



# Ventus VCT plc

## Half-yearly Financial Report

for the six month period ended 31 August 2013



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Ventus VCT plc invests in companies that develop, construct and operate renewable energy projects.

I am pleased to present the financial report of Ventus VCT plc (the "Company") for the six month period ended 31 August 2013.

The period has been characterised by stability in terms of net asset value and dividends. The Investment Manager, Temporis Capital LLP, has continued its successful management of the portfolio with a focus on delivering predictable dividends to shareholders.

The ordinary share fund has a portfolio that includes five companies which own operational wind farms that are generating strong cash yields in the form of dividends and interest payments on shareholder loans. The ordinary share fund has also invested in four companies which are constructing wind farms.

The "C" share fund's portfolio now includes three companies which own operating wind farms, four companies each with a wind farm in construction and two other companies in the development stage of wind farm projects.

The Directors have previously stated their intention to pay a minimum dividend of 5p per ordinary share per annum for the years ending 28 February 2013, 28 February 2014 and 28 February 2015, with a realistic target range in the medium term beyond 28 February 2015 of 6p to 8p per ordinary share per annum. With respect to the "C" shares, the Directors expect to be able to pay a minimum dividend of 5p per "C" share per annum for the year ending 28 February 2014, with a realistic target range in the medium term beyond 28 February 2014 of 6p to 8p per "C" share per annum. It should be stressed that these are intentions only, and no forecasts are intended or should be inferred.

### **Net Asset Value, Results and Dividend – Ordinary Shares**

At the period end, the net asset value("NAV") of the ordinary share fund of the Company stood at £19,800,000 or 121.4p per ordinary share. The revenue profit attributable to ordinary shareholders for the period was £262,000 or 1.61p per ordinary share. The capital gain attributable to ordinary shareholders for the period was £180,000 or 1.10p per ordinary share, resulting in a net gain attributable to ordinary shareholders for the period of £442,000 or 2.71p per ordinary share.

The value of investments held at 31 August 2013 in the ordinary share fund was £17,250,000 compared to £17,156,000 at 28 February 2013. The Investment Manager's report gives details of investments made during the period, together with information about the valuation of all investee company holdings within the portfolio.

The Company has declared an interim dividend of 2.5p per ordinary share which will be paid on 15 January 2014 to all ordinary shareholders on the register as at the close of business on 13 December 2013.

### **Net Asset Value, Results and Dividend – "C" Shares**

At the period end, the net asset value of the "C" share fund of the Company stood at £12,070,000 or 106.5p per "C" share. The revenue profit attributable to "C" shareholders for the period was £123,000 or 1.08p per "C" share. The capital gain attributable to "C" shareholders for the period was £103,000 or 0.91p per "C" share, resulting in a net gain attributable to "C" shareholders for the period of £226,000 or 1.99p per "C" share.

The value of investments held at 31 August 2013 in the "C" share fund was £11,038,000 compared to £10,743,000 at 28 February 2013.

The Company has declared an interim dividend of 2.5p per "C" share which will be paid on 15 January 2014 to all "C" shareholders on the register as at the close of business on 13 December 2013.

### **VCT Qualifying Status**

The Company retains PricewaterhouseCoopers LLP to review its compliance with VCT regulations. The Directors are satisfied that the Company has continued to fulfil the conditions for maintaining VCT status.

# CHAIRMAN'S STATEMENT

Continued

## Key Performance Indicators

For the six month period ended 31 August 2013	Ordinary Shares		"C" Shares		Total £000
	£000	Pence per share <sup>1</sup>	£000	Pence per share <sup>1</sup>	
Revenue profit attributable to equity shareholders	262	1.61	123	1.08	385
Capital profit attributable to equity shareholders	180	1.10	103	0.91	283
Net profit attributable to equity shareholders	442	2.71	226	1.99	668
Dividends paid during the period	(408)	(2.50)	(204)	(1.80)	(612)
Total movement in equity shareholders' funds	34	0.21	22	0.19	56
		%		%	%
On-going charges ratio <sup>2</sup>		3.53%		3.57%	3.55%

As at 31 August 2013	Ordinary Shares		"C" Shares		Total £000
	£000	Pence per share <sup>3</sup>	£000	Pence per share <sup>3</sup>	
Net asset value	19,800	121.4	12,070	106.5	31,870
Total shareholder return <sup>4</sup>	23,965	148.2	12,636	111.5	36,601

1 The "per share" value is determined in respect of the weighted average number of shares in issue during the period, except in respect of the dividends paid in the period, which is determined on the basis of the number of shares eligible to receive dividends at the time the dividends were paid.

2 The on-going charges ratio represents the total operating expenditure during the period (excluding investment costs and tender costs) as a percentage of the net asset value of the Company at period end.

Total annual running costs are in aggregate capped at 3.6% of NAV (excluding the Investment Manager's performance fee, any irrecoverable VAT and investment costs) with the excess being borne by the Investment Manager. As at 31 August 2013 the annual running costs were 3.46% of NAV.

3 The "per share" value is determined in respect of the number of shares in issue at the period end, except in respect of the dividends paid, which is determined on the basis of the number of shares eligible to receive dividends at the time the dividends were paid.

4 The total shareholder return represents the net asset value of the Company at the period end plus the cumulative dividends paid by the Company since incorporation.

The Company's Investment Manager, Temporis Capital LLP, continues to be actively engaged in managing the portfolio of existing investments and in identifying and negotiating potential investment opportunities to invest the share capital that has been raised. The investments made constitute the important events of the period.

The performance of the Company is reviewed in the Investment Manager's Report, including the Company's compliance with HM Revenue & Customs ("HMRC") Venture Capital Trust ("VCT") regulations. The Company's prospects are considered in the UK Market Outlook section of the Investment Manager's Report.

**David Pinckney**  
Chairman

28 October 2013

## PRINCIPAL RISKS AND UNCERTAINTIES

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Under the Financial Conduct Authority's Disclosure and Transparency Rules, the Directors are required to identify those material risks to which the Company is exposed and take appropriate steps to mitigate those risks. Other than the inherent risks associated with investment activities, which are discussed in the Investment Manager's Report, the risks described below are those which the Directors consider to be material. The Directors do not expect that the risks and uncertainties presented will change significantly over the current financial year.

- > Failure to meet the investment requirements for compliance with HMRC VCT regulations

*The Board mitigates this risk by regularly reviewing investment management activity with appropriately qualified advisers and by obtaining pre-approval from HMRC for each qualifying investment.*

- > Inadequate control environment at service providers

*The Board mitigates this risk by only appointing service providers of a high standing under agreements that set out their responsibilities and by obtaining assurances from them that all exceptions have been reported to the Board. In addition, the Board has appointed an independent internal auditor, Roffe Swayne, to report directly to the Board in respect of the Company's internal controls undertaken by the Investment Manager.*

- > Non-compliance with the Listing Rules of the Financial Conduct Authority, Companies Act legislation and other applicable regulations

*The Board mitigates this risk by employing external advisers fully conversant with applicable statutory and regulatory requirements who report regularly to the Board on the Company's compliance.*

- > Reliance on the UK Government's continued support for the renewable energy sector

*The future level of Government-mandated support for renewables has important implications for the industry and could impact the value of investments the Company has made in companies developing renewable projects. However, the Directors believe that any future reductions in renewable energy tariffs should not impact any existing investments in companies operating renewable energy assets, as the UK Government has a consistent history of grandfathering financial support mechanisms for existing projects.*

## GOING CONCERN

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The Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the accounts. The Company's major cash flows are within the Company's control (namely investments and dividends) or are reasonably predictable (namely the operating expenses). The Company is able to forecast cash inflows comprising proceeds from investments to a reasonable degree. Having reviewed a cash flow forecast for the next 18 months, the Board has a reasonable expectation that the Company is able to continue in operational existence for a period of at least 12 months from the date of this report.

# RESPONSIBILITY STATEMENT

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The Directors acknowledge responsibility for the interim results and approve this half-yearly report. The Directors confirm that to the best of their knowledge:

- (a) the condensed financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Disclosure and Transparency Rule (“DTR”) 4.2.4R;
- (b) the interim management report, included within the Chairman’s Statement and Investment Manager’s Report, includes a fair review of the information required by DTR 4.2.7R, being the important events of the first half of the year and the principal risks and uncertainties for the remaining six months of the year; and
- (c) the financial statements include a fair review of related party transactions and changes thereto, as required by DTR 4.2.8R.

The Responsibility Statement has been approved by the Board.

**David Pinckney**

Chairman

28 October 2013

# INVESTMENT MANAGER'S REPORT

In line with the strategic objectives set by the Board, the Investment Manager has continued to focus the Company's activities on wind investments generating stable long-term income with the objective of providing predictable dividends to shareholders.

## Ordinary share portfolio

A summary of the ordinary share fund's investment valuations as at 31 August 2013 and gains during the six month period ended 31 August 2013 is given below.

Ordinary Shares		Investment value			Investment cost			Gain in the six month period ended 31 August 2013	Investment value Total as at 28 February 2013	Investment cost Total as at 28 February 2013	
		Voting rights as at 31 August 2013 %	Shares as at 31 August 2013 £000	Loans as at 31 August 2013 £000	Total as at 31 August 2013 £000	Shares as at 31 August 2013 £000	Loans as at 31 August 2013 £000				Total as at 31 August 2013 £000
<b>Operational wind</b>											
Fenpower Limited	q	33.33%	2,850	1,605	4,455	308	1,653	1,961	56	4,454	2,015
A7 Greendyside Limited	q	50.00%	1,665	650	2,315	916	620	1,536	125	2,190	1,536
Achairn Energy Limited*	q	8.50%	513	285	798	203	260	463	8	790	463
A7 Lochhead Limited*	q	30.00%	1,191	189	1,380	820	180	1,000	98	1,282	1,000
Greenfield Wind Farm Limited*	PQ	8.35%	743	709	1,452	334	668	1,002	38	1,414	1,002
<b>Wind under construction</b>											
Biggleswade Wind Farm Limited*	q	3.50%	86	264	350	86	264	350	-	350	350
Eye Wind Power Limited*	q	50.00%	1,597	203	1,800	1,597	203	1,800	-	2,151	2,151
Bernard Matthews Green Energy Weston Limited*	q	50.00%	538	-	538	500	-	500	-	538	500
Bernard Matthews Green Energy Pickenham Limited*	q	50.00%	536	-	536	500	-	500	-	536	500
<b>Operational companies in the wind sector</b>											
Broadview Energy Limited*	q	11.04%	2,365	-	2,365	750	-	750	-	2,365	750
Firefly Energy Limited*	q	50.00%	-	918	918	200	1,223	1,423	-	918	1,423
<b>Development and pre-planning</b>											
Redeven Energy Limited*		50.00%	66	277	343	-	389	389	-	168	214
<b>Realised investments</b>											
Redimo LFG Limited*	q	50.00%	-	-	-	2,000	-	2,000	-	-	2,000
Spurlens Rig Wind Limited*		0.00%	-	-	-	-	-	-	-	-	139
Olgrinmore Limited*		0.00%	-	-	-	-	-	-	-	-	46
<b>Total</b>			12,150	5,100	17,250	8,214	5,460	13,674	325	17,156	14,089

q Investment complies with VCT regulations on qualifying holdings.

PQ Part of the investment complies with VCT regulations on qualifying holdings.

\* A company in which the ordinary share fund of Ventus 2 VCT plc has also invested (or in which Ventus 2 VCT plc had invested prior to the investment being realised). The Company and Ventus 2 VCT plc are managed by Temporis Capital LLP.

## Summary of Ordinary Share Fund Investments

Details of the valuations of the investments held by the ordinary share fund are shown in the table above.



## OPERATIONAL WIND

Each of the following investee companies owns and operates a single wind farm:

	Wind farm capacity (megawatts)	Operational since	Location
Fenpower Limited	10.0	May 2007	Cambridgeshire
A7 Greendykeside Limited	4.0	November 2007	Lanarkshire, Scotland
Achairn Energy Limited	6.0	May 2009	Caithness, Scotland
A7 Lochhead Limited	6.0	June 2009	Lanarkshire, Scotland
Greenfield Wind Farm Limited	12.3	March 2011	Lanarkshire, Scotland

The Company's investments in the above companies are valued using discounted cash flow models. The values in each of the above five companies increased during the six month period ended 31 August 2013, primarily due to the underlying project debt decreasing in each company.

Set out below is a brief summary of the performance of the investee companies operating wind farms. All the companies operating wind farms experienced good availability during the six month period ended 31 August 2013.

### *Fenpower Limited*

The electricity production of Fenpower Limited during the six month period ended 31 August 2013 was 87% of budget. The Company received mezzanine interest cash payments totalling £93,000 from Fenpower Limited in the six month period ended 31 August 2013, representing a 4.6% cash yield during the six-month period on the cost of the investment. Fenpower Limited also repaid £55,000 of the mezzanine loan principal to the Company during the six month period. In addition to mezzanine interest income, the Company recognised a valuation gain of £56,000 on its investment in Fenpower Limited in the six month period ended 31 August 2013.

### *A7 Greendykeside Limited*

The electricity production of A7 Greendykeside Limited during the six month period ended 31 August 2013 was 103% of budget. The Company received mezzanine interest cash

payments totalling £39,000 from A7 Greendykeside Limited in the six month period ended 31 August 2013, representing a 2.5% cash yield during the six-month period on the cost of the investment. In addition to mezzanine interest income, the Company recognised a valuation gain of £125,000 on its investment in A7 Greendykeside Limited in the six month period ended 31 August 2013.

### *Achairn Energy Limited*

The electricity production of Achairn Energy Limited during the six month period ended 31 August 2013 was 91% of budget. The Company received dividends and mezzanine interest cash payments totalling £20,000 from Achairn Energy Limited in the six month period ended 31 August 2013, representing a 4.3% cash yield on the cost of investment. In addition to dividend and mezzanine interest income, the Company recognised a valuation gain of £8,000 on its investment in Achairn Energy Limited in the six month period ended 31 August 2013.

### *A7 Lochhead Limited*

The electricity production of A7 Lochhead Limited during the six month period ended 31 August 2013 was 100% of budget. The Company received dividends and mezzanine interest cash payments totalling £74,000 from A7 Lochhead Limited in the six month period ended 31 August 2013, representing a 7.4% cash yield on the cost of investment. In addition to dividend and mezzanine interest income, the Company recognised a valuation gain of £98,000 on its investment in A7 Lochhead Limited in the six month period ended 31 August 2013.

### *Greenfield Wind Farm Limited*

The electricity production of Greenfield Wind Farm Limited during the six month period ended 31 August 2013 was 98% of budget. The Company's ordinary share fund received dividends and mezzanine interest cash payments totalling £66,000 from Greenfield Wind Farm Limited in the six month period ended 31 August 2013, representing a 6.6% cash yield during the six-month period on the cost of the investment. In addition to dividend and mezzanine interest income, the Company's ordinary share fund recognised a valuation gain of £38,000 on its investment in Greenfield Wind Farm Limited during the six month period.

The Company's "C" share fund also holds an investment in Greenfield Wind Farm Limited as discussed below.

## WIND UNDER CONSTRUCTION

### *Biggleswade Wind Farm Limited*

Biggleswade Wind Farm Limited is constructing a 20 megawatt wind farm in Langford, central Bedfordshire. The wind farm will operate ten Vestas V-90 turbines. The construction of the Biggleswade wind farm is currently on time and on budget and is scheduled to be commissioned in December 2013.

The Company's "C" share fund also holds an investment in Biggleswade Wind Farm Limited as discussed below.

### *Eye Wind Power Limited*

Eye Wind Power Limited is constructing a 6.8 megawatt wind farm on Eye Airfield near Eye, Suffolk. The wind farm will operate two REpower 3.4M turbines. During the six month period ended 31 August 2013, the capital of Eye Wind Power Limited has been restructured, with the Company's ordinary share fund converting £847,000 of its mezzanine loans to ordinary shares and with Eye Wind Power Limited buying back £352,000 of ordinary shares held by the Company. The equity ownership in Eye Wind Power Limited of the Company's ordinary share fund remains at 50%. The construction of the Eye Airfield wind farm is currently on time and on budget and is scheduled to be commissioned in January 2014.

The Company's "C" share fund also holds as investment in Eye Wind Power Limited as discussed below.

#### *Bernard Matthews Green Energy Weston Limited*

Bernard Matthews Green Energy Weston Limited, in partnership with Weston Airfield Investments Limited (in which the Company's "C" share fund holds an investment, as discussed below), is constructing a 4 megawatt wind farm at the Weston Airfield, 15 kilometres northwest of Norwich, Norfolk. The wind farm will operate two Vestas V-100 turbines. Construction commenced in August 2013, and the wind farm is scheduled to be operational in February 2014.

#### *Bernard Matthews Green Energy Pickenham Limited*

Bernard Matthews Green Energy Pickenham Limited, in partnership with North Pickenham Energy Limited (in which the Company's "C" share fund holds an investment, as discussed below), is constructing a 4 megawatt wind farm at the North Pickenham Airfield, 35 kilometres west of Norwich, Norfolk. The wind farm will operate two Vestas V-100 turbines. Construction commenced in August 2013, and the wind farm is scheduled to be operational in February 2014.

### **OPERATIONAL COMPANIES IN THE WIND SECTOR**

#### *Broadview Energy Limited*

Broadview Energy Limited is an independent renewable energy company that develops, constructs and operates wind farms throughout the UK. In addition to substantial cash reserves, Broadview has a development portfolio comprised of one project of three turbines (6 megawatts) in construction, four projects in the planning process (totalling 16 turbines and 32 to 48 megawatts), one project in pre-planning and several other projects at earlier stages of the development process.

The Company's holding of ordinary shares in Broadview Energy Limited has been valued based on the price of recent investment

reviewed for impairment and is supported by the cash in the company and the Investment Manager's estimate of the market value of the company's consented wind energy projects and the development pipeline. The valuation as at 31 August 2013 is unchanged from the valuation at 28 February 2013.

The uncertainty that existed over the value of the Company's holding in Broadview Energy Limited as reported in the annual financial statements for the year ended 28 February 2013 has now reduced to an extent that it is no longer considered to have a material impact on the financial statements.

#### *Firefly Energy Limited*

Firefly Energy Limited is the parent company of a group of trading subsidiaries that have entered into long term power purchase agreements with customers for 41.7 megawatts of generating capacity across five wind farm developments. The five wind farm projects are fully operational and generating revenues. Each of the five power purchase agreements expires on 31 March 2016. Firefly Energy Limited earns a margin on the five long-term power purchase agreements. The Company received a loan interest cash payment of £55,000 from Firefly Energy Limited in the six month period ended 31 August 2013, representing a 3.9% cash yield during the six-month period on the cost of the investment.

The Company has a loan investment in Firefly Energy Limited which had a principal amount outstanding at 31 August 2013 of £1,223,000 and which accrues interest at 9% per annum. The loan is valued in the Company's accounts based on the discounted projected future cash flows from the five power purchase agreements on which the company earns a spread, net of projected administration costs. As at 31 August 2013, the value of the loan was £918,000, which is unchanged from the value as at 28 February 2013. The loan, as valued, is projected to be paid off, with interest, by the end of 2016. The Company also holds 50% of the ordinary shares of Firefly Energy Limited (cost of £200,000) which was written down to nil value in a previous period.

### **DEVELOPMENT AND PRE-PLANNING**

#### *Redeven Energy Limited*

Through a development funding agreement entered into by Redeven Energy Limited, the Company, jointly with Ventus 2 VCT plc, holds investment rights in a company intending to develop and operate the Holton Airfield wind farm in East Anglia. The Holton Airfield wind farm is a consented 10 megawatt wind farm and has secured a grid connection. Discussions with potential lenders have commenced, and the project will be ready for the commencement of construction early in 2014.

During the six month period ended 31 August 2013, the Company invested a further £176,000 in Redeven Energy Limited in the form of mezzanine debt, taking the Company's cost of the investment to £389,000.

### **INVESTMENT HELD AS REALISED LOSSES**

#### *Redimo LFG Limited*

Redimo LFG Limited operates four landfill gas electricity generation sites in the north of England. Redimo LFG Limited is not paying dividends to the Company and has been held in the accounts at a nil valuation since late 2010. Given the senior debt commitments of the Redimo LFG Limited's subsidiaries, there is no possibility that the Company will recover any part of its investment in Redimo LFG Limited. Therefore, the loss in value in respect of this investment is treated as a realised loss.

## “C” share portfolio

A summary of the “C” share fund's investment valuations as at 31 August 2013 and gains during the six month period ended 31 August 2013 is given below.

“C” Shares		Investment value			Investment cost			Gain in the six month period ended 31 August 2013	Investment value Total as at 28 February 2013	Investment cost Total as at 28 February 2013	
		Voting rights as at 31 August 2013 %	Shares as at 31 August 2013 £000	Loans as at 31 August 2013 £000	Total as at 31 August 2013 £000	Shares as at 31 August 2013 £000	Loans as at 31 August 2013 £000				Total as at 31 August 2013 £000
<b>Operational wind</b>											
Greenfield Wind Farm Limited*	PQ	12.50%	1,113	1,061	2,174	500	1,000	1,500	58	2,116	1,500
White Mill Windfarm Limited*	PQ	25.00%	2,334	403	2,737	1,000	381	1,381	125	2,612	1,381
AD Wind Farmers Limited*	Q	50.00%	1,232	-	1,232	1,000	-	1,000	5	1,227	1,000
<b>Wind under construction</b>											
Biggleswade Wind Farm Limited*	Q	21.50%	527	1,623	2,150	527	1,623	2,150	-	2,150	2,150
Eye Wind Power Limited*	Q	0.00%	-	500	500	-	500	500	-	400	400
Weston Airfield Investments Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	1,000	1,000
North Pickenham Energy Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	1,000	1,000
<b>Development and pre-planning</b>											
Iceni Renewables Limited*		50.00%	200	18	218	400	18	418	-	218	418
Blawearie Wind Limited*		50.00%	27	-	27	27	-	27	-	20	20
<b>Total</b>			<b>7,433</b>	<b>3,605</b>	<b>11,038</b>	<b>5,454</b>	<b>3,522</b>	<b>8,976</b>	<b>188</b>	<b>10,743</b>	<b>8,869</b>

Q Investment complies with VCT regulations on qualifying holdings.

PQ Part of the investment complies with VCT regulations on qualifying holdings.

\* A company in which Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are both managed by Temporis Capital LLP.

## Summary of “C” Share Fund Investments

Details of the valuations of the investments held by the “C” share fund are shown in the table above. A discussion of each investment follows.

### OPERATIONAL WIND

Each of the following investee companies owns and operates a single wind farm (or, in the case of AD Wind Farmers Limited, owns an interest in a limited liability partnership that owns and operates a single wind farm):

	Wind farm capacity (megawatts)	Operational since	Location
Greenfield Wind Farm Limited	12.3	March 2011	Lanarkshire, Scotland
White Mill Windfarm Limited	14.35	August 2012	Cambridgeshire
AD Wind Farmers Limited	10.2	December 2012	Argyll and Bute, Scotland

The Company's investments in the above companies are valued using discounted cash flow models. The values in each of the above three companies increased during the six month period ended 31 August 2013, primarily due to the underlying project debt decreasing in each company.

Set out below is a brief summary of the performance of the investee companies operating wind farms. All the companies operating wind farms experienced good availability during the six month period ended 31 August 2013.

### Greenfield Wind Farm Limited

The electricity production of Greenfield Wind Farm Limited during the six month period ended 31 August 2013 was 98% of budget. The Company's “C” share fund received dividends and mezzanine interest cash payments totalling £100,000 from Greenfield Wind Farm Limited in the six month period ended 31 August 2013, representing a 6.6% cash yield during the six-month period on the cost of the investment. In addition to dividend and mezzanine interest, the Company's “C” share fund recognised a valuation gain of £58,000 on its investment in Greenfield Wind Farm Limited during the six month period.

The Company's ordinary share fund also holds as investment in Greenfield Wind Farm Limited as discussed above.

## *White Mill Windfarm Limited*

The electricity production of White Mill Windfarm Limited during the six month period ended 31 August 2013 was 95% of budget. The Company received no cash income from White Mill Windfarm Limited in the six month period ended 31 August 2013. The Company recognised a valuation gain of £125,000 on its investment in White Mill Wind Farm Limited during the six month period.

## *AD Wind Farmers Limited*

AD Wind Farmers Limited is an investor in Allt Dearg Wind Farmers LLP. The electricity production of Allt Dearg Wind Farmers LLP during the six month period ended 31 August 2013 was 107% of budget. The Company received no cash income from AD Wind Farmers Limited in the six month period ended 31 August 2013. The Company recognised a valuation gain of £5,000 on its investment in AD Wind Farmers Limited during the six month period.

## **WIND UNDER CONSTRUCTION**

### *Biggleswade Wind Farm Limited*

Biggleswade Wind Farm Limited is constructing a 20 megawatt wind farm in Langford, central Bedfordshire. The wind farm will operate ten Vestas V-90 turbines. The construction of the Biggleswade wind farm is currently on time and on budget and is scheduled to be commissioned in December 2013.

The Company's ordinary share fund also holds an investment in Biggleswade Wind Farm Limited as discussed above.

### *Eye Wind Power Limited*

Eye Wind Power Limited is constructing a 6.8 megawatt wind farm on Eye Airfield near Eye, Suffolk. The wind farm will operate two REpower 3.4M turbines. During the six month period ended 31 August 2013, the Company's "C" share fund invested a further £100,000 in Eye Wind Power Limited, taking the cost of the investment for the Company's "C" share fund to £500,000. The construction of the Eye Airfield wind farm is currently on time and on budget and is scheduled to be commissioned in January 2014.

The Company's ordinary share fund also holds as investment in Eye Wind Power Limited as discussed above.

### *Weston Airfield Investments Limited*

Weston Airfield Investments Limited, in partnership with Bernard Matthews Green Energy Weston Limited (in which the Company's ordinary share fund holds an investment, as discussed above), is constructing a 4 megawatt wind farm at the Weston Airfield, 15 kilometres northwest of Norwich, Norfolk. The wind farm will operate two Vestas V-100 turbines. Construction commenced in August 2013, and the wind farm is scheduled to be operational in February 2014.

### *North Pickenham Energy Limited*

North Pickenham Energy Limited, in partnership with Bernard Matthews Green Energy Pickenham Limited (in which the Company's ordinary share fund holds an investment, as discussed above), is constructing a 4 megawatt wind farm at the North Pickenham Airfield, 35 kilometres west of Norwich, Norfolk. The wind farm will operate two Vestas V-100 turbines. Construction commenced in August 2013, and the wind farm is scheduled to be operational in February 2014.

## **DEVELOPMENT AND PRE-PLANNING**

### *Iceni Renewables Limited*

Iceni Renewables Limited is a company developing two wind energy projects in Scotland. The first project, Craigannet, is a six-turbine project which was submitted for planning in January 2012, appealed for non-determination in August 2012 and refused by the Scottish Government in November 2012. The second site, Merkins, was submitted for planning in January 2012 and turned down by planning committee on 23 October 2013. As a result of the determination in respect of Merkins, there may be a decrease in the valuation of the investment from that at which it was held at 31 August 2013. However, as the decision notice has yet to be published, the impact on the value of the investment cannot yet be determined. In any case, any change in the value of the investment resulting from this planning decision will not be material in the context of the "C" share fund's NAV. The

Company is in consultations with the development partner on the two projects regarding the potential for re-submission of the planning applications or appeal of the planning decisions.

### *Blawearie Wind Limited*

Blawearie Wind Limited is developing a wind farm in the Scottish Borders. The project is in the pre-planning phase. During the six month period ended 31 August 2013, the Company invested a further £7,000 in Blawearie Wind Limited, taking the cost of the investment for the Company's "C" share fund to £27,000.

## **Valuation of Investments**

It is the accounting policy of the Company to hold its investments at fair value. In this report, the Company's investments in investee companies which operate renewable energy assets are valued using a discounted cash flow methodology.

The key assumptions that have a significant impact on discounted cash flow valuations for these assets are the discount rate, the price at which the power and associated benefits can be sold, the amount of electricity the investee companies' generating assets are expected to produce and operating costs.

The fair value of the Company's investments in project companies which have not passed an initial satisfactory operational period, or are engaged in seeking planning permission, are determined to be the price of investment subject to a periodic impairment review.

## **Investment Policy**

The Company is focused on investing in companies developing renewable energy projects with installed capacities of up to 20 megawatts, although investments in companies developing larger projects may also be considered. Given the target investment size, investments will generally be in companies developing projects initiated by specialist small-scale developers and smaller projects which are not attractive to large development companies and utilities.

### *Asset Allocation*

The Manager seeks to allocate the Company's investments in equity securities and loan stock of companies owning renewable energy projects, primarily wind energy and hydroelectric. Up to 10% of net proceeds raised from share offers may be allocated to companies developing early stage renewable energy projects prior to planning permissions being obtained.

The Company together with Ventus 2 VCT plc has an allocation agreement in place with the Manager. The allocation agreement prescribes the allocation of investments between the two companies and their share funds in accordance with the ratio of available funds in each share fund, subject to adjustment in consideration of maintaining the VCT status of both companies, concentration risk, expected timing of realisations and projected dividend profiles.

The Company's policy is to maintain cash reserves of at least 5% of net proceeds raised from share offers for the purpose of meeting operating expenses and purchasing its shares in the market. Circumstances may arise which would require the Company to hold less than 5% of net proceeds in cash for a limited period of time.

In order to comply with VCT requirements, at least 70% by value of the Company's investments are required to be comprised of qualifying investments.

The Company typically owns 25% to 50% of the equity share capital of each investee company and a portion of its investment in each investee company may be in the form of loan stock.

The Company's uninvested funds are placed on deposit or invested in short-term fixed income securities until suitable investment opportunities are found.

### *Risk Diversification*

The geographical focus of the Company's portfolio is the UK and the majority of investments made to date are in the wind sector. Funds are invested with a range of small-scale independent developers so project risk is not concentrated on only a few developers. The portfolio contains projects at different stages of the asset lifecycle, ranging from pre-planning to construction and then into operation. Investments are made via subscriptions

for new share capital, acquiring existing share capital or via loan stock instruments in order to secure a negotiated level of return from the project. The majority of investments are made in special purpose companies set up specifically to develop each project.

### *Gearing*

The Company does not intend to borrow funds for investment purposes. However the Company is exposed to gearing through its investee companies which typically fund the construction costs of each project through senior debt which is non-recourse to the Company. The Manager is involved in assisting investee companies in negotiating the terms of this finance to ensure competitive terms are achieved. The interest rate is typically fixed for the duration of the loan so that investee companies are not exposed to changes in market interest rates.

To the extent that borrowing should be required by the Company for any purpose, the Directors will restrict the borrowings of the Company. The aggregate principal amount at any time outstanding in respect of money borrowed by the Company will not, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to 10% of the adjusted share capital and reserves of the Company in accordance with its Articles.

### *Maximum Exposures*

In order to gauge the maximum exposure of the Company to various risks, the following can be used as a guide:

i) Investments in qualifying holdings

Under VCT regulations, at least 70% of the Company's funds should be invested in qualifying holdings. When there is an issue of new shares, the 70% requirement does not apply to the new funds raised for any accounting periods which end earlier than three years from the date of allotment of the new shares.

For the purposes of the 70% qualifying holdings requirement, disposals of qualifying investments for cash may be disregarded for a period of six months. Where a VCT breaches any requirement due to factors outside of its control, it may

apply to HMRC for a determination that the breach will be disregarded for a period of 90 days while the breach is remedied.

ii) Concentration limits

Under VCT regulations, no more than 15% of the Company's total assets should be in a single investee company at the time the investment is made in that investee company.

iii) Investments in pre-planning projects

In accordance with the Company's investment policy, a maximum of 10% of the net funds raised from share offers may be invested in companies developing pre-planning projects.

### **Market Outlook**

The Department of Energy and Climate Change ("DECC") estimates that, over the next 30 years, improved energy efficiency will reduce demand per head of population by between 30% and 50%, but that these savings will be outweighed by rising demand from electrification of heating, transport and parts of industry and by the impact of economic and population growth. DECC estimates that, by 2050, electricity demand in the UK will increase by between 30% and 60% from current levels and that electricity generation capacity may need to be doubled to deal with peak demand levels. This projected increase in generation capacity is set in the context of the Government's objective to almost completely decarbonise electricity supply by 2050, which will require significant changes in the mix of generation sources and in the electricity grid. In the near to medium term, DECC estimates that, due to plant closures and the need to replace and upgrade the UK's electricity infrastructure, the UK electricity sector will need around £110 billion of capital investment in the period to 2020.

In order to attract the investment needed to replace ageing energy infrastructure and meet the projected future increases in electricity demand with low-carbon generation, the Government has initiated a comprehensive reform of the UK electricity market. This initiative, called Electricity Market Reform ("EMR"), is the centre-piece of the governing coalition's energy policy. The Energy Bill, which implements EMR, was introduced into Parliament on 29 November 2012 and is currently

being reviewed in the House of Lords. EMR represents a fundamental transformation of the UK electricity market and is being followed closely by all participants in the UK electricity market. In the past six months, the Government has provided considerable detail on how EMR will be implemented. A key element of EMR will be the Levy Control Framework, which will serve as a cap on the amount of subsidy that will be available to newly-commissioned renewable energy generation plant.

Under EMR, the Renewables Obligation ("RO") is planned to be phased out and replaced by Contracts for Difference ("CfD") for all renewable energy generation capacity brought on line after 31 March 2017. Up until 31 March 2017, renewable energy generators will have a choice between the RO regime and the CfD regime, but no new generation will be accredited for Renewable Obligation Certificates ("ROCs") after 31 March 2017. A renewable energy project is entitled to earn ROCs for 20 years, so the RO regime will not end completely until 31 March 2037. The majority of the Company's investments are in companies that earn a significant portion of their revenues from ROCs, so the Board and Investment Manager are following developments in this area closely. The Company's current investments and any investments in companies that own and operate wind farms commissioned by 31 March 2017 will continue to be qualifying investments under the current VCT rules. However, it is not clear at present how the transition from ROCs to CfDs might impact the VCT qualifying status of investments made by the Company subsequent to 31 March 2017 in companies that own and operate wind farms.

With the backdrop of EMR, the UK renewable energy industry is operating in a state of political uncertainty. There have been well-publicised disagreements within the governing coalition on how renewable energy policy should be implemented. A significant group of Conservative MPs, including certain ministers, have publicly expressed their opposition to onshore wind. The Labour Party has recently set out a policy to freeze electricity prices for 20 months if it regains power after the 2015 elections, which creates further uncertainty for investors in the electricity sector. On the positive side, the Government has consistently re-affirmed the concept that existing

projects will always be "grandfathered" with respect to future changes in tariffs.

A referendum will be held in September 2014 on the independence of Scotland, where a significant portion of the Company's investments are based. The Scottish Government strongly supports renewable energy and the current UK renewable energy policies, however the independence of Scotland could lead to new renewable energy policies or legislation and to a division of the UK electricity market.

The level of banding for new onshore wind projects (including the wind farms under construction by investee companies of the Company) is currently 0.9 ROCs per megawatt hour. In June 2013, the Government published its response to a consultation on renewable energy generation costs and stated that it did not intend to review the ROC banding for onshore wind, thereby affirming the level of 0.9 ROCs for new onshore wind projects. This was a positive development for the UK onshore wind industry. Although the level of ROCs for onshore wind is important for the industry, the level of ROCs for new wind farms does not impact on any existing wind farms operated by the Company's investee companies. The Investment Manager's analyses of any future investments by the Company always take into account the level of ROCs expected to be available for projects operated by investee companies at the time of commissioning. Because the Company's target returns remain unchanged, any future changes in ROC banding for onshore wind will be reflected in the price the Company will pay for investments.

Wholesale electricity prices have been reasonably stable during the past six months. The Company has relatively little exposure to short-term wholesale electricity prices, as its investee companies generally sell their electricity output pursuant to power purchase agreements with wholesale electricity prices that are fixed over the medium term.

Wind turbine prices (primarily denominated in Euros) have been relatively stable during the past six months. The UK market for turbines is reasonably stable at the present time, with no significant shortages or oversupply situations.

The banking market for renewable energy projects remains challenging. There is limited

availability of senior bank debt for renewable energy projects of up to 20 megawatts, which is the typical size range for investee companies of the Company. Lending margins and arrangement fees remain high by historical standards, and banks are unwilling to lend over the same term as they did in the past. Although the reduced availability and increased cost of senior bank debt have made it more difficult to finance renewable energy projects, this has created an opportunity for the Company to invest greater amounts of equity in companies with lower leverage. Investments in portfolio companies with lower leverage should reduce the volatility in dividends from those companies compared to the dividends from portfolio companies with higher leverage. The Investment Manager has also worked successfully with investee companies to access non-bank sources of senior debt to finance investee company projects.

It should be noted that existing investments of the Company are not impacted by the current lending environment for renewable energy projects.

**Temporis Capital LLP**  
Investment Manager

28 October 2013

# DIRECTORS AND ADVISERS

## **Directors**

David Pinckney (Chairman)  
David Williams  
Rick Abbott

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## **Company Secretary**

The City Partnership (UK) Limited  
Thistle House  
21 Thistle Street  
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EH2 1DF

## **Auditor**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

## **Principal Banker**

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## **Investment Manager & Registered Office**

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## **Registrar**

Capita Registrars  
The Registry  
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Kent  
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## **Broker**

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London  
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## **VCT Taxation Adviser**

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1 Embankment Place  
London  
WC2N 6RH

## **Solicitors**

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Adelaide House  
London Bridge  
London  
EC4R 9HA

Howard Kennedy LLP  
19 Cavendish Square  
London  
W1A 2AW

## Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six month period ended 31 August 2013 which comprises the Condensed Statement of Comprehensive Income, the Condensed Statement of Financial Position, the Condensed Statement of Changes in Equity, the Condensed Statement of Cash Flows and the related explanatory notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

## Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six month period ended 31 August 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## BDO LLP

Chartered Accountants and Registered Auditors  
London  
United Kingdom  
28 October 2013

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



CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
for the six month period ended 31 August 2013 (unaudited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised gains on investments	6	-	325	325	-	188	188	-	513	513
Income		454	-	454	253	-	253	707	-	707
Investment management fees	3	(63)	(188)	(251)	(38)	(113)	(151)	(101)	(301)	(402)
Other expenses		(99)	(2)	(101)	(65)	-	(65)	(164)	(2)	(166)
<b>Profit before taxation</b>		292	135	427	150	75	225	442	210	652
Taxation	4	(30)	45	15	(27)	28	1	(57)	73	16
<b>Profit and total comprehensive income for the period attributable to shareholders</b>		262	180	442	123	103	226	385	283	668

**Return per share:**

Basic and diluted return per share (p)	5	<b>1.61</b>	<b>1.10</b>	<b>2.71</b>	<b>1.08</b>	<b>0.91</b>	<b>1.99</b>			
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The Company has only one class of business and derives its income from investments made in the UK.

The total column of this statement represents the Company's Condensed Statement of Comprehensive Income, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union. The revenue and capital columns shown above constitute supplementary information prepared under the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2009 ("SORP") published by the Association of Investment Companies.

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the six month period ended 31 August 2012 (unaudited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised losses on investments	6	-	(154)	(154)	-	-	-	-	(154)	(154)
Net unrealised gains on investments	6	-	701	701	-	1,463	1,463	-	2,164	2,164
Income		614	-	614	275	-	275	889	-	889
Investment management fees	3	(56)	(169)	(225)	(33)	(98)	(131)	(89)	(267)	(356)
Other expenses		(132)	(4)	(136)	(62)	-	(62)	(194)	(4)	(198)
<b>Profit before taxation</b>		426	374	800	180	1,365	1,545	606	1,739	2,345
Taxation	4	(46)	40	(6)	(43)	24	(19)	(89)	64	(25)
<b>Profit and total comprehensive income for the period attributable to shareholders</b>		380	414	794	137	1,389	1,526	517	1,803	2,320
<b>Return per share:</b>										
Basic and diluted return per share (p)	5	<b>2.32</b>	<b>2.54</b>	<b>4.86</b>	<b>1.20</b>	<b>12.26</b>	<b>13.46</b>			

The Company has only one class of business and derives its income from investments made in the UK.

The total column of this statement represents the Company's Condensed Statement of Comprehensive Income, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union. The revenue and capital columns shown above constitute supplementary information prepared under the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2009 ("SORP") published by the Association of Investment Companies.

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 28 February 2013 (audited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised gains on investments	6	-	486	486	-	-	-	-	486	486
Net unrealised gains on investments	6	-	1,526	1,526	-	1,874	1,874	-	3,400	3,400
Income		1,070	-	1,070	439	-	439	1,509	-	1,509
Investment management fees	3	(113)	(340)	(453)	(67)	(202)	(269)	(180)	(542)	(722)
Other expenses		(215)	(4)	(219)	(114)	-	(114)	(329)	(4)	(333)
<b>Profit before taxation</b>		742	1,668	2,410	258	1,672	1,930	1,000	3,340	4,340
Taxation	4	(103)	81	(22)	(61)	48	(13)	(164)	129	(35)
<b>Profit and total comprehensive income for the year attributable to shareholders</b>		639	1,749	2,388	197	1,720	1,917	836	3,469	4,305
<b>Return per share:</b>										
Basic and diluted return per share (p)	5	<b>3.92</b>	<b>10.72</b>	<b>14.64</b>	<b>1.72</b>	<b>15.20</b>	<b>16.92</b>			

The Company has only one class of business and derives its income from investments made in the UK.

The total column of this statement represents the Company's Condensed Statement of Comprehensive Income, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union. The revenue and capital columns shown above constitute supplementary information prepared under the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2009 ("SORP") published by the Association of Investment Companies.

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 August 2013 (unaudited)

	Note	As at 31 August 2013 (unaudited)			As at 31 August 2012 (unaudited)			As at 28 February 2013 (audited)		
		Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
<b>Non-current assets</b>										
Investments	6	17,250	11,038	28,288	17,970	8,483	26,453	17,156	10,743	27,899
Trade and other receivables	7	2,174	149	2,323	-	90	90	2,065	113	2,178
		19,424	11,187	30,611	17,970	8,573	26,543	19,221	10,856	30,077
<b>Current assets</b>										
Trade and other receivables		206	173	379	330	261	591	328	40	368
Cash and cash equivalents	8	289	747	1,036	365	3,044	3,409	877	1,197	2,074
		495	920	1,415	695	3,305	4,000	1,205	1,237	2,442
<b>Total assets</b>		19,919	12,107	32,026	18,665	11,878	30,543	20,426	12,093	32,519
<b>Current liabilities</b>										
Trade and other payables		(119)	(37)	(156)	(92)	(85)	(177)	(660)	(45)	(705)
<b>Net current assets</b>		376	883	1,259	603	3,220	3,823	545	1,192	1,737
<b>Net assets</b>		19,800	12,070	31,870	18,573	11,793	30,366	19,766	12,048	31,814
<b>Equity attributable to equity holders</b>										
Share capital		4,076	2,832	6,908	4,076	2,832	6,908	4,076	2,832	6,908
Capital redemption reserve		1,587	-	1,587	1,587	-	1,587	1,587	-	1,587
Share premium		-	-	-	5,825	7,874	13,699	-	-	-
Special reserve		9,679	7,731	17,410	4,024	-	4,024	9,856	7,874	17,730
Capital reserve – realised		(4,104)	(679)	(4,783)	(4,494)	(514)	(5,008)	(3,959)	(594)	(4,553)
Capital reserve – unrealised		8,299	2,062	10,361	7,174	1,463	8,637	7,974	1,874	9,848
Revenue reserve		263	124	387	381	138	519	232	62	294
<b>Total equity</b>		19,800	12,070	31,870	18,573	11,793	30,366	19,766	12,048	31,814
<b>Basic and diluted net asset value per share (p)</b>										
	9	<b>121.4</b>	<b>106.5</b>		<b>113.9</b>	<b>104.1</b>		<b>121.2</b>	<b>106.3</b>	

Approved by the Board and authorised for issue on 28 October 2013.

**David Pinckney**  
Director

Ventus VCT plc. Registered No: 05205442

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2013 (unaudited)

	Share capital £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>Ordinary Shares</b>							
<b>At 1 March 2013</b>	4,076	1,587	9,856	(3,959)	7,974	232	19,766
Profit and total comprehensive income for the period	-	-	-	(145)	325	262	442
Dividends paid in the period	-	-	(177)	-	-	(231)	(408)
<b>At 31 August 2013</b>	4,076	1,587	9,679	(4,104)	8,299	263	19,800

	Share capital £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>"C" Shares</b>							
<b>At 1 March 2013</b>	2,832	-	7,874	(594)	1,874	62	12,048
Profit and total comprehensive income for the period	-	-	-	(85)	188	123	226
Dividends paid in the period	-	-	(143)	-	-	(61)	(204)
<b>At 31 August 2013</b>	2,832	-	7,731	(679)	2,062	124	12,070

	Share capital £000	Capital redemption reserve £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>Total</b>							
<b>At 1 March 2013</b>	6,908	1,587	17,730	(4,553)	9,848	294	31,814
Profit and total comprehensive income for the period	-	-	-	(230)	513	385	668
Dividends paid in the period	-	-	(320)	-	-	(292)	(612)
<b>At 31 August 2013</b>	6,908	1,587	17,410	(4,783)	10,361	387	31,870

The ordinary share fund's revenue reserve includes £81,000 of income which is considered to be unrealised.

All amounts presented in the statement of changes in equity are attributable to equity holders. The revenue reserve and realised capital reserve are distributable reserves. The special reserve may be used to fund buy-backs of ordinary shares and pay dividends as and when it is considered by the Board to be in the interests of the shareholders. During the six month period ended 31 August 2013, £177,000 (31 August 2012 £67,000 ; 28 February 2013 £67,000) of the special reserve was utilised to pay a dividend from the ordinary share fund. Similarly, £143,000 (31 August 2012 £nil ; 28 February 2013 £nil) was utilised from the special reserve to pay a dividend from the "C" share fund.

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 31 August 2012 (unaudited)

	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>Ordinary Shares</b>								
<b>At 1 March 2012</b>	4,096	-	1,067	10,437	(4,052)	6,318	219	18,085
Shares issued in the period	1,567	-	4,824	-	-	-	-	6,391
Issue costs	-	-	(66)	-	-	-	-	(66)
Share repurchased in the period	(1,587)	1,587	-	(6,346)	-	-	-	(6,346)
Transfer of unrealised losses on investment to realised losses on investment	-	-	-	-	(155)	155	-	-
Profit and total comprehensive income for the period	-	-	-	-	(287)	701	380	794
Dividends paid in the period	-	-	-	(67)	-	-	(218)	(285)
<b>At 31 August 2012</b>	4,076	1,587	5,825	4,024	(4,494)	7,174	381	18,573

	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>"C" Shares</b>								
<b>At 1 March 2012</b>	2,832	-	7,874	-	(440)	-	114	10,380
Profit and total comprehensive income for the period	-	-	-	-	(74)	1,463	137	1,526
Dividends paid in the period	-	-	-	-	-	-	(113)	(113)
<b>At 31 August 2012</b>	2,832	-	7,874	-	(514)	1,463	138	11,793

	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>Total</b>								
<b>At 1 March 2012</b>	6,928	-	8,941	10,437	(4,492)	6,318	333	28,465
Shares issued in the period	1,567	-	4,824	-	-	-	-	6,391
Issue costs	-	-	(66)	-	-	-	-	(66)
Share repurchased in the period	(1,587)	1,587	-	(6,346)	-	-	-	(6,346)
Transfer of unrealised losses on investment to realised losses on investment	-	-	-	-	(155)	155	-	-
Profit and total comprehensive income for the period	-	-	-	-	(361)	2,164	517	2,320
Dividends paid in the period	-	-	-	(67)	-	-	(331)	(398)
<b>At 31 August 2012</b>	6,908	1,587	13,699	4,024	(5,008)	8,637	519	30,366

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CHANGES IN EQUITY

For the year ended 28 February 2013 (audited)

Ordinary Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>At 1 March 2012</b>	4,096	-	1,067	10,437	(4,052)	6,318	219	18,085
Shares issued in the year	1,567	-	4,824	-	-	-	-	6,391
Issue costs	-	-	(59)	-	-	-	-	(59)
Shares repurchased in the year	(1,587)	1,587	-	(6,346)	-	-	-	(6,346)
Cancellation of share premium	-	-	(5,832)	5,832	-	-	-	-
Transfer of unrealised losses on investment to realised losses on investment	-	-	-	-	(130)	130	-	-
Profit and total comprehensive income for the year	-	-	-	-	223	1,526	639	2,388
Dividends paid in the year	-	-	-	(67)	-	-	(626)	(693)
<b>At 29 February 2013</b>	4,076	1,587	-	9,856	(3,959)	7,974	232	19,766

"C" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>At 1 March 2012</b>	2,832	-	7,874	-	(440)	-	114	10,380
Cancellation of share premium	-	-	(7,874)	7,874	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	-	(154)	1,874	197	1,917
Dividends paid in the year	-	-	-	-	-	-	(249)	(249)
<b>At 29 February 2013</b>	2,832	-	-	7,874	(594)	1,874	62	12,048

Total	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
<b>At 1 March 2012</b>	6,928	-	8,941	10,437	(4,492)	6,318	333	28,465
Shares issued in the year	1,567	-	4,824	-	-	-	-	6,391
Issue costs	-	-	(59)	-	-	-	-	(59)
Shares repurchased in the year	(1,587)	1,587	-	(6,346)	-	-	-	(6,346)
Cancellation of share premium	-	-	(13,706)	13,706	-	-	-	-
Transfer of unrealised losses on investment to realised losses on investment	-	-	-	-	(130)	130	-	-
Profit and total comprehensive income for the year	-	-	-	-	69	3,400	836	4,305
Dividends paid in the year	-	-	-	(67)	-	-	(875)	(942)
<b>At 29 February 2013</b>	6,908	1,587	-	17,730	(4,553)	9,848	294	31,814

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.

# CONDENSED STATEMENT OF CASH FLOWS

For the six month period ended 31 August 2013 (unaudited)

	Six month period ended 31 August 2013 (unaudited)			Six month period ended 31 August 2012 (unaudited)			Year ended 28 February 2013 (audited)		
	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
<b>Cash flows from operating activities</b>									
Investment income received	347	99	446	911	479	1,390	1,510	822	2,332
Deposit interest received	-	1	1	1	6	7	2	10	12
Investment management fees paid	(250)	(150)	(400)	(225)	(131)	(356)	(453)	(269)	(722)
Other cash payments	(27)	(87)	(114)	(162)	(60)	(222)	(254)	(101)	(355)
<b>Cash (used in)/generated from operations</b>	70	(137)	(67)	525	294	819	805	462	1,267
Taxes paid	(20)	(2)	(22)	-	-	-	(36)	(30)	(66)
<b>Net cash (outflow)/inflow from operating activities</b>	50	(139)	(89)	525	294	819	769	432	1,201
<b>Cash flows from investing activities</b>									
Purchases of investments	(637)	(107)	(744)	(369)	(37)	(406)	(3,058)	(2,588)	(5,646)
Proceeds from investments	407	-	407	119	1,200	1,319	3,486	1,902	5,388
<b>Net cash (outflow)/ inflow from investing activities</b>	(230)	(107)	(337)	(250)	1,163	913	428	(686)	(258)
<b>Cash flows from financing activities</b>									
Ordinary shares issued	-	-	-	32	-	32	32	-	32
Ordinary shares issue costs	-	-	-	(54)	-	(54)	(56)	-	(56)
Dividends paid	(408)	(204)	(612)	(285)	(113)	(398)	(693)	(249)	(942)
<b>Net cash outflow from financing activities</b>	(408)	(204)	(612)	(307)	(113)	(420)	(717)	(249)	(966)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(588)	(450)	(1,038)	(32)	1,344	1,312	480	(503)	(23)
<b>Cash and cash equivalents at the beginning of the period</b>	877	1,197	2,074	397	1,700	2,097	397	1,700	2,097
<b>Cash and cash equivalents at the end of the period</b>	289	747	1,036	365	3,044	3,409	877	1,197	2,074

The accompanying notes on pages 23 to 28 form an integral part of these financial statements.



# EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six month period ended 31 August 2013 (unaudited)

## 1. Accounting convention and policies

The unaudited half-yearly results which cover the six month period ended 31 August 2013 have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 28 February 2013. The half-yearly financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") to the extent that they have been adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies under IFRS. The half-yearly financial statements have been prepared under IAS 34 *Interim Financial Reporting*.

The accounting policies are consistent with those of the previous financial year. The directors do not expect the accounting policies to change over the current financial year.

## 2. Publication of non-statutory accounts

These are not statutory accounts in accordance with S436 of the Companies Act 2006 and the financial information for the six month period ended 31 August 2013 and 31 August 2012 have not been audited but have been reviewed by the auditor.

Statutory accounts in respect of the year ended 28 February 2013 have been audited and reported on by the Company's auditor and delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006. The auditor's report on these accounts included a reference to matters to which the auditor drew attention by way of emphasis without qualifying their report. The auditor's report did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

No statutory accounts in respect of any period after 28 February 2013 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

## 3. Investment management fees

The Company pays the Investment Manager an annual management fee equal to 2.5% of the Company's net assets. The fee is not subject to VAT and is payable quarterly in advance. The annual management fee is allocated 75% to capital and 25% to revenue. Total annual running costs are in aggregate capped at 3.6% of NAV (excluding the Investment Manager's performance fee, any irrecoverable VAT and investment costs), with any excess being borne by the Investment Manager.

The amount paid to the Investment Manager for the six month period ended 31 August 2013 in respect of net asset value attributable to ordinary shareholders was £251,000 (six month period ended 31 August 2012: £225,000; year ended 28 February 2013: £453,000). The amount paid to the Investment Manager for the six month period ended 31 August 2013 in respect of the net assets attributable to the "C" shareholders was £151,000 (six month period ended 31 August 2012: £131,000; twelve months ended 28 February 2013: £269,000).

## 4. Taxation

The company has accrued a half-yearly tax credit in the ordinary share fund of £15,000 (six month period ended 31 August 2012: tax charge £6,000; year ended 28 February 2013: tax charge £22,000) and a tax credit of £1,000 in the "C" share fund (six month period ended 31 August 2012: tax charge £19,000; year ended 28 February 2013: tax charge £13,000). The credits have been accrued assuming an effective tax rate of 23%, however dividends and capital gains are not subject to tax resulting in a lower effective tax rate than the standard applicable rate in the UK.

# NOTES TO THE FINANCIAL STATEMENTS

Continued

## 5. Basic and diluted return per share

<b>For the six month period ended 31 August 2013 (unaudited)</b>		<b>Ordinary Shares</b>	<b>"C" Shares</b>
Revenue return for the period	<i>p per share</i>	1.61	1.08
<i>Based on:</i>			
Revenue return for the period	<i>£'000</i>	262	123
Weighted average number of shares in issue	<i>number of shares</i>	16,307,547	11,329,107
Capital gain for the period	<i>p per share</i>	1.10	0.91
<i>Based on:</i>			
Capital gain for the period	<i>£'000</i>	180	103
Weighted average number of shares in issue	<i>number of shares</i>	16,307,547	11,329,107
Net profit for the period	<i>p per share</i>	2.71	1.99
<i>Based on:</i>			
Net profit for the period	<i>£'000</i>	442	226
Weighted average number of shares in issue	<i>number of shares</i>	16,307,547	11,329,107

<b>For the six month period ended 31 August 2012 (unaudited)</b>		<b>Ordinary Shares</b>	<b>"C" Shares</b>
Revenue return for the period	<i>p per share</i>	2.32	1.20
<i>Based on:</i>			
Revenue return for the period	<i>£'000</i>	380	137
Weighted average number of shares in issue	<i>number of shares</i>	16,318,891	11,329,107
Capital gain for the period	<i>p per share</i>	2.54	12.26
<i>Based on:</i>			
Capital gain for the period	<i>£'000</i>	414	1,389
Weighted average number of shares in issue	<i>number of shares</i>	16,318,891	11,329,107
Net profit for the period	<i>p per share</i>	4.86	13.46
<i>Based on:</i>			
Net profit for the period	<i>£'000</i>	794	1,526
Weighted average number of shares in issue	<i>number of shares</i>	16,318,891	11,329,107

<b>For the year ended 28 February 2013 (audited)</b>		<b>Ordinary Shares</b>	<b>"C" Shares</b>
Revenue return for the year	<i>p per share</i>	3.92	1.72
<i>Based on:</i>			
Revenue return for the year	<i>£'000</i>	639	197
Weighted average number of shares in issue	<i>number of shares</i>	16,313,441	11,329,107
Capital gain for the year	<i>p per share</i>	10.72	15.20
<i>Based on:</i>			
Capital gain for the year	<i>£'000</i>	1,749	1,720
Weighted average number of shares in issue	<i>number of shares</i>	16,313,441	11,329,107
Net profit for the year	<i>p per share</i>	14.64	16.92
<i>Based on:</i>			
Net profit for the year	<i>£'000</i>	2,388	1,917
Weighted average number of shares in issue	<i>number of shares</i>	16,313,441	11,329,107

There were no differences between basic and diluted return per "C" share because no dilutive instruments had been issued or granted.

## 6. Investments

Six month period ended 31 August 2013 (unaudited)	Ordinary Shares			"C" Shares			Total		
	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000
<b>At 1 March 2013</b>									
Opening cost	7,903	6,186	14,089	5,447	3,422	8,869	13,350	9,608	22,958
Opening realised losses	(2,430)	(417)	(2,847)	-	-	-	(2,430)	(417)	(2,847)
Opening unrealised gains	5,855	59	5,914	1,788	86	1,874	7,643	145	7,788
Opening fair value	11,328	5,828	17,156	7,235	3,508	10,743	18,563	9,336	27,899
<b>During the period</b>									
Purchases at cost	-	176	176	7	100	107	7	276	283
Conversion of loans to equity	847	(847)	-	-	-	-	847	(847)	-
Investment proceeds	(352)	(55)	(407)	-	-	-	(352)	(55)	(407)
Unrealised gains/ (losses)	327	(2)	325	191	(3)	188	518	(5)	513
Closing fair value	12,150	5,100	17,250	7,433	3,605	11,038	19,583	8,705	28,288
<b>At 31 August 2013</b>									
Closing cost	8,214	5,460	13,674	5,454	3,522	8,976	13,668	8,982	22,650
Closing realised losses	(2,246)	(417)	(2,663)	-	-	-	(2,246)	(417)	(2,663)
Closing unrealised gains	6,182	57	6,239	1,979	83	2,062	8,161	140	8,301
Closing fair value	12,150	5,100	17,250	7,433	3,605	11,038	19,583	8,705	28,288

The opening position of the ordinary share fund at 1 March 2013 included cost and realised losses of £184,000 in relation to the investments in Olgrimmore Limited and Spurlens Rig Wind Limited. During the six month period ended 31 August 2013, these companies were struck off the register, therefore the investments have been derecognised.

Six month period ended 31 August 2012 (unaudited)	Ordinary Shares			"C" Shares			Total		
	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000
<b>1 March 2012</b>									
Opening cost	6,940	6,459	13,399	4,900	3,283	8,183	11,840	9,742	21,582
Closing realised losses	(2,362)	(182)	(2,544)	-	-	-	(2,362)	(182)	(2,544)
Opening unrealised gains/(losses)	6,334	(16)	6,318	-	-	-	6,334	(16)	6,318
Opening fair value	10,912	6,261	17,173	4,900	3,283	8,183	15,812	9,544	25,356
<b>During the period</b>									
Purchases at cost	353	16	369	20	17	37	373	33	406
Investment proceeds	-	(119)	(119)	-	(1,200)	(1,200)	-	(1,319)	(1,319)
Realised losses	(13)	(141)	(154)	-	-	-	(13)	(141)	(154)
Unrealised gains	604	97	701	1,220	243	1,463	1,824	340	2,164
Closing fair value	11,856	6,114	17,970	6,140	2,343	8,483	17,996	8,457	26,453
<b>31 August 2012</b>									
Closing cost	7,124	6,356	13,480	4,920	2,100	7,020	12,044	8,456	20,500
Closing realised losses	(2,361)	(323)	(2,684)	-	-	-	(2,361)	(323)	(2,684)
Closing unrealised gains	7,093	81	7,174	1,220	243	1,463	8,313	324	8,637
Closing fair value	11,856	6,114	17,970	6,140	2,343	8,483	17,996	8,457	26,453

# NOTES TO THE FINANCIAL STATEMENTS

Continued

## 6. Investments (continued)

Year ended 28 February 2013 (audited)	Ordinary Shares			"C" Shares			Total		
	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000	Shares £000	Loan Stock £000	Total £000
<b>At 1 March 2012</b>									
Opening cost	6,940	6,459	13,399	4,900	3,283	8,183	11,840	9,742	21,582
Opening realised losses	(217)	(182)	(399)	-	-	-	(217)	(182)	(399)
Opening unrealised gains/ (losses)	4,189	(16)	4,173	-	-	-	4,189	(16)	4,173
Opening fair value	10,912	6,261	17,173	4,900	3,283	8,183	15,812	9,544	25,356
<b>During the year</b>									
Purchases at cost	2,187	1,330	3,517	547	2,041	2,588	2,734	3,371	6,105
Disposal proceeds	(3,874)	(1,672)	(5,546)	-	(1,902)	(1,902)	(3,874)	(3,574)	(7,448)
Realised losses	675	(189)	486	-	-	-	675	(189)	486
Unrealised gains	1,428	98	1,526	1,788	86	1,874	3,216	184	3,400
Closing fair value	11,328	5,828	17,156	7,235	3,508	10,743	18,563	9,336	27,899
<b>At 28 February 2013</b>									
Closing cost	7,903	6,186	14,089	5,447	3,422	8,869	13,350	9,608	22,958
Closing realised losses	(2,430)	(417)	(2,847)	-	-	-	(2,430)	(417)	(2,847)
Closing unrealised gains	5,855	59	5,914	1,788	86	1,874	7,643	145	7,788
Closing fair value	11,328	5,828	17,156	7,235	3,508	10,743	18,563	9,336	27,899

The shares held by the Company represent equity holdings in unquoted UK companies. The Investment Manager's Report on page 6 provides details in respect of the Company's shareholding in each investment. The investments acquired and disposed of during the period are detailed in the Investment Manager's Report.

## 7. Trade and other receivables (non-current)

At 31 August 2013, the ordinary share fund held non-current trade receivables totalling £2,174,000 (31 August 2012: £nil; 28 February 2013: £2,065,000) of which £2,145,000 represents the amortised cost value of the outstanding balance of the consideration arising from the Company's sale of Craig Wind Farm Limited plus the accrued interest on the outstanding balance (31 August 2012: £nil; 28 February 2013: £2,060,000). The accrued interest in respect of the deferred consideration amounted to £81,000 at 31 August 2013 (31 August 2012: £nil; 28 February 2013: £nil). This has been treated as unrealised revenue in the revenue reserve. The balance of the non-current receivable held by the ordinary share fund of £29,000 comprises accrued interest income (31 August 2012: £nil; 28 February 2013: £5,000).

At 31 August 2013, the "C" share fund held non-current trade receivables totalling £149,000 which comprises accrued interest income (31 August 2012: £90,000; 28 February 2013: £113,000).

## 8. Cash and cash equivalents

The ordinary share fund held a cash balance of £289,000 at 31 August 2013, (31 August 2012 £365,000; 28 February 2013 £877,000) of which £68,000 (31 August 2012 £nil; 28 February 2013 £nil) represents an amount held on a decommissioning bond account on behalf of Eye Wind Power Limited which is considered to be a restricted cash balance. The ordinary share fund recognised an asset payable of £68,000 within trade and other payables as at 31 August 2013 in respect of the amount due to Eye Wind Power Limited.

## **9. Basic and diluted net asset value per share**

The net asset value per ordinary share of 121.4p at 31 August 2013 (31 August 2012: 113.9p; 28 February 2013: 121.2p) is based on net assets attributable to the ordinary shareholders of £19,800,000 (31 August 2012: £18,573,000; 28 February 2013: £19,766,000) and the number of shares in issue as at 31 August 2013 of 16,307,547 (31 August 2012: 16,307,547; 28 February 2013: 16,307,547).

The net asset value per "C" share of 106.5p at 31 August 2013 (31 August 2012: 104.1p; 28 February 2013: 106.3p) is based on net assets attributable to the "C" shareholders of £12,070,000 (31 August 2012: £11,793,000; 28 February 2013: £12,048,000) and the number of shares in issue as at 31 August 2013 of 11,329,107 (31 August 2012: 11,329,107; 28 February 2013: 11,329,107).

## **10. Dividends**

A final dividend for the year ended 28 February 2013 of 2.5p per ordinary share was paid to ordinary shareholders on 7 August 2013.

An interim dividend of 2.5p per ordinary share has been declared for the half-year ended 31 August 2013 which will be paid on 15 January 2014 to all ordinary shareholders on the register as at close of business on 13 December 2013.

A final dividend for the year ended 28 February 2013 of 1.80p per "C" share was paid to "C" shareholders on 7 August 2013.

An interim dividend of 2.5p per "C" share has been declared which will be paid on 15 January 2014 to all "C" shareholders on the register as at close of business on 13 December 2013.

## **11. Contingencies, guarantees and financial commitments**

The contingencies, guarantees and financial commitments of the Company were disclosed in the annual report and financial statements for the year ended 28 February 2013. All the guarantees disclosed therein remain in force, along with those described below.

On 5 August 2013, the Company registered a share charge over its shares in North Pickenham Energy Limited and Bernard Matthews Green Energy Pickenham Limited to GCP Onshore Wind 1 Limited as security for a senior loan facility of £3.1 million raised by Bernard Matthews Wind Farm (North Pickenham) LLP to finance the construction costs of its wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of North Pickenham Energy Limited and Bernard Matthews Green Energy Pickenham Limited.

On 5 August 2013, the Company registered a share charge over its shares in Weston Airfield Investments Limited and Bernard Matthews Green Energy Weston Limited to GCP Onshore Wind 1 Limited as security for a senior loan facility of £4.5 million raised by Bernard Matthews Wind Farm (Weston) LLP to finance the construction costs of its wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Weston Airfield Investments Limited and Bernard Matthews Green Energy Weston Limited.

# NOTES TO THE FINANCIAL STATEMENTS

Continued

## 12. Related parties

The investee companies in which the Company has a shareholding of 20% or more are considered to be related parties. The significant changes to the balances and transactions with these companies are presented in the Investment Manager's Report. The aggregate balances at the period end and transactions with these companies during the six month period ended 31 August 2013 are summarised below.

As at 31 August 2013 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
<b>Balances</b>			
Investments - shares	9,272	7,433	16,705
Investments - loan stock	4,815	3,605	8,420
Accrued interest income	180	200	380
<b>Transactions</b>			
	£000	£000	£000
Loan stock interest income	267	217	484
Dividend income	86	35	121

As at 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
<b>Balances</b>			
Investments - shares	8,746	6,140	14,886
Investments - loan stock	5,830	1,934	7,764
Accrued interest income	299	140	439
<b>Transactions</b>			
	£000	£000	£000
Loan stock interest income	324	110	434
Dividend income	254	-	254

As at 28 February 2013 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
<b>Balances</b>			
Investments - shares	8,459	7,235	15,694
Investments - loan stock	5,542	3,508	9,050
Accrued interest income	155	47	202
<b>Transactions</b>			
	£000	£000	£000
Loan stock interest income	602	237	839
Dividend income	331	-	331

## 13. Report distribution

In accordance with the Company's commitment to environmental sustainability and to minimise costs wherever appropriate, the financial statements will continue to be made available through regulated news service providers and will also be available in the Financial Reports section of the Company's website [www.ventusvct.com](http://www.ventusvct.com). Any shareholder who wishes to receive notification of reports by email or post may request this by contacting the Registrar, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.



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