Ventus 2 VCT plc

Half-yearly Financial Report

for the six month period ended 31 August 2012

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Ventus 2 VCT plc invests in companies that develop, construct and operate renewable energy projects.

Registered No: 5667210

Cover: Allt Dearg Wind Farm near Lochgilphead in Argyll (Photograph: James F. Lithgow).

I am pleased to present the financial report of Ventus 2 VCT plc (the "Company") for the six month period ended 31 August 2012.

Overview

The period has seen significant uplifts in the net asset value of both of the Company's share funds. After payment of the final dividends for the year ended 29 February 2012, the NAV per ordinary share increased by 12.0p and the NAV per "C" share increased by 12.6p.

The ordinary share fund has a portfolio of four companies with operational wind farms and one company which operates landfill gas generators, all of which are generating strong cash yields in the form of dividends and loan interest payments. The ordinary share fund's investment in Osspower Limited was written up by £1.49 million during the period as the small hydro scheme built by this investee company became operational.

The "C" share fund's portfolio now includes two companies with operating wind farms, a company with a wind farm in construction and four other companies developing wind farms.

In the Company's most recent annual report, which was published on 31 May 2012, the Directors set out their intentions and objectives with respect to future dividends. The Directors stated their intention to pay a minimum annual dividend of 3.5p per ordinary share for the next three years and an annual dividend of 3p to 4p per share per "C" share for the next two years. The Directors affirm these intentions and believe that, for the year ending 28 February 2013, the Company will be in a position to pay full-year dividends in line with the statements in the most recent annual report, that is, at least 3.5p per ordinary share and at least 3p per "C" share. It should be stressed that these are intentions only, and no forecasts are intended or are to be inferred.

The "C" share fund has approximately £2.6 million of cash available to be invested. The Investment Manager has identified suitable investments to invest these funds and expects the "C" share fund to be substantially invested by the end of the financial year.

Group

The Company has a shareholding of 60% of the ordinary shares issued by each of Redeven Energy Limited and Spurlens Rig Wind Limited. These shareholdings constitute controlling interests therefore these companies are subsidiaries of the Company. The consolidated financial statements of the Company and its subsidiaries (the "Group") are presented in this half-yearly report.

Net Asset Value, Results and Dividend – Ordinary Shares

At 31 August 2012, the net asset value of the ordinary share fund of the Company attributable to equity shareholders stood at £17,292,000 or 70.8p per ordinary share. At 31 August 2012, the net asset value of the Group attributable to equity holders stood at £16,899,000.

The Group's revenue profit attributable to ordinary shareholders for the six month period ended 31 August 2012 was £663,000 or 2.70p per ordinary share. The Group's capital gain attributable to ordinary shareholders for the period was £2,420,000 or 9.90p per ordinary share, resulting in a net gain to ordinary shareholders for the period of £3,083,000 or 12.60p per ordinary share (six months ended 31 August 2011: net loss of £3,770,000 or 15.36p per ordinary share; year ended 29 February 2012: net loss of £3,967,000 or 16.15p per ordinary share).

The value of investments and investments in subsidiaries held by the Company's ordinary share fund at 31 August 2012 was £14,205,000 compared to £13,048,000 at 29 February 2012. During the six months to 31 August 2012, the Company received a repayment of its loan investment with Broadview Energy Limited of £1,800,000 plus interest which has significantly improved the cash position of the Company. The Investment Manager's Report gives details of investments made during the period together with information about the valuation of all investee company holdings within the portfolio.

The income generated in the ordinary share fund during the period comprised interest earned on loan stock and cash deposits, fees earned on loan stock and dividends earned from investee companies. Total income attributable to the ordinary share fund for the six month period to 31 August 2012 was £921,000 compared to £505,000 for the six month period ended 31 August 2011. The increase in revenue was due to higher dividends from wind farm investee companies which resulted from higher output during last winter, a significant dividend from Renewable Power Systems (Dargan Road) Limited which followed the sale of a generator and an early repayment fee on the loan made to Broadview Energy Limited which was repaid during the period.

The Company has declared an interim dividend of 1.75p per ordinary share which will be paid on 16 January 2013 to all ordinary shareholders on the register as at the close of business on 14 December 2012.

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

At the period end, the net asset value per "C" share of the Company stood at £11,834,000 or 104.5p per "C" share. The revenue profit attributable to "C" shareholders for the period was £143,000 or 1.26p per "C" share. The capital gain attributable to "C" shareholders for the period was £1,390,000 or 12.28p per "C" share, resulting in a net profit attributable to "C" shareholders for the six months ended 31 August 2012 of £1,533,000 or 13.54p per "C" share (six months ended 31 August 2011: net profit of £42,000 or 0.37p per "C" share; year ended 29 February 2012: net loss of £59,000 or 0.51p per "C" share).

The value of investments held at 31 August 2012 by the "C" share fund was £8,483,000 compared to £8,183,000 at 29 February 2012.

The income generated in the "C" share fund during the period comprised interest and fees earned on loan stock investments and cash on deposit. Total income attributable to the "C" share fund for the six months to 31 August 2012 was £275,000 (six months ended 31 August 2011: £210,000). The increase in income resulted from recognition of a facility fee of £90,000 on a short-term loan, offset by a reduction in interest income resulting from loan investments having been repaid during the period.

The Company has declared an interim dividend of 1.20p per "C" share which will be paid on 16 January 2013 to all "C" shareholders on the register as at the close of business on 14 December 2012.

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

Group Key Performance Indicators

Results and dividends

For the six months ended 31 August 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	663	2.70	143	1.26	806
Capital gain attributable to equity shareholders	2,420	9.90	1,390	12.28	3,810
Net gain attributable to equity shareholders	3,083	12.60	1,533	13.54	4,616
Dividends paid during the year	(562)	(2.30)	(113)	(1.00)	(675)
Total movement in equity shareholders' funds	2,521	10.30	1,420	12.54	3,941
		%		%	%
On-going charges ratio[2]		1.22%		3.07%	1.98%

As at 31 August 2012	Ordinary Shares £000	Ordinary Shares Pence per share[1]	"C" Shares £000	"C" Shares Pence per share[1]	Total £000
Net asset value[3]	16,899	69.2	11,834	104.5	28,733
Total shareholder return[4]	19,013	82.4	12,060	106.5	31,073

Company Key Performance Indicators

Results and dividends

For the six months ended 31 August 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	665	2.72	143	1.26	808
Capital gain attributable to equity shareholders	2,802	11.46	1,390	12.28	4,192
Net gain attributable to equity shareholders	3,467	14.18	1,533	13.54	5,000
Dividends paid during the year	(562)	(2.30)	(113)	(1.00)	(675)
Total movement in equity shareholders' funds	2,905	11.88	1,420	12.54	4,325
		%		%	%
On-going charges ratio[2]		1.20%		3.07%	1.96%

As at 31 August 2012	Ordinary Shares £000	Ordinary Shares Pence per share[1]	"C" Shares £000	"C" Shares Pence per share[1]	Total £000
Net asset value[3]	17,292	70.8	11,834	104.5	29,126
Total shareholder return[4]	19,406	84.0	12,060	106.5	31,466

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

2 The on-going charges ratio represents the Group or Company's total operating expenditure respectively during the period (excluding irrecoverable VAT, tender costs and investment costs) as a percentage of the net asset value of the Group attributable to equity holders or the net asset value of the Company at the period end respectively, as determined in the Investment Management Agreement.

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

4 The total shareholder return represents the net asset value of the Group attributable to equity holders at period end plus the cumulative dividends paid since incorporation.

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

Investments

As at 31 August 2012, the ordinary share fund of the Company held investments in 16 companies including two subsidiaries, with a total value of £14.21 million. The "C" share fund held investments in eight companies with a total investment value of £8.48 million.

The Investment Manager's Report provides details of the investments held as at 31 August 2012. All investments are structured so as to be treated as qualifying holdings for the purposes of VCT regulations, unless otherwise stated.

Principal Risks and Uncertainties

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

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

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

> Inadequate control environment at service providers

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

> Non-compliance with the Listing Rules of the Financial Services Authority, Companies Act legislation, HMRC 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.

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

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

VCT Qualifying Status

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

Alan Moore OBE
Chairman

29 October 2012

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

(a) the condensed financial statements have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting* and give a true and fair view of the assets, liabilities and financial position of the Company and Group and the profit of the Group as required by Disclosure and Transparency Rule (“DTR”) 4.2.4R;

(b) the interim management report, included within the Chairman’s Statement and Investment Manager’s Report, includes a fair review of the information required by DTR 4.2.7R, being the significant events of the first half of the year and the principal risks and uncertainties for the remaining six months of the year; and

(c) the financial statements include a fair review of related party transactions and changes thereto, as required by DTR 4.2.8R.

The Responsibility Statement has been approved by the Board.

Paul Thomas
Director

29 October 2012

Temporis Capital LLP (the "Investment Manager") presents a review of the investment activities of the Company since the last annual report.

Ordinary share portfolio

A summary of the ordinary share fund's investment valuations as at 31 August 2012 and gains and losses during the six months ended 31 August 2012 is given below.

Ordinary Shares		Voting rights as at 31 August 2012 %	Investment value: Shares as at 31 August 2012 £000	Investment value: Loans as at 31 August 2012 £000	Investment value: Total as at 31 August 2012 £000	Investment cost: Shares as at 31 August 2012 £000	Investment cost: Loans as at 31 August 2012 £000	Investment cost: Total as at 31 August 2012 £000	Gain/(loss) in the six months to 31 August 2012 £000	Investment value Total as at 29 February 2012 £000	Investment cost Total as at 29 February 2012 £000
Operational: Wind											
Craig Wind Farm Limited*	Q	12.50%	878	346	1,224	497	341	838	21	1,203	838
Achairn Energy Limited*	Q	40.40%	2,431	1,351	3,782	1,226	1,289	2,515	110	3,672	2,515
A7 Lochhead Limited*	Q	20.00%	642	125	767	569	121	690	(9)	776	690
Greenfield Wind Farm Limited*	PQ	16.65%	1,272	1,471	2,743	666	1,332	1,998	745	1,998	1,998
Operational companies in the wind sector											
Broadview Energy Limited*	Q	2.22%	450	-	450	200	-	200	-	2,250	2,000
Firefly Energy Limited*	Q	50.00%	-	139	139	200	160	360	(16)	155	360
Operational: Landfill gas											
Redimo LFG Limited*	Q	50.00%	-	-	-	1,000	-	1,000	-	-	1,000
Renewable Power Systems (Dargan Road) Limited	Q	50.00%	1,003	1,278	2,281	780	1,120	1,900	398	1,883	1,900
Operational: Small hydro											
Osspower Limited		50.00%	1,785	60	1,845	300	55	355	1,490	355	355
Development and pre-planning											
The Small Hydro Company Limited		22.50%	-	-	-	115	534	649	-	-	649
Redeven Energy Limited** *		60.00%	167	423	590	-	590	590	-	584	584
Spurlens Rig Wind Limited*** *		60.00%	-	32	32	174	69	243	-	32	242
Eye Wind Power Limited*		50.00%	352	-	352	234	-	234	117	-	-
Wind Power Renewables Limited*		0.00%	-	-	-	-	-	-	(20)	140	372
Olgrinmore Limited*		17.60%	-	-	-	68	-	68	-	-	68
Waste wood biomass											
PBM Power Limited		25.00%	-	-	-	574	-	574	-	-	574
Sandsfield Heat & Power Limited	Q	44.90%	-	-	-	1,796	1,000	2,796	-	-	2,796
Twinwoods Heat & Power Limited		0.00%	-	-	-	-	-	-	-	-	2,400
Total			**8,980**	**5,225**	**14,205**	**8,399**	**6,611**	**15,010**	**2,836**	**13,048**	**19,341**

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 VCT plc has also invested. The Company and Ventus VCT plc are both 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 sites for which Redeven Energy Limited has obtained planning permission (further details are presented below). On the Company's Statement of Financial Position, the value attributed to Redeven Energy Limited is apportioned between investments, in respect of the investment rights attached to the development funding agreement and investments in subsidiaries in respect of the Company's holding in Redeven Energy Limited.

*** Spurlens Rig Wind Limited is accounted for within investments in subsidiaries on the Company Statement of Financial Position.

During the six months ended 31 August 2012, the Company's ordinary share fund advanced net new funds of £65,000 to acquire a 50% shareholding in Eye Wind Power Limited. As part of this transaction, the Company disposed of its entire interest in Wind Power Renewables Limited. This interest consisted of 48% of the ordinary shares of Wind Power Renewables Limited as well as a loan of £138,000 plus accrued interest of £31,000. The cost of the Company's investment in Eye Wind Power Limited is recorded as £234,000, representing the cash advanced plus disposal of the Wind Power Renewables Limited loan (including accrued interest), however the value of the investment is considered to be the price of recent investment made by Ventus VCT plc for the same shareholding, which was £352,000.

During the period, Broadview Energy Limited repaid the Company a loan of £1,800,000 together with interest accrued of £778,000 and a prepayment fee of £162,000.

Summary of Investments

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

The Company's investments in companies which own an operating wind farm are valued using discounted cash flow models. The values of Craig Wind Farm Limited and Achairn Energy Limited increased during the six months ended 31 August 2012 primarily because the underlying project debt in each company decreased during the period and the Investment Manager amended the valuation models to reflect a more realistic distribution profile subsequent to full repayment of senior debt. The value of A7 Lochhead Limited was also impacted by these factors but decreased during the six month period because of a change in the profile of the projected cash flows combined with the impact of discounting a shorter period of projected future cash flows at 31 August 2012 than at 29 February 2012. The value of Greenfield Wind Farm Limited increased significantly during the six months ended 31 August 2012 because the investment was still held at cost as at 29 February 2012 and has subsequently been revalued on a discounted cash flow basis in line with the Company's accounting policy which is discussed in more detail below.

Set out below is a brief summary of the performance of the investee companies operating wind farms. All the companies operating wind farms experienced good availability during the six months ended 31 August 2012, however wind speeds were below average, resulting in output across the portfolio being 18% below budget. In the 12-month period ended 31 August 2012, all the wind farms operated by investee companies of the Company produced at least 95% of budgeted output, with an average across the portfolio of 100%. It should be noted that there are considerable lags between the production of electricity of a wind farm operated by an investee company and the ultimate payment of dividends from the investee company to the Company.

OPERATIONAL WIND

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

	Wind farm capacity (megawatts)	Operational since	Location
Craig Wind Farm Limited	10.0	October 2007	Dumfries and Galloway, Scotland
Achairn Energy Limited	6.0	May 2009	Caithness, Scotland
A7 Lochhead Limited	6.0	June 2009	Lanarkshire, Scotland
Greenfield Wind Farm Limited	12.3	March 2011	South Lanarkshire, Scotland

Craig Wind Farm Limited

The electricity production of Craig Wind Farm Limited during the six months ended 31 August 2012 was 83% of budget. The Company received dividends and mezzanine interest cash payments totalling £60,000 from Craig Wind Farm Limited in the six months ended 31 August 2012, representing a 7.2% cash yield during the six-month period on the cost of investment. The value of the Company's investment in Craig Wind Farm Limited increased by £21,000 during the six months ended 31 August 2012.

Achairn Energy Limited

The electricity production of Achairn Energy Limited during the six months ended 31 August 2012 was 78% of budget. The Company received dividends and mezzanine interest cash payments totalling £167,000 from Achairn Energy Limited in the six months ended 31 August 2012, representing a 6.6% cash yield during the six-month period on the cost of investment. The value of the Company's investment in Achairn Energy Limited increased by £110,000 during the six months ended 31 August 2012.

A7 Lochhead Limited

The electricity production of A7 Lochhead Limited during the six months ended 31 August 2012 was78% of budget. The Company received dividends and mezzanine interest cash payments totalling £79,000 from A7 Lochhead

Limited in the six months ended 31 August 2012, representing an 11.5% cash yield during the six-month period on the cost of investment. The value of the Company's investment in A7 Lochhead Limited decreased by £9,000 during the six months ended 31 August 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 six months ended 31 August 2012 was 83% of budget. The ordinary share fund of the Company received mezzanine interest cash payments totalling £360,000 from Greenfield Wind Farm Limited in the six months ended 31 August 2012, representing an 18.1% cash yield during the six-month period on the cost of investment. The value of the ordinary share fund's investment in Greenfield Wind Farm Limited increased by £745,000 during the six months ended 31 August 2012. Although Greenfield Wind Farm Limited's wind farm had been operating for over a year as at 29 February 2012, it had not been taken over because there were technical issues which had not been resolved to the satisfaction of the lender's engineer at that date. The take-over was approved by the senior lender's engineer on 30 April 2012. As take-over of Greenfield Wind Farm Limited's wind farm had not occurred as at 29 February 2012, it was not considered appropriate to revalue the investment based on discounted cash flows as at that date. See discussion of the application of the Company's valuation policy below and in note 1 to the financial statements.

OPERATIONAL COMPANIES IN THE WIND SECTOR

Broadview Energy Limited

Broadview Energy Limited is an independent renewable energy company that develops, constructs and operates wind farms throughout the UK. In May 2012, 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 now been reported in the annual financial statements of Infinis Wind Holdings Limited as £17.4 million including £5.3 million consideration deferred until completion of the wind farm in construction. In addition to the net cash resulting from the sale of these assets and the deferred consideration, Broadview has a development portfolio comprised of two consented projects with a total of eight turbines (16 to 24 megawatts in total), two further projects in the planning process (totalling nine turbines and 18 to 27 megawatts) and several other projects at earlier stages of the development process. One of Broadview Energy Limited's consented projects, Spring Farm Ridge, was approved on appeal in July 2012, however this appeal decision is now facing a legal challenge in the High Court by local residents.

The Company's holding of ordinary shares in Broadview Energy Limited has been valued based on the reported value of the assets sold and the Investment Manager's estimate of the market value of the remaining consented wind energy projects and the development pipeline. The valuation as at 31 August 2012 is unchanged from the valuation at 29 February 2012.

At 29 February 2012, the Company had a secured mezzanine loan investment of £1,800,000 with Broadview Energy Limited that accrued interest at 11% per annum. This mezzanine loan, which was secured by one of the wind farm assets recently sold by Broadview Energy Limited, had a final maturity date of 31 March 2024. In connection with the sale of the wind farm asset securing this mezzanine loan, the loan was repaid in full, including accrued interest, on 4 May 2012. In accordance with the terms of the mezzanine loan, Broadview Energy Limited also paid an early repayment fee of £162,000.

As well as the equity investment made by the ordinary share fund, the Company's "C" share fund had two mezzanine loans outstanding at 29 February 2012 to subsidiaries of Broadview Energy Limited, which were also 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 third-party renewable energy project operators.

The Company has a loan investment in Firefly Energy Limited which had a principal amount outstanding at 31 August 2012 of £160,000 and which accrues interest at 9% per annum. The loan is valued in the Company's accounts based on the discounted projected future cash flows from the five power purchase agreement on which the company earns a spread, net of projected administration costs. As at 31 August 2012, the value of the loan was £139,000. 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 were written down to nil value in the year ended 29 February 2012.

OPERATIONAL LANDFILL GAS

Redimo LFG Limited

Redimo LFG Limited operates four landfill gas electricity generation sites in the north of England. Redimo LFG Limited is not paying dividends to the Company and has been held in the accounts at a nil valuation since late 2010. Given the senior debt commitments of the Redimo LFG Limited's subsidiaries, 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.

Renewable Power Systems (Dargan Road) Limited

Renewable Power Systems (Dargan Road) Limited operates a landfill gas electricity generation site in Northern Ireland. The site performed in line with expectations over the six months to 31 August 2012 and disposed of the first of its five generators as the volume of gas at the site reduced. The disposal of the generator resulted in significant cash inflow for the investee company. The Company received dividends and loan interest payments totalling £255,000 from Renewable Power Systems (Dargan Road) Limited in the six months ended 31 August 2012, representing a 13.4% cash yield during the six-month period on the cost of investment.

The investment in Renewable Power Systems (Dargan Road) Limited is valued by applying a discount rate to the revenues the Company expects to receive from the company. The revenue streams are finite and so, all other things being equal, this will mean that the holding value will fall over time as the projected revenues are realised and paid over to the Company. However, the value of the Company's investment in Renewable Power Systems (Dargan Road) Limited increased by £398,000 in the six months ended 31 August 2012 because the total future cash flows available for distribution from the investment has been revised upwards. Also the lower risk profile of this investment has led to a decision to reduce the discount factor applied in the valuation analysis. The impact of the reduction in the discount factor on the value of the investment in prior periods is not considered to be material.

OPERATIONAL SMALL HYDRO

Osspower Limited

The Company holds 50% of the ordinary shares of Osspower Limited, which owns and operates a 1.99 megawatt hydro project at Allt Fionn Ghlinne in Scotland. The Allt Fionn Ghlinne site was commissioned by June 2012, on schedule and on budget. The Company did not receive dividends from Osspower Limited in the six months ended 31 August 2012. The value of the Company's investment in Osspower Limited increased by £1,490,000 during the six months ended 31 August 2012, as Osspower Limited is now valued based on the discounted cash flows of the Allt Fionn Ghlinne project.

Osspower Limited has consent for a further three small hydro projects on the same estate as the Allt Fionn Ghlinne project. The Investment Manager is working with the management of Osspower Limited to develop the appropriate strategy for financing the construction of those three projects.

The Company entered into a cost overrun guarantee in May 2011 with the lending bank on behalf of Osspower Limited in the amount of £750,000. The guarantee is in the form of a loan to be drawn down in the event of the construction costs of this scheme exceeding £7.5 million. As at the date of this report, the Investment Manager considers the probability of the guarantee being drawn down to be very low and the value of the liability associated with the guarantee is considered to be insignificant at 31 August 2012. Further details are presented in note 19 of the financial statements.

DEVELOPMENT AND PRE-PLANNING

The Small Hydro Company Limited

The Small Hydro Company Limited holds planning permission on five low-head run-of-river small hydroelectric projects in England and is currently assessing the strategic options for raising further finance to construct and operate the projects. The schemes are expected to be eligible under the Feed-In Tariff regime.

The Company made an equity investment of £115,000 and holds 22.5% of the ordinary shares of The Small Hydro Company Limited. The Company has also provided a shareholder loan facility of £534,000. Because of uncertainty about the economics of the consented projects, uncertainty regarding the future tariff levels and the requirement for further funding to take the projects forward, in the financial year ended 29 February 2012 the Company recorded a write-down in its investment in The Small Hydro Company Limited of £649,000 as well as a write-down of accrued interest on the loan of £89,000. The Investment Manager, with Canal & River Trust, also a shareholder, is considering ways in which to restructure the investment in order that the Company may realise value from the consented schemes. The restructuring will include the discharging of the loan and accrued interest owed by The Small Hydro Company Limited to the Company, therefore the write down of the loan investment is considered to be a realised loss in the Company's accounts.

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 Spurlens Rig Wind Limited has been written down in value to £32,000 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.

Eye Wind Power Limited

On 11 July 2012 the ordinary share funds of the Company and Ventus VCT plc participated in a transaction where each acquired a 50% shareholding in Eye Wind Power Limited, a company which holds a site in Suffolk with planning consent to build a two-turbine, 6 megawatt wind farm. The pre-planning development of this site had been undertaken by Wind Power Renewables Limited, a company in which the Company previously held 48% of the ordinary shares and to which the Company had an outstanding loan of £138,000 plus accrued interest of £31,000. In executing this transaction, the Company advanced net new funds of £65,000 and disposed of its entire interest, both equity and debt, in Wind Power Renewables Limited. The Company and Ventus VCT plc intend to finance Eye Wind Power Limited to allow it to construct and operate the two-turbine wind farm. The investment made in Eye Wind Power Limited is not a qualifying holding for the purposes of the VCT regulations. The value of the investment is held at £352,000 as discussed in the introduction to the Investment Manager's report. On 25 October 2012, the Company committed to invest a further £750,000 in ordinary shares of Eye Wind Power Limited and to provide a loan facility of £1,050,000. This further investment has been structured to be a qualifying holding for the purposes of the VCT regulations.

Wind Power Renewables Limited

The Company disposed of its investment in Wind Power Renewables Limited on 11 July 2012 as discussed above.

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 lease option held by Olginmore Limited has expired and the directors are taking steps to close down the company and have it struck off the register. The Company's investment in Olgrinmore Limited was written down to nil value in the previous financial period. The amount by which the company's value has been written down is considered to be a realised loss.

WASTE WOOD BIOMASS

PBM Power Limited

Sandsfield Heat & Power Limited

Twinwoods Heat & Power Limited

PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited are companies that constructed biomass power plants fired with waste wood. The plant run by the companies experienced severe operating difficulties. The three investments had all been written down to nil value in previous accounting periods. During the six months ended 31 August 2012, the Company's interest in Twinwoods Heat & Power Limited (comprising 50% of the ordinary shares and a mezzanine loan of £400,000) was sold for a nominal consideration. Sandsfield Heat & Power Limited is currently in administration and is expected to go into liquidation by the end of 2012. There is no possibility of any recovery from PBM Power Limited and Sandsfield Heat & Power Limited, therefore the loss in value in respect of these investments is a realised loss. PBM Power Limited is not considered to be a qualifying holding.

"C" share portfolio

A summary of the "C" share fund's investment valuations as at 31 August 2012 and gains during the six months ended 31 August 2012 is given below.

"C" Shares		Voting rights as at 31 August 2012 %	Investment value: Shares as at 31 August 2012 £000	Investment value: Loans as at 31 August 2012 £000	Investment value: Total as at 31 August 2012 £000	Investment cost: Shares as at 31 August 2012 £000	Investment cost: Loans as at 31 August 2012 £000	Investment cost: Total as at 31 August 2012 £000	Gains in the six months to 31 August 2012 £000	Investment value Total as at 29 February 2012 £000	Investment cost Total as at 29 February 2012 £000
Operational: Wind											
Greenfield Wind Farm Limited*	PQ	12.50%	955	1,104	2,059	500	1,000	1,500	559	1,500	1,500
White Mill Windfarm Limited*	PQ	25.00%	1,765	812	2,577	1,000	673	1,673	904	1,673	1,673
Construction: Wind											
AD Wind Farmers Limited*	Q	50.00%	1,000	-	1,000	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	-	1,000	1,000
Ovalau Investments 2 Limited*	Q	50.00%	1,000	-	1,000	1,000	-	1,000	-	1,000	1,000
Iceni Renewables Limited*		50.00%	400	17	417	400	17	417	-	400	400
Blackhaugh Wind Limited*		50.00%	20	-	20	20	-	20	-	-	-
Short-term investments with renewable energy companies											
Renewable Power Systems Limited*		0.00%	-	-	-	-	-	-	-	200	200
BEGL 2 Limited*		0.00%	-	-	-	-	-	-	-	500	500
BEGL 3 Limited*		0.00%	-	-	-	-	-	-	-	500	500
EcoGen Limited*		0.00%	-	410	410	-	410	410	-	410	410
Total			**6,140**	**2,343**	**8,483**	**4,920**	**2,100**	**7,020**	**1,463**	**8,183**	**8,183**

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 VCT plc has also invested. The Company and Ventus VCT plc are both managed by Temporis Capital LLP.

During the six months ended 31 August 2012, the Company's "C" share fund invested £17,500 in Iceni Renewables Limited and has made an initial investment of £20,000 in Blackhaugh Wind Limited. During the period, the Company received payment of £1,200,000 plus accrued interest with respect to short-term investments with renewable energy companies. These short-term investments, in the form of secured loans, had been made in order to generate investment yields for the Company during the "C" share investment period as the wind investment portfolio was developed. The interest on these secured loans has helped defray the "C" share fund's running costs and allowed the Company to pay dividends to holders of "C" shares. There is one remaining short-term investment outstanding, a secured loan to EcoGen Limited in the amount of £410,000 plus accrued interest of 12% per annum. This loan is scheduled for repayment on 31 December 2012.

The Company's "C" share fund has approximately £2.6 million of cash and cash equivalents available to be invested. The Investment Manager has identified suitable investments to invest these funds and expects the "C" share funds to be substantially invested by the end of the current financial year.

Summary of Investments

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

The Company's investments in companies which own an operating wind farm are valued using discounted cash flow models. The values of Greenfield Wind Farm Limited and White Mill Windfarm Limited increased during the six months ended 31 August 2012. Each investment was valued using a discounted cash flow model as at 31 August 2012, whereas at 29 February 2012 each investment was held at cost.

Greenfield Wind Farm Limited

This investment is held by both the ordinary and "C" share funds and is discussed above. The "C" share fund of the Company received mezzanine interest cash payments totalling £271,000 from Greenfield Wind Farm Limited in the six months ended 31 August 2012, representing an 18.1% cash yield during the six-month period on the cost of investment. The value of the "C" share fund's investment in Greenfield Wind Farm Limited increased by £559,000 during the six months ended 31 August 2012.

White Mill Windfarm Limited

White Mill Windfarm Limited began exporting electricity to the grid in May 2012 and became fully operational in August 2012. The Company did not receive dividends or mezzanine interest cash payments from White Mill Windfarm Limited in the six months ended 31 August 2012. The value of the Company's investment in White Mill Windfarm Limited increased by £904,000 during the six months ended 31 August 2012.

OPERATIONAL WIND

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

	Wind farm capacity (megawatts)	Operational since	Location
Greenfield Wind Farm Limited	12.3	March 2011	South Lanarkshire, Scotland
White Mill Windfarm Limited	14.35	August 2012	Cambridgeshire, England

WIND UNDER CONSTRUCTION

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 turbines have been erected and 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. The development of these sites by the companies is dependent on the outcome of commercial negotiations which have not yet been concluded.

Iceni Renewables Limited

Through Iceni Renewables Limited, the Company has invested £417,000 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 both these planning applications is expected before the end of 2012, although further delays are possible. The investment in Iceni Renewables Limited is not a qualifying holding for the purposes of the VCT regulations.

Blackhaugh Wind Limited

The Company made an investment in Blackhaugh Wind Limited during the six months ended 31 August 2012, a company which intends to apply for planning permission to construct a wind farm in the Scottish Borders. The investment in Blackhaugh Wind Limited is not a qualifying holding for the purposes of the VCT regulations.

SHORT-TERM INVESTMENTS WITH RENEWABLE ENERGY COMPANIES

Renewable Power Systems Limited

The loan from the Company's "C" share fund to Renewable Power Systems Limited, which had a balance of £200,000 at 29 February 2012, was repaid in full, along with accrued interest, on 3 August 2012.

BEGL 2 Limited and BEGL 3 Limited

The loans from the Company's "C" shares fund to BEGL 2 Limited and BEGL 3 Limited, which each had a balance of £500,000 at 29 February 2012, were repaid in full, along with accrued interest, 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 VCT plc, is secured against EcoGen Limited's one-third shareholding in Fenpower Limited, a company in which the Ventus VCT plc ordinary share fund holds an investment. The Company and Ventus VCT plc are both managed by Temporis Capital LLP. 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. The investment in EcoGen Limited is not a qualifying investment for the purposes of VCT regulations.

Valuation of Investments

It is the accounting policy of the Company to hold its investments at fair value. In this report, the Company's investments in investee companies which operate renewable energy assets are valued using a discounted cash flow methodology, unless material uncertainties exist as to the future receipt of cash flows, in which case an investment is valued at cost subject to an impairment review. In prior periods the Company had applied its valuation policy in a manner such that investments in companies operating renewable energy assets were valued at cost until a deemed satisfactory period of operations of between six and 18 months had passed. Based on the Company's experience over the past six years with investee companies developing wind and hydro projects, and given that the projects of such investee companies use well-established technology and benefit from manufacturer and contractor warranties, manufacturer performance guarantees and insurance, the Investment Manager believes the satisfactory operation of such projects should be determined based on the specific circumstances and that an arbitrary waiting period of six to 18 months is unnecessarily prudent. The impact of the change in application of this policy resulted in unrealised gains of £2,394,000 reported in the current period.

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 price of investment subject to a periodic impairment review.

The Company's valuation of its holding in Broadview Energy Limited is discussed above. The Company's valuation policy, including the change to the application of the policy in respect of the time period to determine satisfactory operations, is discussed in more detail in note 1 of the financial statements.

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 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 made via subscriptions for new share capital, or acquiring existing share capital, or via loan stock instruments in order to secure a negotiated level of return from the project. The majority of investments are made in special purpose companies set up specifically to develop each project and bank debt financing is non-recourse to the Company. The Company 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 HMRC of the Company's status as a VCT becomes effective. The relevant compliance date for the initial share offer was 1 March 2009 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 HMRC for a determination that the breach will be disregarded for a period of 90 days while the breach is remedied.

ii) Concentration limits

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

iii) Investments in pre-planning projects

   In accordance with the Company's investment policy, a maximum of 10% of the net funds raised from each of the initial share offer and "C" share offer respectively may be invested in pre-planning projects.

VCT Regulations

The Finance Bill 2012, which became law on 19 July 2012, includes measures to increase limits on certain restrictions relating to VCT Qualifying Investments in respect of investments made on or after 6 April 2012. The limit on the number of employees of an investee company has increased from 50 to 250, the limit on gross assets immediately prior to investment has increased from £7 million to £15 million, the limit on gross assets immediately after investment has increased from £8 million to £16 million and the limit on the amount of that can be invested in an individual company in any 12-month period has increased from £2 million to £5 million. The £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. The Finance Bill 2012 also removed the annual £1 million limit on the amount a VCT can invest in a Qualifying Investment, except where the investee company trades through a partnership or joint venture. Finally, the Finance Bill 2012 has provisions relating to a "disqualifying purpose" test, which will enable HMRC to deny Qualifying Investment status for investments structured specifically in a way to access VCT tax reliefs when the investment would otherwise not have been a Qualifying Investment.

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 to double, as the UK shifts more transport and heating onto the electricity grid. This would likely create upward pressure on wholesale electricity prices in the long term.

Although the renewable energy industry in the UK benefits from the favourable long-term price outlook for electricity, the industry continues to operate in a state of political uncertainty. There is clear disagreement within the governing coalition on how renewable energy policy should be implemented, with a significant group of Conservative MPs, including certain ministers, having expressed public opposition to onshore wind. 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 Scottish Government (where a significant portion of the Company's investments are based) continues to provide strong support for renewables.

In May of this year, the UK Government published legislation for electricity market reform (EMR) and stated that it expects the provisions in the reform package to begin taking effect in 2014. 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. Many industry observers are sceptical about the timeline for implementation of the reforms or even whether the reforms as set out will be implemented. Recent developments in the nuclear sector, have added to uncertainty about the implementation of EMR, as RWE and E.ON have announced their withdrawal from the nuclear sector in the UK, and industry sources estimate that a Government-backed floor price of £120 to £150 per megawatt-hour will be required in order to support new nuclear plant.

In July, the Government confirmed the level of support for new onshore wind projects at 0.9 Renewables Obligation Certificates ("ROCs") per megawatt-hour from 1 April 2013 to 31 March 2014, although the level of ROCs for onshore wind beyond 31 March 2014 will be subject to further consultation. Although the level of ROCs for onshore wind is important for the industry, the level of ROCs for new wind farms does not impact on any existing wind farms operated by the Company's investee companies. The Investment Manager's analysis of any future investments by the Company always take into account the level of ROCs expected to be available for projects operated by investee companies at the time of commissioning. Because the Company's target returns remain unchanged, any future changes in ROC banding for onshore wind will be reflected in the price the Company will pay for investments.

Also in July, the Government confirmed tariff levels, tariff digression rates and rules around pre-accreditation and site definition for small hydro projects. The tariffs and rules, which were in line with industry expectations, are relevant to the Company because of its investment in Osspower Limited.

Wholesale electricity prices have been reasonably stable in 2012. 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. The UK market for turbines has been tight in the past year as developers have rushed to order turbines to be built and commissioned prior to 1 April 2013, when ROCs for onshore wind will be reduced by 10%. Although orders for turbines to be commissioned prior to 1 April 2013 have already been placed, there may well be a further period of tightening in the UK turbine market as developers endeavour to commission projects prior to 1 April 2014, as there is uncertainty as to the level of ROCs for onshore wind beyond that date. (See above for a discussion of the ROC regime for onshore UK wind projects). On the positive side, the recent strength of Sterling against the Euro has been favourable for UK operators acquiring turbines with prices denominated in Euros.

The banking market for renewable energy projects remains challenging. There is limited availability of senior debt finance for renewable energy projects of 5 to 20 megawatts, which is the typical size range for investee companies of the Company. Lending margins and arrangement fees remain very wide by historical standards and banks are unable to lend over the same term as they had previously. Although the debt market has made it more difficult to finance renewable energy projects, the shortage and cost of senior debt has created an opportunity for the Company to invest greater amounts of equity in companies with lower leverage (which has been 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). Investments in portfolio companies with lower leverage should reduce the volatility in dividends from those companies compared to the dividends from portfolio companies with higher leverage. Existing investments of the Company are not impacted by the current lending environment for renewable energy projects.

Temporis Capital LLP
Investment Manager

29 October 2012

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INDEPENDENT REVIEW REPORT TO VENTUS 2 VCT PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six month period ended 31 August 2012 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 August 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PKF (UK) LLP
London, UK

29 October 2012

	Note	Ordinary Shares Revenue £000	Ordinary Shares Capital £000	Ordinary Shares Total £000	"C" Shares Revenue £000	"C" Shares Capital £000	"C" Shares Total £000	Total Revenue £000	Total Capital £000	Total Total £000
Realised loss on investments	8	-	(36)	(36)	-	-	-	-	(36)	(36)
Net unrealised gain on investments	8	-	2,872	2,872	-	1,463	1,463	-	4,335	4,335
Income	2	921	-	921	275	-	275	1,196	-	1,196
Investment management fees	3	-	-	-	(33)	(99)	(132)	(33)	(99)	(132)
Other expenses	4	(152)	(670)	(822)	(53)	-	(53)	(205)	(670)	(875)
Profit before taxation		769	2,166	2,935	189	1,364	1,553	958	3,530	4,488
Taxation	6	(110)	-	(110)	(46)	26	(20)	(156)	26	(130)
Profit and total comprehensive income for the period		659	2,166	2,825	143	1,390	1,533	802	3,556	4,358
Attributable to:										
The Company's equity shareholders		663	2,420	3,083	143	1,390	1,533	806	3,810	4,616
Non-controlling interest		(4)	(254)	(258)	-	-	-	(4)	(254)	(258)
Profit and total comprehensive income for the period		659	2,166	2,825	143	1,390	1,533	802	3,556	4,358
Return per share										
Basic and diluted return per share (p)	7	**2.70**	**9.90**	**12.60**	**1.26**	**12.28**	**13.54**			

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

The total column of this statement represents the Group'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 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six month period ended 31 August 2011 (unaudited)

		Ordinary Shares			"C" Shares			Total		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised loss on investment	8	-	(576)	(576)	-	-	-	-	(576)	(576)
Net unrealised loss on investments	8	-	(3,126)	(3,126)	-	-	-	-	(3,126)	(3,126)
Income	2	505	-	505	210	-	210	715	-	715
Investment management fees	3	(63)	(189)	(252)	(33)	(98)	(131)	(96)	(287)	(383)
Other expenses	4	(130)	(293)	(423)	(51)	(4)	(55)	(181)	(297)	(478)
(Loss)/ profit before taxation		312	(4,184)	(3,872)	126	(102)	24	438	(4,286)	(3,848)
Taxation	6	(56)	38	(18)	(25)	43	18	(81)	81	-
(Loss)/ profit and total comprehensive income for the period		256	(4,146)	(3,890)	101	(59)	42	357	(4,205)	(3,848)
Attributable to:										
The Company's equity shareholders		264	(4,034)	(3,770)	101	(59)	42	365	(4,093)	(3,728)
Non-controlling interest		(8)	(112)	(120)	-	-	-	(8)	(112)	(120)
(Loss)/ profit and total comprehensive income for the period		256	(4,146)	(3,890)	101	(59)	42	357	(4,205)	(3,848)
Return per share										
Basic and diluted return per share (p)	7	**1.08**	**(16.44)**	**(15.36)**	**0.89**	**(0.52)**	**0.37**			

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 Group'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 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 29 February 2012 (audited)

		Ordinary Shares			"C" Shares			Total		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised loss on investments	8	-	(4,249)	(4,249)	-	-	-	-	(4,249)	(4,249)
Net unrealised gain on investments	8	-	444	444	-	-	-	-	444	444
Income	2	847	-	847	442	-	442	1,289	-	1,289
Investment management fees	3	(63)	(189)	(252)	(65)	(194)	(259)	(128)	(383)	(511)
Other expenses	4	(253)	(675)	(928)	(94)	(65)	(159)	(347)	(740)	(1,087)
(Loss)/ profit before taxation		531	(4,669)	(4,138)	283	(259)	24	814	(4,928)	(4,114)
Taxation	6	(137)	49	(88)	(57)	92	35	(194)	141	(53)
(Loss)/ profit and total comprehensive income for the year		394	(4,620)	(4,226)	226	(167)	59	620	(4,787)	(4,167)
Attributable to:										
The Company's equity shareholders		404	(4,371)	(3,967)	226	(167)	59	630	(4,538)	(3,908)
Non-controlling interest		(10)	(249)	(259)	-	-	-	(10)	(249)	(259)
(Loss)/ profit and total comprehensive income for the year		394	(4,620)	(4,226)	226	(167)	59	620	(4,787)	(4,167)
Return per share										
Basic and diluted return per share (p)	7	**1.66**	**(17.81)**	**(16.15)**	**1.99**	**(1.48)**	**0.51**			

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

The total column of this statement represents the Group'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 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 August 2012 (unaudited)

		As at 31 August 2012 (unaudited)			As at 31 August 2011 (unaudited)			As at 29 February 2012 (audited)		
	Note	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets										
Investments	8	13,750	8,483	22,233	12,742	5,533	18,275	12,599	8,183	20,782
Development wind assets	10	-	-	-	331	-	331	-	-	-
Trade and other receivables	11	14	90	104	1,372	164	1,536	37	47	84
		13,764	8,573	22,337	14,445	5,697	20,142	12,636	8,230	20,866
Current assets										
Trade and other receivables	11	249	267	516	392	263	655	2,014	531	2,545
Cash and cash equivalents	12	3,387	3,021	6,408	346	4,579	4,925	622	1,685	2,307
		3,636	3,288	6,924	738	4,842	5,580	2,636	2,216	4,852
Total assets		17,400	11,861	29,261	15,183	10,539	25,722	15,272	10,446	25,718
Current liabilities										
Trade and other payables	13	(317)	(27)	(344)	(183)	(29)	(212)	(231)	(32)	(263)
Net current assets		3,319	3,261	6,580	555	4,813	5,368	2,405	2,184	4,589
Financial liabilities	14	(583)	-	(583)	(386)	-	(386)	(763)	-	(763)
Net assets		16,500	11,834	28,334	14,614	10,510	25,124	14,278	10,414	24,692
Share capital	15	6,105	2,832	8,937	6,134	2,832	8,966	6,134	2,832	8,966
Capital redemption reserve		2,097	-	2,097	-	-	-	-	-	-
Share premium		2,791	-	2,791	7,890	7,874	15,764	-	-	-
Special reserve		10,794	7,874	18,668	7,803	-	7,803	15,693	7,874	23,567
Capital reserve – realised		(10,586)	(510)	(11,096)	(2,663)	(329)	(2,992)	(9,367)	(437)	(9,804)
Capital reserve – unrealised		5,037	1,463	6,500	(4,968)	-	(4,968)	1,399	-	1,399
Revenue reserve		661	175	836	420	133	553	560	145	705
Equity attributable to equity holders		16,899	11,834	28,733	14,616	10,510	25,126	14,419	10,414	24,833
Non-controlling interests		(399)	-	(399)	(2)	-	(2)	(141)	-	(141)
Total equity		16,500	11,834	28,334	14,614	10,510	25,124	14,278	10,414	24,692
Basic and diluted net asset value per share (p)	16	**69.2**	**104.5**		**59.6**	**92.8**		**58.8**	**91.9**	

Approved by the Board and authorised for issue on 29 October 2012.

Paul Thomas
Director

Ventus 2 VCT plc. Registered No: 05667210

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 August 2012 (unaudited)

	Note	As at 31 August 2012 (unaudited)			As at 31 August 2011 (unaudited)			As at 29 February 2012 (audited)		
		Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets										
Investments	8	13,750	8,483	22,233	12,742	5,533	18,275	12,599	8,183	20,782
Investments in subsidiaries	9	455	-	455	586	-	586	449	-	449
Trade and other receivables	11	14	90	104	750	164	914	37	47	84
		14,219	8,573	22,792	14,078	5,697	19,775	13,085	8,230	21,315
Current assets										
Trade and other receivables	11	248	267	515	340	263	603	1,258	531	1,789
Cash and cash equivalents	12	3,261	3,021	6,282	325	4,579	4,904	608	1,685	2,293
		3,509	3,288	6,797	665	4,842	5,507	1,866	2,216	4,082
Total assets		17,728	11,861	29,589	14,743	10,539	25,282	14,951	10,446	25,397
Current liabilities										
Trade and other payables	13	(292)	(27)	(319)	(119)	(29)	(148)	(197)	(32)	(229)
Net current assets		3,217	3,261	6,478	546	4,813	5,359	1,669	2,184	3,853
Financial liabilities	14	(144)	-	(144)	-	-	-	(327)	-	(327)
Net assets		17,292	11,834	29,126	14,624	10,510	25,134	14,427	10,414	24,841
Equity attributable to equity holders										
Share capital	15	6,105	2,832	8,937	6,134	2,832	8,966	6,134	2,832	8,966
Capital redemption reserve		2,097	-	2,097	-	-	-	-	-	-
Share premium		2,791	-	2,791	7,890	7,874	15,764	-	-	-
Special reserve		10,794	7,874	18,668	7,803	-	7,803	15,693	7,874	23,567
Capital reserve – realised		(10,209)	(510)	(10,719)	(2,663)	(329)	(2,992)	(9,373)	(437)	(9,810)
Capital reserve – unrealised		5,037	1,463	6,500	(4,968)	-	(4,968)	1,399	-	1,399
Revenue reserve		677	175	852	428	133	561	574	145	719
Total equity		17,292	11,834	29,126	14,624	10,510	25,134	14,427	10,414	24,841
Basic and diluted net asset value per share (p)	16	**70.8**	**104.5**		**59.6**	**92.8**		**58.8**	**91.9**	

Approved by the Board and authorised for issue on 29 October 2012.

Paul Thomas
Director

Ventus 2 VCT plc. Registered No: 05667210

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY
for the six month period ended 31 August 2012 (unaudited)

Ordinary Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2012	6,134	-	-	15,693	(9,367)	1,399	560	(141)	14,278
Shares issued in the period	2,068	-	2,857	-	-	-	-	-	4,925
Issue costs	-	-	(66)	-	-	-	-	-	(66)
Shares repurchased in the period	(2,097)	2,097	-	(4,899)	-	-	-	-	(4,899)
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	-	(766)	766	-	-	-
Profit and total comprehensive income for the period	-		-	-	(453)	2,872	663	(258)	2,824
Dividends paid in the period	-		-	-	-	-	(562)	-	(562)
At 31 August 2012	6,105	2,097	2,791	10,794	(10,586)	5,037	661	(399)	16,500

"C" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2012	2,832	-	-	7,874	(437)	-	145	-	10,414
Profit and total comprehensive income for the period	-	-	-	-	(73)	1,463	143	-	1,533
Dividends paid in the period	-	-	-	-	-	-	(113)	-	(113)
At 31 August 2012	2,832	-	-	7,874	(510)	1,463	175	-	11,834

Total	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2012	8,966	-	-	23,567	(9,804)	1,399	705	(141)	24,692
Shares issued in the period	2,068		2,857	-	-	-	-	-	4,925
Issue costs	-		(66)	-	-	-	-	-	(66)
Shares repurchased in the period	(2,097)	2,097	-	(4,899)	-	-	-	-	(4,899)
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	-	(766)	766	-	-	-
Profit and total comprehensive income for the period	-	-	-	-	(525)	4,335	806	(258)	4,357
Dividends paid in the period	-	-	-	-	-	-	(675)	-	(675)
At 31 August 2012	8,937	2,097	2,791	18,668	(11,096)	6,500	836	(399)	28,334

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2011 (unaudited)

Ordinary Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2011	6,134	7,890	7,803	(1,755)	(1,842)	401	118	18,749
Loss and total comprehensive income for the year	-	-	-	(908)	(3,126)	264	(120)	(3,890)
Dividends paid in the period	-	-	-	-	-	(245)	-	(245)
At 31 August 2011	6,134	7,890	7,803	(2,663)	(4,968)	420	(2)	14,614

Ordinary Shares	Share capital £000	Share premium £000	Capital reserve realised £000	Revenue reserve £000	Total £000
At 1 March 2011	2,832	7,874	(270)	32	10,468
Profit and total comprehensive income for the year	-	-	(59)	101	42
At 31 August 2011	2,832	7,874	(329)	133	10,510

Total	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2011	8,966	15,764	7,803	(2,025)	(1,842)	433	118	29,217
Loss and total comprehensive income for the year	-	-	-	(967)	(3,126)	365	(120)	(3,848)
Dividends paid in the period	-	-	-	-	-	(245)	-	(245)
At 31 August 2011	8,966	15,764	7,803	(2,992)	(4,968)	553	(2)	25,124

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2012 (audited)

Ordinary Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2011	6,134	7,890	7,803	(1,755)	(1,842)	401	118	18,749
Cancellation of share premium account	-	(7,890)	7,890	-	-	-	-	-
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	(2,797)	2,797	-	-	-
Loss and total comprehensive income for the year	-	-	-	(4,815)	444	404	(259)	(4,226)
Dividends paid in the year	-	-	-	-	-	(245)		(245)
At 29 February 2012	6,134	-	15,693	(9,367)	1,399	560	(141)	14,278

"C" Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2011	2,832	7,874	-	(270)	-	32	-	10,468
Cancellation of share premium account	-	(7,874)	7,874	-	-	-	-	-
Profit and total comprehensive income for the year	-	-	-	(167)	-	226	-	59
Dividends paid in the year	-	-	-	-	-	(113)	-	(113)
At 29 February 2012	2,832	-	7,874	(437)	-	145	-	10,414

Total	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Non-controlling interests £000	Total £000
At 1 March 2011	8,966	15,764	7,803	(2,025)	(1,842)	433	118	29,217
Cancellation of share premium account	-	(15,764)	15,764	-	-	-	-	-
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	(2,797)	2,797	-	-	-
Loss and total comprehensive income for the year	-	-	-	(4,982)	444	630	(259)	(4,167)
Dividends paid in the year	-	-	-	-	-	(358)	-	(358)
At 29 February 2012	8,966	-	23,567	(9,804)	1,399	705	(141)	24,692

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

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

Ordinary Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2012	6,134	-	-	15,693	(9,373)	1,399	574	14,427
Shares issued in the period	2,068	-	2,857	-	-	-	-	4,925
Issue costs	-	-	(66)	-	-	-	-	(66)
Shares repurchased in the period	(2,097)	2,097	-	(4,899)	-	-	-	(4,899)
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	-	(766)	766	-	-
Profit and total comprehensive income for the period	-	-	-	-	(70)	2,872	665	3,467
Dividends paid in the period	-	-	-	-	-	-	(562)	(562)
At 31 August 2012	6,105	2,097	2,791	10,794	(10,209)	5,037	677	17,292

"C" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2012	2,832	-	-	7,874	(437)	-	145	10,414
Profit and total comprehensive income for the period	-	-	-	-	(73)	1,463	143	1,533
Dividends paid in the period	-	-	-	-	-	-	(113)	(113)
At 31 August 2012	2,832	-	-	7,874	(510)	1,463	175	11,834

Total	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2012	8,966	-	-	23,567	(9,810)	1,399	719	24,841
Shares issued in the period	2,068	-	2,857	-	-	-	-	4,925
Issue costs	-	-	(66)	-	-	-	-	(66)
Shares repurchased in the period	(2,097)	2,097	-	(4,899)	-	-	-	(4,899)
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	-	(766)	766	-	-
Profit and total comprehensive income for the period	-	-	-	-	(143)	4,335	808	5,000
Dividends paid in the period	-	-	-	-	-	-	(675)	(675)
At 31 August 2012	8,937	2,097	2,791	18,668	(10,719)	6,500	852	29,126

All amounts presented in the Company Statement of Changes in Equity are attributable to equity holders. The revenue reserve and realised capital reserve are distributable reserves. The special reserves may be used to fund buy-backs and pay dividends as and if it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2011 (unaudited)

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	6,134	7,890	7,803	(1,755)	(1,842)	399	18,629
Loss and total comprehensive income for the period	-		-	(908)	(3,126)	274	(3,760)
Dividends paid in the period	-		-	-	-	(245)	(245)
At 31 August 2011	6,134	7,890	7,803	(2,663)	(4,968)	428	14,624

"C" Shares	Share capital £000	Share premium £000	Capital reserve realised £000	Revenue reserve £000	Total £000
At 1 March 2011	2,832	7,874	(270)	32	10,468
Profit and total comprehensive income for the period	-	-	(59)	101	42
At 31 August 2011	2,832	7,874	(329)	133	10,510

Total 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	8,966	15,764	7,803	(2,025)	(1,842)	431	29,097
Loss and total comprehensive income for the period	-	-	-	(967)	(3,126)	375	(3,718)
Dividends paid in the period	-	-	-	-	-	(245)	(245)
At 31 August 2011	8,966	15,764	7,803	(2,992)	(4,968)	561	25,134

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2012 (audited)

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	6,134	7,890	7,803	(1,755)	(1,842)	399	18,629
Cancellation of share premium account	-	(7,890)	7,890	-	-	-	-
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	(2,797)	2,797	-	
Loss and total comprehensive income for the year	-	-	-	(4,821)	444	420	(3,957)
Dividends paid in the year	-	-	-	-	-	(245)	(245)
At 29 February 2012	6,134	-	15,693	(9,373)	1,399	574	14,427

"C" Shares	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Revenue reserve £000	Total £000
At 1 March 2011	2,832	7,874	-	(270)	32	10,468
Cancellation of share premium account	-	(7,874)	7,874	-	-	-
Profit and total comprehensive income for the year	-	-		(167)	226	59
Dividends paid in the year	-	-		-	(113)	(113)
At 29 February 2012	2,832	-	7,874	(437)	145	10,414

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	8,966	15,764	7,803	(2,025)	(1,842)	431	29,097
Cancellation of share premium account	-	(15,764)	15,764	-	-	-	-
Transfers of unrealised losses on investments to realised losses on investments	-	-	-	(2,797)	2,797	-	-
Loss and total comprehensive income for the year	-	-	-	(4,988)	444	646	(3,898)
Dividends paid in the year	-	-	-	-	-	(358)	(358)
At 29 February 2012	8,966	-	23,567	(9,810)	1,399	719	24,841

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

	Six months ended 31 August 2012 (unaudited)			Six months ended 31 August 2011 (unaudited)			Year ended 29 February 2012 (audited)		
	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
Cash flows from operating activities									
Investment income received	1,897	479	2,376	488	70	558	683	113	796
Deposit interest received	4	6	10	1	14	15	2	25	27
Investment management fees paid	-	(132)	(132)	(252)	(131)	(383)	(252)	(259)	(511)
Other cash payments	(87)	(66)	(153)	(241)	(55)	(296)	(538)	(116)	(654)
Net cash from/(used in) operations	1,814	287	2,101	(4)	(102)	(106)	(105)	(237)	(342)
Taxes paid	-	-	-	-	-	-	(4)	4	-
Net cash inflow/(outflow) from operating activities	1,814	287	2,101	(4)	(102)	(106)	(109)	(233)	(342)
Cash flows from investing activities									
Purchases of development wind assets	-	-	-	-	-	-	(49)	-	(49)
Purchases of investments	(235)	(38)	(273)	(91)	(1,873)	(1,964)	(70)	(5,298)	(5,368)
Proceeds from investments	1,920	1,200	3,120	-	300	300	40	1,075	1,115
Net cash inflow/(outflow) from investing activities	1,685	1,162	2,847	(91)	(1,573)	(1,664)	(79)	(4,223)	(4,302)
Cash flows from financing activities									
Ordinary shares issued	26	-	26	-	-	-	-	-	-
Ordinary share issue costs	(18)	-	(18)	-	-	-	-	-	-
Dividends paid	(562)	(113)	(675)	(245)	-	(245)	(245)	(113)	(358)
Loan Financing	(180)	-	(180)	35	-	35	391	-	391
Payments to meet Merger costs	-	-	-	(13)	-	(13)	-	-	-
Net cash (outflow)/inflow from financing activities	(734)	(113)	(847)	(223)	-	(223)	146	(113)	33
Net increase/(decrease) in cash and cash equivalents	2,765	1,336	4,101	(318)	(1,675)	(1,993)	(42)	(4,569)	(4,611)
Cash and cash equivalents at the beginning of the period	622	1,685	2,307	664	6,254	6,918	664	6,254	6,918
Cash and cash equivalents at the end of the period	3,387	3,021	6,408	346	4,579	4,925	622	1,685	2,307

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS

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

	Six months ended 31 August 2012 (unaudited)			Six months ended 31 August 2011 (unaudited)			Year ended 29 February 2012 (audited)		
	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	Total £000
Cash flows from operating activities									
Investment income received	1,897	479	2,376	488	70	558	683	113	796
Deposit interest received	4	6	10	1	14	15	2	25	27
Investment management fees paid	-	(132)	(132)	(252)	(131)	(383)	(252)	(259)	(511)
Other cash payments	(190)	(66)	(256)	(193)	(55)	(248)	(408)	(116)	(524)
Net cash from/ (used in) operations	1,711	287	1,998	44	(102)	(58)	25	(237)	(212)
Taxes paid	-	-	-	-	-	-	(4)	4	-
Net cash inflow/ (outflow) from operating activities	1,711	287	1,998	44	(102)	(58)	21	(233)	(212)
Cash flows from investing activities									
Purchases of investments	(241)	(38)	(279)	(91)	(1,873)	(1,964)	(165)	(5,298)	(5,463)
Proceeds from investments	1,920	1,200	3,120	-	300	300	40	1,075	1,115
Net cash inflow/ (outflow) from investing activities	1,679	1,162	2,841	(91)	(1,573)	(1,664)	(125)	(4,223)	(4,348)
Cash flows from financing activities									
Ordinary shares issued	26	-	26	-	-	-	-	-	-
Ordinary share issue costs	(18)	-	(18)	-	-	-	-	-	-
Dividends paid	(562)	(113)	(675)	(245)	-	(245)	(245)	(113)	(358)
Loan Financing	(183)	-	(183)	-	-	-	327	-	327
Payments to meet Merger costs	-	-	-	(13)	-	(13)	-	-	-
Net cash (outflow)/inflow from financing activities	(737)	(113)	(850)	(258)	-	(258)	82	(113)	(31)
Net increase/ (decrease) in cash and cash equivalents	2,653	1,336	3,989	(305)	(1,675)	(1,980)	(22)	(4,569)	(4,591)
Cash and cash equivalents at the beginning of the period	608	1,685	2,293	630	6,254	6,884	630	6,254	6,884
Cash and cash equivalents at the end of the period	3,261	3,021	6,282	325	4,579	4,904	608	1,685	2,293

The accompanying notes on pages 30 to 48 form an integral part of these financial statements.

1. Accounting convention and policies

Accounting convention

The half-yearly financial statements of the Group and the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") to the extent that they have been adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies under IFRS. The half-yearly financial statements have been prepared under IAS 34 *Interim Financial Reporting*.

The presentation and accounting policies used in the preparation of the half-yearly financial statements are consistent with those adopted in the financial statements for the year ended 29 February 2012 and those that will be adopted in the financial statements for the year ending 29 February 2013, except for a change in the application of the investment valuation policy. In prior periods, the Company had applied its valuation policy in a manner such that investments in companies operating renewable energy assets were valued at cost until a deemed satisfactory period of operations of between six and 18 months had passed. Given that the projects of such investee companies use well-established technology and benefit from manufacturer and contractor warranties, manufacturer performance guarantees and insurance, the Investment Manager and the Board believe that the satisfactory operation of such projects should be determined based on the specific circumstances and that the previous application of the policy whereby an arbitrary waiting period was applied of six to 18 months was unnecessarily prudent. The change in the implementation of the valuation policy has not had any impact on the valuations of the investments as at 29 February 2012 because there were no investments which were held using the "price of recent investment" methodology, reviewed for impairment, at that date which would have otherwise been valued using the "discounted cash flows from underlying business" methodology. The impact of the change in application of the policy has resulted in an increae in total comprehensive income and net assets of £2,394,000 in the current period.

Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2009 is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis which is compliant with the guidance.

The financial information contained in this half-yearly report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 29 February 2012 have been filed with the Registrar of Companies. The auditor's report did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiaries (the companies over which it exercises control) made up to the end of the financial period. The Company is deemed to have control where it has the power to govern the financial and operating policies of an investee company so as to obtain benefits from its activities. In the Company's financial statements investments in subsidiaries are accounted for as "fair value through profit or loss" investments in accordance with the Company's valuation policy. The Company's shareholdings in its subsidiaries are held by the ordinary share fund.

Business combinations

Newly acquired or newly established businesses are recognised in the Group Financial Statements from the date of acquisition, which is the date that the Company achieved control over the business acquired and are subsequently de-recognised from the date that control ceases.

The Company accounts for business combinations using the acquisition method of accounting, with the identifiable assets and liabilities of acquired entities measured at their fair value at the time of acquisition. Identifiable intangible assets are recognised where they can be separated or arise from a contractual right, and their fair value can be reliably measured.

The difference between the fair value of the cost of the business acquired and the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill at the date of acquisition. Goodwill is not amortised but is tested for impairment annually and whenever impairment indicators require. Negative goodwill is recognised immediately in the Statement of Comprehensive Income.

Impairment testing

The carrying amount of the Group's and the Company's assets, other than those assets held at fair value through profit and loss, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is evidence of impairment, the recoverable amount, being the higher of the fair value less costs to sell and the value in use of the asset, is estimated to determine the extent of any such impairment. For goodwill and other intangible assets with an indefinite life or which are not ready for use, the test for impairment is carried out annually.

Income

Income on investments is recognised on an accruals basis, by reference to the principal outstanding and at the effective interest rates applicable.

Where contractual arrangements in loan agreements allow for interest payments to be deferred and the timing of receipt of interest income may not be determined with reasonable certainty, the accrued interest is not recognised in the Statement of Comprehensive Income but is added to the carrying value of the loan investment. Interest receivable on cash and non-equity investments is accrued to the end of the period. 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 is 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 are allocated between the ordinary and "C" share funds on the basis of the number of shares in issue during the period, except expenses which 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 period end.

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 period end 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 period end 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.

Development wind assets

Costs incurred in the pre-planning consent phase of the development of a wind farm scheme are capitalised as intangible assets and recognised as development wind assets. Costs associated with the pre-planning phase of the wind farm development include options over land leases, planning application costs and environmental impact studies. These costs may be incurred directly or comprise part of the fair value attributed to a controlling interest in a business acquired. The capitalised costs are not amortised until the asset is substantially complete and available for its intended use, until which time the asset is subject to an annual impairment test.

When a consented wind farm scheme begins construction, the carrying value of the project is transferred to property, plant and equipment as assets under construction.

Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company has become a party to the contractual provisions of each 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 the original terms of agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows 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.

Loans, trade and other payables

Loans, 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 reserves were created by approval of the High Court to cancel the Company's share premium accounts in respect of shares issued. The special reserves may be used to fund buy-backs of shares and pay dividends 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, including investments in subsidiaries, 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 are valued using the "discounted future cash flows from the underlying business" methodology, excluding interest accrued in the accounts to date, unless uncertainties exist which would make the "price of recent investment" methodology, reviewed for impairment, more appropriate. Generally, renewable energy generating plant will be considered to be operating when it has been taken-over by the investee company, although specific circumstances could cause a plant to be considered operating satisfactorily earlier than formal take-over by the investee company. 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, the investment, although physically not disposed of, is treated as being realised.

The Company has taken the exemption, permitted by 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. The estimates and assumptions adopted in these financial statements are consistent with those adopted in the financial statements for the year ended 29 February 2012 except for the change in application of the valuation policy as referred to above.

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

Six months ended 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Income from investments			
Loan stock interest	404	179	583
Dividends	351	-	351
Other investment income	162	90	252
	917	269	1,186
Other income			
Bank deposit interest	4	6	10
	921	275	1,196

Six months ended 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Income from investments			
Loan stock interest	449	196	645
Dividends	55	-	55
	504	196	700
Other income			
UK treasury bill income	-	6	6
Bank deposit interest	1	8	9
	505	210	715

Year ended 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Income from investments			
Loan stock interest	790	418	1,208
Dividends	55	-	55
	845	418	1,263
Other income			
UK treasury bill income	-	6	6
Bank deposit interest	2	18	20
	847	442	1,289

The income recognised by the Group was wholly derived from the Company's activities.

3. Investment management fees

The Company pays the Investment Manager an annual management fee equal to 2.5% of the Company's net assets. The fee is not subject to VAT and is payable quarterly in advance. The annual management fee is allocated 75% to capital and 25% to revenue.

Temporis Capital LLP agreed to waive investment management fees payable by the Company's ordinary share fund in the amount of £530,000 from 12 September 2011 until the end of the period over which such amount would have otherwise accrued. Therefore the amount paid to Temporis Capital LLP during the six months ended 31 August 2012 in respect of net asset value attributable to ordinary shareholders was nil when it would otherwise have been £184,000 had the investment management fees not been waived (six months ended 31 August 2011: £252,000; year ended 29 February 2012: £252,000). The amount paid to the Investment Manager for the six months ended 31 August 2012 in respect of the net assets attributable to the "C" shareholders was £132,000 (six months ended 31 August 2011: £131,000; year ended 29 February 2012: £259,000).

At 31 August 2012 the Company's ordinary share fund had a loan of £144,000 outstanding to Temporis Capital LLP, having repaid £183,000 during the six month period. Further details are set out in note 14.

4. Other expenses

Six months ended 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Revenue expenses:			
Directors' remuneration	22	10	32
Fees payable to the Company's Auditor for:			
- Audit of the Company's Annual Financial Statements	13	6	19
- Audit of subsidiaries' Annual Financial Statements	5	-	5
- Other services relating to taxation	3	2	5
- Other services pursuant to legislation	6	3	9
Tender costs	34	-	34
Legal and professional fees	16	6	22
Other expenses	53	26	79
	152	53	205
Capital expenses:			
Development costs	636	-	636
Investment costs	34	-	34
	822	53	875

Six months ended 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Revenue expenses:			
Directors' remuneration	22	10	32
Fees payable to the Company's Auditor for:			
- Audit of the Company's Annual Financial Statements	18	8	26
- Audit of subsidiaries' Annual Financial Statements	17	-	17
- Other services relating to taxation	1	-	1
- Other services pursuant to legislation	6	3	9
Legal and professional fees	18	8	26
Other expenses	48	22	70
	130	51	181
Capital expenses:			
Development funding costs	279	-	279
Investment costs	2	4	6
Other expenses	12	-	12
	423	55	478

Year ended 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Revenue expenses:			
Directors' remuneration	45	20	65
Fees payable to the Company's Auditor for:			
- Audit of the Company's Annual Financial Statements	18	8	26
- Audit of the accounts of associates of the Company pursuant to legislation	13	-	13
- Other services relating to taxation	2	1	3
- Other services pursuant to legislation	8	3	11
Legal and professional fees	37	10	47
Other expenses	130	52	182
	253	94	347
Capital expenses:			
Development funding costs	279	-	279
Impairment of development wind assets	342	-	342
Investment costs	54	65	119
	928	159	1,087

The other services pursuant to legislation provided by the Company's Auditor related to reviews of the half-yearly report. Other services relating to taxation were in respect of tax services provided by the Company's Auditor relating to corporation tax compliance.

Development costs of £636,000 represent expenses of Redeven Energy Limited which had previously been treated as other receivables as it was anticipated these would be recharged to the development companies established to develop the wind farms for which Redeven Energy Limited has achieved planning consent. It is now considered more appropriate to treat these expenses as cost of sales as it is intended that Redeven Energy Limited will charge a development fee to the companies developing the wind farms.

5. Directors' remuneration

Six months ended 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
A Moore	8	4	12
P Thomas	7	3	10
C Wood	7	3	10
Aggregate emoluments	22	10	32

Six months ended 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
A Moore	8	4	12
P Thomas	7	3	10
C Wood	7	3	10
Aggregate emoluments	22	10	32

Year ended 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
A Moore	17	8	25
P Thomas	14	6	20
C Wood	14	6	20
Aggregate emoluments	45	20	65

6. Taxation

The half-yearly tax charge for the six months ended 31 August is £110,000 in the ordinary share fund (six months ended 31 August 2011: tax charge £18,000; year ended 29 February 2012: £88,000) and £20,000 in the "C" share fund (six months ended 31 August 2011: tax credit £18,000; year ended 29 February 2012: £35,000). The charges have been accrued assuming an effective tax rate of 24%, however dividends and capital gains are not subject to tax resulting in a lower effective tax rate than the standard applicable rate in the UK.

7. Basic and diluted return per share

For the six months ended 31 August 2012 (unaudited)		Ordinary Shares	"C" Shares
Group			
Revenue return for the period	*p per share*	2.70	1.26
Based on:			
Revenue return for the period	*£'000*	663	143
Weighted average number of shares in issue	*number of shares*	24,440,507	11,329,107
Capital gain for the period	*p per share*	9.90	12.28
Based on:			
Capital gain for the period	*£'000*	2,420	1,390
Weighted average number of shares in issue	*number of shares*	24,440,507	11,329,107
Net profit for the period	*p per share*	12.60	13.54
Based on:			
Net gain for the period	*£'000*	3,083	1,533
Weighted average number of shares in issue	*number of shares*	24,440,507	11,329,107

For the six months ended 31 August 2011 (audited)		Ordinary Shares	"C" Shares
Group			
Revenue return for the period	*p per share*	1.08	0.89
Based on:			
Revenue return for the period	*£'000*	264	101
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107
Capital loss for the period	*p per share*	(16.44)	(0.52)
Based on:			
Capital loss for the period	*£'000*	(4,034)	(59)
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107
Net profit/(loss) for the period	*p per share*	(15.36)	0.37
Based on:			
Net gain/(loss) for the period	*£'000*	(3,770)	42
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107

For the year ended 29 February 2012 (audited)		Ordinary Shares	"C" Shares
Group			
Revenue return for the year	*p per share*	1.66	1.99
Based on:			
Revenue return for the year	*£'000*	404	226
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107
Capital gain/(loss) for the year	*p per share*	(17.81)	(1.48)
Based on:			
Capital gain/(loss) for the year	*£'000*	(4,371)	(167)
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107
Net profit/(loss) for the year	*p per share*	(16.15)	0.51
Based on:			
Net gain/(loss) for the year	*£'000*	(3,967)	59
Weighted average number of shares in issue	*number of shares*	24,537,560	11,329,107

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

8. Investments

	Ordinary Shares			"C" Shares			Total		
Six months ended 31 August 2012 (unaudited)	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000
Group and Company									
Opening position									
Opening cost	10,242	8,272	18,514	4,900	3,283	8,183	15,142	11,555	26,697
Opening realised losses	(5,904)	(1,410)	(7,314)	-	-	-	(5,904)	(1,410)	(7,314)
Opening unrealised gains/(losses)	1,796	(397)	1,399	-	-	-	1,796	(397)	1,399
Opening fair value	6,134	6,465	12,599	4,900	3,283	8,183	11,034	9,748	20,782
During the period									
Purchases at cost	235	-	235	20	17	37	255	17	272
Disposal proceeds	-	(1,920)	(1,920)	-	(1,200)	(1,200)	-	(3,120)	(3,120)
Realised losses	(21)	(15)	(36)	-	-	-	(21)	(15)	(36)
Unrealised gains	2,632	240	2,872	1,220	243	1,463	3,852	483	4,335
Closing fair value	8,980	4,770	13,750	6,140	2,343	8,483	15,120	7,113	22,233
Closing position									
Closing cost	8,225	5,952	14,177	4,920	2,100	7,020	13,145	8,052	21,197
Closing realised losses	(3,905)	(1,559)	(5,464)	-	-	-	(3,905)	(1,559)	(5,464)
Closing unrealised gains	4,660	377	5,037	1,220	243	1,463	5,880	620	6,500
Closing fair value	8,980	4,770	13,750	6,140	2,343	8,483	15,120	7,113	22,233

Six months ended 31 August 2011 (unaudited)	Ordinary Shares Shares £000	Ordinary Shares Loan stock £000	Ordinary Shares Total £000	"C" Shares Shares £000	"C" Shares Loan stock £000	"C" Shares Total £000	Total Shares £000	Total Loan stock £000	Total Total £000
Group and Company									
Opening position									
Opening cost	10,242	8,242	18,484	900	3,060	3,960	11,142	11,302	22,444
Opening realised losses	(266)	(2)	(268)	-	-	-	(266)	(2)	(268)
Opening unrealised (losses)/ gains	(2,233)	391	(1,842)	-	-	-	(2,233)	391	(1,842)
Opening fair value	7,743	8,631	16,374	900	3,060	3,960	8,643	11,691	20,334
During the period									
Purchases at cost	-	70	70	1,000	873	1,873	1,000	943	1,943
Disposal proceeds	-	-	-	-	(300)	(300)	-	(300)	(300)
Realised losses	(574)	(2)	(576)	-	-	-	(574)	(2)	(576)
Unrealised losses	(1,429)	(1,697)	(3,126)	-	-	-	(1,429)	(1,697)	(3,126)
Closing fair value	5,740	7,002	12,742	1,900	3,633	5,533	7,640	10,635	18,275
Closing position									
Closing cost	10,242	8,312	18,554	1,900	3,633	5,533	12,142	11,945	24,087
Closing realised losses	(840)	(4)	(844)	-	-	-	(840)	(4)	(844)
Closing unrealised losses	(3,662)	(1,306)	(4,968)	-	-	-	(3,662)	(1,306)	(4,968)
Closing fair value	5,740	7,002	12,742	1,900	3,633	5,533	7,640	10,635	18,275

Year ended 29 February 2012 (audited)	Ordinary Shares Shares £000	Ordinary Shares Loan stock £000	Ordinary Shares Total £000	"C" Shares Shares £000	"C" Shares Loan stock £000	"C" Shares Total £000	Total Shares £000	Total Loan stock £000	Total Total £000
Group and Company									
Opening position									
Opening cost	10,242	8,242	18,484	900	3,060	3,960	11,142	11,302	22,444
Opening realised losses	(266)	(2)	(268)	-	-	-	(266)	(2)	(268)
Opening unrealised (losses)/gains	(2,233)	391	(1,842)	-	-	-	(2,233)	391	(1,842)
Opening fair value	7,743	8,631	16,374	900	3,060	3,960	8,643	11,691	20,334
During the year									
Purchases at cost	-	70	70	4,000	1,298	5,298	4,000	1,368	5,368
Disposal proceeds	-	(40)	(40)	-	(1,075)	(1,075)	-	(1,115)	(1,115)
Realised losses	(2,546)	(1,703)	(4,249)	-	-	-	(2,546)	(1,703)	(4,249)
Unrealised gains/ (losses)	937	(493)	444	-	-	-	937	(493)	444
Closing fair value	6,134	6,465	12,599	4,900	3,283	8,183	11,034	9,748	20,782
Closing position									
Closing cost	10,242	8,272	18,514	4,900	3,283	8,183	15,142	11,555	26,697
Closing realised gains/(losses)	1,796	(397)	1,399	-	-	-	1,796	(397)	1,399
Closing unrealised losses	(5,904)	(1,410)	(7,314)	-	-	-	(5,904)	(1,410)	(7,314)
Closing fair value	6,134	6,465	12,599	4,900	3,283	8,183	11,034	9,748	20,782

The shares held by the Company represent equity holdings in unquoted UK companies and equity based derivatives. The Investment Manager's Report provides details in respect of the Company's shareholding in each investment.

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 has obtained planning permission. The value attributed to the investment rights attached to this development funding agreement is recognised in the fair value of the investments held on the Group and Company Statement of Financial Position.

The investments acquired and disposed of during the period are detailed in the Investment Manager's Report.

9. Investments in subsidiaries

Subsidiary undertaking	Country of incorporation	Portion of voting rights As at 31 August 2012	Portion of voting rights As at 31 August 2011	Portion of voting rights As at 29 February 2012	Principal activity
Redeven Energy Limited	England & Wales	60%	60%	60%	Wind farm development funding
Spurlens Rig Wind Limited	England & Wales	60%	60%	60%	Wind farm development

Ordinary Shares Six months ended 31 August 2012 (unaudited)	Shares £000	Shareholder loans £000	Total £000
Opening position			
Opening cost	174	653	827
Opening realised losses	(174)	(204)	(378)
Opening fair value	-	449	449
During the period			
Purchases at cost	-	6	6
Closing fair value	-	455	455
Closing position			
Closing cost	174	659	833
Closing realised losses	(174)	(204)	(378)
Closing fair value	-	455	455

Ordinary Shares Six months ended 31 August 2011 (unaudited)	Shares £000	Shareholder loans £000	Total £000
Opening position			
Opening cost and fair value	174	558	732
During the period			
Purchases at cost	-	21	21
Unrealised loss	-	(167)	(167)
Closing fair value	174	412	586
Closing position			
Closing cost	174	579	753
Closing unrealised loss	-	(167)	(167)
Closing fair value	174	412	586

9. Investments in subsidiaries (continued)

Ordinary Shares Year ended 29 February 2012 (unaudited)	Shares £000	Shareholder loans £000	Total £000
Opening position			
Opening cost and fair value	174	558	732
During the year			
Purchases at cost	-	95	95
Realised loss	(174)	(204)	(378)
Closing fair value	-	449	449
Closing position			
Closing cost	174	653	827
Closing realised losses	(174)	(204)	(378)
Closing fair value	-	449	449

10. Development wind assets

The Group's development wind assets comprised capitalised costs incurred in the pre-planning phase of the development of wind farm schemes. The development wind assets were held by the Company's subsidiary undertakings which are held by the ordinary share fund only. The carrying value of the Group's development wind assets was adjusted in respect of the prior periods to account for a reclassification to trade and other receivables in respect of recoverable development funding costs incurred by Redeven Energy Limited as this company does not hold the investment rights in projects directly. The development wind assets held by Spurlens Rig Wind Limited were impaired during the year ended 29 February 2012 as the planning application submitted by this company was rejected.

Six months ended 31 August 2012 (unaudited)	Ordinary Shares £000
Opening and closing positions	
Gross carrying amount	342
Accumulated impairment	(342)
Opening and closing value	-

Six months ended 31 August 2011 (unaudited)	Ordinary Shares £000
Opening position	
Gross carrying amount	1,096
Opening value	1,096
Reclassification to trade and other receivables	(803)
Opening value (reclassified)	293
During the period	
Purchases at cost	38
Closing value	331
Closing position	
Gross carrying amount	331
Closing value	331

Year ended 29 February 2012 (audited)	Ordinary Shares £000
Opening position	
Gross carrying amount	1,096
Opening value	1,096
Reclassification to trade and other receivables	(803)
Opening value (reclassified)	293
During the year	
Purchases at cost	49
Impairment charges	(342)
Closing value	-
Closing position	
Gross carrying amount	342
Accumulated impairment	(342)
Closing value	-

11. Trade and other receivables

As at 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Non-current assets			
Accrued interest income	14	-	14
Other receivables	-	90	90
	14	90	104
Current assets			
Accrued interest income	231	230	461
Other receivables	2	15	17
Corporation tax	-	15	15
Prepayments	16	7	23
	249	267	516

As at 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Non-current assets			
Accrued interest income	750	164	914
Other receivables	622	-	622
	1,372	164	1,536
Current assets			
Accrued interest income	328	187	515
Other receivables	54	48	102
Corporation tax	-	23	23
Prepayments	10	5	15
	392	263	655

11. Trade and other receivables (continued)

As at 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Non-current assets			
Accrued interest income	37	47	84
	37	47	84
Current assets			
Accrued interest income	1,187	483	1,670
Other receivables	760	8	768
Corporation tax	-	34	34
Prepayments	67	6	73
	2,014	531	2,545

As at 31 August 2012 the Group had receivables of £104,000 which were due after more than one year (31 August 2011: £1,536,000; 29 February 2012: £84,000). The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. During the six month period ended 31 August 2012 a substantial amount of accrued interest income was paid to the Group which contributed to the reduction in the balance receivable. Other receivables were reduced over the six month period because development costs of £636,000 representing expenses of the Company's subsidiary, Redeven Energy Limited, were expensed through the Statement of Comprehensive Income (refer to note 4 for further details).

As at 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Non-current assets			
Accrued interest income	14	-	14
Other receivables	-	90	90
	14	90	104
Current assets			
Accrued interest income	245	230	475
Other receivables	1	15	16
Corporation tax	-	37	37
Prepayments	16	7	23
	262	289	551

As at 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Non-current assets			
Accrued interest income	750	164	914
	750	164	914
Current assets			
Accrued interest income	328	187	515
Other receivables	2	48	50
Corporation tax	-	23	23
Prepayments	10	5	15
	340	263	603

As at 29 February 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Non-current assets			
Accrued interest income	37	47	84
	37	47	84
Current assets			
Accrued interest income	1,187	483	1,670
Other receivables	4	8	12
Corporation tax	-	34	34
Prepayments	67	6	73
	1,258	531	1,789

As at 31 August 2012 the Company had receivables of £104,000 due after more than one year representing accrued interest and facility fees from a short-term loan (31 August 2011: £914,000; 29 February 2012: £84,000). The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. During the six month period ended 31 August 2012 a substantial amount of accrued interest income was paid to the Group which contributed to the reduction in the balance receivable.

12. Cash and cash equivalents

The total cash and cash equivalents held in the Company's ordinary share fund was £3,261,000 at 31 August 2012 (31 August 2011: £325,000; 29 February 2012: £608,000). The increase, over the period, in cash and cash equivalents held by the ordinary share fund was due to the receipt of proceeds from investment, particularly a repayment of loan principal of £1,800,000 made by Broadview Energy Limited and investment income received offset by payments of dividends, operating expenses, repayment loan financing and purchase of investments,

The cash balances of the subsidiaries held by the Company's ordinary share fund are consolidated into the Group's financial statements. At 31 August 2012 the cash held by the subsidiaries totalled £126,000 (31 August 2011: £21,000; 29 February 2012: £14,000).

The total cash and cash equivalents held in the Company's "C" share fund was £3,021,000 at 31 August 2012 (31 August 2011: £4,579,000; 29 February 2012: £1,685,000). The increase in cash and cash equivalents during the period was due to the receipt of investment income and proceeds from investments, offset by payment of investment management fees, expenses and dividends and purchase of investments.

The Directors consider that the carrying amounts of the cash and cash equivalents approximate to their fair value.

13. Trade and other payables

As at 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Corporation tax	197	-	197
Trade payables	16	3	19
Other payables	9	8	17
Accruals	95	16	111
	317	27	344

As at 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Corporation tax	23	-	23
Trade payables	48	2	50
Accruals	112	27	139
	183	29	212

As at 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Group			
Corporation tax	87	-	87
Trade payables	14	-	14
Other payables	41	7	48
Accruals	89	25	114
	231	32	263

As at 31 August 2012 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Corporation tax	197	-	197
Trade payables	-	3	3
Other payables	9	8	17
Accruals	86	16	102
	292	27	319

As at 31 August 2011 (unaudited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Corporation tax	23	-	23
Trade payables	2	2	4
Accruals	94	27	121
	119	29	148

As at 29 February 2012 (audited)	Ordinary Shares £000	"C" Shares £000	Total £000
Company			
Corporation tax	87	-	87
Trade payables	14	-	14
Other payables	7	7	14
Accruals	89	25	114
	197	32	229

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

14. Financial liabilities

As at 31 August 2012 (unaudited)	Ordinary Shares £000
Group	
Shareholder loans	439
Loan from Temporis Capital LLP	144
	583

As at 31 August 2011 (unaudited)	Ordinary Shares £000
Group	
Shareholder loans	386
	386

As at 29 February 2012 (audited)	Ordinary Shares £000
Group	
Shareholder loans	436
Loan from Temporis Capital LLP	327
	763

The Group's financial liabilities include shareholder loans of £393,000 and £46,000 provided by Ventus VCT plc to the Company's subsidiaries, Redeven Energy Limited and Spurlens Rig Wind Limited respectively.

As at 31 August 2012 the Company's ordinary share fund had a loan outstanding in the amount of £144,000 to Temporis Capital LLP, the Investment Manager. This loan is interest-free, to be repaid by the Company's ordinary share fund over the period of time that the waived investment management fees referred to in note 3 would otherwise have been charged.

The Directors consider that the carrying amounts of the financial liabilities approximate to their fair value.

14. Financial liabilities (continued)

As at 31 August 2012 (unaudited)	Ordinary Shares £000
Company	
Loan from Temporis Capital LLP	144
	144

As at 31 August 2011 (unaudited)	Ordinary Shares £000
Company	
Loan from Temporis Capital LLP	-
	-

As at 29 February 2012 (audited)	Ordinary Shares £000
Company	
Loan from Temporis Capital LLP	327
	327

The loan outstanding to Temporis Capital LLP, the Investment Manager, is explained above.

The Directors consider that the carrying amounts of the financial liabilities approximate to their fair value.

15. Share capital

	Ordinary Shares		"C" Shares		Total	
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Authorised						
At 1 March 2012 (audited)	30,000,000	7,500	20,000,000	5,000	50,000,000	12,500
Shares authorised during the period	20,000,000	5,000	-	-	20,000,000	5,000
At 31 August 2012 (unaudited)	50,000,000	12,500	20,000,000	5,000	70,000,000	17,500

	Ordinary Shares		"C" Shares		Total	
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Allotted, called up and fully paid						
At 1 March 2012 (audited)	24,537,560	6,134	11,329,107	2,832	35,866,667	8,966
Allotted, called up and fully paid during the period	8,274,552	2,068	-	-	8,274,552	2,068
Purchased and cancelled during the period	(8,389,457)	(2,097)	-	-	(8,389,457)	(2,097)
At 31 August 2012 (unaudited)	24,422,655	6,105	11,329,107	2,832	35,751,762	8,937

	Ordinary Shares		"C" Shares		Total	
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Authorised						
At 1 March 2011 (audited)	30,000,000	7,500	20,000,000	5,000	50,000,000	12,500
At 31 August 2011 (unaudited)	30,000,000	7,500	20,000,000	5,000	50,000,000	12,500

	Ordinary Shares		"C" Shares			Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Allotted, called up and fully paid						
At 1 March 2011 (audited)	24,537,560	6,134	11,329,107	2,832	35,866,667	8,966
At 31 August 2011 (unaudited)	24,537,560	6,134	11,329,107	2,832	35,866,667	8,966

	Ordinary Shares		"C" Shares			Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Authorised						
At 1 March 2011 (audited)	30,000,000	7,500	20,000,000	5,000	50,000,000	12,500
At 29 February 2012 (audited)	30,000,000	7,500	20,000,000	5,000	50,000,000	12,500

	Ordinary Shares		"C" Shares			Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000
Allotted, called up and fully paid						
At 1 March 2011 (audited)	24,537,560	6,134	11,329,107	2,832	35,866,667	8,966
At 29 February 2012 (audited)	24,537,560	6,134	11,329,107	2,832	35,866,667	8,966

16. Basic and diluted net asset value per share

The calculation of the Group's net asset value per ordinary share of 69.2p as at 31 August 2012 (31 August 2011: 59.6p; 29 February 2012: 58.8p) is based on net assets attributable to equity holders of £16,899,000 (31 August 2011: £14,616,000; 29 February 2012: £14,419,000) divided by 24,422,655 ordinary shares in issue at that date (31 August 2011: 24,537,560 ordinary shares; 29 February 2012: 24,537,560 ordinary shares). The "C" share fund did not hold investments in subsidiaries at 31 August 2012, (31 August 2011 and 29 February 2012: £nil).

The Company's net asset value per ordinary share of 70.8p is based on net assets attributable to the ordinary shareholders of £17,292,000 (31 August 2011: £14,624,000; 29 February 2012: £14,427,000) and the number of shares in issue as at 31 August 2012 of 24,422,655 (31 August 2011: 24,537,560 ordinary shares; 29 February 2012: 24,537,560 ordinary shares).

The net asset value per "C" share of 104.5p at 31 August 2012 (31 August 2011: 92.8p; 29 February 2012: 91.9p) is based on net assets attributable to the "C" shareholders of £11,834,000 (31 August 2011: £10,510,000; 29 February 2012: £10,414,000) and the number of shares in issue as at 31 August 2012 of 11,329,107 (31 August 2011: 11,329,107; 28 February 2012: 11,329,107).

17. Dividends

A final dividend for the year ended 29 February 2012 of 2.30p per ordinary share was paid to ordinary shareholders on 8 August 2012.

An interim dividend of 1.75p per ordinary share has been declared for the six month period ended 31 August 2012 which will be paid on 16 January 2013 to all ordinary shareholders on the register as at close of business on 14 December 2012.

A final dividend for the year ended 29 February 2012 of 1.00p per "C" share was paid to "C" shareholders on 8 August 2012.

An interim dividend of 1.20p per "C" share has been declared for the six month period ended 31 August 2012 which will be paid on 16 January 2013 to all "C" shareholders on the register as at close of business on 14 December 2012.

18. Events susequent to period end

On 25 October 2012, the Company committed to invest a further £750,000 in ordinary shares of Eye Wind Power Limited and to provide a loan facility of £1,050,000

19. Contingencies, guarantees and financial commitments

The contingencies, guarantees and financial commitments of the Company were disclosed in the annual report and financial statements for the year ended 29 February 2012 except for a subsequent commitment to invest in Eye WInd Power Limited which is disclosed in note 18.

The Company has provided a cost overrun guarantee of £750,000 to the Co-operative Bank plc on behalf of Osspower Limited. Any sums called under this guarantee shall be payable by way of a loan from the Company to Osspower Ltd which may be drawn down in the event of the construction of Allt Fionn Ghlinne small hydro scheme exceeding its budget of £7.5 million, which may occur at any time up to the end of a defects notification period which extends for an eighteen month period after construction. In the event of cost overrun, the loan is repayable over a term of 15 years, interest free. The Directors consider the probability of the loan being drawn down to be very low and the fair value of the liability associated with the guarantee is not considered to be significant at the period end.

20. Related party transactions

The investment management fees paid to the Investment Manager during the six months ended 31 August 2012 are set out in note 3. The Investment Manager has provided a loan to the Company which is detailed in note 14.

The investee companies in which the Company has a shareholding of 20% or more are considered to be related parties. The significant changes to the balances and transactions with these companies are presented in the Investment Manager's Report. The aggregate balances at the period end and transactions with these companies during the six months to 31 August 2012 are summarised below.

As at 31 August 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Balances as at 31 August 2012 (unaudited)			
Company			
Investments - shares	7,652	6,140	13,792
Investments - loan stock	4,880	1,934	6,814
Accrued interest income	228	140	368
Other receivables	-	90	90
Transactions in the six months ended 31 August 2012 (unaudited)			
Loan stock interest income	268	110	378
Dividend income	335	-	335
Other income	-	90	90

As at 31 August 2011	Ordinary Shares £000	"C" Shares £000	Total £000
Balances as at 31 August 2011 (unaudited)			
Company			
Investments - shares	4,872	1,900	6,772
Investments - loan stock	5,158	1,673	6,831
Accrued interest income	504	192	696
Transactions in the six months ended 31 August 2011 (unaudited)			
Loan stock interest income	304	80	384
Dividend income	48	-	48

As at 29 February 2012	Ordinary Shares £000	"C" Shares £000	Total £000
Balances as at 29 February 2012 (audited)			
Company			
Investments - shares	4,827	4,900	9,727
Investments - loan stock	4,768	1,673	6,441
Accrued interest income	521	301	822
Transactions in the year ended 29 February 2012 (audited)			
Loan stock interest income	516	177	693
Dividend income	48	-	48

There are no differences between the Group and Company related party transactions with the exception of investments in subsidiaries included in the tables above as investments in shares and loan stock totalling £455,000 relating to Redeven Energy Limited and Spurlens Rig Wind Limited (31 August 2011: £586,000; 29 February 2012: £449,000) which are consolidated into the Group accounts, of which £nil was attributable to the value of shares (31 August 2011: £174,000; 29 February 2012: £nil) and £455,000 attributable to the value of shareholder loans (31 August 2011: £412,000; 29 February 2012: £449,000).

21. Report distribution

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

Allt Dearg Wind Farm near
Lochgilphead in Argyll
(Photograph: James F. Lithgow).

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