Ventus VCT plc

Annual Report & Financial Statements

for the year ended 29 February 2012

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

Registered No: 05205442

Front cover: White Mill Windfarm, Cambridgeshire.
Inside front cover: Allt Dearg Windfarm, Argyll and Bute

I present the Annual Report and Financial Statements of Ventus VCT plc (the "Company") for the year ended 29 February 2012.

Net Asset Value, Results and Dividends – Ordinary Shares

At the year end, the net asset value of the ordinary share fund of the Company stood at £18,085,000 or 110.4p per ordinary share (2011: £17,158,000 or 104.7p per ordinary share). The revenue profit attributable to ordinary shareholders for the year was £463,000 or 2.83p per ordinary share. The capital gain attributable to ordinary shareholders for the year was £972,000 or 5.94p per ordinary share, resulting in a net gain to ordinary shareholders for the year of £1,435,000 or 8.77p per ordinary share (2011: £1,120,000 or 6.84p per ordinary share).

The value of investments held by the ordinary share fund at 29 February 2012 was £17,173,000 compared to £16,256,000 at 28 February 2011.

The income generated in the ordinary share fund during the year comprised dividend income and interest earned on loan stock and cash deposits. Total income for the year to 29 February 2012 was £867,000, of which £725,000 was derived from loan stock. This compares to total income of £848,000 for the year to 28 February 2011.

The Company proposes to declare a final dividend of 1.75p per ordinary share to be paid on 8 August 2012 to all ordinary shareholders on the register as at the close of business on 13 July 2012. The Company paid an interim dividend of 1.50p per ordinary share on 11 January 2012. Therefore the total annual dividend will be 3.25p per ordinary share.

Net Asset Value, Results and Dividends – "C" Shares

At the year end, the net asset value of the "C" share fund of the Company stood at £10,380,000 or 91.6p per "C" share (2011: £10,502,000 or 92.7p per "C" share). The revenue profit attributable to "C" shareholders for the year was £199,000 or 1.76p per "C" share. The capital loss attributable to "C" shareholders for the year was £208,000 or 1.85p per "C" share, resulting in a net loss to "C" shareholders for the year of £9,000 or 0.09p per "C" share (2011: net loss of £60,000 or 0.54p per "C" share).

The value of investments held by the "C" share fund at 29 February 2012 was £8,183,000 compared to £3,960,000 at 28 February 2011.

The income generated in the "C" share fund during the year comprised interest earned on loan stock, UK treasury bills and cash deposits. Total income for the year to 29 February 2012 was £442,000, of which £418,000 was derived from loan stock. This compares with income generated by the "C" share fund of £262,000 in the year ended 28 February 2011. The primary reason for the increase in income is due to the Company having accrued interest for the entire period of the year, whereas in the previous year loans had not been in place for the entire period. Also, the Company made an additional loan investment during the year which has allowed the share fund to increase the income it accrues from its loan stock investments.

The Company proposes to declare a final dividend of 1.00p per "C" share to be paid on 8 August 2012 to all "C" shareholders on the register as at the close of business on 13 July 2012. The Company paid an interim dividend of 1.00p per "C" share on 11 January 2012. Therefore the total annual dividend will be 2.00p per "C" share.

Investments

The Company's Investment Manager, Temporis Capital LLP, continues to be actively engaged in managing the portfolio and in identifying and negotiating potential investment opportunities to invest the remaining "C" share capital.

As at 29 February 2012, the ordinary share fund of the Company held investments in 13 companies (2011: 13 companies) with a total value of £17.2 million (2011: £16.3 million). The "C" share fund held investments in ten companies (2011: seven companies) with a value of £8.2 million (2011: £4.0 million).

The Investment Manager's Report provides details of the investments held as at 29 February 2012 and as at the date of this report. All investments are structured so as to be treated as qualifying holdings for the purposes of Venture Capital Trust ("VCT") regulations, unless otherwise stated.

VCT Qualifying Status

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

Share Offer and Tender Offer

In March 2012, the Company completed a tender offer under which ordinary shareholders were able to sell their ordinary shares to the Company at net asset value ("NAV") provided they committed to investing the entire proceeds of the sale in new ordinary shares under a share offer which closed on 3 April 2012. The tender offer was very successful, with 6,346,089 ordinary shares being tendered at a price of 100p per share. This represented 42% of the ordinary shares originally subscribed for by shareholders in the Company's 2005 share offer.

Under the share offer which closed on 3 April 2012, the Company issued 6,268,843 new ordinary shares at an aggregate subscription price of £6,391,089. This included 6,225,647 ordinary shares subscribed for by existing ordinary shareholders with proceeds from the sale of their ordinary shares pursuant to the tender offer. Ordinary shareholders who subscribed for these ordinary shares will be entitled (subject to each ordinary shareholder's personal circumstances) to claim income tax relief of 30% on the new ordinary shares purchased.

The tender offer and share offer have removed a meaningful portion of prospective sellers from the secondary market and have provided a very significant financial benefit to the ordinary shareholders who participated. The tender offer and share offer have established a significant pool of shareholders committed to another five years of investment, thus increasing the longevity of the Company and the stability of the Company's ordinary shares in the secondary market.

Share Buy-backs

The Board believes that it is beneficial to the Company for it to continue to have the flexibility to purchase its own shares in the market. However, the Board considers it in the best interest of all shareholders if the Directors use their authority to make share buy-backs judiciously. The Board does not believe it is in the best interest of all shareholders to have a policy of automatic annual share buy-backs.

Internal audit

In order to provide greater assurance to the Board that the internal controls and procedures of the Investment Manager are appropriate and are being adhered to, the Board has appointed a firm of specialist internal auditors, Roffe Swayne, to carry out a full review of Temporis Capital LLP's internal controls in respect of the Company. The Board anticipates receiving a report from Roffe Swayne in June 2012. The internal controls of the Company are further discussed in the Corporate Governance Statement on page 22.

Outlook

The Company's new investment manager, Temporis Capital LLP, has now been in place for over eight months, during which time the Ventus investment management team has been reinvigorated and reinforced. The Directors have instructed the Investment Manager to focus new investment on the lower-risk end of the wind and small hydro sectors. The Directors are positive about the work both completed to date and in progress.

The Company's ordinary share fund has a solid portfolio of investments in companies owning operational wind farms. The NAV of the ordinary share fund has increased across the operational wind portfolio since the investments were made. The Investment Manager is making good progress in investing the "C" share fund and expects to have the "C" share fund fully invested within 12 months.

In light of the excellent performance of the ordinary share portfolio in terms of net asset growth and the satisfactory income yield of the wind investments, as well as the progress of the Investment Manager in investing the "C" share fund, the Directors have reviewed the dividend outlook for the ordinary share fund and the "C" share fund and have updated the Company's dividend policy. Please refer to page 16 of the Directors' Report for a discussion of the outlook for dividends and the Directors' intentions with respect to the ordinary shares and "C" shares in the intermediate term.

Shareholder Communications

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 on the Company website at www.ventusvct.com. Any shareholder who wishes to receive notification of reports by either email or post may request this by contacting the Registrar.

David Pinckney
Chairman

31 May 2012

Temporis Capital LLP, the Company's Investment Manager, presents its annual review of the Company's investments.

Review of Portfolio

Since taking over the investment management of the Company in September 2011, the Investment Manager has carried out a thorough review of all investments in the portfolio and instituted significant changes in the management of existing investments and the procedures for analysing and authorising new investments. The Investment Manager has:

> increased the staffing devoted to managing the Company's investments;

> reorganised the management of the Company's investments by putting in place a dedicated asset management group;

> instituted procedures to prevent breaches of internal controls and assure proper authorisation of all expenditures and investments of the Company;

> carried out a detailed analysis of the contracts, business plans and valuation models of all investee companies;

> updated all investee company valuations and recommended upward and downward adjustments to valuations as appropriate.

The Investment Manager believes that all the material issues with portfolio companies have been identified, are being properly dealt with and are properly reflected in the valuations forming the basis of the Company's NAV.

In line with strategic objectives set by the Board, the Investment Manager has begun to concentrate on building a wind portfolio based on stable long-term income and to focus the activities of the Company to provide long-term, predictable dividends and a stable share price.

Wind Conditions in 2011

After two poor wind years in 2009 and 2010, average wind speeds across the United Kingdom in the year ended 29 February 2012 were in line with long-term averages. Wind speeds naturally vary from year to year, but the years of 2009 and 2010 represented a significant departure from the long term mean.

According to the UK Met Office, average wind speeds in the British Isles in 2011 were 3% above the long-term average and 16% above the average wind speeds in 2010. The better wind conditions were reflected in the performance of the Company's investee companies which own and operate wind farms. In aggregate, the Company's investee companies had electricity production in line with budget during the year ended 29 February 2012 compared with being approximately 18% down on budget during the year ended 28 February 2011.

The impact of the poor wind speeds in 2009 and 2010 has continued to impact the Company's results in the twelve months ended 29 February 2012, as there is a significant time lag between the energy production from a wind farm and the receipt by the Company of dividends from the investee company owning the wind farm. The impact of the improved operating results from the wind farms operated by investee companies will flow through to the Company's results in the year ending 28 February 2013.

Ordinary Share portfolio

A summary of the valuations and gains and losses in the Company's ordinary share investments is given below.

Ordinary Shares		Voting rights as at 29 February 2012 %	Investment value: Shares as at 29 February 2012 £000	Investment value: Loans as at 29 February 2012 £000	Investment value: Total as at 29 February 2012 £000	Investment cost: Shares as at 29 February 2012 £000	Investment cost: Loans as at 29 February 2012 £000	Investment cost: Total as at 29 February 2012 £000	Gain/ (loss) in the year to 29 February 2012 £000	Investment value Total as at 28 February 2011 £000	Investment cost Total as at 28 February 2011 £000
Operational: Wind											
Fenpower Limited	Q	33.33%	2,413	1,664	4,077	308	1,761	2,069	533	3,544	2,069
Craig Wind Farm Limited*	Q	37.50%	2,572	1,039	3,611	1,079	1,014	2,093	779	2,832	2,093
A7 Greendykeside Limited	Q	50.00%	1,406	645	2,051	916	620	1,536	250	1,801	1,536
Achairn Energy Limited*	Q	8.50%	488	285	773	203	260	463	109	664	463
A7 Lochhead Limited*	Q	30.00%	977	187	1,164	820	180	1,000	195	969	1,000
Greenfield Wind Farm Limited*	PQ	8.35%	334	668	1,002	334	668	1,002	-	1,002	1,002
Operational companies in the wind sector											
Broadview Energy Limited*	Q	12.86%	2,597	-	2,597	750	-	750	(288)	2,885	750
Firefly Energy Limited*	Q	50.00%	-	1,394	1,394	200	1,440	1,640	(146)	1,900	2,000
Operational: Landfill gas											
Redimo LFG Limited*	Q	50.00%	-	-	-	2,000	-	2,000	-	-	2,000
Development and pre-planning											
Redeven Energy Limited** *		40.00%	112	278	390	-	390	390	-	356	356
Spurlens Rig Wind Limited *		40.00%	-	21	21	116	46	162	(141)	132	132
Wind Power Renewables Limited*		32.00%	13	80	93	168	80	248	(78)	171	248
Olgrinmore Limited*		11.80%	-	-	-	46	-	46	-	-	46
Total			10,912	6,261	17,173	6,940	6,459	13,399	1,213	16,256	13,695

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. The Company and Ventus 2 VCT plc are managed by Temporis Capital LLP.

** Through development funding agreements entered into by Redeven Energy Limited, the Company holds the right to invest in companies which hold lease options on three sites for which Redeven Energy Limited has obtained planning permission (further details are presented below). The value of the ordinary share fund's investments includes the value attributed to Redeven Energy Limited, which derives from the value of the investment rights attached to the development funding agreements.

Summary of Investments

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

OPERATIONAL WIND

Companies with single operational wind farms

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
Craig Wind Farm Limited	10.0	October 2007	Scottish Borders
A7 Greendykeside Limited	4.0	November 2007	Lanarkshire, Scotland
A7 Lochhead Limited	6.0	June 2009	Lanarkshire, Scotland
Achairn Energy Limited	6.0	May 2009	Caithness, Scotland
Greenfield Wind Farm Limited	12.3	February 2011	South Lanarkshire, Scotland

The Company's investments in companies whose wind farms have at least 18 months of production history (Fenpower Limited, Craig Wind Farm Limited, A7 Greendykeside Limited, A7 Lochhead Limited and Achairn Energy Limited) are valued using discounted cash flow models. The net asset values of each of these companies increased during the year ended 29 February 2012 for two primary reasons. Firstly, the forecast wholesale electricity prices subsequent to the expiry of the current power purchase agreement for each company have been increased in line with market levels. Secondly, the underlying project debt in each company decreased during the year (translating into increased equity value). A number of corrections and refinements have been made to the valuation models with respect to operating expenses, maintenance reserves, discounting methodology and inflation assumptions. However, the net impact on valuation of these corrections and refinements was not significant.

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 and achieved electricity export roughly in line with budget which contributed to their improved operating results.

Fenpower Limited

The electricity production of Fenpower Limited during the year ended 29 February 2012 was 98% of budget. The Company received dividends and mezzanine interest cash payments totalling £225,000 from Fenpower Limited in the year ended 29 February 2012, representing a 10.9% cash yield on the amount invested. The value of the Company's investment in Fenpower Limited increased by £533,000 during the year ended 29 February 2012.

Craig Wind Farm Limited

The electricity production of Craig Wind Farm Limited during the year ended 29 February 2012 was 97% of budget. The Company received dividends and mezzanine interest cash payments totalling £321,000 from Craig Wind Farm Limited in the year ended 29 February 2012, representing a 15.4% cash yield on the amount invested. The value of the Company's investment in Craig Farm Limited increased by £779,000 during the year ended 29 February 2012.

A7 Greendykeside Limited

The electricity production of A7 Greendykeside Limited during the year ended 29 February 2012 was 111% of budget. The Company received dividends and mezzanine interest cash payments totalling £138,000 from A7 Greendykeside Limited in the year ended 29 February 2012, representing a 9.0% cash yield on the amount invested. The value of the Company's investment in A7 Greendykeside Limited increased by £250,000 during the year ended 29 February 2012.

Achairn Energy Limited

The electricity production of Achairn Energy Limited during the year ended 29 February 2012 was 98% of budget. The Company received dividends and mezzanine interest cash payments totalling £78,000 from Achairn Energy Limited in the year ended 29 February 2012, representing a 16.9% cash yield on the amount invested. The value of the Company's investment in Achairn Energy Limited increased by £109,000 during the year ended 29 February 2012.

A7 Lochhead Limited

The electricity production of A7 Lochhead Limited during the year ended 29 February 2012 was 113% of budget. The Company received dividends and mezzanine interest cash payments totalling £53,000 from A7 Lochhead Limited in the year ended 29 February 2012, representing a 5.3% cash yield on the amount invested. Note that the above-budget electricity production of A7 Lochhead Limited during the year ended 29 February 2012 will flow through to Company results in the year ending 28 February 2013. The value of the Company's investment in A7 Lochhead Limited increased by £195,000 during the year ended 29 February 2012.

Greenfield Wind Farm Limited

Greenfield Wind Farm Limited began exporting electricity to the grid in January 2011 and became fully operational in March 2011. Electricity production during the year ended 29 February 2012 was 100% of budget.

The Company did not receive dividends and mezzanine interest cash payments from Greenfield Wind Farm Limited in the year ended 29 February 2012. The Company's investment in Greenfield Wind Farm Limited is valued at cost, as the wind farm has been operating for less than 18 months.

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. After the year end, Broadview completed the sale of two operating wind farms and one wind farm in construction (comprising 25.35 megawatts in total). The consideration received by Broadview Energy Limited for these assets has not been made public or disclosed to the Investment Manager. In addition to the net cash resulting from the sale of these assets, Broadview has a development portfolio comprised of one consented project of three turbines (6 to 7.5 megawatts), four further projects in the planning process (totalling approximately 40 megawatts) 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 Investment Manager's estimate of the market value of the assets sold and an estimate of the value of the one consented wind energy project and the development pipeline. The result of this approach is a reduction in the valuation of Broadview Energy Limited from £2,885,000 at 28 February 2011, to £2,597,000 at 29 February 2012 – a decrease of 10%. The valuation at 28 February 2011 had been based on the price paid by third-party investors in a capital raising by Broadview Energy Limited in June 2010. See Note 1 to the financial statements regarding the inherent material uncertainty of the valuation of Broadview Energy Limited.

As well as the equity investment made by the ordinary share fund, the Company's "C" share fund had two mezzanine loans outstanding to subsidiaries of Broadview Energy Limited, which were repaid in full, including accrued interest, on 4 May 2012. See the discussion of BEGL 2 Limited and BEGL3 Limited below.

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. In addition to earning a margin on the five long-term power purchase agreements, Firefly Energy Limited also provided power purchase agreement and management accounting services to renewable energy project operators.

Prior to the appointment of Temporis Capital LLP as Investment Manager in September 2011, the business plan of Firefly Energy Limited was to expand its business of providing power purchase agreement and management accounting services to renewable energy project operators. Subsequent to a review of the Firefly Energy Limited business by the Investment Manager, the management of Firefly Energy Limited have decided to discontinue the planned expansion of the power purchase agreement and management accounting services and instead focus on realising the maximum value from the five long-term power purchase agreements on which the company earns a margin. Firefly Energy Limited has closed its stand-alone office and has reduced its on-going overheads.

The Company has a mezzanine loan investment in Firefly Energy Limited which had a balance at 29 February 2012 of £1,440,000 and which accrues interest at 9% per annum. During the year ended 29 February 2012, Firefly Energy Limited made principal repayments of £360,000 on the loan in addition to payments of interest. The loan is valued in the Company's accounts based on the discounted projected future cash flows from the five power purchase agreement on which the company earns a spread, net of projected administration costs. As 29 February 2012, the value of the loan was £1,394,000. 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 has been written down to nil value. During the financial year ended 29 February 2012, the Company recorded a realised write-off of £146,000 on its combined investment of the loan and ordinary shares in Firefly Energy Limited.

OPERATIONAL LANDFILL GAS

Redimo LFG Limited

Redimo LFG Limited operates four landfill gas electricity generation sites in the north of England. Since taking over the Company's investment management contract in September 2011, the Investment Manager has devoted considerable attention and resources to understanding Redimo LFG Limited and stabilising the operation of the four landfill gas sites. 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, it is highly unlikely 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.

DEVELOPMENT AND PRE-PLANNING

The Company holds a development portfolio as the premiums required to acquire consented sites are high and rising. 2012 saw several planning permissions granted which, as the sites are developed and proven, will allow this development premium to be recognised in the value of the developed sites.

Redeven Energy Limited

Through development funding agreements entered into by Redeven Energy Limited, the Company holds investment rights in three companies intending to develop and operate wind farms in East Anglia. Each of the three companies holds a lease option over a site for which planning permission has been sought and received. The planning permissions on the three sites total nine turbines. The Company is working with the three development companies to proceed with the building out of the projects as soon as possible.

Spurlens Rig Wind Limited

Spurlens Rig Wind Limited is the developer of a six-turbine site in the Scottish Borders which was refused for planning in December 2011. There are no plans to appeal the planning refusal, so the proposed six-turbine project is no longer viable. As such, the Company's holding of 60% of the ordinary shares of in Spurlens Rig Wind Limited has been written down to £21,000 as at 29 February 2012. The valuation of Spurlens Rig Wind Limited is equal to the company's net current assets which primarily comprise VAT receivable. The Spurlens Rig development team is reviewing the options to re-apply for permission to build a smaller project on the same site which might address the reasons for refusal. However, the amount by which the company's value has been written down is considered to be a realised loss.

Wind Power Renewables Limited

Wind Power Renewables is a development company that has submitted planning applications for three wind energy sites in East Anglia. The first two applications were refused, however the third application (for two turbines with a tip height up to 130 metres) was approved in February 2012. As a result of the initial two planning application refusals, the Company's investment in Wind Power Renewables was written down to £93,000 in the half-yearly report for the six months ended 31 August 2011. The value of the investment has been held at the written down amount. However, the Company is working with the management of Wind Power Renewables Limited to explore options for developing the site.

Olgrinmore Limited

Olgrinmore Limited was a potential two-turbine site in Caithness which was refused in planning and is being held at nil value. The Olgrinmore development team is reviewing the options to re-apply for permission to build a smaller project on the same site which might address the reasons for refusal. The Company's investment in Olgrinmore Limited was written down to nil value in a previous financial period. The amount by which the company's value has been written down is considered to be a realised loss.

"C" share portfolio

A summary of the Company's "C" share investments is given below.

"C" Shares			Investment value			Investment cost				
		Voting rights as at 29 February 2012	Shares as at 29 February 2012	Loans as at 29 February 2012	Total as at 29 February 2012	Shares as at 29 February 2012	Loans as at 29 February 2012	Total as at 29 February 2012	Investment value Total as at 28 February 2011	Investment cost Total as at 28 February 2011
		%	£000	£000	£000	£000	£000	£000	£000	£000
Operational: Wind										
Greenfield Wind Farm Limited*	PQ	12.50%	500	1,000	1,500	500	1,000	1,500	1,500	1,500
Construction: Wind										
White Mill Windfarm Limited*	PQ	25.00%	1,000	673	1,673	1,000	673	1,673	-	-
AD Wind Farmers Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	-
Development, and pre-planning										
Ovalau Investments 1 Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	-
Ovalau Investments 2 Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	-
Iceni Renewables Limited*		50.00%	400	-	400	400	-	400	400	400
Short-term investments with renewable energy companies										
Renewable Power Systems Limited*		0.00%	-	200	200	-	200	200	350	350
BEGL 2 Limited*		0.00%	-	500	500	-	500	500	500	500
BEGL 3 Limited*		0.00%	-	500	500	-	500	500	500	500
EcoGen Limited*		0.00%	-	410	410	-	410	410	410	410
Osspower Limited*		0.00%	-	-	-	-	-	-	300	300
Total			4,900	3,283	8,183	4,900	3,283	8,183	3,960	3,960

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 "C" share fund of Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are both managed by Temporis Capital LLP.

During the year ended 29 February 2012, the Company's "C" share fund invested £2,673,000 in companies that are currently constructing wind farms and £2,000,000 in companies that intend to construct wind farms on currently consented sites. The balance of the amounts invested during the year represent short term loans which were paid back in full during the year.

The investments of the "C" share fund of the Company at 29 February 2012 totalled £8,183,000, however £1,610,000 of these investments (listed above under the heading "short-term investments with renewable energy companies") are scheduled to be redeemed between now and the end of 2012. These interim investments were all made with the intention of generating investment yields for the Company during the "C" share investment period, as the wind portfolio is developed. The investments are all fully secured by assets of the investee companies (primarily wind farms in operation or under construction) and accrue interest at rates of 11% to 13% per annum. The interest on these short-term investments has helped defray the "C" share fund's running costs and allowed the Company to pay dividends to holders of "C" shares.

Including the planned redemption of £1,610,000 of "C" share investments between now and the end of the calendar year 2012, the Company's "C" share fund will have approximately £2.5 million of cash and cash equivalents available to be invested. The Investment Manager is continuing to source, appraise and progress suitable investments to invest these funds and expects the "C" share funds to be substantially invested by the end of the next financial year.

Summary of Investments

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

OPERATIONAL WIND

Greenfield Wind Farm Limited

Greenfield Wind Farm Limited operates a 12.3 megawatt wind farm in South Lanarkshire, Scotland. Both the ordinary share fund and "C" share fund have made investments in Greenfield Wind Farm Limited. Please refer to the information about Greenfield Wind Farm Limited in the summary of investments for the ordinary share fund above.

WIND UNDER CONSTRUCTION

White Mill Windfarm Limited

In July 2011, the Company completed an investment in White Mill Windfarm Limited, which is constructing a 14.35 megawatt wind farm in the Cambridgeshire Fens. The Company, alongside Ventus 2 VCT plc, invested £1,000,000 for 25% of the ordinary share capital and has provided a mezzanine loan facility of £672,500. The remaining 50% of the ordinary shares are held by a subsidiary of the Co-operative Group Limited. The wind farm will operate seven REpower MM82 turbines.

Construction of the White Mill wind farm commenced in August 2011. Construction is almost complete and the turbines are exporting electricity as part of the commissioning tests. The site is scheduled for takeover in June 2012.

AD Wind Farmers Limited

The Company's investment of £1,000,000 in AD Wind Farmers Limited was completed in December 2011. The Company owns 50% of the ordinary share capital of AD Wind Farmers Limited. AD Wind Farmers Limited is an investor in Allt Dearg Wind Farmers LLP, which is constructing a 10.2 megawatt wind farm near Lochgilphead, Scotland. The wind farm will operate 12 Vestas V52 turbines. Construction of the wind farm commenced in December 2011 and is currently on schedule and on budget. The wind farm is scheduled for takeover in December 2012.

DEVELOPMENT AND PRE-PLANNING

Ovalau Investments 1 Limited

Ovalau Investments 2 Limited

In February 2012, the Company invested £1,000,000 in Ovalau Investments 1 Limited and £1,000,000 in Ovalau Investments 2 Limited. These two companies have been established to construct wind farms on identified sites which have planning consent. Ovalau Investments 1 Limited and Ovalau Investments 2 Limited are currently in negotiations with turbine suppliers and civil works contractors in connection with the construction of two wind farms.

Shareholders should note that the following investments are not structured so as to be qualifying holdings for the purposes of the VCT regulations.

Iceni Renewables Limited

Through Iceni Renewables Limited the Company has invested £400,000 for the development of two wind energy development projects in Scotland. The first, named Craigannet, is a six-turbine project which was submitted for planning on 27 January 2012. The other site is known as Merkins and was also submitted for planning on 27 January 2012. Lomond Energy Limited is the development manager of these sites. Determination of these planning applications is not expected before the autumn of 2012 in either case.

SHORT-TERM INVESTMENTS WITH RENEWABLE ENERGY COMPANIES

Renewable Power Systems Limited

In 2009, the Company's "C" share fund provided an unsecured loan facility of £350,000 to Renewable Power Systems Limited, a company which specialises in the development and operation of energy from waste generating plants. The loan was due to be repaid in June 2011, however the loan has been restructured to extend the payment schedule, at the same time giving the Company security over certain of the assets of Renewable Power Systems Limited. The security is shared with the "C" share fund of Ventus 2 VCT plc, which has made a matching loan to Renewable Power Systems Limited. The loan accrues interest at 12% per annum. The loan, including accrued interest, had been paid down to £200,000 as at 29 February 2012 and a further £100,000 repayment has been received since the year end. The balance of the loan and accrued interest is scheduled to be repaid in full by 31 July 2012.

BEGL 2 Limited and BEGL 3 Limited

As at 29 February 2012, the Company had medium term loan facilities of £500,000 outstanding to each of BEGL 2 Limited and BEGL 3 Limited. These companies were subsidiaries of Broadview Energy Limited. BEGL 2 Limited was the development company for Seamer, a five-turbine wind farm in Teesside currently being constructed. BEGL 3 Limited was the development company for Low Spinney, an operational four-turbine wind farm in Leicestershire. The loans, together with accrued interest at the rate of 11% per annum, were repaid in full on 4 May 2012.

EcoGen Limited

The Company has provided a loan facility of £410,000 to EcoGen Limited, a developer and operator of wind energy projects. This loan, together with a matching loan made by the "C" share fund of Ventus 2 VCT plc, is secured against EcoGen Limited's one third shareholding in Fenpower Limited, a company in which the Company's ordinary share fund holds an investment (please refer to the section in the ordinary share report above for further details).

The loan accrues interest at the rate of 12% per annum. The loan, together with accrued interest, is to be repaid in full no later than 31 December 2012.

Top Ten Investments

The details of the top ten investments, by value, held by each of the ordinary share fund the "C" share fund at 29 February 2012 are set out in the tables below:

Ordinary Share Fund

Company	Value £000	Cost £000	Share Holding %	Voting Rights %	Income recognised by the Company during the year £000	Basis of valuation	Proportion of share fund portfolio by value %	Date of latest accounts*	Net assets/ (liabilities) £000	Turnover £000	Profit/(loss) before tax £000
Fenpower Limited	4,077	2,069	33.33%	33.33%	225	DCF	23.75%	31/03/2011	1,777	1,751	250
Craig Wind Farm Limited	3,611	2,093	37.50%	37.50%	152	DCF	21.02%	31/08/2011	2,247	1,492	107
Broadview Energy Limited	2,597	750	12.86%	12.86%	-	NAV	15.12%	31/12/2010	2,817	1,390	(784)
A7 Greendykeside Limited	2,051	1,536	50.00%	50.00%	138	DCF	11.94%	30/04/2011	1,103	788	135
Firefly Energy Limited	1,394	1,640	50.00%	50.00%	162	DCF	8.12%	31/03/2011	(179)	426	(79)
A7 Lochhead Limited	1,164	1,000	30.00%	30.00%	53	DCF	6.78%	31/03/2011	1,458	1,232	28
Greenfield Wind Farm Limited**	1,002	1,002	8.35%	8.35%	87	PRI	5.83%	31/12/2010	1,991	-	(9)
Achairn Energy Limited	773	463	8.50%	8.50%	42	DCF	4.50%	30/11/2010	1,383	1,215	122
Redeven Energy Limited	390	390	40.00%	40.00%	-	PRI	2.27%	31/03/2011	(284)	-	(7)
Wind Power Renewables Limited	93	248	32.00%	32.00%	7	PRI	0.54%	Unaudited 31/03/2011	189	72	(27)

"C" Share Fund

Company	Value £000	Cost £000	Share Holding %	Voting Rights %	Income recognised by the Company during the year £000	Basis of valuation	Proportion of share fund portfolio by value %	Date of latest accounts*	Net assets/ (liabilities) £000	Turnover £000	Profit/(loss) before tax £000
White Mill Windfarm Limited	1,673	1,673	25.00%	25.00%	47	PRI	20.44%	Unaudited Dormant 04/01/2011	1	-	-
Greenfield Wind Farm Limited**	1,500	1,500	12.50%	12.50%	130	PRI	18.33%	31/12/2010	1,991	-	(9)
AD Wind Farmers Limited***	1,000	1,000	50.00%	50.00%	-	PRI	12.22%	N/a	N/a	N/a	N/a
Ovalau Investments 1 Limited***	1,000	1,000	50.00%	50.00%	-	PRI	12.22%	N/a	N/a	N/a	N/a
Ovalau Investments 2 Limited***	1,000	1,000	50.00%	50.00%	-	PRI	12.22%	N/a	N/a	N/a	N/a
BEGL 2 Limited	500	500	0.00%	0.00%	59	PRI	6.11%	Abbreviated 31/12/2011	1,992	N/a	N/a
BEGL 3 Limited	500	500	0.00%	0.00%	59	PRI	6.11%	Abbreviated 31/12/2011	1,817	N/a	N/a
EcoGen Limited	410	410	0.00%	0.00%	52	PRI	5.01%	Unaudited Abbreviated 30/09/2011	1,351	N/a	N/a
Iceni Renewables Limited	400	400	50.00%	50.00%	-	PRI	4.89%	28/02/2011	802	-	(2)
Renewable Power Systems Limited	200	200	0.00%	0.00%	36	PRI	2.44%	Unaudited Abbreviated 31/07/2011	2,090	N/a	N/a

Basis of valuation

DCF Discounted future cash flows from the underlying business excluding interest earned to date
NAV The Investment Manager's estimate of the value of the net assets of the investee company
PRI Price of recent investment reviewed for impairment
* Accounts are audited unless specified
** The ordinary share fund and "C" share fund have shareholdings in Greenfield Wind Farm Limited of 8.35% and 12.50% respectively, therefore the Company's aggregate shareholding is 20.85%.
*** AD Wind Farmers Limited, Ovalau Investments 1 Limited and Ovalau Investments 2 Limited were incorporated during the year, therefore they have not yet produced accounts.

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 an asset and have passed an initial satisfactory operational period 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 used, 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 investment cost subject to a periodic impairment review. The Company has revised the valuation of its holding in Broadview Energy Limited as discussed above.

Investment Policy

The Company is focused on investing in companies developing renewable energy projects with installed capacities of two to 20 megawatts, although 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 Investment Manager seeks, primarily, to allocate the Company's investments in equity securities and loan stock of companies owning renewable energy projects, primarily wind energy. Up to 10% of net proceeds raised from the initial share offer and the "C" share offer, respectively, may be allocated to development funding for early stage renewable energy projects prior to planning permissions being obtained.

The Company's policy is to maintain cash reserves of at least 5% of net proceeds raised from the initial share offer and the "C" share offer 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 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 also made in technologies that have no inherent operational correlation with the performance of wind farms. Investments are made via subscriptions for new 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 and bank debt financing is non-recourse to the Company.

The Company does, nonetheless, have and intends to continue to have a portfolio concentrated on wind energy assets.

The returns from projects depend on the UK Government's continued support for renewable energy, primarily under the Renewables Obligation and Feed-in Tariff mechanisms. The effects of any negative change to this policy are mitigated by the UK Government's historic practice of grandfathering financial support mechanisms for existing assets. This risk is further mitigated by the Company typically negotiating fixed and/or floor price mechanisms into the power purchase agreements entered into by project companies for the sale of their generated output.

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 bank debt finance. The Investment 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 via an interest rate swap for the duration of the bank 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 shall restrict the borrowings of the Company. The aggregate principal amount at any time outstanding in respect of money borrowed by the Company shall 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 funds to various risks, the following can be used as a guide:

i) Investments in qualifying holdings

   70-95% of the funds will be invested in qualifying holdings no later than three years after the date that provisional approval by HM Revenue & Customs of the Company's status as a VCT becomes effective. The relevant compliance date for the initial share offer was 1 March 2008 and for the first "C" share offer and ordinary share "top-up" offer was 1 March 2012. The relevant compliance date for the second "C" share offer is 1 March 2013.

   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 one or more of the requirements due to factors outside of its control, it may apply to HM Revenue & Customs 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 each of the initial share offer and "C" share offer respectively may be invested in pre-planning projects.

VCT Regulations

The Finance Bill 2012, published on 29 March 2012, contained measures to increase certain limits on restrictions relating to VCT Qualifying Investments in respect of investments made on or after 6 April 2012. Subject to EU State Aid approval, the Government plans to increase the limit on number of employees from 50 to 250, the limit on gross assets immediately prior to investment from £7 million to £15 million, the limit on gross assets immediately after investment from £8 million to £16 million and the limit on the amount of that can be invested in an individual company from £2 million to £5 million. (This £5 million limit on the amount of funds an investee company can receive in any 12 month period must take into account VCT funding from all sources, as well as EIS investment and other state-aided investment). Other measures in the Finance Bill 2012 include removing the annual £1 million limit on the amount a VCT can invest in a Qualifying Investment and a "disqualifying purpose" test designed to exclude companies set up for the purpose of accessing the tax reliefs. Under the "disqualifying purpose" test, an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs, although the details of how the "disqualifying purpose" test will be implemented have not yet been published.

Market Outlook

According to the Department of Energy and Climate Change (DECC), approximately one-fifth of the UK's electricity generating capacity will shut down over the next decade as old coal and nuclear power stations close. DECC predicts that more than £110 billion in investment is needed to replace this generation capacity and upgrade the grid. In the longer term, by 2050, DECC expects electricity demand is set to double, as the UK shifts more transport and heating onto the electricity grid. This is likely to create upward pressure on wholesale electricity prices in the long term.

Although the renewable energy industry benefits from the favourable long-term price outlook for electricity, the industry in the UK has operated in a state of considerable political uncertainty for the past two years. The coalition government formed in May 2010 has made a number of policy statements and carried out a number of renewable energy consultations over the past two years, however relatively few new regulations have been put in place to date. The Government has cut tariffs for solar photo-voltaic energy and delayed the implementation of incentives for renewable heat. There is clear disagreement within the coalition on how renewable energy policy should be implemented, with a significant group of Conservative back-benchers in favour of restricting the expansion of on-shore wind energy. 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. Furthermore, the Government in Scotland (where a significant portion of the Company's investments are based) continues to provide strong support for renewables.

DECC currently has ten open consultations relating to energy policy and regulation as well as 17 closed consultations for which the Government has not published a response. The most important of these consultations for the Company is the consultation on the ROC (Renewable Obligation Certificate) banding levels, which was closed for public consultation on 12 January 2012. The consultation document proposed that the level of support for new onshore wind projects be reduced from the current level of 1 ROC per megawatt-hour to 0.9 ROCs per megawatt-hour effective 1 April 2013. The general view in the renewable energy industry is that the proposed level of 0.9 ROCs per megawatt-hour will take effect as proposed on 1 April 2013, however this is not yet confirmed. This change, if implemented, would reduce revenues from wind farms by approximately 5%, but would not apply to projects commissioned before 1 April 2013. It would have no impact on any existing wind farms operated by the Company's investee companies. The Investment Manager's analysis of any future investments by the Company will take into account the level of ROCs expected to be available for projects operated by investee companies. Because the Company's target returns will remain unchanged, any changes in ROC banding for onshore wind will be reflected in the price the Company will pay for future investments.

On 22 May 2012, the UK Government published draft electricity market reform legislation. The stated goals of the draft legislation are "keeping the lights on, keeping consumers' energy bills down and creating cleaner electricity to help tackle climate change". The draft legislation proposes to radically reform the electricity market to attract the £110 billion required to build new low-carbon capacity. The proposed law is meant to encourage the development of a balanced portfolio of renewable generation capacity, new nuclear generation capacity and carbon capture and storage (CCS) and to ensure that these technologies can compete in the market-place. Key elements of the proposed reforms include:

- revenue support for low-carbon generation by way of a feed-in tariff with contracts for difference (CfDs) to stabilise returns for generators at a fixed price
- a capacity market to reduce the likelihood of future blackouts by ensuring sufficient reliable generating capacity to meet demand at an affordable cost
- an emissions performance standard to prevent construction of new coal plants with emissions above a certain level
- a carbon price floor of £16 per tonne of CO2 (2009 prices) in 2013, rising to £30 per tonne of CO2 by 2020 (2009 prices).

The draft electricity market legislation contains provisions for the Renewable Obligation to be phased out and replaced by CfDs for all renewable energy generation capacity brought on line after 31 March 2017. The Government has published an implementation roadmap describing in general terms how the transition from ROCs to CfDs will take place. The Government has stated its intention that renewable energy generators will have a choice between the ROC regime and the CfD regime for capacity brought on line from 1 April 2014 until 31 March 2017, but that no new generation will be accredited for ROCs after 31 March 2017. A renewable energy project is entitled to earn ROCs for 20 years, so the ROC system will not end completely until 31 March 2037.

The Government has acknowledged that gas will continue to play an important role in the transition to a low-carbon economy by providing generation flexibility and helping maintain security of supply.

The Government has stated that it expects the provisions in the reform package to begin taking effect in 2014. Despite the publication of the draft legislation, there is still considerable uncertainty within the electricity industry about how the reform will actually develop. Recent developments in the nuclear sector, where RWE and E.ON have announced their withdrawal from the sector in the UK, will impact the implementation of the reform. The one thing that is clear, however, is that electricity market reform will have a significant impact on the renewable energy sector.

The Localism Act 2011, which became law in November 2011 has resulted in a significant shift in planning decision-making power to the local level. The law establishes a presumption in favour of sustainable development, which should be viewed as positive for the renewable energy industry. Generally, schemes that benefit local communities will be favoured.

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

Turbine prices (primarily denominated in Euros) have remained relatively stable over the past year after declining in the 2008-2010 period, however there has recently been a tightening in the UK market as developers rush to have wind projects built and commissioned prior to 1 April 2013, as ROCs for onshore wind are expected to be reduced by 10% for projects commissioned after that date (see above). The Investment Manager believes this tightening of the turbine market will be temporary, as orders for turbines to be commissioned prior to 1 April 2013 must be placed within the next month or so. On the positive side, the recent strengthening of Sterling against the Euro has lowered the cost of acquiring turbines for UK operators.

The banking market for renewable energy projects has contracted considerably in the past year. Availability of senior debt finance has contracted for renewable energy projects of 5 to 20 megawatts, which is the typical size range for investee companies of the Company. No new banks have entered the sector over the last year, lending margins and arrangement fees have widened and repayment periods have shortened. Although the trends in the debt market have made it more difficult to finance renewable energy projects, the shortage and cost of senior debt may create an opportunity for the Company to invest greater amounts of equity in companies with lower leverage (which will be facilitated by the recent changes in the VCT rules removing the annual £1 million limit on the amount a VCT can invest in a portfolio company). Existing investments of the Company are not impacted by the current lending environment for renewable energy projects.

Temporis Capital LLP
Investment Manager

31 May 2012

The Directors present their Annual Report and the audited Financial Statements for the year ended 29 February 2012.

Business review

The business review has been prepared in accordance with the requirements of Section 417 of the Companies Act 2006 and best practice. The purpose of the review is to provide shareholders with a summary of the business objectives of the Company, the Board's strategy to achieve those objectives, the risks faced, the regulatory environment and the key performance indicators ("KPIs") used to measure performance.

The Company's business objectives are set out in the Investment Policy on page 10 of the Investment Manager's Report.

Principal activities and status

The Company is an investment company, as defined by Section 833 of the Companies Act 2006. The Company has received approval as a Venture Capital Trust from HM Revenue & Customs for the year ended 28 February 2011. The Directors consider that the Company has conducted its affairs in a manner to enable it to comply with Section 274 of the Income Tax Act 2007. The investment policy of the Company is set out in the Investment Manager's Report. The Company is a public limited company, incorporated in England and listed on the London Stock Exchange. The registered address of the Company is The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

The Company has no employees other than the Directors.

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

Companies Act 2006 disclosures: environmental matters

The Board recognises the requirement under Section 417(5) of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment). It is the specific purpose of the Company to invest in companies that develop and operate assets which generate energy from renewable sources. Through its investment policy, the Company is committed to mitigating the impact of climate change by contributing to the transition to a low carbon economy and a cleaner environment.

The performance of the Company is reviewed in the Investment Manager's Report, including the Company's compliance with HM Revenue & Customs VCT regulations. The Company's prospects are considered in the Outlook section of the Chairman's Statement.

Key performance indicators

For the year ended 29 February 2012	Ordinary Shares £000	Ordinary Shares Pence per share[1]	"C" Shares £000	"C" Shares Pence per share[1]	Total £000
Revenue profit attributable to equity shareholders	463	2.83	199	1.76	662
Capital gain/(loss) attributable to equity shareholders	972	5.94	(208)	(1.85)	764
Net profit/(loss) attributable to equity shareholders	1,435	8.77	(9)	(0.09)	1,426
Dividends paid during the year	(508)	(3.10)	(113)	(1.00)	(621)
Total movement in equity shareholders' funds	927	5.67	(122)	(1.09)	805
		%		%	%
Total expense ratio[2]		3.29%		3.43%	3.34%

As at 29 February 2012	Ordinary Shares £000	Ordinary Shares Pence per share[3]	"C" Shares £000	"C" Shares Pence per share[3]	Total £000
Net asset value	18,085	110.4	10,380	91.6	28,465
Total shareholder return[4]	21,149	130.4	10,493	92.6	31,642

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

2 The total expense ratio represents the total operating expenditure during the year (excluding irrecoverable VAT and investment costs) as a percentage of the net asset value of the Company at year end.

3 The "per share" value is determined in respect of the number of shares in issue as at the year end, except in respect of the total shareholder return, which includes dividends paid which are 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 year end plus the cumulative dividends paid by the Company since incorporation.

Principal 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:

- Failure to meet and maintain the investment requirements for compliance with HM Revenue & Customs VCT regulations.

  The Board mitigates this risk by regularly reviewing investment management activity with appropriately qualified advisers and by obtaining pre-approval from HM Revenue & Customs 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 external party, Roffe Swayne, to report directly to the Board in respect of the Company's internal controls.

- Non-compliance with the Listing Rules of the Financial Services Authority, Companies Act Legislation, HM Revenue & Customs VCT regulations 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.

Going concern

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. The Board has a reasonable expectation that the Company is able to continue in operational existence for a period of at least twelve months from the date of this report. The Directors have concluded that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

The liquidity risks and details of the Company's policy for managing its financial risks are shown in note 16. The Company's investment activities are described in the Investment Manager's Report and its performance is reviewed in the Directors' Report.

Share capital

Authorised share capital

At 29 February 2012, the Company had authorised share capital of £15,000,000 in total which was represented by 40 million ordinary shares of 25p each and 20 million "C" shares of 25p each being 67% and 33% of the Company's authorised share capital respectively. At the general meeting held on 8 March 2012 the authorised share capital was increased from £15,000,000 to £17,500,000 by the creation of 10,000,000 ordinary shares of 25p each.

Allotted, called and fully paid up shares

As at 29 February 2012, the Company had allotted, called and fully paid up shares in two share funds, of which 16,384,793 shares were ordinary shares of 25p each and 11,329,107 were "C" shares of 25p each. These shares represented 59% and 41% of the Company's issued share capital respectively.

Authority to allot

At the general meeting held on 8 March 2012 the Directors were authorised to allot relevant securities (in accordance with Section 551 of the Companies Act 2006) up to a maximum aggregate nominal amount of £4,000,000. This authority expires on 8 March 2017.

Disapplication of pre-emption rights

At the general meeting held on 8 March 2012 the Directors were empowered to allot equity securities for cash (further to the authority referred to above) without first offering such securities to existing shareholders in proportion to their shareholdings – such power being limited to the allotment of securities only in certain, defined circumstances. This power expires on 8 March 2017.

Authority to repurchase shares

At the Annual General Meeting ("AGM") held on 27 July 2011 the Company renewed its authority to repurchase up to 14.99% of its own issued ordinary share capital and up to 14.99% of its own issued "C" share capital. This authority will be renewed at the AGM to be held on 24 July 2012.

Rights and restrictions attaching to shares and powers of the Board of Directors

As set out in the Company's Articles of Association, subject to the provisions of the Companies Act 2006 and to any special rights conferred on the holders of any other shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide. The business of the Company shall be managed by the Board of Directors which may exercise all the powers of the Company, subject to the provisions of the Companies Act 2006, the Memorandum of Association of the Company, the Company's Articles of Association and any special resolution of the Company. Copies of the Articles of Association can be obtained from Companies House in the UK or by writing to the Company Secretary.

Tender offer and offer for issue of ordinary shares

On 3 February 2012, the Company published a Circular in respect of (i) a Tender Offer to purchase up to 12,000,000 ordinary shares from existing shareholders and (ii) an Offer for the issue of up to £15,000,000 of ordinary shares of 25p each of the Company.

On 30 March 2012 a total of 6,256,089 ordinary shares were purchased for cancellation at a price of 100.0p per ordinary share and a total of 6,137,354 ordinary shares of 25p each in the Company were allotted in respect of the shares tendered for cancellation at a price of 105.5p per ordinary share.

On 3 April 2012 a total of 90,000 ordinary shares were purchased for cancellation at a price of 100.0p per ordinary share and a total of 88,293 ordinary shares of 25p each in the Company were allotted in respect of the shares tendered for cancellation at a price of 105.5p per ordinary share. In addition, 43,196 ordinary shares were allotted at a price of 105.5p per ordinary share under the offer for issue of ordinary shares.

Following the cancellation and allotments described above, the issued share capital of the Company is 16,307,547 ordinary shares and 11,329,107 "C" shares.

CREST

The Company's shares are available for trading in CREST, the settlement system for uncertified stocks and shares.

Dividends

The dividends for the half-year to 31 August 2011 of 1.50p per ordinary share and 1.00p per "C" share were paid on 11 January 2012 to shareholders on the register on 9 December 2011. The Directors recommend a final dividend of 1.75p per ordinary share and 1.00p per "C" share to be paid on 8 August 2012 to shareholders on the register on 13 July 2012. This gives a total dividend for the year of 3.25p per ordinary share and 2.00p per "C" share. Note 7 of the Financial Statements gives details of the dividends declared and paid in the current and prior financial years.

In light of the excellent performance of the ordinary share portfolio in terms of net asset growth and the satisfactory income yield of the wind investments, the Directors intend to pay a minimum dividend of 5p per ordinary share per annum for the next three years. **It should be stressed that this is an intention only, and no forecast is intended or is to be inferred.**

Despite the loss on Redimo LFG Limited, the long-term objective to pay an annual dividend of 6p to 10p per ordinary share is still in place although, given this loss, a more realistic target in the medium term is 6p to 8p. If wind speeds in the UK in the coming years are consistent with historical long-term averages, the board believes the realistic target range of 6p to 8p per ordinary share per annum can be reached within 3 to 4 years while maintaining the net asset value of the ordinary share fund at or above the current level. **It should be stressed that this is an objective only, and no forecast is intended or is to be inferred.**

The Board expects the "C" share fund to be able to pay an annual dividend of 3p to 4p per share per annum for the next two years. **It should be stressed that this is an intention only, and no forecast is intended or is to be inferred**. The Board should be in a position to comment on the achievability of the longer term dividend objective after the "C" share fund's portfolio is fully invested.

The Company is able to pay dividends from special reserves as these are distributable reserves. A recent change to the Companies Act 2006 allows investment companies to pay dividends from realised capital profits. The Board has tabled resolutions to be put to shareholders at the forthcoming AGM to approve the cancellation of the share premium accounts to create special reserves and an amendment to the Company's Articles of Association which will allow the Company to take advantage of the recent change in the law which allows investment companies to distribute realised capital profits when sufficient distributable reserves are available (see the notes to Resolutions 8 and 9 of the notice of AGM below respectively).

Directors and their interests

The Directors who held office during the year and their interests in the Company were as follows:

	As at 29 February 2012 Ordinary Shares	As at 29 February 2012 "C" Shares	As at 28 February 2011 Ordinary Shares	As at 28 February 2011 "C" Shares
David Pinckney (Chairman)	10,300	2,600	10,300	2,600
Richard Abbott	nil	nil	n/a	n/a
David Williams	3,075	1,530	3,075	1,530
Charles Conner	n/a	n/a	10,302	5,200

Charles Conner resigned and Richard Abbott was appointed on 1 September 2011.

Under the terms of the Tender Offer David Pinckney sold 10,300 ordinary shares at a price of 100p per ordinary share and bought 10,104 ordinary shares at a price of 105.50p per Ordinary share on 30 March 2012.

All the Directors are non-executives and all are independent. In the period in which he served as a Director of the Company Charles Conner was not considered to be independent as he was a part-time employee of the previous investment manager.

In accordance with the Company's Articles of Association and the Financial Reporting Council's (FRC) UK Corporate Governance Code and the Listing Rules of the Financial Services Authority, David Pinckney will retire by rotation at the AGM and being eligible, will offer himself for re-election. Richard Abbott retires as he is subject to election by shareholders at the first AGM after appointment in accordance with the Company's Articles of Association. As both Directors have acted in the interest of the Company throughout the period of their appointment and demonstrated commitment to their roles, the Board recommends they be reappointed at the AGM.

Biographical information on the Directors is shown on page 25. The terms of the Directors' appointment and replacement are set out in the Corporate Governance Statement.

Substantial interests

As at 29 February 2012 and the date of this report, the Company was aware that Heartwood Nominees Limited held beneficial interests and voting rights of 11.21% of the Company's ordinary share capital and Chase Nominees Limited held beneficial interests and voting rights of 3.5% of the Company's "C" share capital. The Company was not aware of any other beneficial interest exceeding 3% or more of the voting rights attached to the Company's ordinary or "C" share capital.

Investment management, administration and performance fees

Temporis Capital LLP was appointed as Investment Manager of the Company on 12 September 2011 and provides management and other administrative services to the Company. The principal terms of the investment management agreement are set out in note 3 of the Financial Statements.

Until 12 September 2011 the Company's Investment Manager was Climate Change Capital Limited.

Company Secretary

The City Partnership (UK) Limited has been appointed to provide company secretarial services to the Company as set out in the company secretarial services agreement. For these services the Company Secretary receives an annual fee of £15,750 plus VAT. The company secretarial services agreement was for an initial period of three years from 1 February 2009, terminable thereafter by either party giving not less than six months' notice in writing.

VCT monitoring status

The Company retains PricewaterhouseCoopers LLP to advise on its compliance with the taxation requirements relating to VCTs.

Financial instruments

The Company's financial instruments comprise investments in unquoted companies, government securities and cash, trade and other receivables and trade and other payables. Further details are set out in note 16 of the Financial Statements.

Supplier payment policy

The Company's payment policy is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. During the year, all suppliers were paid within the terms agreed. The creditor days as at 29 February 2012 were nil days as there were no trade creditors outstanding for payment at that date (2011: 5 days).

Directors' statement as to disclosure of information to the Auditor

The Directors who were in office on the date of approval of these Financial Statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Auditor

A resolution to re-appoint PKF (UK) LLP as the Auditor of the Company will be proposed at the forthcoming AGM.

Details of the non-audit services provided to the Company by the Auditor, are set out in note 4 of the Financial Statements on page 38.

Annual General Meeting

Enclosed with this Annual Report and Financial Statements is the Notice of Annual General Meeting ("AGM") of the Company (or any adjournment thereof) to be convened for Tuesday, 24 July 2012 at 12 noon. A copy of the Notice is set out on page 52 of this document (the "Notice"). A Form of Proxy for use in connection with the AGM has been issued with this document.

The business of the meeting is outlined below:

Resolution 1 – Annual Report and Financial Statements

The Directors are required to present to the AGM the Annual Report and Financial Statements for the financial year ended 29 February 2012.

Resolution 2 – To declare a final dividend

The final dividend cannot exceed the amount recommended by the Directors and can only be paid after the members at a general meeting have approved it. The Directors recommend a final dividend of 1.75p per ordinary share to the holders of ordinary shares and 1.00p per "C" share to the holders of "C" shares, payable on 8 August 2012 to those shareholders registered at the close of business on 13 July 2012, which will bring the total dividend for the year to 3.25p per ordinary share and 2.00p per "C" share.

Resolution 3 – Directors' Remuneration Report

Under Regulation 11 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, the Company is required to produce a Directors' Remuneration Report for each relevant financial year and to seek shareholder approval for that report at the AGM. The Directors' Remuneration Report is on pages 19 to 20 of the Annual Report and Financial Statements.

Resolution 4 – Election of Director

Mr Richard Abbott retires as he is subject to election by shareholders at the first AGM after appointment in accordance with the Company's Articles of Association and, being eligible, offers himself for election.

Resolution 5 – Re-election of Director

Mr David Pinckney retires in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

Resolution 6 – Re-appointment of Auditor

This resolution proposes that PKF (UK) LLP be re-appointed as Auditor of the Company.

Resolution 7 – Remuneration of the Auditor

This resolution proposes that the Directors be authorised to set the Auditor's remuneration.

Resolution 8 – Cancellation of Share Premium Accounts

The Companies Act 2006 provides that a public company may only pay dividends out of distributable profits and may only purchase its own shares out of distributable profits or out of the proceeds of a fresh issue of shares made for the purpose of the purchase. In order to give the Company flexibility to pay regular and predictable dividends and to operate a share buy-back programme, the Board believes it is appropriate for the Company to cancel the share premium accounts of the ordinary share fund and the "C" share fund and transfer the cancelled amounts to the special reserves of the ordinary share fund and "C" share fund. The share premium account of the ordinary share fund was cancelled in 2005, however this share premium account has recently increased pursuant to the Company's recent ordinary share offer. The share premium account of the "C" share fund has never been cancelled since the issuance of the "C" shares in 2009 and 2010.

Resolution 9 – Amendment of Articles of Association to remove prohibition against distributing capital profits

The Company is an investment company under Section 833 of the Companies Act 2006. The original provisions of the Companies Act 2006 regarding investment companies, which were in force up until 5 April 2012, required the Company's Articles of Association to prohibit it from distributing capital profits. This prohibition in the Company's Articles of Association is contained in Article 119, the only purpose of which is to prohibit the Company from distributing capital profits in accordance with the original investment company regulations. Following amendments to the Companies Act 2006 which took effect on 6 April 2012, investment companies are no longer required to be prohibited by their articles from distributing capital profits. As such, Article 119 now places an unnecessary restriction on the Company. The Board believes it is appropriate to amend the Articles of Association to delete Article 119. This will allow the Company the flexibility to distribute realised capital profits if and when sufficient distributable reserves are available.

Resolution 10 – Purchase of shares by the Company

This resolution, which will be proposed as a special resolution, will, if passed, authorise the Company to purchase in the market up to 2,444,501 ordinary shares and 1,698,233 "C" shares, representing 14.99% of the current issued share capital of each class, at a minimum price of 25p per share and a maximum price, exclusive of any expenses, of not more than an amount equal to the higher of (a) 105% of the average of the middle market prices shown in the 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; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003. This authority will be effective until the earlier of the date of the AGM of the Company to be held in 2013 and the date which is 18 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting). The Board believes that it is beneficial to the Company for it to continue to have the flexibility to purchase in the market its own shares. However, the Board considers it in the best interests of all shareholders if the Directors use their authority to make share buy-backs judiciously. This resolution seeks authority from the shareholders for the Company to be authorised to do so when considered appropriate by the Directors. This resolution would renew the authority granted to the Directors at the last AGM of the Company. The minimum and maximum prices to be paid for the shares are stated in the Notice. Repurchases of shares will be made at the discretion of the Board and will only be made in the market at prices below the prevailing net asset value ("NAV") per share as and when market conditions are appropriate. Any shares which are repurchased in this way may be cancelled or held as treasury shares, which may then be cancelled or sold for cash, as determined by the Board. The Directors consider that this authority is in the interests of shareholders as a whole, as the repurchase of shares at a discount to the underlying NAV enhances the NAV of the remaining shares. The Directors are aware that the secondary market for the shares of VCT companies can be illiquid and that shares may trade at a discount to their NAV. The Company has established special reserves out of which it may fund share buy-backs.

Action to be taken

Shareholders have been issued with a Form of Proxy for use in connection with the AGM. Shareholders are requested to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Company's Registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time of the AGM (excluding any time which is not part of a working day). Completion and return of a Form of Proxy will not preclude shareholders from attending and voting at the AGM in person should they subsequently decide to do so.

Recommendation

The Directors believe that all of the resolutions are in the best interests of the Company and its shareholders as a whole and, accordingly, unanimously recommend that you vote in favour of the resolutions, as they intend to do in respect of their own beneficial holdings of shares.

By order of the Board

The City Partnership (UK) Limited
Secretary

31 May 2012

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Company and Groups (Accounts and Reports) Regulations 2008. An ordinary resolution to approve the report will be proposed at the AGM to be held on Tuesday, 24 July 2012.

Remuneration policy

The Board comprises three Directors, all of whom are non-executive. The Board does not have a separate Remuneration Committee as the Company has no employees, other than the non-executive Directors.

The Board considers that Directors' fees should reflect the time commitment required and the high level of responsibility borne by Directors and should be broadly comparable to those paid by similar companies. It is not considered appropriate that Directors' remuneration should be performance-related, and none of the Directors are eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. The total remuneration of non-executive Directors has not exceeded the £100,000 per annum limit set out in the Articles of Association of the Company.

No Director has a contract of service with the Company. All of the Directors have been provided with letters of appointment. The Articles of Association provide that Directors shall retire and offer themselves for re-election at the first AGM after their appointment and at least every three years thereafter. A Director's appointment will continue unless terminated by the Company by giving three months written notice. A Director's appointment may also be terminated in certain other circumstances.

Directors' fees (audited information)

The following fees were paid to individual Directors in respect of the year ended 29 February 2012 with comparative figures for the year ended 28 February 2011:

	29 February 2012 £	28 February 2011 £
David Pinckney (Chairman)	25,000	23,159
David Williams	20,000	12,688
Richard Abbott	10,000	-
Charles Conner	10,000	12,688

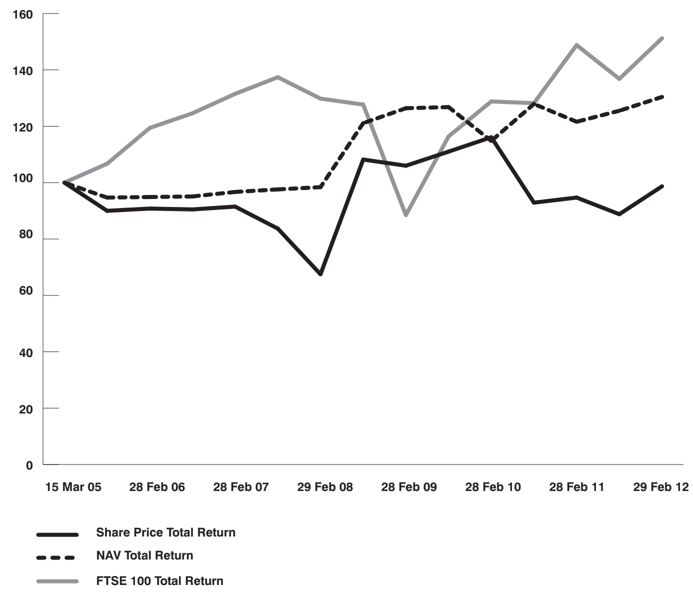
Charles Conner resigned on 1 September 2011 and Richard Abbott was appointed on 1 September 2011.

None of the Directors received any other remuneration during the year. In the prior year David Williams and Charles Conner were directors for only part of the year. As of 13 July 2010, the Chairman's fees were increased from £20,000 to £25,000 per year and the other directors' fees were increased from £15,000 to £20,000 per year. The increase was considered to be appropriate as the number of directors was reduced from four to three.

Company performance

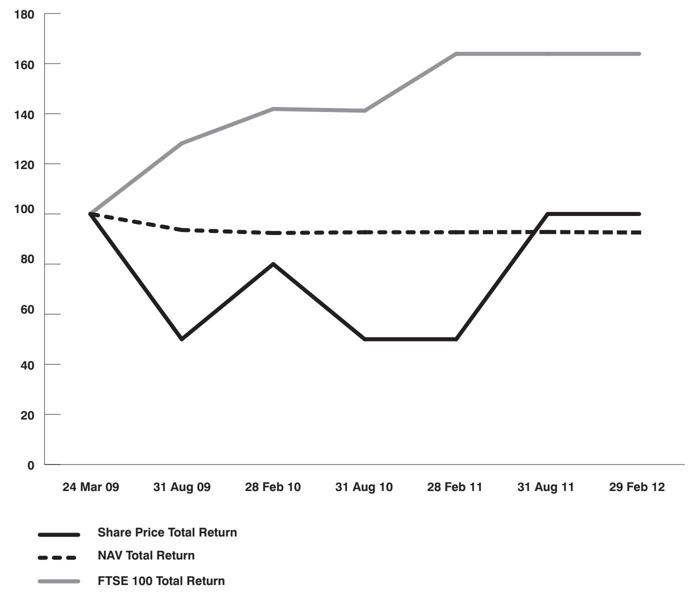
Due to the positioning of the Company in the market as a specialist VCT investing in companies that will develop, construct and operate small on-shore UK renewable energy projects, the Directors consider that, currently, there is no suitable company or index that can be identified for comparison. However in order to comply with the Directors' Remuneration Report Regulations 2002, the FTSE 100 Index has been used as a comparative.

Total shareholder return on ordinary shares



The graph demonstrates the change in value, in terms of Share Price Total Return[1] and NAV Total Return[2], based on £100 invested in ordinary shares on the date they were first listed on the London Stock Exchange (15 March 2005) over the period to 29 February 2012 compared with the total return attributable to £100 invested in companies comprising the FTSE 100 Index over the same period. The graph shows that there has been a net increase in shareholder return based on NAV, which is representative of the net upward revaluation of investments as detailed in the Investment Managers Report and dividends paid. The graph also demonstrates the discount to NAV of the share price of the ordinary shares as the total shareholder return based on share price is lower than that based on NAV.

Total shareholder return on "C" shares



The graph demonstrates the change in value, in terms of Share Price Total Return[1] and NAV Total Return[2], based on £100 invested in "C" shares on the date they were first listed on the London Stock Exchange (24 March 2009) over the period to 29 February 2012 compared with the total return attributable to £100 invested in companies comprising the FTSE 100 Index over the same period.

The graph demonstrates there has been no significant change in shareholder value during the year.

1 Share Price Total Return is the return attributable to the share price of the shares held assuming that dividends paid in respect of those shares were immediately reinvested in shares at the market price as at the date the dividends were paid.

2 NAV Total Return is the net asset value of the shares held plus the cumulative dividends paid to those shares over the period in which they were held.

By order of the Board

The City Partnership (UK) Limited
Secretary

31 May 2012

The Board of Ventus VCT plc has considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to member companies of the AIC.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

> the role of the chief executive

> executive directors' remuneration

> the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers the first two provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of the first two provisions. Following the breach of internal control within the previous Investment Manager reported in last year's annual report the Board has decided to appoint Roffe Swayne, an independent external party, to undertake an internal audit of the processes and procedures in place within the current Investment Manager.

In addition to the provisions above, the Directors acknowledge that the Company does not comply with the AIC Code in its recommendation that the chairman of a company may not chair the Audit Committee. However, the Board considers that, in view of his extensive international auditing experience, it is appropriate and in the interests of shareholders that David Pinckney, as Chairman of the Company, should also chair the Audit Committee. Also, the Company does not comply with the AIC Code in its recommendation that the Board appoints a senior independent director. However, the Board considers that as the directors are few in number the Company does not require a senior independent director.

Board of Directors

For the year ended 29 February 2012 the Board consisted of three Directors, all of whom are non-executive. The Board ensures that it has the appropriate balance of skills, experience, length of service and knowledge of the Company amongst its Directors. Biographical information on the Directors is shown on page 25.

Independence

In accordance with the Listing Rules of the Financial Services Authority, the Board has reviewed the independence of each Director and of the Board as a whole. Directors withdrew from discussions concerning their individual status. No Directors of the Company are directors of another company managed by the Investment Manager. The Board believes that each Director has demonstrated that he is independent in character and judgement and independent of the Investment Manager and therefore, that Mr Pinckney, Mr Williams and Mr Abbott are each considered independent.

Directorate changes

Charles Conner retired from the Board on 1 September 2011 to work on a full-time basis for the newly appointed Investment Manager, Temporis Capital LLP. During his tenure as a director he was employed on a part-time basis by the former Investment Manager, Climate Change Capital, and, therefore, was not considered to be independent.

Richard Abbott was appointed as an independent non-executive director on 1 September 2011. Following Charles Conner's decision to resign as a Director of the Company during the year due to his connection with the new Investment Manager the Board identified the skills and experience that would strengthen the Board. Due to the time constraints and the high quality of experience that Richard Abbot would bring to the Board, the Board felt there was no need to incur the cost of employing an external search consultancy or of advertising the position.

Directors' responsibilities

The Board meets at least quarterly and is in regular contact with the Investment Manager between these meetings. In addition, there were a number of ad-hoc meetings, including meetings related to the approval of the Half-Yearly Report and the Interim Management Statements. The number of meetings of the Board and the Audit Committee held during the year and the attendance of the Directors is shown in the table below:

	Held	Board Meetings Attended	Audit Committee Meetings Held	Audit Committee Meetings Attended
David Pinckney (Chairman)	12	12	4	4
Richard Abbott	4	3	1	1
Charles Conner	8	8	2	2
David Williams	12	12	4	4

Charles Conner resigned on 1 September 2011 and Richard Abbott was appointed on 1 September 2011.

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

The AIC Code states that the Board should have a formal schedule of matters specifically reserved to it for decision, to ensure that it has firm direction and control of the Company. The schedule of matters reserved to it includes the general investment strategy of the Company and the performance of the Company. The terms and conditions of appointment of non-executive Directors are available upon written application to the Company Secretary.

All Directors have direct access to the Company Secretary and independent advisers at the Company's expense provided prior clearance has been obtained from the Board. The Company Secretary is responsible to the Board for ensuring that Board and Committee procedures are followed and for compliance with applicable rules and regulations. The Company Secretary is also responsible to the Board for ensuring the timely delivery of information and reports and that the statutory obligations of the Company are met.

When Directors have concerns that cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns is encouraged to provide a written statement to the Chairman, for circulation to the Board.

Directors appointed by the Board to fill a vacancy are required to submit to election at the next annual general meeting. At each AGM of the Company one third of the Directors shall retire from office and, being eligible, be proposed for re-election. The Directors to retire will be those who have been longest in office or, in the case of those who were appointed or re-appointed on the same day, will be (unless they otherwise agree) determined by lot. The Company may by ordinary resolution remove any Director before his period of office has expired.

In accordance with the AIC Code, the Company has in place directors' and officers' liability insurance.

Upon joining the Board, new Directors will receive a full, formal and tailored induction. As the Company has no major shareholders, it is considered unnecessary to provide shareholders with the opportunity to meet new non-executive Directors at a specific meeting other than the AGM.

The performance of the Board, Audit Committee and individual Directors has been evaluated through an assessment process led by the Chairman who also considered the independence of the Directors and concluded that it considered all Directors to be independent.

The Directors seek to ensure that the Board has an appropriate balance of skills, experience and length of service. The biographies of the Directors shown on page 25 demonstrate the range of investment, commercial and professional experience that they contribute. The size and composition of the Board and Audit Committee is considered adequate for the effective governance of the Company. While the Board recognises the benefits of gender diversity, the priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors.

Audit Committee

The Audit Committee comprises David Pinckney, David Williams and Richard Abbott. Due to his extensive international auditing experience (detailed in the Directors' Information on page 25), it is deemed appropriate that David Pinckney is Chairman of both the Audit Committee and the Board of the Company. The Committee meets at least twice a year to review the audit plan, the Annual and Half-yearly Financial Statements before submission to the Board. The roles and responsibilities of the Audit Committee, including reviewing the Company's internal controls, risk management systems and monitoring auditor independence, are set out in written terms of reference and are available on the Company's website www.ventusvct.com. These are available upon written application to the Company Secretary. The Audit Committee has primary responsibility for making recommendations on the appointment, reappointment and removal of the external Auditor.

The appointment of PKF (UK) LLP as the Company's Auditor was approved by shareholders at the AGM held on 27 July 2011. The Board recommended the services of PKF (UK) LLP to the shareholders in view of the firm's extensive experience in auditing Venture Capital Trusts.

The Audit Committee reviews the nature and extent of non-audit services provided by the Company's external Auditor and ensures that the Auditor's independence and objectivity is safeguarded. During the year under review, the Company's external Auditor provided tax compliance services and a review of the half-yearly report. The Board believes that the appointment of the Auditor to supply these services was in the interest of the Company due to their knowledge of the Company and the VCT sector. The Auditor was, therefore, in a position to provide a greater efficiency of service compared to other potential providers of these services. The Board is satisfied that the fees charged and work undertaken did not affect the Auditor's objectivity as the proportion of the fees earned from the Company for other services was relatively small in relation to the audit fees. Also, the tax services were provided by a separate team and did not involve undertaking any internal review or management role nor did these services create any self review conflict over the preparation of the information reported in the accounts.

Nomination and Remuneration Committees

To date, no Nomination or Remuneration Committees have been established. The establishment of a Nomination Committee is not considered necessary as the appointment of new Directors and recommendations for the re-election of Directors are matters considered by the Board. Matters relating to remuneration of Directors, all of whom are non-executive, are considered by the Board and any Director is excluded from meetings whose purpose is the setting of his own remuneration.

Internal control

In accordance with the AIC Code, the Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which accords with the Turnbull guidance. The Board acknowledges that it is responsible for the Company's systems of internal control and financial reporting. Internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has delegated, contractually to third parties, the investment management, the custodial services (which include safeguarding the Company's assets), the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place for the year under review and up to the date of approval of the accounts. This process is regularly reviewed by the Board. As discussed in the Chairman's Statement the Company has appointed Roffe Swayne, an independent external party, to undertake an internal audit of the processes and procedures in place at the current Investment Manager. Roffe Swayne is expected to report to the Audit Committee in June 2012. The Board will continue to monitor and review the risk management process on a regular basis.

The Company has a clearly defined investment policy and process. Investment decisions are made by the Investment Manager after approval has been received from the Investment Committee of the Investment Manager. In certain circumstances investment decisions are referred to the Board for approval after due consideration of the recommendations of the Investment Committee of the Investment Manager. The Board performs regular reviews of the Company's performance in respect of the investments and other assets, liabilities, revenue and expenditure.

The Audit Committee reviews each of the Company's half-yearly and annual reports, interim management statements and associated announcements. The Audit Committee regularly reviews management accounts information to make comparisons to budget. The Audit Committee also regularly reviews the internal controls adopted and implements appropriate policies to deal with operational risks. The findings of the external Auditor in respect of internal controls and financial reporting are discussed at Audit Committee meetings and appropriate recommendations are made to the Board.

The principal features of the internal control systems which the Investment Manager has in place in respect of the Company's financial reporting include:

> authorisation limits over expenditure incurred by the Company;

> segregation of duties between the analysis of investment valuations, review of the assumptions made in valuing investments and the recording of these valuations in the accounting records;

> bank reconciliations, carried out on a regular basis; and

> review by the Audit Committee of financial information prior to its publication.

Appointment of the new Investment Manager

Given the significant breach of internal controls within the Company's former Investment Manager, Climate Change Capital Limited, and the uncertainties concerning resourcing of the investment management team (which were disclosed in last year's annual report), the Board considered that it was in the best interest of shareholders to appoint a new Investment Manager as soon as was possible. The Board attended presentations from the senior management of Temporis Capital LLP and reviewed the firm's protocols. The Board made the decision to appoint Temporis Capital LLP as Investment Manager knowing the key employees of the former Investment Manager, whom the Board wished to retain, would be transferred to Temporis Capital LLP. The change of Investment Manager was made with effect from 12 September 2011, with the agreement of Climate Change Capital Limited, at no cost to the Company.

Performance of the Investment Manager

The primary focus of regular Board meetings is to review the investment performance against the Company's stated investment policy and objectives. In doing so, the Board assesses the performance of the Investment Manager and considers whether the arrangements made between the Company and the Investment Manager are appropriate and in the interests of shareholders. The Board completed a formal assessment of the performance of the current Investment Manager and in the opinion of the Directors, the continuing appointment of Temporis Capital LLP as the Investment Manager, on the terms agreed, is in the interests of the shareholders. The Directors are satisfied that the Investment Manager will continue to manage the Company's investment programme in a way which will enable the Company to achieve its objectives.

Going concern

The Directors are required to consider the going concern status of the Company and prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. The going concern status of the Company is discussed in the Directors' Report on page 15.

Listing Rules disclosures: DTR 7.2.6

The Company has two classes of shares, ordinary and "C" shares, which carry no right to fixed income. Details of the Company's share capital, including the number of shares authorised and allotted, are set out in the Directors' Report on page 15.

At a general meeting of the Company, on a show of hands, every member who is present in person and entitled to vote shall have one vote and on a poll every member who is present in person or by proxy and entitled to vote shall have one vote for every share held.

Any profits of each share fund which the Company may determine to distribute in respect of any financial year shall be distributed among the shareholders pro rata according to the amounts paid up or credited as paid up on the shares held.

The capital and assets of the Company on a winding-up or other return of capital shall be applied in repaying to the shareholders the amounts paid up or credited as paid up on such shares and subject thereto shall belong to and be distributed according to the number of such shares held.

The identity of each of the shareholders with a significant holding as at the year end and the date of this report, including details of the size and nature of their holding, is disclosed in the Substantial Interests section of the Directors' Report.

As at the year end and date of this report the Company had no immediate or ultimate controlling parties and there were no shares in issue carrying special rights with regard to control of the Company.

In accordance with the Company's Articles of Association, subject to the provisions of the Companies Act 2006 and to any special rights conferred on the holders of any other shares, any shares may be issued with or have attached to them such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide.

The Company may by ordinary resolution appoint any person who is willing to act as a Director, either to fill a vacancy or as an additional Director. Each Director is to be appointed by separate resolution.

The Company may by special resolution make amendment to the Company's Articles of Association.

The powers of the Company's Directors in relation to the Company issuing or buying back its own shares are set out in the Director's Report.

Relations with shareholders

The Company communicates with shareholders and solicits their views where it is appropriate to do so. All shareholders are welcome at the AGM, which provides a forum for shareholders to ask questions of the Directors and to discuss with them issues affecting the Company. The Board is also happy to respond to any written queries made by shareholders during the course of the year. Shareholders may write to the Board of Ventus VCT plc at the following address: c/o The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh, EH2 1DF.

The Board as a whole approves the Chairman's Statement which forms part of the Annual and Half-yearly Reports to shareholders in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects. Notice of the AGM accompanies this Annual Report, which is sent to shareholders a minimum of 20 working days before the meeting.

A separate resolution is proposed at the AGM on each substantially separate issue. The Registrar collates the proxy votes, and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the UK Corporate Governance Code, proxy votes are announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The notice of the next AGM can be found at the end of these Financial Statements. A proxy form in respect of this meeting has been issued to shareholders separately.

For and on behalf of the Board

David Pinckney
Chairman

31 May 2012

The Company's Board comprises three Directors, all of whom are independent of the Manager. The Directors operate in a non-executive capacity and are responsible for overseeing the investment strategy of the Company. The Directors have wide experience of investment in both smaller growing companies and larger quoted companies. Information about the current Directors is set out below.

David Pinckney - Chairman

David Pinckney was, from 1998 until December 2003, first chief operating officer for the Far East and then Vice Chairman of AXA Investment Managers SA, the investment management arm of the AXA Group with over US$500 billion under management. He was a member of the Executive and Audit Committees. From 1987 to 1997, he was Group Finance Director and Joint Managing Director of The Thornton Group (a subsidiary of Dresdner Bank), which specialised in equity investment management, in particular in the Asia/Pacific region. From 1984 to 1986, he was Managing Director of Wrightson Wood Financial Services Limited, a company specialising in international corporate finance and venture capital. From 1963 to 1983, he was with Peat, Marwick Mitchell (now KPMG), where, in his last six years, he was Senior Audit Partner for France and French speaking Africa. He was non-executive Chairman of Park Row Group PLC from 2002 to 2003, when the Group was successfully sold. He is a Director of Albion Development VCT PLC. He was Chairman of DP Property Europe Limited (formerly Rutley European Property Limited) until July 2010 and was Chairman of Syndicate Asset Management PLC until 31 March 2010. He is a Chartered Accountant and an ''Expert Comptable'' (a French Accountant). He has been a member of the Board since October 2004.

David Williams

David Williams is a graduate Chartered Electrical Engineer who also holds qualifications in Management, Accountancy and Finance. He has been involved in renewable energy for 20 years. Following 19 years with utility company SWALEC, he started Energy Power Resources Limited (EPRL) in 1996 and shortly afterwards undertook a £25 million private placement, the UK's largest private placement in renewable energy, which enabled the company to generate over 100MW of base load capacity. David Williams was Chief Executive of EPRL until February 2002. He co-founded Eco2 in November 2002 and led negotiations on a £100 million funding deal with Good Energies Investments Limited and Bank of Tokyo Mitsubishi UFJ to build a wind farm in Scotland, Wales' first commercial scale biomass project and a number of other wind farm projects. He now leads an ambitious business plan to develop over £1 billion of biomass projects throughout Europe. David Williams was a member of the British government's Renewables Advisory Board and was previously an Independent Grant Assessor for the DTI. He has also been a member of the DEFRA Biomass Implementation Advisory Group and is a member of the Welsh Government's Energy and Environment Panel. He has been a member of the Board since July 2010.

Richard Abbott

Richard Abbott has had a successful career in investment banking having held senior positions at Morgan Grenfell, Deutsche Bank, and ABN-AMRO. He left investment banking 10 years ago since when he has concentrated on building businesses in private equity real estate and in the financial sector, also holding various non-executive directorships, one of which is Hardy (Underwriting Agencies) Limited a subsidiary of Hardy Underwriting Bermuda Plc where he also sits on the Investment and Finance Committee. He was a founder shareholder in Month End Money, the UK's leading payday loan company, which was sold in 2011. He has been a member of the Board since September 2011.

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

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm, to the best of their knowledge:

- that the Financial Statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- that the management report included within the Chairman's Statement, Investment Manager's Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The names and functions of all the Directors are stated on pages 25.

For and on behalf of the Board

David Pinckney
Chairman

31 May 2012

Directors
David Pinckney
Richard Abbott
David Williams

Investment Manager
Temporis Capital LLP
Berger House
36-38 Berkeley Square
London
W1J 5AE

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

Auditor
PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Registrars and Registered Office
Capita Registrars
The Registry
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Kent
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Principal Banker
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EC4N 4TR

VCT Taxation Adviser
PricewaterhouseCoopers LLP
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Broker
Matrix Corporate Capital LLP
One Vine Street
London
W1J 0AH

Solicitors
Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London
EC4R 9HA

Howard Kennedy LLP
19 Cavendish Square
London
W1A 2AW

We have audited the Financial Statements of Ventus VCT PLC for the year ended 29 February 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of Directors and auditor

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

Scope of the audit of the Financial Statements

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

Emphasis of matter – valuation of investments

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty in the valuation of the investment in Broadview Energy Limited.

Opinion on Financial Statements

In our opinion the Financial Statements:

> give a true and fair view of the state of the Company's affairs as at 29 February 2012 and of its profit for the year then ended;

> have been properly prepared in accordance with IFRSs as adopted by the European Union; and

> have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

> the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;

> the information given in the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and

> the information given in the Corporate Governance Statement set out on pages 21 to 24 in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the Financial Statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

> adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

> the Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

> certain disclosures of Directors' remuneration specified by law are not made; or

> we have not received all the information and explanations we require for our audit; or

> a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

> the Directors' statement, set out on page 15, in relation to going concern; and

> the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and

> certain elements of the report to the shareholders by the Board on Directors' remuneration.

Rosemary Clarke (Senior statutory auditor)
for and on behalf of
PKF (UK) LLP, Statutory auditor
London, UK

31 May 2012

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 29 February 2012

	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	9	-	(399)	(399)	-	-	-	-	(399)	(399)
Net unrealised gains on investments	9	-	1,612	1,612	-	-	-	-	1,612	1,612
Income	2	867	-	867	442	-	442	1,309	-	1,309
Investment management fees	3	(109)	(326)	(435)	(65)	(194)	(259)	(174)	(520)	(694)
Other expenses	4	(175)	-	(175)	(107)	(65)	(172)	(282)	(65)	(347)
Profit/ (loss) before taxation		583	887	1,470	270	(259)	11	853	628	1,481
Taxation	6	(120)	85	(35)	(71)	51	(20)	(191)	136	(55)
Profit/ (loss) and total comprehensive income for the year attributable to shareholders		463	972	1,435	199	(208)	(9)	662	764	1,426
Return per share:										
Basic and diluted return per share (p)	8	**2.83**	**5.94**	**8.77**	**1.76**	**(1.85)**	**(0.09)**			

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 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 35 to 51 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2011

		Ordinary Shares			"C" Shares			Total		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised gains on investments	9	-	861	861	-	-	-	-	861	861
Income	2	848	-	848	262	-	262	1,110	-	1,110
Investment management fees	3	(105)	(315)	(420)	(63)	(191)	(254)	(168)	(506)	(674)
Other expenses	4	(128)	-	(128)	(95)	-	(95)	(223)	-	(223)
Profit/(loss) before taxation		615	546	1,161	104	(191)	(87)	719	355	1,074
Taxation	6	(107)	66	(41)	(22)	49	27	(129)	115	(14)
Profit/ (loss) and total comprehensive income for the year attributable to shareholders		508	612	1,120	82	(142)	(60)	590	470	1,060
Return per share:										
Basic and diluted return per share (p)	8	**3.10**	**3.74**	**6.84**	**0.75**	**(1.29)**	**(0.54)**			

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 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 35 to 51 form an integral part of these Financial Statements.

	Note	As at 29 February 2012 Ordinary Shares £000	"C" Shares £000	Total £000	As at 28 February 2011 Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets							
Investments	9	17,173	8,183	25,356	16,256	3,960	20,216
Trade and other receivables	10	18	47	65	74	122	196
		17,191	8,230	25,421	16,330	4,082	20,412
Current assets							
Trade and other receivables	10	657	509	1,166	781	211	992
Cash and cash equivalents	11	397	1,700	2,097	160	6,242	6,402
		1,054	2,209	3,263	941	6,453	7,394
Total assets		18,245	10,439	28,684	17,271	10,535	27,806
Current liabilities							
Trade and other payables	12	(160)	(59)	(219)	(113)	(33)	(146)
Net current assets		894	2,150	3,044	828	6,420	7,248
Net assets		18,085	10,380	28,465	17,158	10,502	27,660
Equity attributable to equity holders							
Share capital	13	4,096	2,832	6,928	4,096	2,832	6,928
Share premium		1,067	7,874	8,941	1,067	7,874	8,941
Special reserve		10,437	-	10,437	10,437	-	10,437
Capital reserve – realised		(4,052)	(440)	(4,492)	(1,267)	(232)	(1,499)
Capital reserve – unrealised		6,318	-	6,318	2,561	-	2,561
Revenue reserve		219	114	333	264	28	292
Total equity		18,085	10,380	28,465	17,158	10,502	27,660
Basic and diluted net asset value per share (p)	14	**110.4**	**91.6**		**104.7**	**92.7**	

Approved by the Board and authorised for issue on 31 May 2012.

David Pinckney
Chairman

The accompanying notes on pages 35 to 51 form an integral part of these Financial Statements.

Ventus VCT plc. Registered No: 05205442

STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2012

Ordinary Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2011	4,096	1,067	10,437	(1,267)	2,561	264	17,158
Transfer of unrealised losses on investments to realised losses on investments	-	-	-	(2,145)	2,145	-	-
Profit and total comprehensive income for the year	-	-	-	(640)	1,612	463	1, 435
Dividends paid in the year	-	-	-	-	-	(508)	(508)
At 29 February 2012	4,096	1,067	10,437	(4,052)	6,318	219	18,085

"C" Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2011	2,832	7,874	-	(232)	-	28	10,502
Loss and total comprehensive income for the year	-	-	-	(208)	-	199	(9)
Dividends paid in the year	-	-	-	-	-	(113)	(113)
At 29 February 2012	2,832	7,874	-	(440)	-	114	10,380

Total	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2011	6,928	8,941	10,437	(1,499)	2,561	292	27,660
Transfer of unrealised losses on investments to realised losses on investments	-	-	-	(2,145)	2,145	-	-
Profit and total comprehensive income for the year	-	-	-	(848)	1,612	662	1,426
Dividends paid in the year	-	-	-	-	-	(621)	(621)
At 29 February 2012	6,928	8,941	10,437	(4,492)	6,318	333	28,465

All amounts presented in the Statement of Changes in Equity are attributable to equity holders. The reserves available for distribution comprise the revenue reserve. The special reserve may be used to fund buy-backs of shares as and when it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 35 to 51 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2011

Ordinary Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2010	4,096	1,067	10,437	(1,018)	1,700	329	16,611
Profit and total comprehensive income for the year	-	-	-	(249)	861	508	1,120
Dividends paid in the year	-	-	-	-	-	(573)	(573)
At 28 February 2011	4,096	1,067	10,437	(1,267)	2,561	264	17,158

"C" Shares	Share capital £000	Share premium £000	Share reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2010	1,731	4,813	-	(90)	-	(54)	6,400
Shares issued in the year	1,101	3,303	-	-	-	-	4,404
Issue Costs	-	(242)	-	-	-	-	(242)
Loss and total comprehensive income for the year	-	-	-	(142)	-	82	(60)
At 28 February 2011	2,832	7,874	-	(232)	-	28	10,502

Total	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2010	5,827	5,880	10,437	(1,108)	1,700	275	23,011
Shares issued in the year	1,101	3,303	-	-	-	-	4,404
Issue Costs	-	(242)	-	-	-	-	(242)
Profit and total comprehensive income for the year	-	-	-	(391)	861	590	1,060
Dividends paid in the year	-	-	-	-	-	(573)	(573)
At 28 February 2011	6,928	8,941	10,437	(1,499)	2,561	292	27,660

All amounts presented in the Statement of Changes in Equity are attributable to equity holders. The reserves available for distribution comprise the revenue reserve. The special reserve may be used to fund buy-backs of shares as and when it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 35 to 51 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

for the year ended 29 February 2012

	Year ended 29 February 2012			Year ended 28 February 2011		
	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
Cash flows from operating activities						
Investment income received	1,095	113	1,208	948	14	962
Deposit interest received	1	24	25	2	34	36
Investment management fees paid	(435)	(259)	(694)	(419)	(254)	(673)
Other cash payments	(158)	(138)	(296)	(120)	(103)	(223)
Cash generated from/ (used in) operations	503	(260)	243	411	(309)	102
Taxes paid	(67)	54	(13)	-	-	-
Net cash inflow/ (outflow) from operating activities	436	(206)	230	411	(309)	102
Cash flows from investing activities						
Purchases of investments	(64)	(5,298)	(5,362)	(1,090)	(4,010)	(5,100)
Proceeds from investments	360	1,075	1,435	-	375	375
Net cash inflow/ (outflow) from investing activities	296	(4,223)	(3,927)	(1,090)	(3,635)	(4,725)
Cash flows from financing activities						
"C" shares issued	-	-	-	-	3,960	3,960
"C" share issue costs	-	-	-	-	(242)	(242)
Ordinary shares to be issued	13	-	13	-	-	-
Dividends paid	(508)	(113)	(621)	(573)	-	(573)
Net cash (outflow)/ inflow from financing activities	(495)	(113)	(608)	(573)	3,718	3,145
Net increase/(decrease) in cash and cash equivalents	237	(4,542)	(4,305)	(1,252)	(226)	(1,478)
Cash and cash equivalents at the beginning of the year	160	6,242	6,402	1,412	6,468	7,880
Cash and cash equivalents at the end of the year	397	1,700	2,097	160	6,242	6,402

The accompanying notes on pages 35 to 51 form an integral part of these Financial Statements.

1. Accounting policies

Accounting convention

The 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 Financial Statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2009 ("SORP") is consistent with the requirements of IFRS, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP.

Accounting policy and disclosure

The accounting policies adopted are consistent with those of the previous financial year.

Standards and interpretations have been issued which will be effective for future reporting periods but have not been early adopted in these Financial Statements. These include IFRS 9, IAS 12, IFRS 10, IFRS 11, IFRS 12, IFRS 13, IAS 27, IAS 28, IAS 19, IAS1, IFRS 7/IAS 2 and IFRIC 20 . These changes are not expected to have a material impact on the transactions and balances reported in the financial statements.

Income

Income on investments is stated on an accruals basis, by reference to the principal outstanding and at the effective interest rates applicable. Interest receivable on cash and non-equity investments is accrued to the end of the year. No tax is withheld at source on interest income.

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

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except when expenses are split and charged partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. The investment management fee has been allocated 25% to revenue and 75% to capital, in order to reflect the Directors' expected long-term view of the nature of the investment returns of the Company.

Expenses have been allocated between the ordinary and "C" share funds on the basis of the number of shares in issue during the year, except when expenses are directly attributable to a particular share fund.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets or liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Due to the Company's status as a Venture Capital Trust, no provision for deferred taxation is required in respect of any realised or unrealised appreciation in the Company's investments.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Balance Sheet when the Company has become a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence (including counterparties with financial difficulties or in default on payments) that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and other short-term deposits held by the Company with maturities of less than three months. These short-term deposits are classified under cash equivalents as they meet the definition in IAS 7 "Cash Flow Statements" of a short-term highly liquid investment that is readily convertible into known amounts of cash and subject to insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received amount, net of direct issue costs.

Special reserve

The special reserve was created by approval of the High Court to cancel the Company's share premium account in respect of the shares issued in the initial offer for the Company's ordinary shares. The special reserve may be used to fund buy-backs of shares as and when it is considered by the Board to be in the interests of the shareholders.

Capital reserve - realised

This reserve includes gains and losses compared to cost on the realisation of investments and expenses, together with the related taxation effect, allocated to this reserve in accordance with the above policy on expenses.

Capital reserve – unrealised

This reserve includes increases and decreases in the valuation of investments held at fair value.

Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends and increases in fair value, all investments are designated as "fair value through profit or loss" on initial recognition. A financial asset is designated within this category if it is acquired, managed and evaluated on a fair value basis in accordance with the Company's documented investment policy. In the year of acquisition, investments are initially measured at cost, which is considered to be their fair value. Thereafter, the investments are measured at subsequent reporting dates on a fair value basis in accordance with IFRS. Gains or losses resulting from revaluation of investments are taken to the capital account of the Statement of Comprehensive Income.

Investments in unquoted companies and equity based derivatives are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines, using the most appropriate valuation methodology as determined by the Board. Where there has been a recent arm's length transaction between knowledgeable, willing parties, the "price of recent investment" methodology is used to determine the value of the investment. In the absence of a recent market transaction, unquoted investee companies with renewable energy generating plant constituting a substantial portion of their assets and which have proved stable operational performance for an acceptable period of time are valued using the discounted future cash flows from the underlying business, excluding interest accrued in the accounts to date. The period of time to assess stable operational performance will vary depending on the nature of the renewable energy technology that the investee company uses, but is typically between 6 and 18 months following completion of the construction phase. Investments in unquoted companies which have not demonstrated stable operational performance will be valued using the "price of recent investment" methodology, reviewed for impairment. Notwithstanding the above, the Board may determine that an alternative methodology should be used where this more appropriately reflects the fair value of an investment.

When an investee company has gone into receivership or liquidation or where there is no reasonable prospect of the investment recovering its value, the investment cost, although physically not disposed of, is treated as being realised.

The Company has taken the exemption, available to venture capital organisations under IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures,* from equity accounting for investments where it has significant influence or joint control.

The majority of money held pending investment is invested in financial instruments with same day or two-day access and as such is treated as cash and cash equivalents.

Key assumptions and key sources of estimation uncertainty

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. Estimates, by their nature, are based on judgement and available information. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of those assets which are designated as "fair value through profit or loss".

The key assumptions that have a significant impact on fair value in the discounted cash flow valuations are the discount factor used, the price at which the power and associated benefits can be sold and the amount of electricity the investee companies' generating assets are expected to produce. The discount factor applied to the cash flows is regularly reviewed by the Investment Committee of the Investment Manager to ensure it is set at the appropriate level. The Investment Committee and the Board will also give consideration to the specific performance characteristics of the particular type of generating technology being used. The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and government subsidies and is often fixed in the medium term under power purchase agreements. For periods outside the term of these agreements the assumed future prices are estimated using external third party market forecasts which take the form of specialist consultancy reports. Specifically commissioned external consultant reports are also used to estimate the expected electrical output from the investee company's generating assets taking into account their type and location. All of these key assumptions are reviewed regularly by the Investment Committee of the Investment Manager and the Board.

The valuation of the Company's holding of ordinary shares in Broadview Energy Limited (£2,597,000 in the ordinary share fund) is based on key assumptions which are subject to material uncertainty.

Broadview Energy Limited announced on 8 May 2012 that it had sold three of its wind farms to Infinis Wind Holdings Limited. The consideration received by Broadview Energy Limited for these assets has not been made public or disclosed to the Company, however the assets sold represented a major part of Broadview Energy Limited's value. In valuing the Company's holding in the ordinary shares of Broadview Energy Limited, the Investment Committee and the Board have made reasonable assumptions about the market value of the assets sold by Broadview Energy Limited. This analysis by the Investment Committee and the Board has been based on considerable information about the assets, but without specific knowledge of the price at which they were sold. The valuation of Broadview Energy Limited on a net asset basis is based in large part on this analysis. In the absence of knowing the price at which the assets were sold, there is an inherent uncertainty in the valuation of Broadview Energy Limited and a risk that it could vary to a material extent, in the context of the Company's portfolio, from a valuation that might be carried out using more complete information. The impact of applying alternative assumptions in determining the value of Broadview Energy Limited is set out in note 9.

Dividends payable

Dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established.

Segmental Reporting

The Directors consider that the Company has engaged in a single operating segment as reported to the chief operating decision maker which is that of investing in equity and debt. The chief operating decision maker is considered to be the Board.

2. Income

Year ended 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Income from investments			
Loan stock interest	725	418	1,143
Dividends	141	-	141
	866	418	1,284
Other income			
UK treasury bill income	-	6	6
Bank deposit interest	1	18	19
	867	442	1,309

Year ended 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Income from investments			
Loan stock interest	739	227	966
Dividends	107	-	107
	846	227	1,073
Other income			
UK treasury bill income	-	24	24
Bank deposit interest	2	11	13
	848	262	1,110

3. Investment management fees

Year ended 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Investment management fees	435	259	694

Year ended 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Investment management fees	420	254	674

The Investment Manager is entitled to an annual fee equal to 2.5% of the Company's net asset value ("NAV"). This fee is exclusive of VAT and is paid quarterly in advance. The fee covers the provision by the Investment Manager of investment management services as well as all accounting and administrative services together with the additional annual trail commission payable to authorised financial intermediaries. Total annual running costs are in aggregate capped at 3.6% of NAV (excluding the Investment Manager's performance-related incentive fee, any irrecoverable VAT and investment costs), with any excess being borne by the Investment Manager.

The Investment Manager will receive a performance-related incentive fee subject to the Company achieving certain defined targets. No incentive fee will be payable until the Company has provided a cumulative return to investors in the forms of growth in NAV plus payment of dividends ("the Return") of 60p per share. Thereafter, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Return in any accounting period exceeds 7p per share. The incentive fee is exclusive of VAT.

Temporis Capital LLP was appointed as Investment Manager on 12 September 2011 and Climate Change Capital Limited's appointment as Investment Manager was terminated on the same day with no notice period. The investment management agreement with Temporis Capital LLP may be terminated on 12 months' notice, given at any time after 12 September 2014. The terms of the new Investment Management Agreement remain substantially the same as previous agreement.

4. Other expenses

Year ended 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Revenue expenses:			
Directors' remuneration (note 5)	38	27	65
Fees payable to the Company's Auditor for:			
- *Audit of the Company's annual accounts*	17	12	29
- *Other services relating to taxation*	2	2	4
- *Other services*	5	4	9
Other expenses	113	62	175
	175	107	282
Capital expenses:			
Investment costs	-	65	65
	175	172	347

Year ended 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Revenue expenses:			
Directors' remuneration (note 5)	38	27	65
Fees payable to the Company's Auditor for:			
- *Audit of the Company's annual accounts*	14	9	23
- *Other services relating to taxation*	1	1	2
- *Other services*	4	3	7
Other expenses	71	55	126
	128	95	223

The audit of the Company's annual accounts includes an additional amount charged in respect of prior year overrun. Other services relating to taxation provided by the Company's Auditor related to corporation tax compliance. Other services provided by the Company's Auditor related to the review of the Half-yearly Report.

Investment costs of £65,000 include due diligence expenses of £52,000 which were to be recharged to investee companies but, as the investments did not proceed, the amounts receivable have been impaired in full. The balance of the investment costs of £13,000 were incidental to investments which have been made but the costs are not recoverable.

5. Directors' remuneration

Year ended 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
D Pinckney	15	10	25
D Williams	11	9	20
R Abbott	6	4	10
C Conner	6	4	10
Aggregate emoluments	38	27	65

Year ended 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
D Pinckney	14	9	23
A Moore	4	3	7
P Thomas	3	3	6
C Wood	3	2	5
D Williams	7	5	12
C Conner	7	5	12
Aggregate emoluments	38	27	65

Charles Conner resigned as a director on 1 September 2011 and Richard Abbott was appointed as a director on the same day. Further details regarding Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 19 to 20. The Company has no employees other than the directors.

6. Taxation

Year ended 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
(a) Tax charge/(credit) for the year			
Current UK corporation tax:			
Charged/ (credited) to revenue reserve	120	71	191
Credited to capital reserve	(85)	(51)	(136)
	35	20	55
(b) Factors affecting the tax charge/(credit) for the year			
Profit before taxation	1,470	11	1,481
Tax charge calculated on profit before taxation at the applicable rate of 26% (2011: 21%)	382	3	385
Effect of:			
UK dividends not subject to tax	(37)	-	(37)
Capital gains not subject to tax	(315)	-	(315)
Non-deductible expenses	5	17	22
	35	20	55

6. Taxation (continued)

Year ended 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
(a) Tax charge/(credit) for the year			
Current UK corporation tax:			
Charged to revenue reserve	107	22	129
Credited to capital reserve	(66)	(49)	(115)
	41	(27)	14
(b) Factors affecting the tax charge/(credit) for the year			
Profit/(loss) before taxation	1,161	(87)	1,074
Tax charge/(credit) calculated on profit/(loss) before taxation at the applicable rate of 21% (2010: 21%)	244	(18)	226
Effect of:			
UK dividends not subject to tax	(22)	-	(22)
Capital gains not subject to tax	(181)	-	(181)
Tax losses brought forward	-	(9)	(9)
	41	(27)	14

No provision for deferred taxation has been made on potential capital gains due to the Company's current status as a VCT under section 274 of the ITA and the Directors' intention to maintain that status. The Company intends to continue to meet the conditions required to maintain its status as a VCT for the foreseeable future.

7. Dividends

Ordinary shares	Year ended 29 February 2012 £000	Year ended 28 February 2011 £000
Amounts recognised as distributions to ordinary shareholders in the year:		
Amounts recognised as distributions to ordinary shareholders in the year:		
Previous year's final dividend of 1.60p per ordinary share (2011: 2.00p)	262	328
Current year's interim dividend of 1.50p per ordinary share (2011: 1.50p)	246	245
	508	573

Subject to approval of the final dividend, the total dividend to be paid to ordinary shareholders in respect of the financial year is set out below:

Ordinary shares	Year ended 29 February 2012 £000	Year ended 28 February 2011 £000
Interim dividend for the year ended 29 February 2012 of 1.50p per ordinary share (2011: 1.50p)	246	245
Proposed final dividend for the year ended 29 February 2012 of 1.75p per ordinary share (2011: 1.60p)	285	262
	531	507

"C" shares	Year ended 29 February 2012 £000	Year ended 28 February 2011 £000
Amounts recognised as distributions to "C" shareholders in the year:		
Previous year's final dividend of nil per "C" share *(2011:nil)*	-	-
Current year's interim dividend of 1.00p per "C" share *(2011: nil)*	113	-
	113	-

Subject to approval of the final dividend, the total dividend to be paid to "C" shareholders in respect of the financial year is set out below:

	Year ended 29 February 2012 £000	Year ended 28 February 2011 £000
Interim dividend for the year ended 29 February 2012 of 1.00p per "C" share (2011: nil)	113	-
Proposed final dividend for the year ended 29 February 2012 of 1.00p per "C" share (2011: nil)	113	-
	226	-

8. Basic and diluted return per share

For the year ended 29 February 2012		Ordinary Shares	"C" Shares
Revenue return for the year	*p per share*	2.83	1.76
Based on:			
Revenue return for the year	*£'000*	463	199
Weighted average number of shares in issue	*number of shares*	16,384,793	11,329,107
Capital gain/(loss) for the year	*p per share*	5.94	(1.85)
Based on:			
Capital gain/(loss) for the year	*£'000*	972	(208)
Weighted average number of shares in issue	*number of shares*	16,384,793	11,329,107
Net profit/(loss) for the year	*p per share*	8.77	(0.09)
Based on:			
Net gain/(loss) for the year	*£'000*	1,435	(9)
Weighted average number of shares in issue	*number of shares*	16,384,793	11,329,107

For the year ended 28 February 2011		Ordinary Shares	"C" Shares
Revenue return for the year	*p per share*	3.10	0.75
Based on:			
Revenue return for the year	*£'000*	508	82
Weighted average number of shares in issue	*number of shares*	16,384,793	10,919,208
Capital gain/(loss) for the year	*p per share*	3.74	(1.29)
Based on:			
Capital gain/(loss) for the year	*£'000*	612	(142)
Weighted average number of shares in issue	*number of shares*	16,384,793	10,919,208
Net profit/(loss) for the year	*p per share*	6.84	(0.54)
Based on:			
Net profit/(loss) for the year	*£'000*	1,120	(60)
Weighted average number of shares in issue	*number of shares*	16,384,793	10,919,208

There is no difference between the basic return per ordinary share and the diluted return per ordinary share or between the basic loss per "C" share and the diluted loss per "C" share because no dilutive financial instruments have been issued.

9. Investments

Year ended 29 February 2012		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
Opening position									
Opening cost	6,940	6,755	13,695	900	3,060	3,960	7,840	9,815	17,655
Opening unrealised gains/(losses)	2,599	(38)	2,561	-	-	-	2,599	(38)	2,561
Opening fair value	9,539	6,717	16,256	900	3,060	3,960	10,439	9,777	20,216
During the year									
Purchases at cost	-	64	64	4,000	1,298	5,298	4,000	1,362	5,362
Disposal proceeds	-	(360)	(360)	-	(1,075)	(1,075)	-	(1,435)	(1,435)
Realised losses	(217)	(182)	(399)	-	-	-	(217)	(182)	(399)
Unrealised gains	1,590	22	1,612	-	-	-	1,590	22	1,612
Closing fair value	10,912	6,261	17,173	4,900	3,283	8,183	15,812	9,544	25,356
Closing position									
Closing 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)
Closing unrealised gains/ (losses)	6,334	(16)	6,318	-	-	-	6,334	(16)	6,318
Closing fair value	10,912	6,261	17,173	4,900	3,283	8,183	15,812	9,544	25,356

During the year ended 29 February 2012, unrealised losses of £2,145,000 were transferred to realised losses in respect of investments held by the ordinary share fund at the year end but considered unlikely to recover in value as noted in the Investment Manager's Report.

Year ended 28 February 2011		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
Opening position									
Opening cost	6,558	6,047	12,605	-	325	325	6,558	6,372	12,930
Opening unrealised gains/(losses)	1,743	(43)	1,700	-	-	-	1,743	(43)	1,700
Opening fair value	8,301	6,004	14,305	-	325	325	8,301	6,329	14,630
During the year									
Purchases at cost	382	708	1,090	900	3,110	4,010	1,282	3,818	5,100
Investment proceeds	-	-	-	-	(375)	(375)	-	(375)	(375)
Unrealised gains	856	5	861	-	-	-	856	5	861
Closing fair value	9,539	6,717	16,256	900	3,060	3,960	10,439	9,777	20,216
Closing position									
Closing cost	6,940	6,755	13,695	900	3,060	3,960	7,840	9,815	17,655
Closing unrealised gains/ (losses)	2,599	(38)	2,561	-	-	-	2,599	(38)	2,561
Closing fair value	9,539	6,717	16,256	900	3,060	3,960	10,439	9,777	20,216

The shares held by the Company represent equity holdings in unquoted UK companies and equity based derivatives. The Investment Manager's Report on pages 3 to 13 provides details in respect of the Company's shareholding in each investment together with details of loans issued.

Through development funding agreements entered into by Redeven Energy Limited, the Company holds the right to invest in companies which hold lease options on sites for which Redeven Energy Limited obtains planning permission. The Investment Manager's Report provides further details in respect of this investment. The value of the ordinary share fund's investments in shares includes the value attributed to Redeven Energy Limited, which derives from the value of the investment rights attached to the development funding agreements.

Under IFRS 7, the Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

As at 29 February 2012, each of the Company's investments held was valued using inputs which are considered to be Level 3 inputs and a reconciliation of the movements is in the table above.

The Board has considered the key assumptions which may affect the results reported in the financial statements and the Company is further required to disclose the effect of changing one or more inputs with reasonable alternative assumptions where a significant change to the fair value measurement would result. The key assumptions that have a significant impact on the investment valuations that are valued using the discounted future cash flows are the discount factor used, the price at which power and associated benefits may be sold and the level of electricity the investee' companies generating assets are likely to produce.

The Board has determined that a reasonable alternative assumption may be made in respect of the discount factors applied; the sensitivity of the value of the portfolio to the application of an increase or decrease in discount factors is set out below.

The investment portfolio has been reviewed for the effect of alternative valuation inputs, namely the sensitivity of the total value of all investments to a 1% increase or decrease in the discount factors applied to the valuation models of investments which have been valued using the discounted future cash flows from the underlying business. The application of the upside alternative discount factor would have resulted in the total value of all investments having been £852,000 or 5.0% higher. The application of the downside alternative discount factor would have resulted in the total value of all investments having been £772,000 or 4.5% lower.

The future price at which power and associated benefits may be sold is estimated using forecasts produced by third party industry experts and, in the case of the wind energy assets, the energy yield is determined by wind yield analyses also prepared by third party industry experts (except in the case of Fenpower Limited which is based on the Investment Manager's analysis of Met Office data), therefore the Directors do not believe there are reasonable alternative assumptions for these inputs available.

As discussed in note 1, the assumptions used in determining the value of Broadview Energy Limited are considered to be subject to a high degree of uncertainty. The impact of applying other reasonable alternative assumptions in respect of the price for which the investee company's assets were recently sold and the value of the residual assets including cash would have resulted in the total value of all investments having been either £639,000 or 3.7% higher or £410,000 or 2.4% lower. However, in view of the uncertainty over the price of the assets sold, the range of the potential upside and downside valuations could be even greater.

10. Trade and other receivables

As at 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	18	47	65
	18	47	65
Current assets			
Accrued interest income	594	483	1,077
Other receivables	-	19	19
Prepayments	63	7	70
	657	509	1,166

As at 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	74	122	196
	74	122	196
Current assets			
Accrued interest income	767	103	870
Other receivables	5	48	53
Prepayments	9	6	15
Corporation tax	-	54	54
	781	211	992

Included in accrued interest income is loan stock interest totalling £65,000 (2011: £196,000) which is due after more than one year, which represents non-current assets. The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value.

11. Cash and cash equivalents

	Ordinary Shares Cash £000	Cash £000	Treasury Bills £000	"C" Shares Total £000	Cash £000	Treasury Bills £000	Total Total £000
As at 1 March 2011	160	1,046	5,196	6,242	1,206	5,196	6,402
Net increase/ (decrease)	237	654	(5,196)	(4,542)	891	(5,196)	(4,305)
As at 29 February 2012	397	1,700	-	1,700	2,097	-	2,097

	Ordinary Shares Cash £000	Cash £000	Treasury Bills £000	"C" Shares Total £000	Cash £000	Treasury Bills £000	Total Total £000
As at 1 March 2010	1,412	2,470	3,998	6,468	3,882	3,998	7,880
Net (decrease)/ increase	(1,252)	(1,424)	1,198	(226)	(2,676)	1,198	(1,478)
As at 28 February 2011	160	1,046	5,196	6,242	1,206	5,196	6,402

The increase in cash held by the ordinary share fund during the year was primarily due to investment income generated and proceeds from investments offset by payment of expenses and dividends.

The decrease in cash and cash equivalents held by the "C" share fund during the year was primarily attributable to the purchase of investments and payment of expenses, offset by investment income and proceeds from investments.

During the year, cash and cash equivalents comprised bank balances and cash held by the Company including UK treasury bills. The carrying amount of these assets approximates to their fair value.

12. Trade and other payables

As at 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	35	20	55
Other payables	27	6	33
Accruals	98	33	131
	160	59	219

As at 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	67	-	67
Trade payables	10	9	19
Accruals	36	24	60
	113	33	146

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

13. Share capital

Authorised	Ordinary Shares Number of shares of 25p each	£000	"C" Shares Number of shares of 25p each	£000	Total Number of shares of 25p each	£000
As at 1 March 2011	40,000,000	10,000	20,000,000	5,000	60,000,000	15,000
As at 29 February 2012	40,000,000	10,000	20,000,000	5,000	60,000,000	15,000

Allotted, called up and fully paid	Ordinary Shares Number of shares of 25p each	£000	"C" Shares Number of shares of 25p each	£000	Total Number of shares of 25p each	£000
As at 1 March 2011	16,384,793	4,096	11,329,107	2,832	27,713,900	6,928
As at 29 February 2012	16,384,793	4,096	11,329,107	2,832	27,713,900	6,928

Authorised	Ordinary Shares Number of shares of 25p each	£000	"C" Shares Number of shares of 25p each	£000	Total Number of shares of 25p each	£000
At 1 March 2010	40,000,000	10,000	20,000,000	5,000	60,000,000	15,000
At 28 February 2011	40,000,000	10,000	20,000,000	5,000	60,000,000	15,000

Allotted, called up and fully paid	Ordinary Shares Number of shares of 25p each	£000	"C" Shares Number of shares of 25p each	£000	Total Number of shares of 25p each	£000
At 1 March 2010	16,384,793	4,096	6,924,686	1,731	23,309,479	5,827
Allotted, called up and fully paid during the year	-	-	4,404,421	1,101	4,404,421	1,101
At 28 February 2011	16,384,793	4,096	11,329,107	2,832	27,713,900	6,928

At 29 February 2012 the Company had two classes of shares which carry no right to fixed income. The rights and obligations attaching to the Company's shares are set out in the Corporate Governance Statement on page 23.

14. Basic and diluted net asset value per share

The calculation of net asset value per ordinary share as at 29 February 2012 of 110.4p (2011: 104.7p) is based on net assets of £18,085,000 (2011: £17,158,000) divided by 16,384,793 (2011: 16,384,793) ordinary shares in issue at that date. The net asset value per "C" share as at 29 February 2012 of 91.6p (2011: 92.7p) is based on net assets of £10,380,000 (2011: £10,502,000) divided by 11,329,107 (2011: 11,329,107) "C" shares in issue at that date.

15. Events after the year end

At the general meeting held on 8 March 2012 the authorised share capital was increased from £15,000,000 to £17,500,000 by the creation of 10,000,000 ordinary shares of 25p each.

On 30 March 2012, in accordance with the terms of the Tender Offer and Offer proposed in a circular dated 3 February 2012 and subsequently approved by shareholders on 8 March 2012 a total of 6,256,089 ordinary shares were purchased for cancellation at a price of 100.0p per ordinary share and a total of 6,137,354 ordinary shares of 25p each in the Company were allotted in respect of the shares tendered for cancellation at a price of 105.5p per ordinary share.

On 3 April 2012 a total of 90,000 ordinary shares were purchased for cancellation at a price of 100.0p per ordinary share and a total of 88,293 ordinary shares of 25p each in the Company were allotted in respect of the shares tendered for cancellation at a price of 105.5p per ordinary share. In addition, 43,196 ordinary shares were allotted at a price of 105.5p per ordinary share under the offer for issue of ordinary shares.

Ordinary shareholders who participated in the Tender Offer were obliged to participate in the Share Offer under which they received additional ordinary shares in the Company equal to 3.5% of the amount subscribed with the proceeds from the Tender Offer.

Following the cancellation and allotments described above, the issued share capital of the Company is 16,307,547 ordinary shares and 11,329,107 "C" shares.

Since the year end, Renewable Power Systems Limited has repaid a further £100,000 of loan principal together with interest accrued to 30 April 2012.

On 4 May 2012, BEGL 2 Limited and BEGL 3 Limited each repaid £500,000 plus accrued interest of £100,000 to the Company's "C" share fund representing full repayments of the loans.

16. Financial instruments and risk management

The Company's financial instruments comprise investments in unquoted companies, cash and cash equivalents, trade and other receivables and trade and other payables. The investments in unquoted companies and UK treasury bills are categorised as "fair value through profit or loss" and the other financial instruments are initially recognised at fair value and subsequently at amortised cost. The main purpose of these financial instruments is to generate revenue and capital appreciation.

The Company has not entered into any derivative transactions and has no financial asset or liability for which hedge accounting has been used.

The main risks arising from the Company's financial instruments are investment risk, interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks, and they are summarised below. These policies have remained unchanged since the beginning of the financial year.

Interest rate risk profile of financial assets and financial liabilities

Financial assets

As at 29 February 2012

Ordinary Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	10,912	n/a	n/a	n/a
Loan stock	6,261	0% - 13.5%	10.50%	9.6 years
Loans and receivables:				
Cash	397	0% - 0.56%	0.00%	n/a
Accrued interest income	612	n/a	n/a	n/a

"C" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	4,900	n/a	n/a	n/a
Loan stock	3,283	11% - 13%	12.20%	6.7 years
Loans and receivables:				
Cash	1,700	0% - 0.56%	0.50%	n/a
Accrued interest income	530	n/a	n/a	n/a

As at 28 February 2011

Ordinary Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	9,539	n/a	n/a	n/a
Loan stock	6,717	0% - 13.5%	11.45%	10.7 years
Loans and receivables:				
Cash	160	0% - 0.56%	0.00%	n/a
Accrued interest income	841	n/a	n/a	n/a

"C" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	900	n/a	n/a	n/a
Loan stock	3,060	10% - 13%	9.17%	5.4 years
UK treasury bills	5,196	0.50% - 0.51%	0.50%	51 days
Loans and receivables:				
Cash	1,046	0% - 0.56%	0.56%	n/a
Accrued interest income	225	n/a	n/a	n/a

The interest rates determining the weighted average interest rates in the tables above are the contractual rates.

The impact of applying a reasonable sensitivity in interest rates to cash on deposit is not significant.

Other than certain accrued interest income receivable amounts, the Company's trade and other receivables did not hold a right to interest income. Interest income is accrued on interest income receivable amounts which have been deferred for payment by investee companies.

Interest income earned from loan stock held by both the ordinary share fund and "C" share fund is not subject to movements resulting from market interest rate fluctuations as the rates are fixed, therefore this income presents a low interest rate risk profile. However, interest earned from loan stock remains exposed to fair value interest rate risk when bench-marked against market rates.

The risk from future fluctuations in interest rate movements should be mitigated by the Company's intention to complete its investment strategy and to hold a majority of its investments in instruments which are not exposed to market interest rate changes.

Financial liabilities

The Company has no guarantees or financial liabilities other than the accruals. All financial liabilities are categorised as other financial liabilities.

Currency exposure

All financial assets and liabilities are held in sterling, hence there is no foreign currency exchange rate exposure.

Borrowing facilities

The Company has no committed borrowing facilities as at 29 February 2012 (2011: £nil).

Investment risk

As a VCT, it is the Company's specific business to evaluate and control the investment risk in its portfolio of unquoted companies, the details of which are discussed in the Investment Manager's Report.

Investment price risk

Investment price risk is the risk that the fair value of future investment cash flows will fluctuate due to factors specific to an investment. The Company aims to mitigate the impact of investment price risk by adhering to its investment policy of risk diversification, as described in the Investment Manager's Report.

The sensitivity of the ordinary share fund to a 10% increase or decrease in valuation would be an increase or decrease in the profit before tax of the share fund of £1,717,000 (2011: £1,626,000) or 116.82% (2011: 140.02%) and an increase or decrease in net asset value of the same amount or 9.50% (2011: 9.47%).

The sensitivity of the "C" share fund to a 10% increase or decrease in valuation would be an increase or decrease in the profit before tax of the share fund of £818,000 (2011: £396,000) or 7,439.09% (2011: 455.17%) and an increase or decrease in net asset value of the same amount or 7.88% (2011: 3.77%).

A 10% variable is considered to be a suitable factor by which to demonstrate a potential change in fair value over the course of a year. The analysis assumes no tax effect applied on the gain or loss.

Liquidity risk

Due to the nature of the Company's investments, it is not possible, easily, to liquidate investments in ordinary shares and loan stock. The main cash outflows are made for investments and dividends, which are within the control of the Company, and operating expenses which are reasonably predictable. In this respect, the Company may manage its liquidity risk by making prudent forecasts in respect of realising future cash proceeds from its investments and holding sufficient cash to enable it to fund its obligations. The cash equivalents are held on deposit or in UK treasury bills and are therefore readily convertible into cash.

16. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Company is also exposed to credit risk through its receivables, investments in loan stock and through cash held on deposit with banks.

The Investment Manager evaluates credit risk on loan stock prior to making investments as well as monitoring ongoing exposures. Loan stock has a fixed charge or a fixed and floating charge over the assets of the investee company in order to mitigate the gross credit risk. The Investment Manager regularly reviews management accounts from investee companies and generally appoints directors to sit on their boards in order to identify and manage the credit risk.

Cash is held on deposit with banks which are AA rated (or equivalent) financial institutions. Consequently, the Directors consider that the risk profile associated with cash deposits is low and the carrying value in the Financial Statements approximates to fair value.

The maximum credit risk of the Company is £12.87 million (2011: £17.34 million) of which the ordinary share fund is exposed to £7.33 million and the "C" share fund is exposed to £5.54 million.

The tables below set out the amounts receivable which were past due but not individually impaired as at 29 February 2012 and the extent to which they were past due:

Ordinary Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	4,177	4,097	-	80
Accrued interest	214	202	7	5
Past due	4,391	4,299	7	85

"C" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	1,610	-	200	1,410
Accrued interest	198	86	82	30
Past due	1,808	86	282	1,440

The amounts past due for payment represent interest due on loan investments. The accrued interest on these loans is expected to be paid as the underlying generators become operational. In this analysis, the loan principal amounts on which the interest has accrued are included as past due.

Of the amounts past due to be paid to the ordinary shares fund as at 29 February 2012, £202,000 in respect of loans with a carrying value of £4,097,000 have been repaid since the year end. Of the amounts past due to be paid to the "C" share fund as at 29 February 2012, £146,000 in respect of loans with a carrying value of £1,200,000 have been repaid since the year end.

The tables below set out the amounts receivable which were past due but not individually impaired as at 28 February 2011 and the extent to which they were past due:

Ordinary Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	4,581	4,581	-	-
Accrued interest	294	188	81	25
Receivables past due	4,875	4,769	81	25

"C" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	910	910	-	-
Accrued interest	16	16	-	-
Receivables past due	926	926	-	-

The expected timing of receipt of trade and other receivables is presented below:

Ordinary Shares	**Total £000**	**Within 1 year £000**	**Between 1 and 2 years £000**	**Over 2 years £000**
Accrued interest income	612	594	-	18
	612	594	-	18

"C" Shares	**Total £000**	**Within 1 year £000**	**Between 1 and 2 years £000**	**Over 2 years £000**
Accrued interest income	530	476	-	54
Other receivables	19	19	-	-
	549	495	-	54

17. Contingencies, guarantees and financial commitments

The Company has entered into the following agreements:-

On 4 April 2006, the Company registered a charge over its shares in Fenpower Limited to Alliance & Leicester plc (now Santander UK plc) as security for a senior loan facility of £4.8 million raised by Fenpower Limited to finance the construction costs of the 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 Fenpower Limited.

On 31 July 2006, the Company registered a charge over its shares in Craig Wind Farm Limited to Alliance & Leicester Commercial Bank plc (now Santander UK plc) as security for a senior loan facility of £7.6 million raised by Craig Wind Farm Limited to finance the construction costs of the 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 Craig Wind Farm Limited.

On 20 December 2006, the Company registered a charge over its shares in A7 Greendykeside Limited to Alliance & Leicester Commercial Bank plc (now Santander UK plc) as security for a senior loan facility of £3.5 million raised by A7 Greendykeside Limited to finance the construction costs of the 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 A7 Greendykeside Limited.

On 2 April 2008, the Company registered a charge over its shares in Redimo LFG Limited to Alliance & Leicester Commercial Finance plc as security for a senior loan facility of £16.9 million raised by Redimo LFG Limited. The charge includes all existing and future shares that the Company owns in Redimo LFG Limited and therefore includes the 5,000 shares the Company acquired on 19 December 2008 and the further 4,000 shares the Company acquired on 18 February 2009. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Redimo LFG Limited, which is valued at nil at 29 February 2012 and recognised as a realised loss for the reasons described in the Investment Manager's Report.

On 22 October 2008, the Company registered a charge over its shares in Achairn Energy Limited to Alliance & Leicester Commercial Finance plc (now Santander Asset Finance plc) as security for a senior loan facility of £6.9 million raised by Achairn Energy Limited to finance the construction costs of the 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 Achairn Energy Limited.

On 28 November 2008, the Company registered a charge over its shares in A7 Lochhead Limited to Alliance & Leicester Commercial Finance plc (now Santander Asset Finance plc) as security for a senior loan facility of £7.8 million raised by A7 Lochhead Limited to finance the construction costs of the 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 A7 Lochhead Limited.

On 15 January 2010, the Company registered a charge over its shares in Greenfield Wind Farm Limited to The Co-operative Bank plc as security for a senior loan facility of £18.3 million raised by Greenfield Wind Farm Limited to finance the construction costs of the 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 Greenfield Wind Farm Limited.

On 26 July 2011, the Company registered a charge over its shares in White Mill Wind Farm Limited to The Co-operative Bank plc as security for a senior loan facility of up to £15.5 million raised by White Mill Wind Farm Limited to finance the construction costs of the 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 White Mill Wind Farm Limited.

The Company had no other contingencies, financial commitments or guarantees as at 29 February 2012.

18. Related party transactions

The Company retains Temporis Capital LLP as its Investment Manager. Details of the agreement with the Investment Manager are set out in note 3 of the Financial Statements. Temporis Capital LLP was also the Investment Manager of Ventus 2 VCT plc during the year. At 29 February 2012, Ventus VCT plc holds certain of its investments in common with Ventus 2 VCT plc as detailed in the Investment Manager's Report. At 29 February 2012, the Company's ordinary share fund owed £4,326 to Ventus 2 VCT plc and the "C" share fund owed £300 to Ventus 2 VCT plc (2011: Ventus 2 VCT plc owed £556 to the Company).

The investee companies in which the Company has a shareholding of 20% or more, as identified in the Investment Manager's Report, are related parties. The aggregate balances at the balance sheet date and transactions with these companies during the year are summarised below:

As at 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Balances			
Investments - shares	7,827	4,900	12,727
Investments - loan stock	5,976	1,673	7,649
Accrued interest income	597	301	898
Transactions			
Loan stock interest income	689	177	866
Dividend income	135	-	135

As at 28 February 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Balances			
Investments - shares	6,270	900	7,170
Investments – loan stock	6,436	1,000	7,436
Accrued interest income	789	124	913
Transactions			
Loan stock interest income	700	124	824
Dividend income	107	-	107

19. Controlling party

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

20. Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to continue to provide returns for shareholders.

The requirements of the VCT regulations and the fact that the Company has a policy of not having any borrowings, means that there is limited scope to manage the Company's capital structure. However, to the extent to which it is possible, the Company can maintain or adjust its capital structure by adjusting the amount of dividends paid to shareholders, purchasing its own shares or issuing new shares.

The Board considers the Company's net assets to be its capital.

The Company does not have any externally imposed capital requirements.

There has been no change in the objectives, policies or processes for managing capital from the previous year.

Notice is hereby given that the AGM of Ventus VCT plc will be held at 12 noon on Tuesday, 24 July 2012 at the offices of Howard Kennedy LLP, 19 Cavendish Square, London, W1A 2AW, for the purpose of considering and, if thought fit, passing the following Resolutions (of which, Resolutions 1 to 7 will be proposed as Ordinary Resolutions and Resolutions 8 to 10 will be proposed as Special Resolutions):

Ordinary Business

1. To receive the Company's audited Annual Report and Financial Statements for the year ended 29 February 2012.
2. To declare a final dividend of 1.75p per ordinary share and 1.00p per "C" share in respect of the year ended 29 February 2012.
3. To approve the Directors' Remuneration Report for the year ended 29 February 2012.
4. To elect Mr Richard Abbott as a Director of the Company.
5. To re-elect Mr David Pinckney as a Director of the Company.
6. To re-appoint PKF (UK) LLP as Auditor of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
7. To authorise the Directors to determine the remuneration of the Auditor.

Special Resolutions

8. To approve the cancellation of the share premium accounts of the ordinary shares and the "C" shares of the Company.
9. To approve the amendment of the Company's Articles of Association to delete Article 119 (Distribution of Realised Capital Profits).
10. That the Company be and is hereby generally and unconditionally authorised to make market purchases within the meaning of Section 693(4) of the Act of ordinary shares of 25p each and "C" shares of 25p each in the capital of the Company provided that:

(i) The maximum aggregate number of shares hereby authorised to be purchased is 2,444,501 ordinary shares and 1,698,233 "C" shares, representing 14.99% of the current issued share capital of each class;

(ii) The minimum price which may be paid for a share is 25p per share;

(iii) The maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of; (a) 105% of the average of the middle market prices shown in the 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; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

(iv) The authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company to be held in 2013 and the date which is 18 months after the date on which this resolution is passed; and

(v) The Company may make a contract or contracts to purchase its own 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 its own shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By order of the Board

The City Partnership (UK) Limited
Secretary

31 May 2012

White Mill Windfarm,
Cambridgeshire.

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