up the asset-based portfolio. New investments were made in C S (Greenwich) (a new art house cinema being developed in Greenwich), The Independent Pub Company and Churchill Taverns (which are both building up a portfolio of freehold managed pubs), The Place Sandwich (which owns and operates The Bell Hotel in Sandwich) and The Bear Hungerford (which owns and operates The Bear Hotel in Hungerford). In addition, Wickenhall Mill VCT was set up to develop residential houses in the north of England, as a replacement for Maplecroft, where the business is being wound down. Investments subsequent to the year end have resulted in the asset-based portfolio rising to £13.1 million by cost of investment. Further details on the investments are set out on pages 9 to 17.

Net asset value showed a very slight fall for the year, from 91.1 pence per share to 90.6 pence per share as a rise in value of the asset-based portfolio was offset by a drop in the value of the AIM portfolio. This in turn was particularly driven by the change in the valuation of AIM stocks from mid market to bid value. The board has considered the provisions arising from the revised ITC SORP and in our opinion, the bid price is the most appropriate basis of valuation for the AIM quoted stocks. Nevertheless, your Board is encouraged by the Company's prospects for further capital growth and an increase in the dividend yield.

Results and Dividend

As at 31 March 2005 the net asset value of the Company was £22.15 million, or 90.6 pence per share, compared to £22.32 million or 91.1 pence per share at 31 March 2004. The net return attributable to shareholders was £644,000 (2004: £417,000) enabling the Board to propose a net final revenue dividend of 1.50 pence per share, which when added to the interim dividend of 1.20 pence per share, amounts to a total dividend for the year of 2.70 pence per share. This compares to total dividends for the year to 31 March 2004 of 1.75 pence per share. The proposed final dividend will be paid on 25 August 2005 to shareholders registered on 22 July 2005.

D M Bralsford
Chairman — 12 July 2005

THE BOARD OF DIRECTORS

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

***Martin Bralsford (57) MSc, FCA, FCT, Chairman.** After qualifying as a chartered accountant he held senior positions in a number of large listed companies including the Rank Organisation and Cadbury Schweppes. In 1986 he was a member of the management buy-out team which acquired the food and beverage division of Cadbury Schweppes and he subsequently became managing director of Premier Brands Limited. He left Premier Brands Limited in 1991 and is currently chief executive of C.I. Traders Limited, a Jersey based leisure and retail conglomerate. He is a resident of Jersey and is also chairman of Acorn Income Fund Limited.

***Giles Pitman (66) MA, FCA, ACMA,** is a chartered accountant who now specialises in advising growing companies. He was managing director of Pitman plc, which he sold to Pearson plc in 1985. He was finance director of The Really Useful Group plc from 1988 to 1989 and non-executive director of MGM Assurance for 20 years until 1996.

***Christopher Holdsworth Hunt (62) MSI** was a co-founder and managing director of KBC Peel Hunt Ltd, a stockbroker specialising in corporate broking to small and medium sized companies and a subsidiary of KBC Bank NV. He was head of Corporate Finance and was responsible for overseeing numerous flotations and secondary fundraisings. Prior to founding Peel Hunt in 1989 he was a director of Morgan Grenfell Securities having previously been a managing partner of Pinchin Denny & Co. He is a former member and Deputy Chairman of the Stock Exchange Domestic Equities Rules Committee.

Patrick Reeve, (45), MA, ACA. 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. He is also a Director of Close Technology & General VCT PLC.

*indicates those directors who are independent of the Manager.

THE MANAGER

Close Venture Management Limited which is authorised and regulated by the Financial Services Authority, is the Manager of Close Brothers Protected VCT PLC. In addition to Close Brothers Protected VCT PLC it manages a further seven VCTs: Close Brothers Venture Capital Trust PLC, which raised approximately £40 million in 1996 and 1997, co-invests alongside Close Brothers Protected VCT 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 PLC which has raised £14.3 million to invest in both 'old economy' and 'new economy' businesses; Close Income & Growth VCT PLC 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 Limited 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 PLC 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 Limited, including Close Brothers Protected VCT PLC:

Patrick Reeve, (45), MA, ACA. 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. He is also a Director of Close Technology & General VCT PLC.

Henry Stanford, (40), MA, ACA. 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 Limited in 1998 to concentrate on VCT investment.

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

Emil Gigov, (35), BA (Hons), ACA 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 Limited in 2000.

David Gudgin, (32), BSc (Hons), ACMA, 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.

THE MANAGER
(continued)

Robert Whitby-Smith, (30), BA (Hons), MSI, ACA 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, (29), BA (Hons), 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, (28), BA (Hons), 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

1. The following table sets out an analysis of the Company's qualifying investments at 31 March 2005 by investment category:

Investment Category	Value of investment £'000
Asset-based investments	12,366
AIM Investments	4,062
Total qualifying investments	16,428
Total non-qualifying investments	1,676
Total investments	18,104

2. The following table shows the top ten investments by value of the portfolio. Detailed on subsequent pages are particulars of certain investments in relation to their significance in terms of voting rights, value and syndicated investment with other funds managed by Close Venture Management Limited.

Investment	Portfolio	Cost £'000	Value £'000
Kew Green VCT (Stansted) Limited	Asset-based	2,000	2,661
Applecroft Care Home Limited	Asset-based	1,925	1,925
Barleycroft Care Home Limited	Asset-based	2,000	2,000
Youngs VCT Limited	Asset-based	1,000	1,000
Maplecroft VCT Limited	Asset-based	638	548
Wickenhall Mill VCT Limited	Asset-based	875	875
The Bear Hungerford Limited	Asset-based	950	950
The Place Sandwich Limited	Asset-based	550	550
Bond International Software Plc	AIM	305	550
		10,243	11,059

THE PORTFOLIO OF INVESTMENTS

(continued)

3. Asset-based investment portfolio summary

Investee Company	Investment					
	Investment at cost £'000	Revaluation £'000	Total value at 31 March 2005 £'000	Valuation at 31 March 2004 £'000	Movement in value in the year £'000	*Reserved for investment £'000
Hotels						
Kew Green VCT (Stansted) Ltd	2,000	661	2,661	1,000	1,661	1,000
The Bear Hungerford Ltd	950	–	950	–	950	–
The Place Sandwich VCT Ltd	550	–	550	–	550	–
Care Homes						
Applecroft Care Home Ltd	1,925	–	1,925	1,000	925	–
Barleycroft Care Home Ltd	2,000	–	2,000	1,000	1,000	275
Leisure						
City Screen (Liverpool) Ltd	250	(27)	223	225	(2)	–
The Bold Pub Company Ltd	930	34	964	330	634	–
Churchill Taverns VCT Ltd	100	–	100	–	100	–
C S (Greenwich) Ltd	370	–	370	–	370	–
The Independent Pub Company (VCT) Ltd	200	–	200	–	200	–
Residential Development						
Maplecroft VCT Ltd	638	(90)	548	1,000	(452)	–
Youngs VCT Ltd	1,000	–	1,000	1,000	–	–
Wickenhall Mill VCT Ltd	875	–	875	–	875	–
Total	11,788	578	12,366	5,555	6,811	1,275

*Reserved for investment refers to amounts likely to be invested in future accounting periods.

Futher details of the asset-based investments are set out on the next pages:

THE PORTFOLIO OF INVESTMENTS
(continued)

HOTELS

a) 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:	£2.00 million
Further amount reserved for investment:	£1.00 million
Proportion of share capital and voting rights held:	20%

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 Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management Limited had invested at 31 March 2005 £3.0 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 £1.0 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.

b) 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:	£0.95 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	19%

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

Close Brothers Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management Limited had invested at 31 March 2005 £1.0 million and £600,000 respectively in the company.

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

c) 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:	£0.55 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	14%

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

Close Brothers Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management Limited had invested at 31 March 2005 £1.0 million 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

d) 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:	£1.925 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 Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management Limited 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.

e) 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:	£0.75 million
Proportion of share capital and voting rights held:	23%

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

Close Brothers Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are also managed or advised by Close Venture Management Limited 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

f) 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 reopened in May 2005 following refurbishment.

Date of initial investment:	January 2005
Operating partner:	Churchill Taverns Limited
Amount invested at 31 March 2005:	£0.10 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	13.6%

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

Close Brothers Venture Capital Trust 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 Limited, had invested at 31 March 2005 £200,000, £45,000, £66,000 and £70,000 respectively.

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

g) 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:	£0.25 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	985
Loss before taxation for the year	68
Accumulated retained losses	256
Net assets	(8)

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 Venture Capital Trust PLC, Close Brothers Development VCT PLC and Close Technology & General VCT PLC, which are all managed or advised by Close Venture Management Limited, have invested £200,000, £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 decreased by approximately £27,000 from its original cost.

h) 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:	£0.37 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	7.4%

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

Close Brothers Venture Capital Trust 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 Limited, have invested £900,000, £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)

i) 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:	£0.93 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	9%

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

Close Brothers Venture Capital Trust 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 Limited, have invested £1.26 million, £1.67 million, £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 £33,000. The most recent investment has been held at cost.

j) 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:	£0.20 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	12.1%

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

Close Brothers Venture Capital Trust 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 Limited, have invested £290,000, £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.

RESIDENTIAL DEVELOPMENT

k) Maplecroft VCT Limited

The company has developed four houses in Walton-on-Thames, Surrey, three of which have now been sold.

Date of initial investment:	February 2003
Operating partner:	Formerly Maplecroft Developments Limited (now in liquidation)
Amount invested at 31 March 2005:	£0.638 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	42%

Latest audited financial information	**31 July 2004 £'000**
Turnover for the year	335
Profit before taxation for the year	107
Accumulated retained profits	191
Net assets	354

At 31 March 2005 the Healthcare & Leisure Property Fund PLC, which is advised by Close Venture Management Limited, had invested £90,000 in the company.

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

THE PORTFOLIO OF INVESTMENTS
(continued)

l) Wickenhall Mill VCT Limited

The company is undertaking a development of nine houses on the site of a former mill on the edge of Saddleworth Moor between Manchester and Leeds.

Date of initial investment:	February 2005
Developer partner:	N20 Developments Limited
Amount invested at 31 March 2005:	£0.875 million
Further amount reserved for investment:	£nil
Proportion of share capital and voting rights held:	27%

As a newly incorporated company, Wickenhall Mill VCT Limited has not yet filed audited accounts.

Healthcare & Leisure Property Fund PLC, which is advised by Close Venture Management Limited, has invested £725,000 in the company.

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

m) 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 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%

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 Venture Capital Trust PLC and Healthcare & Leisure Property Fund PLC, which are managed or advised by Close Venture Management Limited, have invested £1.2 million and £160,000 respectively in the company.

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

THE PORTFOLIO OF INVESTMENTS
(continued)

4. AIM investment portfolio

The following are the details of the ten largest qualifying AIM investments by value held at 31 March 2005:

Company	Book cost £'000	Market value at 31 March 2005 £'000	Percentage of equity owned
Bond International Software PLC Bond International provides software for the international recruitment and human resources industries within the UK, USA and Australia. For the year ended 31 December 2004, the company made a profit before tax of £0.5 million on turnover of £7.0 million with accumulated retained profits of £0.5 million. Net assets as at 31 December 2004 were £3.1 million. Close Technology & General VCT PLC which is also managed by Close Venture Management Limited had at 31 March 2005 invested £47,900 in Bond International Software PLC.	305	550	2.3%
Inter Link Foods PLC Inter Link Foods manufactures and supplies own brand cakes to supermarkets. For the year ended 30 April 2004, the company made a profit before tax of £3.9 million on turnover of £69.6 million with accumulated retained profits of £6.2 million. Net assets as at 30 April 2004 were £21.0 million.	95	474	0.8%
Pilat Media Global PLC Pilat Media Global provides multi channel broadcasting software. For the year ended 31 December 2004, the company made a profit before tax of £1.8 million on turnover of £12.1 million with accumulated retained losses of £0.8 million. Net assets as at 31 December 2004 were £9.1 million. Close Technology & General VCT PLC which is also managed by Close Venture Management Limited had at 31 March 2005 invested £168,272 in Pilat Media Global Plc.	313	399	1.9%
MacLellan Group PLC MacLellan provide facilities management. For the year ended 31 December 2004, the company made a profit before tax of £1.5 million on turnover of £178.0 million with accumulated retained profits of £3.4 million. Net assets as at 31 December 2004 were £60.1 million.	183	346	0.5%
Intelligent Environments Group PLC Intelligent Environments is a leading provider of integrated e-finance products for the credit card and wealth management markets. For the year ended 31 December 2004, the company made a loss before taxation of £0.4 million on turnover of £3.1 million with accumulated retained losses of £22.5 million. Net assets as at 31 December 2004 were £0.4 million. Close Technology & General VCT PLC which is also managed by Close Venture Management Limited had at 31 March 2005 invested £269,663 in Intelligent Environments Group Plc.	270	308	4.9%
CRC Group PLC CRC Group provide after sales service for technology products. For the year ended 31 December 2004, the company made a profit before tax of £4.6 million on turnover of £69.0 million with accumulated retained profits of £9.2 million. Net assets of the company as at 31 December 2004 were £25.1 million.	87	251	0.4%

THE PORTFOLIO OF INVESTMENTS
(continued)

Company	Book cost £'000	Market value at 31 March 2005 £'000	Percentage of equity owned
Zytronic PLC Zytronic develops and manufactures touchscreen products which employ innovative materials and technology. For the year ended 30 September 2004, the company made a profit before tax of £350,000 on turnover of £8.8 million with accumulated retained profits of £40,000. Net assets of the company as at 30 September 2004 were £6.4 million.	140	248	0.9%
Pennant International Group PLC Pennant supplies the defence and industrial sectors with technology solutions including specialist software and simulation and training systems. For the year ended 31 December 2004, the company made a profit before tax of £0.1 million on turnover of £11.6 million, with accumulated retained losses of £2.9 million. Net assets at 31 December 2004 were £3.6 million.	499	235	5.4%
AIT Group PLC AIT Group provides customer relationship software for the financial services sector. For the year ended 31 March 2004, the company made a profit before tax of £2.0 million on turnover of £19.6 million with accumulated retained losses of £32.2 million. Negative net assets as at 31 March 2004 were £7.3 million. Close Technology & General VCT PLC which is also managed by Close Venture Management Limited had at 31 March 2005 invested £310,000 in AIT Group Plc.	440	227	1.4%
Tikit Group PLC Tikit Group specialises in the implementation of document management applications for large law firms. For the year ended 31 December 2004, the company made a profit before tax of £859,000 on turnover of £11.9 million with accumulated retained profits of £1.3 million. Net assets as at 31 December 2004 were £4.7 million.	125	197	0.9%
Top 10 investments	2,457	3,235	
14 other AIM holdings	3,247	827	
Total AIM investments at 31 March 2005	5,704	4,062	

Notes:

- The AIM investments made by the Company all confer voting rights. The single largest holding of voting equity is in Pennant International Group PLC, of which the Company owns 5.4 per cent.
- The valuation of these investments is based upon the bid price at the year end.
- In addition to the ten largest investments mentioned above, at 31 March 2005 the company had co-invested in the following AIM investments with Close Technology & General VCT PLC:

AIM investment	Amount invested by Close Brothers Protected VCT PLC £'000	Amount invested by Close Technology & General VCT PLC £'000
Tepnel Life Sciences PLC	193	328

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 28 February 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	644
Net interim revenue dividend of 1.2 pence per share, paid 12 January 2005	(295)
Proposed net final revenue dividend for the year of 1.5 pence per share, payable 25 August 2005 to shareholders on the register at the close of business on 22 July 2005	(367)
Total transferred from revenue reserve	(18)
Realised capital return attributable to shareholders for the year ended 31 March 2005	144
Unrealised capital return attributable to shareholders for the year ended 31 March 2005	(251)
Total transferred from capital reserve	(107)
Total transferred from reserves	(125)

Purchase of Own Shares

The Company, in accordance with the authority granted by shareholders, purchased for cancellation during the year the following shares with a nominal value of 50 pence per share:

Date	Price (pence)	Shares purchased
22 June 2004	77.5	60,000

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 M Bralsford	10,000	10,000
G W Pitman	5,000	5,000
C Holdsworth Hunt	36,000	36,000
P H Reeve	12,900	12,900

There have been no changes in the holdings of the Directors between 31 March 2005 and the date of this document.

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

Mr. P H Reeve is a Director of Close Venture Management Limited and is deemed to have an interest in the management contract and management performance incentive to which the Company is a party. No options over the share capital of the Company have been granted to Directors personally.

Messrs. Bralsford, Pitman and Holdsworth Hunt are members of the Audit Committee.

REPORT OF THE DIRECTORS
(continued)

Management Agreement

The Company and the Manager entered into a new management agreement on 14 August 2002 which may be terminated thereafter 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 upon the insolvency of either party. In the opinion of the directors the continuing appointment of the investment manager on the terms agreed is in the interests of the shareholders as a whole. The following fees are payable to the Manager by the Company:

Non-Qualifying Investments
An annual fee equal to 0.25 per cent. (plus VAT) of funds invested in Non-Qualifying Loan Investments. This will include funds invested in cash deposits (other than funds intended for investment in Qualifying Equity Investments), financial instruments and fixed interest securities.

Qualifying Asset-based Investments
An annual fee equal to 1.8 per cent. (plus VAT) of funds invested in Qualifying Asset-based Investments.

Qualifying Equity Investments
An annual fee equal to 2.0 per cent. (plus VAT) of funds invested or intended for investment in Qualifying Equity Investments.

Secretarial and Administrative Services
An annual secretarial and administrative fee of £27,865 (plus VAT).

The fees owed to the manager for these services at the year end, inclusive of VAT, totalled approximately £94,000.

Following shareholders' approval at the EGM on 28 February 2005, the amendments to the management agreement are to take effect from 1 April 2005. The Directors proposed that the management fee should be standardised at 1.8 per cent. of the net asset value of investments.

Management Performance Incentive

In order to provide the Manager with an incentive to optimise the return to investors, the Manager is entitled to a one-off incentive fee linked to the investment performance of the Company. This fee is equal to 10 per cent. (plus VAT) of the amount by which the net assets per Share after five years since launch plus dividends already paid (inclusive of the tax credit) exceeds 125p per Share. The target level rises thereafter in line with RPI up to 31 March 2005. No performance incentive fee is currently due.

Following the shareholders' approval at the EGM on 28 February 2005, a new performance incentive agreement has replaced the existing one from 1 April 2005. The Directors proposed that the new performance incentive should have the same principles as that of Close Brothers Venture Capital Trust PLC. It will therefore be based on a share of the excess return above a hurdle rate, paid out annually in cash as an addition to the management fee. The share of the excess return will be 10 per cent. (plus VAT). The hurdle rate has been set at an annual return of 5 pence per annum, representing dividends paid and growth in Share Value, over the preceding year's share value.

Auditors

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

Substantial Interests

As at 12 July 2005 the Company did not hold any beneficial interest exceeding 3 per cent. of the issued ordinary 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 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.

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.

REPORT OF THE DIRECTORS
(continued)

Suppliers 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).

Re-election of Directors

In accordance with the Articles of Association, the directors of the Company retire by rotation, and being eligible offer themselves for re-election.

Annual General Meeting

The Annual General Meeting will be held at 10 Crown Place, London EC2A 4FT at 11 a.m. on 12 August 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 special resolution, number 6 in the notice of meeting, will authorise the purchase in the market and the cancellation of up to 2,444,306 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 consecutive 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.

The purchase of shares by the Company is intended to reduce the discount at which shares trade in the market because the Company will be a source of demand for shares. Since it is anticipated that any purchases will be made at a discount to net asset value at the time of purchase, the net asset value of the remaining shares in issue should increase.

By order of the Board,

C Kinnear
Secretary

10 Crown Place
London EC2A 4FT

12 July 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 Bralsford is the Chairman and senior independent Director. Messrs Pitman and Holdsworth Hunt 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 Bralsford 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 Bralsford 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 formation.

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

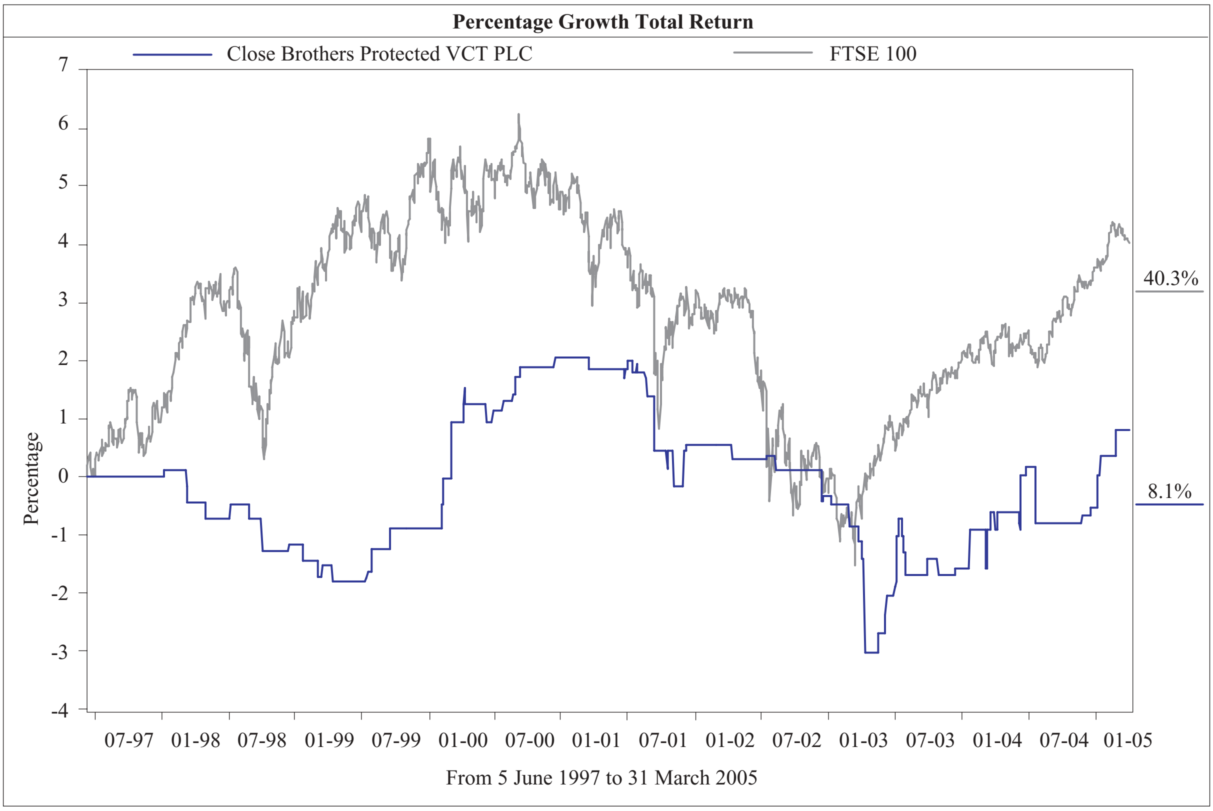
The Company's policy is that fees payable to non-executive Directors should reflect their expertise, responsibilities and time spent on Company matters. In determining the level of non-executive remuneration market equivalents are considered in comparison to the overall activities and size of the Company.

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 £60,000 per annum. No change in the level of fees is expected in the near future.

Performance Graph

The graph below shows the performance of Close Brothers Protected VCT PLC's share price against the FTSE 100 Index, in both instances with dividends reinvested, over the last eight years. The Directors consider this to be the nearest equivalent benchmark, however, would remind investors that shares in VCT's generally continue to trade at a discount to the actual net asset value of the Company.

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. As a result they do not have a notice period and are not entitled to any termination payment.

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
Martin Bralsford	13	1	14	13	1	14
Giles Pitman	13	–	13	13	–	13
Christopher Holdsworth Hunt	13	–	13	13	–	13
John Snook	–	–	–	6	–	6
Patrick Reeve	12	–	12	6	–	6
	51	1	52	51	1	52

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.

The following items have not been audited:

Mr. Bralsford and Mr. Pitman are remunerated personally. The following directors' services are provided as follows:

The services of Mr. Holdsworth Hunt were provided by KBC Peel Hunt Ltd until 31 December 2004.

The services of Mr. Reeve are provided by Close Venture Management Limited.

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

Re-election of Directors

In accordance with the Articles of Association, the Directors of the Company all retire by rotation, and being eligible offer themselves for re-election.

By order of the Board,

C Kinnear
Secretary

12 July 2005

INDEPENDENT AUDITORS' REPORT

to the Members of Close Brothers Protected VCT PLC

We have audited the financial statements of Close Brothers Protected VCT 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 22. 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 also report to you if, in our opinion, the Company has not complied with any of the requirements set out in the Financial Services Authority's Listing Rules 9.8.8R(2) with regards to the amount of each element in the remuneration package and information on share options, 9.8.8R(3), (4) and (5) with regards to details of long term incentive schemes for directors, 9.8.8R (11) with regards to money purchase schemes. 9.8.8R(12) with regards to defined benefit schemes, and we give a statement, to the extent possible, of details of any non-compliance.

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the July 2003 FRS 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.

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 the total return for the year then ended; and
- 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.

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London, United Kingdom 12 July 2005

Notes:

A review does not provide assurance on the maintenance and integrity of the website, including controls used to achieve this, and in particular on whether any changes may have occurred to the financial information since first published. These matters are the responsibility of the Directors but no control procedures can provide absolute assurance in this area.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

STATEMENT OF TOTAL RETURN

for the year to 31 March 2005

	Note	Year ended 31 March 2005 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2004 Revenue £'000	Capital £'000	Total £'000
Gains on investments	2	–	72	72	–	3,361	3,361
Investment income	3	1,115	–	1,115	728	–	728
Investment management fees	4	(88)	(264)	(352)	(102)	(176)	(278)
Other expenses	5	(166)	–	(166)	(111)	(54)	(165)
Return/(loss) on ordinary activities before tax		861	(192)	669	515	3,131	3,646
Tax on ordinary activities	7	(217)	85	(132)	(98)	61	(37)
Return/(loss) attributable to shareholders		644	(107)	537	417	3,192	3,609
Dividends	8	(662)	–	(662)	(431)	–	(431)
Transfer (from)/to reserves		(18)	(107)	(125)	(14)	3,192	3,178
Return/(loss) per share (pence)	9	2.6	(0.4)	2.2	1.7	13.0	14.7

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 29 to 37 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 investments		16,428	17,480
Non-qualifying investments		1,676	13
Total fixed asset investments	10	18,104	17,493
Current assets			
Debtors	12	110	124
Cash at bank and in hand		4,550	5,112
		4,660	5,236
Creditors: amounts falling due within one year	13	(619)	(412)
Net current assets		4,041	4,824
Total assets less current liabilities		22,145	22,317
Capital and reserves			
Called up share capital	14	12,222	12,252
Special reserve	15	9,647	9,694
Capital redemption reserve	15	1,716	1,686
Realised capital reserve	15	(411)	(555)
Unrealised capital reserve	15	(1,065)	(814)
Revenue reserve	15	36	54
Equity shareholders' funds	17	22,145	22,317
Net asset value per ordinary share (pence)	16	90.6	91.1

The financial statements on pages 26 to 37 were approved by the Board of Directors on 12 July 2005 and were signed on its behalf by

Martin Bralsford
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 received		911	567
Deposit interest received		216	121
Investment management fees paid		(360)	(253)
Other cash payments		(143)	(150)
Net cash inflow from operating activities	19	624	285
Taxation			
UK corporation tax (paid)/repaid		(70)	10
Capital expenditure and financial investment			
Purchase of investments		(8,766)	(3,712)
Disposals of investments		8,241	6,655
Net cash (outflow)/inflow from investing activities		(525)	2,943
Equity dividends paid			
Revenue dividends paid on ordinary shares		(544)	(308)
Capital dividends paid on ordinary shares		–	–
Net cash (outflow)/inflow before financing		(515)	2,930
Financing			
Loan facility fees		–	(17)
Purchase of own shares		(47)	(12)
Net cash outflow from financing		(47)	(29)
(Decrease)/increase in cash in the year	18	(562)	2,901

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

1. Accounting policies

Accounting convention

The financial statements are prepared under the historic 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

In accordance with the revised SORP, the AIM quoted investments are being valued at bid value, which in the Directors' opinion is the most appropriate basis for valuing these quoted stocks. Unquoted investments are stated at a valuation determined by the Directors as supported, where appropriate, by independent professional valuations and in accordance with the British Venture Capital Association (BVCA) guidelines published in June 2003. 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.

It is not the Company's policy to exercise control or significant influences over investee companies. Therefore the results of these companies are not incorporated into the revenue account except to the extent of any income accrued.

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.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

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.

Performance incentive

In the event that a performance fee crystallises, the fee will be allocated between revenue and realised capital reserves (net of corporation tax) based upon the proportion to which the calculation of the fee is attributable to revenue and capital returns.

Taxation

Deferred taxation is considered in accordance with Financial Reporting Standard ("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.

2. Gains/(losses) on investments

	31 March 2005 £'000	31 March 2004 £'000
Realised gains on disposal	323	467
Permanent impairment	–	(131)
(Increase)/decrease in unrealised depreciation	(251)	3,025
	72	3,361

3. Investment income

	31 March 2005 £'000	31 March 2004 £'000
Income from qualifying shares and securities		
UK franked investment income	56	89
UK unfranked investment income	822	509
Other	24	–
	902	598
Non-qualifying income:		
Bank deposit interest	206	130
Other income	7	–
Total income comprises:		
Dividends	56	89
Interest	1,028	639
Other	31	–
	1,115	728
Income from investments:		
Listed	–	–
Unlisted	902	598
	902	598

NOTES TO THE FINANCIAL STATEMENTS
(continued)

4. Investment management fees

	31 March 2005			31 March 2004		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investment management fees	88	264	352	102	176	278

Further details of the Management Agreement under which the investment management fees are paid are given in the Report of the Directors on page 18, along with details of the management performance incentive fee.

The fees are attributable to the net asset value of the Company as follows:

	AIM investments £'000	**Loan investments £'000**	**Other investments £'000**	**Asset-backed investments £'000**	**Total £'000**
31 March 2005	115	9	17	211	352
31 March 2004	133	47	11	87	278

5. Expenses

	31 March 2005 £'000	**31 March 2004 £'000**
Secretarial and administrative fee	33	33
Directors' fees	58	58
Auditors' remuneration - audit fees	14	14
Other expenses	61	60
Total expenses	166	165

6. Directors' fees

The amounts paid on behalf of Directors during the year were as follows:

	31 March 2005 £'000	**31 March 2004 £'000**
Directors' fees	51	51
National insurance and VAT	6	6
Expenses	1	1
Total	58	58

NOTES TO THE FINANCIAL STATEMENTS
(continued)

7. Tax on ordinary activities

	31 March 2005 Revenue £'000	Capital £'000	Total £'000	31 March 2004 Revenue £'000	Capital £'000	Total £'000
UK Corporation tax at 30% (2004: 19%)	132	–	132	37	–	37
Tax attributable to capital expenses	85	(85)	–	61	(61)	–
	217	(85)	132	98	(61)	37

	31 March 2005 Revenue £'000	Capital £'000	Total £'000	31 March 2004 Revenue £'000	Capital £'000	Total £'000
Return on ordinary activities before taxation	861	(192)	669	515	3,131	3,646
UK corporation tax at 30%	258	(57)	201	98	595	693
Factors affecting the tax charge:						
Tax refund in respect of prior years	(8)	–	(8)	–	–	–
Capital gains not subject to taxation	–	(22)	(22)	–	(638)	(638)
Tax attributable to capitalised expenses	85	(85)	–	44	(44)	–
Expenses charged to capital	(79)	79	–	(26)	26	–
Marginal relief	(22)	–	(22)	–	–	–
Non taxable income	(17)	–	(17)	(18)	–	(18)
UK Corporation tax charge/(credit) for the year	217	(85)	132	98	(61)	37

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%.

8. Dividends

	31 March 2005 £'000	31 March 2004 £'000
Net interim revenue dividend paid of 1.20 pence per share (2004: 0.75 pence)	295	186
Net final proposed revenue dividend of 1.50 pence per share (2004: 1.00 pence)	367	245
	662	431

9. Return per share

	31 March 2005 Revenue	Capital	Total	31 March 2004 Revenue	Capital	Total
Equity shares (pence)	2.6	(0.4)	2.2	1.7	13	14.7

Revenue return per share is based on the net revenue on ordinary activities after taxation but before deduction of dividends of £644,000 (2004: £417,000) in respect of 24,443,063 shares (2004: 24,517,549 shares), being the weighted average number of shares in issue during the year.

Capital return per share is based on net capital gain for the financial year of £107,000 (2004: £3.2 million) in respect of 24,443,063 shares (2004: 24,517,549 shares), being the weighted average number of shares in issue during the year.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

10. Fixed asset investments

	31 March 2005 £'000	31 March 2004 £'000
Qualifying AIM investments	4,062	5,995
Qualifying asset-based investments	12,366	5,555
Qualifying loan investments	–	5,930
Non-qualifying AIM investments	1,676	13
	18,104	17,493

	Qualifying AIM investments £'000	Qualifying loan investments £'000	Qualifying asset-based investments £'000	Non-Qualifying investments £'000	Total £'000
Valuation basis					
Opening valuation	5,995	5,930	5,555	13	17,493
Purchases at cost	203	199	6,426	1,708	8,536
Sales – proceeds	(1,599)	(5,930)	(218)	(5)	(7,752)
– realised gains/(losses) on disposal	370	(199)	–	(41)	130
Permanent impairment	(52)	–	–	–	(52)
(Increase)/decrease in unrealised depreciation	(855)	–	603	1	(251)
Closing valuation	4,062	–	12,366	1,676	18,104
Historic cost basis					
Opening book cost	6,782	5,930	5,580	15	18,307
Purchases at cost	203	199	6,426	1,708	8,536
Permanent Impairment	(52)	–	–	–	(52)
Disposals at cost	(1,229)	(6,129)	(218)	(46)	(7,622)
Closing book cost	5,704	–	11,789	1,677	19,169
Unrealised depreciation					
Opening unrealised depreciation	(787)	–	(25)	(2)	(814)
Net (increase)/decrease in unrealised depreciation	(855)	–	603	1	(251)
Closing unrealised (depreciation)/appreciation	(1,642)	–	578	(1)	(1,065)

NOTES TO THE FINANCIAL STATEMENTS
(continued)

11. Significant interests

Details of investments in which the Company has an interest of 3% or more of 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 9 to 17.

Name of Undertaking	Country of operation and incorporation	Description of shares held	Percentage held
Applecroft Care Homes Limited	Great Britain	Ordinary shares	23%
Barleycroft Care Home Limited	Great Britain	Ordinary shares	23%
Churchill Taverns VCT Limited	Great Britain	Ordinary shares	8%
City Screen (Liverpool) Limited	Great Britain	Ordinary shares	23%
Clipper Ventures PLC	Great Britain	Ordinary shares	3%
C S (Greenwich) Limited	Great Britain	Ordinary shares	7%
Intelligent Environments Group PLC	Great Britain	Ordinary shares	5%
Kew Green VCT (Stansted) Limited	Great Britain	Ordinary shares	20%
Maplecroft VCT Limited	Great Britain	Ordinary shares	42%
Pennant International Group PLC	Great Britain	Ordinary shares	5%
The Bear Hungerford Limited	Great Britain	Ordinary shares	19%
The Bold Pub Company Limited	Great Britain	Ordinary shares	9%
The Independent Pub Co (VCT) Limited	Great Britain	Ordinary shares	8%
The Place Sandwich VCT Limited	Great Britain	Ordinary shares	14%
Youngs VCT Limited	Great Britain	Ordinary shares	21%
Wickenhall Mill VCT Limited	Great Britain	Ordinary shares	27%

12. Debtors

	31 March 2005 £’000	31 March 2004 £’000
Other debtors	15	16
Settlement of investments	–	12
Accrued income	95	96
	110	124

13. Creditors: amounts falling due within one year

	31 March 2005 £’000	31 March 2004 £’000
Operating creditors and accruals	145	121
Proposed dividend	367	245
Corporation tax payable	107	46
	619	412

NOTES TO THE FINANCIAL STATEMENTS
(continued)

14. Called up share capital

	31 March 2005 £'000	31 March 2004 £'000
Authorised:		
50,000,000 ordinary shares of 50 pence each (2004: 50,000,000)	25,000	25,000
Allotted, called up and fully-paid:		
24,443,063 ordinary shares of 50 pence each (2004: 24,503,063)	12,222	12,252

	Shares in issue Number	Nominal value £'000
Shares in issue at the start of the year	24,503,063	12,252
Cancelled during the year	(60,000)	(30)
Shares in issue at the end of the year	24,443,063	12,222

Details of the shares purchased by the Company for cancellation can be found in the report of the Directors on page 18.

15. Reserves

	Special reserve £'000	Capital redemption reserve £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Revenue reserve £'000	Total £'000
Beginning of year	9,694	1,686	(555)	(814)	54	10,065
Cancellation of own shares	(47)	30	–	–	–	(17)
Gain on realisation of investments	–	–	323	–	–	323
Unrealised appreciation	–	–	–	(251)	–	(251)
Cost charged to capital net of tax	–	–	(179)	–	–	(179)
Retained net revenue for the year	–	–	–	–	(18)	(18)
End of year	9,647	1,716	(411)	(1,065)	36	9,923

16. Net asset value per share

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

	31 March 2005	31 March 2004
Net asset value per share (pence)	90.6	91.1

	31 March 2005 £'000	31 March 2004 £'000
Total net assets at beginning of year	22,317	19,151
Cancellation of own shares	(47)	(12)
Total return for the year	537	3,609
Dividends appropriated in the year	(662)	(431)
Total net assets at end of year	22,145	22,317

Net asset value per ordinary share is based on net assets at the year end, and on 24,443,063 ordinary shares, (2004: 24,503,063) being the number of ordinary shares in issue at the year end.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

17. Reconciliation of movements in shareholders' funds

	31 March 2005 £'000	31 March 2004 £'000
Opening shareholders' funds	22,317	19,151
Cancellation of own shares	(47)	(12)
Total return to shareholders before dividends	537	3,609
Dividends	(662)	(431)
Closing shareholders' funds	22,145	22,317

18. Analysis of changes in cash during the year

	31 March 2005 £'000	31 March 2004 £'000
Beginning of year	5,112	2,211
(Decrease)/increase in cash in the year	(562)	2,901
End of year	4,550	5,112

19. Reconciliation of net revenue before finance costs and taxation to net cash inflow from operating activities

	31 March 2005 £'000	31 March 2004 £'000
Net revenue before finance costs and taxation	861	515
Investment management fee charged to capital	(264)	(176)
Other expenses charged to capital	–	(54)
(Increase)/decrease in accrued income	–	(2)
Increase in operating creditors	27	2
Net cash inflow from operating activities	624	285

20. Financial instruments and risk management

The Company's financial instruments, other than derivatives, comprise equity holdings, floating rate notes, cash and liquid resources. The main purpose of these financial instruments is to generate revenue and capital appreciation for the Company's operations.

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

- interest rate risk; and
- market price risk.

The main risks arising from the Company's financial instruments are interest rate risk and fluctuations in equity values. 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 the basis of the Company's analysis, it is estimated that a fall of one percentage point in all interest rates would have reduced 31 March 2005 profits before tax by approximately 4% (2004: 7%) before taking into account any increase from the Company's equity investments.

Market price risk

The Company's exposure to market price risk comprises the equity value of its AIM investments. As a venture capital trust, it is the company's specific nature to evaluate and control the investment risk of its portfolio, the results of which are detailed in the portfolio review. The Board monitors these exposures on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS
(continued)

Financial assets

The Company's interest rate exposure on its financial assets and liabilities at the balance sheet date is as follows:

	31 March 2005				31 March 2004			
Currency	**Fixed rate £'000**	**Floating rate £'000**	**No interest £'000**	**Total £'000**	**Fixed rate £'000**	**Floating rate £'000**	**No interest £'000**	**Total £'000**
Sterling	7,712	6,205	8,228	22,145	9,536	5,112	7,669	22,317

Fixed rate financial assets comprise:

- Loan stock attached to asset-based investments, which bear interest at rates based on pre determined yield targets. The fixed rate of interest attributable to each investment will continue for the foreseeable future in accordance with agreed terms. The weighted average interest rate at 31 March 2005 was 14% (2004: 14%). The weighted average period to maturity for the fixed rate assets is 4 years.

Floating rate financial assets comprise:

- Bank deposits which bear interest at current rates.

No interest assets comprise:

- Equity investments.

Financial liabilities

The Company had no financial liabilities other than short-term creditors.

Currency exposure

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

Borrowing facilities

The Company had no committed borrowing facilities as at 31 March 2005 (2004: £nil).

21. Contingencies, guarantees and financial commitments

There are no contingencies or 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 are guarantees which have been given to The Royal Bank of Scotland plc relating to the asset-based funds scheduled for investment in Kew Green VCT (Stansted) Limited and Barleycroft Care Homes Limited totalling £1.275 million as at 31 March 2005. These guarantees have subsequently reduced to nil.

22. Post balance sheet events

Since 31 March 2005 the Company has entered into the following transactions:

- A further £1 million was invested in Kew Green VCT (Stansted) Limited.
- A further £275,000 was invested in Barleycroft Care Home Limited.
- 127,272 shares in Zytronic Plc were sold for £258,221.
- 100,000 shares in Bond International Software Plc were sold for £99,699.
- 108,695 shares in Tikit Group Plc were sold for £181,517.
- Invested £90,000 in GB Pub Company VCT Limited.
- Invested £70,000 in The Independent Beer Company Limited.

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Close Brothers Protected VCT PLC will be held at 11 a.m. on 12 August 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 reappoint Deloitte & Touche LLP as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.

3. To approve the Directors' remuneration report.

4. To declare a final revenue dividend of 1.50 pence per share for the year ended 31 March 2005 payable to Shareholders on the register at the close of business on 22 July 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 50 pence each in the capital of the Company ("Shares") provided that:

(a) the maximum aggregate number of Shares authorised to be purchased is 2,444,306 (representing 10 per cent. of the issued share capital);

(b) the minimum price which may be paid for a Share is 50 pence;

(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 a 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 order of the Board,

C Kinnear
Secretary

Registered Office
10 Crown Place
London EC2A 4FT

Date: 12 July 2005

NOTICE OF MEETING
(continued)

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 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.

PROTECTED VCT PLC

Close Brothers Protected VCT PLC