



Ventus 2 VCT plc

Half-yearly Financial Report

for the six month period ended 31 August 2010



CONTENTS

01	Chairman's Statement
04	Investment Manager's Report
14	Directors and Advisers
15	Group Statement of Comprehensive Income

18	Group Balance Sheet
19	Company Balance Sheet
20	Group Statement of Changes in Equity
21	Company Statement of Changes in Equity

24	Group Cash Flow Statement
25	Company Cash Flow Statement
26	Notes to the Financial Statements

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

I am pleased to present the financial report of Ventus 2 VCT plc (the "Company") for the six month period ended 31 August 2010.

Net asset value
(per ordinary share)

87.6p

Interim dividend
(per ordinary share)

1.50p

Net asset value
(per "C" share)

92.7p

Merger with Ventus 3 VCT plc

On 6 May 2010, the Company completed a scheme of reconstruction with Ventus 3 VCT plc (the "Scheme" or "Merger"). The terms of the Scheme were set out in a circular issued by the Company on 8 February 2010. The Scheme was effected by Ventus 3 VCT plc transferring its assets and liabilities to the Company, in consideration for which the Company issued 12,250,311 new ordinary shares to the shareholders of Ventus 3 VCT plc. Under the Scheme, Ventus 3 VCT plc was placed into members' voluntary liquidation. The number of new shares issued by the Company to the shareholders of Ventus 3 VCT plc was determined on the basis of the relevant net assets of Ventus 3 VCT plc and the Company's ordinary share fund on the date prior to the Merger, adjusted in accordance with the terms of the Scheme. The new ordinary shares rank *pari passu* in all respects and form a single class with the existing ordinary shares.

The creation of a single, larger company is expected to bring significant advantages to shareholders, primarily through a reduction in the annual running costs of the enlarged company when compared to the combined running costs of each separate company. This should increase dividends in the future.

The aggregate cost of the Merger of £277,000 was borne by the Company and Ventus 3 VCT plc.

In acquiring the assets of Ventus 3 VCT plc, the Company now 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 and therefore these companies are subsidiaries of the Company. The consolidated financial statements of the Company and its subsidiaries (the "Group") are presented in this report.

Net Asset Value, Results and Dividend – Ordinary Shares

At 31 August 2010, the net asset value of the ordinary share fund of the Company stood at £21,493,000 or 87.6p per ordinary share. The revenue profit attributable to ordinary shareholders for the six month period was £432,000 or 2.14p per ordinary share. The capital profit attributable to ordinary shareholders for the period was £410,000 or 2.04p per ordinary share, resulting in a net profit to ordinary shareholders for the period of £842,000 or 4.18p per ordinary share.

The value of investments held by the Company's ordinary share fund at 31 August 2010 was £19,890,000 compared to £8,434,000 at 28 February 2010. The Investment Manager's Report gives details of investments made during the period, including those assets acquired from Ventus 3 VCT plc, 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 mezzanine loan stock and cash deposits and dividends earned from investee companies. Total income attributable to the ordinary share fund for the six month period to 31 August 2010 was £635,000 compared to £178,000 for the six month period ended 31 August 2009. The increased income was primarily attributable to the mezzanine loan interest accrued on additional loan investments, including those acquired from Ventus 3 VCT plc, and dividend income received from investee companies.

The Company has declared an interim dividend of 1.50p per ordinary share which will be paid on 12 January 2011 to all ordinary shareholders on the register as at the close of business on 10 December 2010.

CHAIRMAN'S STATEMENT

Continued

Net Asset Value and Results – “C” Shares

On 8 February 2010, the Company launched its second “C” share offer jointly with Ventus VCT plc. The offer closed on 31 May 2010, the Company having allotted 4,404,421 “C” shares, resulting in net proceeds of £4,162,000 after issue costs.

At the period end, the net asset value per “C” share of the Company stood at £10,498,000 or 92.7p per “C” share. The revenue profit attributable to “C” shareholders for the period was £20,000 or 0.19p per “C” share. The capital loss attributable to “C” shareholders for the period was

£65,000 or 0.62p per “C” share, resulting in a net loss attributable to “C” shareholders for the period of £45,000 or 0.43p per “C” share.

The value of investments held at 31 August 2010 in the “C” share fund was £1,850,000 compared to £325,000 at 28 February 2010.

The income generated in the “C” share fund during the period comprised interest earned on mezzanine loan stock, cash on deposit and UK treasury bills. Total income attributable to the “C” share fund for the six months to 31 August 2010 was £95,000.

The Company has not declared an interim dividend in respect of the “C” Shares.

The Company's Investment Manager, Climate Change Capital Limited, continues to be actively engaged in managing the portfolio of existing investments and in identifying and negotiating potential investment opportunities to invest the new “C” share capital that has been raised. The Merger with Ventus 3 VCT plc, the investments made and “C” share capital raised constitute the important events of the period.

Key Performance Indicators

For the six month period ended 31 August 2010

	£000	Ordinary Shares Pence per share ¹	£000	“C” Shares Pence per share ¹	Total £000
Revenue profit attributable to equity shareholders	432	2.14	20	0.19	452
Capital gain/(loss) attributable to equity shareholders	410	2.04	(65)	(0.62)	345
Net profit/(loss) attributable to equity shareholders	842	4.18	(45)	(0.43)	797
Total movement in equity shareholders' funds	842	4.18	(45)	(0.43)	797
		%		%	%
Total expense ratio ²		2.78%		3.02%	2.86%

As at 31 August 2010

	£000	Ordinary Shares Pence per share	£000	“C” Shares Pence per share	Total £000
Net asset value ³	21,493	87.6	10,498	92.7	31,991
Total shareholder return ⁴	22,432	96.0	10,498	92.7	32,930

¹ The “per share” value is determined in respect of the weighted average number of shares in issue during the period.

² The total expense ratio represents the total operating expenditure during the period (excluding irrecoverable VAT) as a percentage of the net asset value of the Company at period end (pro-rated to provide an annualised ratio).

³ The net asset value per share is determined in respect of the number of shares in issue at the period end.

⁴ The total shareholder return represents the net asset value of the Company at period end plus the cumulative dividends paid by the Company since incorporation. The total shareholder return per share is the net asset value per share, based on the number of shares in issue at period end, plus the cumulative dividends paid per share, based on the number of shares eligible to receive dividends at the time the dividends were paid.

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

Investments

As at the date of this report, the ordinary share fund of the Company held investments in 18 companies, with a total value of £19.71 million, which takes into account £72,000 invested in Wind Power Renewables Limited and £250,000 loan repaid by Kettering East Energy Limited since 31 August 2010. The "C" share fund held investments in four companies with a total investment value of £2.85 million, which includes £500,000 invested in each of BEGL 2 Limited and BEGL 3 Limited since the period end.

The Investment Manager's Report provides details of the investments held as at 31 August 2010 and as at the date of this report. All investments are structured so as to be treated as qualifying holdings for the purposes of Venture Capital Trust ("VCT") regulations, unless otherwise stated.

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 HM Revenue & Customs VCT regulations

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

- > Inadequate control environment at service providers

The Board mitigates this risk by only appointing service providers of a high standing under agreements that set out their responsibilities and by obtaining assurances from them that all exceptions have been reported to the Board.

- > Non-compliance with the Listing Rules of the Financial Services Authority, Companies Act legislation, HM Revenue & Customs VCT regulations and other applicable regulations

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

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.

Responsibility Statement

The Directors acknowledge responsibility for the interim results and approve this half-yearly report. The half-yearly report has not been audited or reviewed by the Company's auditor. The Directors confirm that to the best of their knowledge:

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

Alan Moore
Chairman

28 October 2010

Climate Change Capital Limited (the "Investment Manager") is pleased to present a review of the investment activities of the Company since the last annual report.

Value of investments in 18 companies (held by the ordinary share fund)

£19.71m

Value of investments in four companies (held by the "C" share fund)

£2.85m

Summary of Investments

As described in the last annual report, the ordinary share fund of the Company acquired the assets and liabilities of Ventus 3 VCT plc on 6 May 2010. Therefore references to ordinary share fund investment holdings as at the date of this report now include the value of investments that have been acquired from Ventus 3 VCT plc.

As at the date of this report, the ordinary share fund of the Company holds investments in 18 companies with a total investment value of £19.71 million. £13.29 million of this value is held in investee companies which are operational. The Company also holds investments valued at £4.39 million in companies whose assets are in construction and expected to become operational over the course of the next year. The ordinary share fund also holds £2.03 million of investments in investee companies that are seeking planning permissions to develop renewable energy generating assets.

As at the date of this report, the Company also holds investments in the "C" share fund in four companies with a total value of £2.85 million.

Valuation of Investments

It is the accounting policy of the Company to hold its investments at fair value. In this report, investee companies whose assets have been fully constructed and have passed an initial satisfactory operational period are valued using a discounted cash flow methodology to establish their fair value. The key assumptions that have a significant impact on fair value in the discounted cash flow valuations are the discount factor used, the price at which the power and

associated benefits can be sold and the level of electricity the investee company's generating assets are expected to produce. The fair values of the investee companies which have not passed an initial satisfactory operational period are not considered to be materially different from the historical cost of investment having been reviewed for impairment, except for Broadview Energy Limited, which has been revalued based on the price per share of a recent capital raising round, and Redimo LFG Limited, which was previously impaired.

Further details on all investments are presented in the investment portfolio review below.

Additional Capital Raised

The Company raised £4.2 million in "C" share capital, net of issue costs, during the six months ended 31 August 2010 through a joint offer with Ventus VCT plc. The offer closed on 31 May 2010.

Investment Portfolio Summary

The following table shows total investments made from the ordinary share fund as at 31 August 2010 and as at the date of this report in terms of cost and value. The additions and unrealised gains made in the six months to 31 August 2010 are also presented. The additions during the period, the cost and values of investments and the commitments made to investments shown as at 31 August 2010 and the date of this report include the investment assets and commitments acquired from Ventus 3 VCT plc.

Ordinary Shares

Company name	Details		Investment value as at 28 February 2010 £000	Additions in the period to 31 August 2010 £000	Unrealised gains in the period to 31 August 2010 £000	Investment cost as at 31 August 2010 £000	Investment value as at 31 August 2010 £000	Investment cost as at 28 October 2010 £000	Investment value as at 28 October 2010 £000	Investment value & commitments as at 28 October 2010 £000
Craig Wind Farm Limited*	10 megawatt wind farm	Q	489	489	41	837	1,019	837	1,019	1,019
Firefly Energy Limited*	Renewable energy	Q	200	200	-	400	400	400	400	400
Achairn Energy Limited*	6 megawatt wind farm	Q	1,396	1,396	97	2,515	2,889	2,515	2,889	2,889
A7 Lochhead Limited*	6 megawatt wind farm	Q	357	357	26	690	740	690	740	740
Broadview Energy Limited*	Wind farm development	Q	1,000	1,000	300	2,000	2,300	2,000	2,300	2,300
Redimo LFG Limited*	10 megawatt landfill gas portfolio	Q	-	-	-	1,000	-	1,000	-	-
PBM Power Limited	Woodchip biomass plant	Q	287	287	-	574	574	574	574	574
Spurlens Rig Wind Limited*	Wind farm development		99	99	-	198	198	198	198	198
Olgrinmore Limited*	Wind farm development		34	34	-	68	68	68	68	68
Redeven Energy Limited*	Wind farm development		237	297	-	534	534	534	534	534
Osspower Limited	Hydro-electric development	Q	164	191	-	355	355	355	355	355
Small Hydro Company Limited	Hydro-electric development	Q	248	251	-	499	499	499	499	499
Renewable Power Systems (Dargan Road) Limited	Landfill gas generator	Q	950	950	70	1,900	1,970	1,900	1,970	1,970
Sandsfield Heat & Power Limited	Biomass generator	Q	1,398	1,398	-	2,796	2,796	2,796	2,796	2,796
Twinwoods Heat & Power Limited	Biomass generator	Q	1,000	1,400	-	2,400	2,400	2,400	2,400	2,400
Kettering East Energy Limited	Wind farm development		125	125	-	250	250	-	-	-
EcoGen Limited	Wind farm developer & consultancy	Q	300	300	-	600	600	600	600	600
Wind Power Renewables Limited*	Wind farm development	Q	150	150	-	300	300	372	372	372
Greenfield Wind Farm Limited*	Wind farm development	PQ	-	1,998	-	1,998	1,998	1,998	1,998	1,998
Total			8,434	10,922	534	19,914	19,890	19,736	19,712	19,712

Q – Investment complies with HM Revenue & Customs VCT regulations on qualifying holdings.

PQ – Part of the investment complies with HM Revenue & Customs VCT regulations on qualifying holdings.

* – A company in which Ventus VCT plc has also invested. The Company and Ventus VCT plc are managed by Climate Change Capital Limited.

INVESTMENT MANAGER'S REPORT

Continued

The following table shows total investments made from the "C" share fund as at 31 August 2010 and as at the date of this report in terms of cost and value. The total amount invested and contractually committed as at the date of this report is also presented.

"C" Shares

Company name	Details	Investment	Additions/	Investment	Investment	Investment	Investment	Investment
		value	(disposals)	cost	value	cost	value	value &
		as at	in the six	as at	as at	as at	as at	commitments
		28 February	months to	31 August	31 August	28 October	28 October	28 October
		2010	31 August	2010	2010	2010	2010	2010
		£000	2010	£000	£000	£000	£000	£000
Muirhall Windfarm Limited*	Wind farm development	325	(325)	-	-	-	-	-
Greenfield Wind Farm Limited*	Wind farm development PQ	-	1,500	1,500	1,500	1,500	1,500	1,500
Renewable Power Systems Limited*	Landfill gas operator	-	350	350	350	350	350	350
BEGL 2 Limited*	Wind farm development	-	-	-	-	500	500	500
BEGL 3 Limited*	Wind farm development	-	-	-	-	500	500	500
Total		325	1,525	1,850	1,850	2,850	2,850	2,850

Q – Investment complies with HM Revenue & Customs VCT regulations on qualifying holdings.

PQ – Part of the investment complies with HM Revenue & Customs VCT regulation on qualifying holdings.

* – A company in which Ventus VCT plc has also invested.

Investment Portfolio Review

The investments held by the Company as at the date of this report are reviewed in detail below.

The calendar year 2010 has been characterised by low winds across the UK which have affected the amount of energy generation at wind farm sites. The actual levels of wind energy generation across the UK have been substantially below the expected annual average energy yield.

The investment structures used by the Manager are based on long term energy yield projections and any bank loan facilities raised by investee companies are structured using conservative low case assumptions to enable the investee companies to withstand significant downside scenarios and to mitigate the risk of restrictions on the payment of dividends and default. The Manager has conducted testing on each of the Company's wind farm investments and verified that all bank covenants have been met, notwithstanding the low wind volumes that have been experienced so far this year. This is a situation that the Manager and the Board continue to keep under close review.

The valuations of the wind farm investments in this report have not been adversely affected by the recent poor wind volumes. The discounted cash flow valuation models are based on long term yield projections which are reviewed on a periodic basis.

Craig Wind Farm Limited

Craig Wind Farm Limited is a company which operates a ten megawatt wind farm in the Scottish Borders. The site became operational in October 2007.

The Company made a £180,000 equity investment in Craig Wind Farm Limited which

was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 12.5% of the ordinary shares in Craig Wind Farm Limited and also provides a mezzanine loan facility of £338,000. As at the date of this report, the Company's total investment is valued at £1,019,000.

The operational availability of the wind turbines has been very good over the last contract year as the technical issues that affected the site in the first two years have been resolved but total energy generation over the twelve months to 31 August 2010 was 21% below budget as a result of low wind volumes. Craig Wind Farm Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facility.

Mezzanine interest payments are being made in accordance with the loan agreement and £30,000 of mezzanine interest was paid in the six months ended 31 August 2010 against income accrued in the current and prior periods. As a result of the shortfall on energy generation against budget, Craig Wind Farm Limited was not in a position to make further payments of mezzanine interest at the end of September 2010 and therefore the amount due has been accrued. No dividends have been declared by Craig Wind Farm Limited to date.

Craig Wind Farm Limited has applied for planning permission to extend the site by the addition of two more wind turbines. The application is still pending determination by the local planning authority. If the application is successful, it will create the potential to increase the overall installed generating capacity at the site by 50%. The Manager is continuing to work with the other shareholders to progress this extension opportunity.

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.

Firefly Energy Limited continues to expand its business of the provision of power purchase agreement administration services and associated management and accounting services. These are core services that are highly in demand from the small to medium sized privately owned generator sector. Firefly Energy Limited has secured a total of thirteen new contracts over the course of the last year. The management team at Firefly Energy Limited considers there is a strong probability that further contracts of this nature will be secured as the business expands, providing an ancillary income stream to the business alongside the income from the five main long term power purchase agreements.

The Company made a £100,000 equity investment in Firefly Energy Limited which was matched by Ventus 3 VCT plc. Following acquisition of the assets of Ventus 3 VCT plc, the Company owns 50% of the ordinary share capital in Firefly Energy Limited and is providing a shareholder loan which has principal outstanding of £200,000. As at the date of this report, the Company's total investment is valued at £400,000. In October 2010, the Company received a mezzanine interest payment of £10,000 from Firefly Energy Limited.

Achair Energy Limited

Achair Energy Limited is a company operating a six megawatt wind farm in Caithness, Scotland. The site became operational on schedule in May 2009.

The Company made a £500,000 equity investment in Achair Energy Limited which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 40.4% of the ordinary share capital in Achair Energy Limited and also provides a mezzanine loan facility of £1.24 million. Achair Energy Limited has been operational for a suitable period and in accordance with the Company's investment valuation policy, the total investment has been revalued at £2,889,000.

The operational availability of the wind turbines over the contract year has been very good with high levels of availability being achieved. However, as with other sites, wind volumes have been disappointing and the total energy generation over the twelve months to 31 August 2010 was 19% below budget. Achair Energy Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facility.

The Company received £114,000 of mezzanine interest in April 2010 against income accrued in the half year and prior periods. As a result of the reduced energy generation levels derived from low wind volumes, Achair Energy Limited was not in a position to make further payments of mezzanine interest at the end of September 2010 and therefore the amount due has been accrued. The Manager expects the next payment of mezzanine interest to be paid in March 2011 subject to improved wind volumes resulting in higher generation levels.

A7 Lochhead Limited

A7 Lochhead Limited is a company that operates a six megawatt wind farm in Lanarkshire, Scotland. Construction was completed on time and on budget in June 2009.

The Company made an equity investment of £273,000 which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 20% of the ordinary share capital in A7 Lochhead Limited and also provides a mezzanine loan facility of £120,000. A7 Lochhead Limited has been operational for a suitable period and in accordance with the Company's investment valuation policy, the investment has been revalued to £740,000.

The operational availability of the wind turbines over the contract year has been very good with high levels of availability being achieved. As with other sites, wind volumes have been disappointing and the total energy generation over the twelve months to 31 August 2010 was 18% below budget. A7 Lochhead Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facility.

During the six months ended 31 August 2010 the Company has received interest payments of £11,000, against income accrued in the current and prior periods, and dividends of £10,000. In October 2010 the Company received interest payments of £7,500 against income accrued in the half year and a further dividend of £8,000.

Broadview Energy Limited

The Company holds an equity investment valued at £500,000 in Broadview Energy Limited, an established wind farm development company and operator of small to medium sized wind

sites. The investment represents a holding of approximately 2.2% in the ordinary shares of Broadview Energy, which was originally acquired for £200,000 in December 2008. The current valuation is based on a price of £2.50 per share which was the subscription price for ordinary shares in Broadview Energy Limited's latest capital raising round in June 2010, which included new third party investors. The capital raising placed a value on the ordinary share of Broadview Energy Limited of £22 million.

The Company also provides a shareholder loan with £1.8 million principal outstanding. As at the date of this report, the Company's total investment is valued at £2.3 million.

Broadview Energy Limited has constructed a three turbine wind farm in Aberdeenshire which has been fully operational since the beginning of 2010. It has also secured planning consent for two further sites comprising nine turbines in total. Both projects are in the process of procuring wind turbines and finalising terms with lenders. Planning applications for a further three sites are in the process of being determined.

Broadview Energy Limited has not declared or made any payment of dividends as the strategy of the business is currently to reinvest proceeds back into growing the business.

Redimo LFG Limited

The Company made an equity investment of £1 million in Redimo LFG Limited which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 50% of the ordinary share capital of Redimo LFG Limited. Redimo LFG Limited owns and operates a portfolio of generating stations which use landfill gas to produce electricity for export onto the grid.

In the last annual report, the Manager outlined a number of technical issues which have affected the operation of the generating stations within the Redimo LFG Limited portfolio, largely resulting from rising levels of contamination in the landfill gas. The Manager is continuing to work with its technical consultants to improve the operational performance, however conditions remain challenging and the increased costs of operating the generating equipment as a result of the gas quality means that the portfolio continues to perform below budget. The Manager is investigating and trialling a number of measures in an effort to improve performance, however progress since the date of the last annual report has been limited.

The ability of Redimo LFG Limited to trade out of its current position remains contingent on stabilising the operational performance and on an improvement in the level of future wholesale energy prices. Currently, Redimo LFG Limited is in breach of certain covenants under its banking facilities, however it retains the support of its lenders. The Company determined in December 2009 that it was prudent to fully write down the value of its investment in Redimo LFG Limited. This remains the position even though Redimo LFG Limited is still actively trading.

PBM Power Limited

PBM Power Limited is a company operating a waste wood biomass electricity generating plant in Lincolnshire.

Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 25% of the share capital in PBM Power Limited for which a total consideration of £574,000 has been paid.

The plant became operational in April 2009, which was approximately five months later than scheduled as a result of delays in provision of the grid connection by the network operator.

There have been a number of operational issues with the plant since it was first commissioned which have progressively been resolved by the principal contractor under warranty. These have taken significantly longer than first expected and there have been further plant shutdowns over the summer period in order to resolve the operational issues once and for all. The plant has only recently been put back in to full operation therefore as at the date of this report there has only been a limited period of consistent generation.

The intention of PBM Power Limited is to run the plant at design output over the remainder of 2010 to ensure that the technical issues that have arisen in the past have been fully resolved by the latest works.

Together with the delayed start, the additional shutdowns have led to significantly lower than expected generation volumes compared to the original year one and two operating budget.

PBM Power Limited is continuing in negotiations with its lending bank regarding the rescheduling of the repayments of its long term loan facilities.

In view of the need for the generating plant to demonstrate a consistent period of stable operation, the investment has not been revalued using a discounted cash flow methodology. The fair value of this investment is not considered to be materially different to the historic cost of investment. In consideration of the discounted future expected cash flows from this investment, the value at which the investment is held is not considered to be impaired.

Spurlens Rig Wind Limited

Spurlens Rig Wind Limited is a company developing a six turbine wind farm in the Borders region of Scotland. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 60% of the share capital in Spurlens Rig

Wind Limited for which a total consideration of £198,000 has been paid.

The planning application is expected to be submitted before the end of October 2010 and a decision is anticipated within twelve months. The Company has secured the rights to provide the equity and mezzanine debt finance required to build the wind farm should planning permission be granted.

Olgrinmore Limited

Olgrinmore Limited is a company developing a two turbine wind farm in Caithness, Scotland. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 17.6% of the share capital in Olgrinmore Limited for which a total consideration of £68,400 has been paid.

A planning application was submitted in January 2009 but was refused by the local planning department under delegated authority in June 2010. The company has now submitted an appeal which is expected to be determined before the end of the calendar year.

The Company has secured the rights to provide the equity and mezzanine debt finance required to build the wind farm should planning permission be granted on appeal.

Redeven Energy Limited

The Company holds an investment in Redeven Energy Limited, made by way of a shareholder loan, to fund the development of three wind farm sites in East Anglia. The Company made a nominal equity investment which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 60% of the share capital in Redeven Energy Limited and is providing total shareholder loans of £534,000, of which £60,000 was advanced in May 2010.

Planning consent has been awarded on the first two sites comprising a total of seven turbines. Procurement work has started and negotiations are taking place with turbine suppliers, lenders and other key contract counterparties. The planning application for the third site, which would add a further two wind turbines to the portfolio, is expected to be submitted later this year once the required planning reports and public consultations have been completed.

The Company has secured the rights to provide the equity and mezzanine debt finance required to build the wind farms for the sites when planning permissions are obtained.

Osspower Limited

Osspower Limited is a company developing a group of four small scale hydro-electric generating assets in Scotland. The Company made an equity investment of £150,000 which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 50% of the share capital in Osspower Limited and provides shareholder loans of £55,000. The Company has also negotiated the rights to arrange the finance to build the hydro-electric schemes.

The planning applications for the four hydro-electric schemes were submitted to the Scottish Government Consents Unit in July 2009 and full planning permission was granted in April 2010. The Investment Manager is currently working with the other shareholders of Osspower Limited to put in place the finance facilities and contracts required to take the consented sites forward into construction and long term operation.

The Small Hydro Company Limited

The Small Hydro Company Limited is a company developing a number of small scale hydro-electric generating assets in England. The Company

made an equity investment of £57,500 which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 22.5% of the share capital in The Small Hydro Company Limited and provides shareholder loans amounting to £384,000.

The Small Hydro Company Limited submitted planning applications for its first five sites in July 2009 and is continuing to work with the relevant authorities to manage the applications through the planning process and to obtain the necessary environmental licences. One of the planning applications was initially refused and a resubmission has been made. Three sites have been consented and the other application is yet to be determined.

Renewable Power Systems (Dargan Road) Limited

Renewable Power Systems (Dargan Road) Limited is a company operating a landfill gas generating scheme on Belfast City Council's North Foreshore waste management site.

The Company made an equity investment of £390,000 which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 50% of the share capital in Renewable Power Systems (Dargan Road) Limited and provides a shareholder loan facility of £1.12 million. Renewable Power Systems (Dargan Road) Limited has been operational for a suitable period and in accordance with the Company's investment valuation policy, the investment has been revalued to £1.97 million.

The project manager and developer is Renewable Power Systems Limited, an experienced UK landfill gas generation specialist. Renewable Power Systems Limited owns 50% of Renewable Power Systems (Dargan Road) Limited and provides long term operational support services.

Construction on the site began in 2008 and the plant became operational on schedule and to budget in August 2009. Operating performance in the first contract year at the project has been in accordance with budget and no significant operational issues have occurred.

The Company received mezzanine loan interest of £36,000 in April 2010 against income accrued in the current and prior periods. In May 2010, the Company received a dividend of £150,000. The Company received mezzanine loan interest of £73,000 in September 2010 against income accrued in the half year together with a further dividend of £100,000.

Sandsfield Heat & Power Limited

Sandsfield Heat & Power Limited is a company developing a biomass generating scheme in North Yorkshire. The scheme uses waste wood as a fuel to generate electricity, via a conventional steam turbine, for export to the grid.

The project manager and developer is Bioflame Limited, a company specialising in energy from waste systems. Bioflame Limited own 30% of Sandsfield Heat & Power Limited.

Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 44.9% of the share capital in Sandsfield Heat & Power Limited acquired for total consideration of £1.8 million and provides a mezzanine loan facility of £1.0 million.

Construction on the site commenced in early 2009 and the plant entered operation in July 2010 in line with the construction schedule. The plant is currently undergoing performance optimisation testing in accordance with the post commissioning testing regime and satisfactory full output has been achieved.

Subject to satisfactory performance in line with the business plan, the first payment of mezzanine loan interest is expected to occur in December 2010 and the first dividend distribution is expected in the first half of 2011.

Twinwoods Heat & Power Limited

Twinwoods Heat & Power Limited is a company developing a waste wood biomass generating scheme in Bedfordshire. The plant design is identical to the Sandsfield Heat & Power Limited development and is again being developed in partnership with Bioflame Limited which owns 30% of Twinwoods Heat & Power Limited.

Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 50% of the share capital in Twinwoods Heat & Power Limited acquired for total consideration of £2.0 million and also provides a mezzanine loan facility of £400,000.

Construction on the site commenced in 2009 and the plant is expected to be operational in the first half of 2011. Construction works are proceeding on schedule.

Kettering East Energy Limited

Following the acquisition of the assets of Ventus 3 VCT plc, the Company held a loan facility of £250,000 provided to Kettering East Energy Limited, a company developing a seven turbine wind farm project in Northamptonshire with full planning consent.

As a result of unforeseen difficulties in the site development process the Company elected not to proceed with this scheme and the loan facility was repaid by Kettering East Energy Limited in October 2010.

EcoGen Limited

Following the acquisition of the assets of Ventus 3 VCT plc, the Company owns 12% of the ordinary share capital in EcoGen Limited acquired for total consideration of £400,000 and holds £200,000 of convertible loan notes. EcoGen Limited is an experienced wind farm owner, operator and developer.

EcoGen Limited is actively managing the development of a series of new wind farm sites in the UK. Its most advanced planning application for a five turbine wind farm project in Cambridgeshire was recently refused. EcoGen Limited is considering an appeal of the planning decision. Detailed work has begun on the pre-planning process for a number of additional sites.

Wind Power Renewables Limited

Wind Power Renewables Limited is a developer of wind farm sites in East Anglia. The Company made an equity investment of £90,000 which was matched by Ventus 3 VCT plc. Following the acquisition of the assets of Ventus 3 VCT plc, the Company held 30% of the share capital in Wind Power Renewables Limited and provided shareholder loans amounting to £120,000. In September 2010, the Company invested a further £72,000 for equity and increased its shareholding to 48% of the ordinary shares. The funding was raised to meet the increased costs of preparing planning applications.

Wind Power Renewables Limited has submitted three sites for planning to date. One of the sites was refused planning permission in October 2009 and has now been resubmitted on a revised basis. Two other sites are awaiting determination although one of these is expected to require a revision to its layout to meet certain constraints that have been identified. There are

three other sites that have been secured under land options that will be considered for planning applications in due course.

Greenfield Wind Farm Limited / Muirhall Windfarm Limited

During the year ended 28 February 2010, the Company advanced an interim loan facility totalling £325,000 to Muirhall Windfarm Limited, a company owning a fully consented six turbine wind farm site in West Lothian, Scotland. The loan facility was provided as part of an exclusivity arrangement in respect of the long term financing of the project. The loan was extended by £50,000 in March 2010 and was repaid in full when the Company acquired a holding in Muirhall Windfarm Limited's parent company, Greenfield Wind Farm Limited, as part of the long term financial structure for the wind farm scheme.

In March 2010, the Company's ordinary share fund acquired a shareholding of 8.35% in Greenfield Wind Farm Limited for consideration of £334,000. The Company's "C" share fund acquired a shareholding of 12.5% for consideration of £500,000. The ordinary share fund and "C" share fund also advanced mezzanine loans of £668,000 and £1,000,000 respectively.

Ventus 3 VCT plc made an equity investment of £332,000 in Greenfield Wind Farm Limited for a shareholding of 8.3% and advanced a loan of £664,000. Therefore, following the Company's acquisition of the assets of Ventus 3 VCT plc, the ordinary share fund of the Company owns 16.65% of the share capital in Greenfield Wind Farm Limited and provides a mezzanine facility of £1,332,000.

Works on site commenced in early April 2010 and the six wind turbines are scheduled to be fully installed in November 2010 and operational by the end of December 2010. Construction works are currently progressing on schedule.

The investments by the Company's ordinary share fund and "C" share fund in the ordinary shares of Greenfield Wind Farm Limited have been structured so as to meet the qualifying holding tests under HM Revenue & Customs VCT regulations. The mezzanine loans are not structured as qualifying holdings.

Renewable Power Systems Limited

During the six months ended 31 August 2010, the Company's "C" share fund provided a loan facility of £350,000 to Renewable Power Systems Limited, a company which specialises in the development and operation of landfill gas sites and other forms of energy from waste generation. As part of the agreement to provide the loan facility the Company has secured an exclusivity agreement relating to any project that Renewable Power Systems Limited requires external finance to progress. This facility is structured as a short term investment to provide Renewable Power Systems with development capital and is scheduled to be repaid in June 2011. As the Company does not hold equity in Renewable Power Systems Limited, it is not a qualifying investment under HM Revenue & Customs VCT regulations.

BEGL 2 Limited & BEGL 3 Limited

In September 2010 the Company's "C" share fund provided medium term loan facilities of £500,000 to each of BEGL 2 Limited and BEGL 3 Limited. These companies are subsidiaries of Broadview Energy Limited.

BEGL 2 Limited is the development company for a fully consented five turbine wind farm in Leicestershire and BEGL 3 Limited is the development company for a fully consented four turbine wind farm in Teesside.

In each case the loans have been secured against the relevant development company and will be used to meet construction and post consent development costs alongside long term bank loan facilities. The facilities are to be repaid in full no later than June 2012. As the loan facilities are short term in nature they are not qualifying investments under HM Revenue & Customs VCT regulations.

Investment Policy

The Company is focused on investing in companies developing renewable energy projects with installed capacities of two to twelve 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, primarily, seeks to allocate the Company's investments in equity securities and loan stock of companies owning renewable energy projects with full planning consent, ready for construction of the project to commence or whose assets are already operational. 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.

Since the acquisition of Ventus 3 VCT plc's assets, 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 Company invests in companies developing projects situated throughout the UK. Funds are also invested with a range of small-scale independent developers so project risk is not concentrated with only a few developers. The portfolio contains investments in companies with 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 via loan stock instruments in order to secure a negotiated level of return from each investment. The majority of investments are made in special purpose companies set up specifically to develop a single project. The bank debt financing is non-recourse to the Company.

The returns from projects are largely dependent on the UK Government's continued support for renewable energy, primarily under the Renewables Obligation and Feed-in Tariff mechanisms. The risk of any negative change to government policy is 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 a portion of the construction costs of each project through senior bank debt finance. The Investment Manager is involved 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 is required, the Directors shall restrict the borrowings of the Company, and shall so far as possible by the exercise of the Company's voting powers and other rights or powers of control over its subsidiaries secure that they restrict their borrowings. The aggregate principal amount at any time outstanding in respect of money borrowed by the Group 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. These provisions only apply to the borrowings of investee companies where those companies are considered to be subsidiaries of the Company. As at the date of this report the aggregate borrowings of the Group do not exceed 10% of the adjusted share capital and reserves of the Company.

Maximum Exposures

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

- i) **Investments in qualifying holdings**
70-95% of the funds will be invested in qualifying holdings no later than three years after the date that provisional approval by HM Revenue & Customs of the Company's status as a VCT becomes effective. The relevant compliance date for the initial share offer was 1 March 2009 and for the 2009 "C" share offer and 2009 ordinary share "top-up" offer is 1 March 2012. The relevant compliance date for the 2010 "C" share offer is 1 March 2013.

For the purpose of the 70% qualifying holdings requirement, disposals of qualifying investments for cash may be disregarded for a period of six months. Where a VCT breaches one or more of the requirements due to factors outside of its control, it may apply to HM Revenue & Customs for a determination that the breach will be disregarded for a period of 90 days while the breach is remedied.

- ii) **Concentration limits**

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

- iii) **Investments in pre-planning projects**

A maximum of 10% of the net funds raised from each of the initial ordinary share offer and the 2009 and 2010 "C" share offers respectively may be invested in pre-planning projects.

UK Market Outlook

The Coalition Government has stated its intention to be the greenest government ever and, following the recent Comprehensive Spending Review, details have begun to emerge as to how it intends to achieve its policy objectives.

The Spending Review confirmed the anticipated reductions in the budgets of a number of key areas of public sector provision, including the Department of Energy and Climate Change. However, against this backdrop of budget cuts, the Government highlighted its continued support for "action on renewables" and the commitment to obtain 15% of energy from

renewables by 2020 in supporting the roll out of both large and small scale technologies, improving energy efficiency, supporting growth and facilitating a private sector led transition to a green economy.

The Spending Review announced a range of initiatives to support the development of a low carbon economy including facilitating greater deployment of offshore wind and supporting the establishment of manufacturing infrastructure at UK ports, renewable heat incentives, increased expenditure on renewable energy and environmental technologies through existing support mechanisms and the establishment of a "green investment bank" to facilitate increased private sector investment. There was also re-affirmation of the existing support structures such as the Renewables Obligation and Feed-in Tariffs that are already in place for developers and generators of renewable energy.

The debt financing environment for new projects continues to improve after the difficulties in bank funding markets over the last two years. The number of lending banks in the small to medium sized renewable energy project sector remains relatively few but some increased competition is coming back as banks that were active pre-credit crunch start to re-engage with the market.

Wind turbine prices have softened further over the course of 2010, although turbine prices in the UK are still difficult to predict due to the volatility in the Euro/Sterling exchange rate. Whilst factory prices (denominated in Euros) may start to stabilise as spare capacity in the supply chain is taken up, most manufacturers are still able to deliver in relatively short time frames.

The level of opportunity for those investors with capital to deploy appears to remain significant throughout the range of technology sectors. This is in part due to the fact that lending banks remain cautious about high levels of gearing and want to see sponsors providing a suitable degree of equity. The environment for the Company as a key provider of equity and mezzanine debt capital to the small to medium sized UK renewables market therefore remains encouraging.

DIRECTORS & ADVISERS

Directors

Alan Moore (Chairman)
Paul Thomas
Colin Wood
D Pinckney (resigned 13 July 2010)

Company Secretary

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GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six month period ended 31 August 2010 (unaudited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised gains on investments	9	-	534	534	-	-	-	-	534	534
Income	2	635	-	635	95	-	95	730	-	730
Investment management fees	3	(52)	(156)	(208)	(31)	(92)	(123)	(83)	(248)	(331)
Merger costs	4	(30)	-	(30)	-	-	-	(30)	-	(30)
Other expenses	5	(67)	-	(67)	(39)	-	(39)	(106)	-	(106)
Profit/(loss) before taxation		486	378	864	25	(92)	(67)	511	286	797
Taxation	7	(54)	32	(22)	(5)	27	22	(59)	59	-
Profit/(loss) and total comprehensive income attributable to equity shareholders		432	410	842	20	(65)	(45)	452	345	797
Return per share										
Basic and diluted return per share (p)	8	2.14	2.04	4.18	0.19	(0.62)	(0.43)			

The profit and total comprehensive income for the period attributable to the equity shareholders of the Group was wholly derived from the parent Company. The Company acquired its subsidiaries during the period; there would have been no additional revenue or profit to report had the Company acquired its subsidiaries at the beginning of the period. The Company has only one class of business and derives its income from investments made in the UK.

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

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the six month period ended 31 August 2009 (unaudited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised loss on investments	9	-	(13)	(13)	-	-	-	-	(13)	(13)
Income	2	178	-	178	9	-	9	187	-	187
Investment management fees	3	(33)	(99)	(132)	(15)	(46)	(61)	(48)	(145)	(193)
Other expenses	5	(44)	-	(44)	(25)	-	(25)	(69)	-	(69)
(Loss)/profit before taxation		101	(112)	(11)	(31)	(46)	(77)	70	(158)	(88)
Taxation	7	(21)	21	-	6	10	16	(15)	31	16
(Loss)/profit and total comprehensive income attributable to equity shareholders		80	(91)	(11)	(25)	(36)	(61)	55	(127)	(72)
Return per share										
Basic and diluted return per share (p)	8	0.71	(0.81)	(0.10)	(0.40)	(0.61)	(1.01)			

The profit and total comprehensive income for the period attributable to the equity shareholders of the Group was wholly derived from the parent Company. The Company has only one class of business and derives its income from investments made in the UK.

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

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

GROUP STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2010 (audited)

	Note	Ordinary Shares			"C" Shares			Total		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised loss on investments	9	-	(711)	(711)	-	-	-	-	(711)	(711)
Income	2	376	-	376	31	-	31	407	-	407
Investment management fees	3	(66)	(199)	(265)	(36)	(106)	(142)	(102)	(305)	(407)
Merger costs	4	(103)	-	(103)	-	-	-	(103)	-	(103)
Other expenses	5	(91)	-	(91)	(56)	-	(56)	(147)	-	(147)
(Loss)/profit before taxation		116	(910)	(794)	(61)	(106)	(167)	55	(1,016)	(961)
Taxation	7	(46)	42	(4)	2	2	4	(44)	44	-
(Loss)/profit and total comprehensive income attributable to equity shareholders		70	(868)	(798)	(59)	(104)	(163)	11	(972)	(961)
Return per share										
Basic and diluted return per share (p)	8	0.62	(7.70)	(7.08)	(0.97)	(1.70)	(2.67)			

The profit and total comprehensive income for the period attributable to the equity shareholders of the Group was wholly derived from the parent Company. The Company has only one class of business and derives its income from investments made in the UK.

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

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

GROUP BALANCE SHEET

as at 31 August 2010 (unaudited)

Note	As at 31 August 2010 (unaudited)			As at 31 August 2009 (unaudited)			As at 28 February 2010 (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	9	19,158	1,850	21,008	8,915	-	8,915	8,434	325	8,759
Plant & equipment		1,048	-	1,048	-	-	-	-	-	-
Trade and other receivables	10	301	62	363	159	-	159	126	-	126
		20,507	1,912	22,419	9,074	-	9,074	8,560	325	8,885
Current assets										
Trade and other receivables	10	1,090	67	1,157	251	12	263	508	28	536
Cash and cash equivalents	11	535	8,547	9,082	1,084	6,469	7,553	1,364	6,495	7,859
		1,625	8,614	10,239	1,335	6,481	7,816	1,872	6,523	8,395
Total assets		22,132	10,526	32,658	10,409	6,481	16,890	10,432	6,848	17,280
Current liabilities										
Trade and other payables	12	(147)	(28)	(175)	(35)	2	(33)	(76)	(467)	(543)
Net current assets		1,478	8,586	10,064	1,300	6,483	7,783	1,796	6,056	7,852
Financial liabilities	13	(372)	-	(372)	-	-	-	-	-	-
Net assets		21,613	10,498	32,111	10,374	6,483	16,857	10,356	6,381	16,737
Share capital	14	6,134	2,832	8,966	2,793	1,731	4,524	3,071	1,731	4,802
Share premium		7,890	7,874	15,764	-	4,813	4,813	658	4,813	5,471
Special reserve		7,803	-	7,803	7,803	-	7,803	7,803	-	7,803
Capital reserve – realised		(775)	(169)	(944)	(572)	(36)	(608)	(651)	(104)	(755)
Capital reserve – unrealised		(24)	-	(24)	140	-	140	(558)	-	(558)
Revenue reserve		467	(39)	428	210	(25)	185	33	(59)	(26)
Equity attributable to equity holders		21,495	10,498	31,993	10,374	6,483	16,857	10,356	6,381	16,737
Minority interests		118	-	118	-	-	-	-	-	-
Total equity		21,613	10,498	32,111	10,374	6,483	16,857	10,356	6,381	16,737
Basic and diluted net asset value per share (p)	15	87.6	92.7		92.9	93.6		84.3	92.1	

Approved by the Board and authorised for issue on 28 October 2010.

Paul Thomas

Director

Ventus 2 VCT plc. Registered No: 05667210

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

COMPANY BALANCE SHEET

as at 31 August 2010 (unaudited)

Note	As at 31 August 2010 (unaudited)			As at 31 August 2009 (unaudited)			As at 28 February 2010 (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	9	19,890	1,850	21,740	8,915	-	8,915	8,434	325	8,759
Trade and other receivables	10	301	62	363	159	-	159	126	-	126
		20,191	1,912	22,103	9,074	-	9,074	8,560	325	8,885
Current assets										
Trade and other receivables	10	1,002	67	1,069	251	12	263	508	28	536
Cash and cash equivalents	11	442	8,547	8,989	1,084	6,469	7,553	1,364	6,495	7,859
		1,444	8,614	10,058	1,335	6,481	7,816	1,872	6,523	8,395
Total assets		21,635	10,526	32,161	10,409	6,481	16,890	10,432	6,848	17,280
Current liabilities										
Trade and other payables	12	(142)	(28)	(170)	(35)	2	(33)	(76)	(467)	(543)
Net current assets		1,302	8,586	9,888	1,300	6,483	7,783	1,796	6,056	7,852
Net assets		21,493	10,498	31,991	10,374	6,483	16,857	10,356	6,381	16,737
Equity attributable to equity holders										
Share capital	14	6,134	2,832	8,966	2,793	1,731	4,524	3,071	1,731	4,802
Share premium		7,890	7,874	15,764	-	4,813	4,813	658	4,813	5,471
Special reserve		7,803	-	7,803	7,803	-	7,803	7,803	-	7,803
Capital reserve – realised		(775)	(169)	(944)	(572)	(36)	(608)	(651)	(104)	(755)
Capital reserve – unrealised		(24)	-	(24)	140	-	140	(558)	-	(558)
Revenue reserve		465	(39)	426	210	(25)	185	33	(59)	(26)
Total equity		21,493	10,498	31,991	10,374	6,483	16,857	10,356	6,381	16,737
Basic and diluted net asset value per share (p)	15	87.6	92.7		92.9	93.6		84.3	92.1	

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

GROUP STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2010 (unaudited)

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Minority interests £000	Total £000
Ordinary Shares								
At 1 March 2010	3,071	658	7,803	(651)	(558)	33	-	10,356
Shares issued in the period	3,063	7,232	-	-	-	-	-	10,295
Change in equity arising from acquisition of subsidiaries	-	-	-	-	-	2	118	120
Profit/(loss) and total comprehensive income for the period	-	-	-	(124)	534	432	-	842
At 31 August 2010	6,134	7,890	7,803	(775)	(24)	467	118	21,613

	Share capital £000	Share premium £000	Capital reserve realised £000	Revenue reserve £000	Total £000
"C" Shares					
At 1 March 2010	1,731	4,813	(104)	(59)	6,381
Shares issued in the period	1,101	3,303	-	-	4,404
Issue costs	-	(242)	-	-	(242)
(Loss)/profit and total comprehensive income for the period	-	-	(65)	20	(45)
At 31 August 2010	2,832	7,874	(169)	(39)	10,498

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Total							
At 1 March 2010	4,802	5,471	7,803	(755)	(558)	(26)	16,737
Shares issued in the period	4,164	10,535	-	-	-	-	14,699
Issue costs	-	(242)	-	-	-	-	(242)
Profit/(loss) and total comprehensive income for the period	-	-	-	(189)	534	452	797
At 31 August 2010	8,966	15,764	7,803	(944)	(24)	426	31,991

The Company did not have subsidiary undertakings in the prior periods therefore comparative movements and balances for the Group have not been presented in respect of these periods.

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2010 (unaudited)

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Ordinary Shares							
At 1 March 2010	3,071	658	7,803	(651)	(558)	33	10,356
Shares issued in the period	3,063	7,232	-	-	-	-	10,295
Profit/(loss) and total comprehensive income for the period	-	-	-	(124)	534	432	842
At 31 August 2010	6,134	7,890	7,803	(775)	(24)	465	21,493

	Share capital £000	Share premium £000		Capital reserve realised £000		Revenue reserve £000	Total £000
"C" Shares							
At 1 March 2010	1,731	4,813		(104)		(59)	6,381
Shares issued in the period	1,101	3,303		-		-	4,404
Issue costs	-	(242)		-		-	(242)
(Loss)/profit and total comprehensive income for the period	-	-		(65)		20	(45)
At 31 August 2010	2,832	7,874		(169)		(39)	10,498

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Total							
At 1 March 2010	4,802	5,471	7,803	(755)	(558)	(26)	16,737
Shares issued in the period	4,164	10,535	-	-	-	-	14,699
Issue costs	-	(242)	-	-	-	-	(242)
Profit/(loss) and total comprehensive income for the period	-	-	-	(189)	534	452	797
At 31 August 2010	8,966	15,764	7,803	(944)	(24)	426	31,991

All amounts presented in the Company Statement of Changes in Equity are attributable to equity holders. The revenue reserve is a distributable reserve. The special reserve may be used to fund buy-backs of ordinary shares as and if it is considered by the Board to be in the interests of the shareholders. The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the six month period ended 31 August 2009 (unaudited)

	Share capital £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Ordinary Shares						
At 1 March 2009	2,793	7,803	(494)	153	298	10,553
(Loss)/profit and total comprehensive income for the period	-	-	(78)	(13)	80	(11)
Dividends paid in the period	-	-	-	-	(168)	(168)
At 31 August 2009	2,793	7,803	(572)	140	210	10,374

	Share capital £000	Share premium £000	Capital reserve realised £000	Revenue reserve £000	Total £000
"C" Shares					
At 1 March 2009	-	-	-	-	-
Shares issued in the period	1,731	5,194	-	-	6,925
Issue costs	-	(381)	-	-	(381)
Loss and total comprehensive income for the period	-	-	(36)	(25)	(61)
At 31 August 2009	1,731	4,813	(36)	(25)	6,483

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Total							
At 1 March 2009	2,793	-	7,803	(494)	153	298	10,553
Shares issued in the period	1,731	5,194	-	-	-	-	6,925
Issue costs	-	(381)	-	-	-	-	(381)
(Loss)/profit and total comprehensive income for the period	-	-	-	(114)	(13)	55	(72)
Dividends paid in the period	-	-	-	-	-	(168)	(168)
At 31 August 2009	4,524	4,813	7,803	(608)	140	185	16,857

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2010 (audited)

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Ordinary Shares							
At 1 March 2009	2,793	-	7,803	(494)	153	298	10,553
Shares issued in the year	278	713	-	-	-	-	991
Issue costs	-	(55)	-	-	-	-	(55)
(Loss)/profit and total comprehensive income for the year	-	-	-	(157)	(711)	70	(798)
Dividends paid in the year	-	-	-	-	-	(335)	(335)
At 28 February 2010	3,071	658	7,803	(651)	(558)	33	10,356

	Share capital £000	Share premium £000		Capital reserve realised £000		Revenue reserve £000	Total £000
"C" Shares							
At 1 March 2009	-	-		-		-	-
Shares issued in the year	1,731	5,194		-		-	6,925
Issue costs	-	(381)		-		-	(381)
Loss and total comprehensive income for the year	-	-		(104)		(59)	(163)
At 28 February 2010	1,731	4,813		(104)		(59)	6,381

	Share capital £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
Total							
At 1 March 2009	2,793	-	7,803	(494)	153	298	10,553
Shares issued in the year	2,009	5,907	-	-	-	-	7,916
Issue costs	-	(436)	-	-	-	-	(436)
(Loss)/profit and total comprehensive income for the year	-	-	-	(261)	(711)	11	(961)
Dividends paid in the year	-	-	-	-	-	(335)	(335)
At 28 February 2010	4,802	5,471	7,803	(755)	(558)	(26)	16,737

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

GROUP CASH FLOW STATEMENT
for the six month period ended 31 August 2010 (unaudited)

	Six months ended 31 August 2010 (unaudited)			Six months ended 31 August 2009 (unaudited)			Year ended 28 February 2010 (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	351	14	365	14	-	14	103	-	103
Deposit interest received	1	16	17	17	9	26	18	20	38
Investment management fees paid	(179)	(123)	(302)	(66)	(61)	(127)	(199)	(142)	(341)
Other cash payments	(207)	(48)	(255)	(143)	(23)	(166)	(355)	(46)	(401)
Net cash used in operations	(34)	(141)	(175)	(178)	(75)	(253)	(433)	(168)	(601)
Taxes paid	-	-	-	-	-	-	(17)	-	(17)
Net cash outflow from operating activities	(34)	(141)	(175)	(178)	(75)	(253)	(450)	(168)	(618)
Cash flows from investing activities									
Purchases of investments	(1,420)	(1,900)	(3,320)	(828)	-	(828)	(1,045)	(325)	(1,370)
Proceeds from investments	-	375	375	-	-	-	-	-	-
Net cash outflow from investing activities	(1,420)	(1,525)	(2,945)	(828)	-	(828)	(1,045)	(325)	(1,370)
Cash flows from financing activities									
"C" shares issued	-	3,960	3,960	(194)	6,925	6,731	(194)	6,925	6,731
"C" share issue costs	-	(242)	-	-	(381)	-	-	(381)	-
"C" shares to be issued	-	-	-	-	-	-	-	444	-
Ordinary shares issued	-	-	-	-	-	-	991	-	-
Ordinary share issue costs	-	-	-	-	-	-	(55)	-	-
Dividends paid	-	-	-	(168)	-	(168)	(335)	-	(335)
Cash received on acquisition of net assets from Ventus 3 VCT plc	639	-	639	-	-	-	-	-	-
Stamp duty on shares issued to acquire net assets of Ventus 3 VCT plc	(22)	-	(22)	-	-	-	-	-	-
Payments to meet Ventus 3 VCT plc's costs	(32)	-	(32)	-	-	-	-	-	-
Loan financing	40	-	40	-	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	625	3,718	4,545	(362)	6,544	6,563	407	6,988	6,396
Net increase/(decrease) in cash and cash equivalents	(829)	2,052	1,223	(1,368)	6,469	5,101	(1,088)	6,495	5,407
Cash and cash equivalents at the beginning of the period	1,364	6,495	7,859	2,452	-	2,452	2,452	-	2,452
Cash and cash equivalents at the end of the period	535	8,547	9,082	1,084	6,469	7,553	1,364	6,495	7,859

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

COMPANY CASH FLOW STATEMENT
for the six month period ended 31 August 2010 (unaudited)

	Six months ended 31 August 2010 (unaudited)			Six months ended 31 August 2009 (unaudited)			Year ended 28 February 2010 (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	351	14	365	14	-	14	103	-	103
Deposit interest received	1	16	17	17	9	26	18	20	38
Investment management fees paid	(179)	(123)	(302)	(66)	(61)	(127)	(199)	(142)	(341)
Other cash payments	(200)	(48)	(248)	(143)	(23)	(166)	(355)	(46)	(401)
Net cash used in operations	(27)	(141)	(168)	(178)	(75)	(253)	(433)	(168)	(601)
Taxes paid	-	-	-	-	-	-	(17)	-	(17)
Net cash outflow from operating activities	(27)	(141)	(168)	(178)	(75)	(253)	(450)	(168)	(618)
Cash flows from investing activities									
Purchases of investments	(1,480)	(1,900)	(3,380)	(828)	-	(828)	(1,045)	(325)	(1,370)
Proceeds from investments	-	375	375	-	-	-	-	-	-
Net cash outflow from investing activities	(1,480)	(1,525)	(3,005)	(828)	-	(828)	(1,045)	(325)	(1,370)
Cash flows from financing activities									
"C" shares issued	-	3,960	3,960	(194)	6,925	6,731	(194)	6,925	6,731
"C" share issue costs	-	(242)	-	-	(381)	-	-	(381)	-
"C" shares to be issued	-	-	-	-	-	-	-	444	-
Ordinary shares issued	-	-	-	-	-	-	991	-	-
Ordinary share issue costs	-	-	-	-	-	-	(55)	-	-
Dividends paid	-	-	-	(168)	-	(168)	(335)	-	(335)
Cash received on acquisition of net assets from Ventus 3 VCT plc	639	-	639	-	-	-	-	-	-
Stamp duty on shares issued to acquire net assets of Ventus 3 VCT plc	(22)	-	(22)	-	-	-	-	-	-
Payments to meet Merger costs	(32)	-	(32)	-	-	-	-	-	-
Net cash inflow/(outflow) from financing activities	585	3,718	4,545	(362)	6,544	6,563	407	6,988	6,396
Net increase/(decrease) in cash and cash equivalents	(922)	2,052	1,130	(1,368)	6,469	5,101	(1,088)	6,495	5,407
Cash and cash equivalents at the beginning of the period	1,364	6,495	7,859	2,452	-	2,452	2,452	-	2,452
Cash and cash equivalents at the end of the period	442	8,547	8,989	1,084	6,469	7,553	1,364	6,495	7,859

The accompanying notes on pages 26 to 39 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the six month period ended 31 August 2010 (unaudited)

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 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 28 February 2010 and those that will be adopted in the financial statements for the year ending 28 February 2011.

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 28 February 2010 have been filed with the Registrar of Companies. The auditor's report on these accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

On 6 May 2010 Ventus 2 VCT plc (the "Company") acquired the assets and liabilities of Ventus 3 VCT plc under a scheme of reconstruction (the "Merger") and Ventus 3 VCT plc was placed into members' voluntary liquidation. The results for the period to 6 May 2010 reflect the activities of the Company. The results for the period from 6 May 2010 to 31 August 2010 reflect the activities of the enlarged entity.

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 shareholding in its subsidiaries is held by the ordinary share fund.

Income

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

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

Expenses

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

Other than the management fees, expenses have been allocated between the ordinary and "C" share funds on the basis of the number of shares in issue during the period.

Taxation

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

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

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

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

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

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

Financial Instruments

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

Plant & equipment

Plant & equipment includes tangible fixed assets, specifically the renewable energy generating plant held by the Group, together with the capitalised development costs incurred in respect of building those assets. The cost of plant & equipment is capitalised and depreciated over the operational life of the asset on a straight line basis. Depreciation charges are recognised in the Statement of Comprehensive Income. Depreciation is not charged prior to the assets becoming operational.

Trade and other receivables

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

Trade and other payables

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

Equity instruments

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

Special reserve

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

Capital reserve - realised

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

Capital reserve – unrealised

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

Investments

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

capital account of the Statement of Comprehensive Income.

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

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

the Investment Committee of the Investment Manager and the Board.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Continued

2. Income Company

Six months ended 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Income from investments			
Mezzanine loan stock interest	463	79	542
Dividends	170	-	170
	633	79	712
Other income			
UK treasury bill income	-	12	12
Bank deposit interest	2	4	6
	635	95	730

Company

Six months ended 31 August 2009 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Income from investments			
Mezzanine loan stock interest	174	-	174
	174	-	174
Other income			
UK treasury bill income	3	6	9
Bank deposit interest	1	3	4
	178	9	187

Company

Year ended 28 February 2010 (audited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Income from investments			
Mezzanine loan stock interest	371	12	383
	371	12	383
Other income			
UK treasury bill income	3	15	18
Bank deposit interest	2	4	6
	376	31	407

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.

The Company retains as its Investment Manager Climate Change Capital Limited, a subsidiary of Climate Change Holdings Limited, of which the ultimate holding company is Climate Change Capital Group Limited. The amount paid to the Investment Manager for the six months ended 31 August 2010 in respect of net asset value attributable to ordinary shareholders was £208,000 (six months ended 31 August 2009: £132,000; twelve months ended 28 February 2010: £265,000). The amount paid to the Investment Manager for the six months ended 31 August 2010 in respect of the net assets attributable to the "C" shareholders was £123,000 (six months ended 31 August 2009: £61,000; twelve months ended 28 February 2010: £142,000). During the period, the Company paid offer fees of £123,000 to the Investment Manager in respect of the issue of "C" shares (referred to in note 14).

4. Merger costs

The Company incurred £30,000 of costs in respect of the Merger with Ventus 3 VCT plc during the six month period ended 31 August 2010 which have been charged to the Statement of Comprehensive Income. In the prior period the Company had incurred costs relating to the proposed Merger amounting to £103,000 which were not contingent on the Merger being effected.

Ventus 3 VCT plc incurred costs of £144,000 in relation to the Merger, therefore the aggregate cost of the scheme amounted to £277,000.

5. Other expenses

Company

Six months ended 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Directors' remuneration	16	10	26
Fees payable to the Company's Auditors for:			
- Audit of the Company's annual financial statements	9	6	15
- Other services relating to taxation	1	-	1
- Other services	6	3	9
Legal and professional fees	2	1	3
Other expenses	33	19	52
	67	39	106

Company

Six months ended 31 August 2009 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Directors' remuneration	10	7	17
Fees payable to the Company's Auditors for:			
- Audit of the Company's annual financial statements	5	4	9
- Other services relating to taxation	1	-	1
Other expenses	28	14	42
	44	25	69

Company

Year ended 28 February 2010 (audited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Directors' remuneration	20	13	33
Fees payable to the Company's Auditors for:			
- Audit of the Company's annual financial statements	12	6	18
- Other services relating to taxation	1	1	2
- Other services	1	1	2
Other expenses	57	35	92
	91	56	147

The expenses recognised by the Group were wholly derived from the Company's activities. Other services relating to taxation were in respect of tax services provided by the Company's Auditors relating to corporation tax compliance. The other services provided by the Company's Auditors related to reviews of the half-yearly report and other assurance services.

NOTES TO THE FINANCIAL STATEMENTS

Continued

6. Directors' remuneration

Company

Six months ended 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
D Pinckney	3	2	5
A Moore	5	4	9
P Thomas	4	2	6
C Wood	4	2	6
Aggregate emoluments	16	10	26

Company

Six months ended 31 August 2009 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
D Pinckney	3	2	5
A Moore	3	1	4
P Thomas	2	2	4
C Wood	2	2	4
Aggregate emoluments	10	7	17

Company

Year ended 28 February 2010 (audited)

	Ordinary Shares £000	"C" Shares £000	Total £000
D Pinckney	6	4	10
A Moore	5	3	8
P Thomas	4	3	7
C Wood	5	3	8
Aggregate emoluments	20	13	33

The Directors did not receive any other remuneration during the period except for that which is disclosed in the table above. David Pinckney resigned from the Board of Directors on 13 July 2010.

7. Taxation

The half-yearly tax charge of £22,000 in the ordinary share fund (six months ended 31 August 2009: tax charge £nil; year ended 28 February 2010: tax charge £4,000) offsets a tax credit of £22,000 in the "C" share fund (six months ended 31 August 2009: tax credit £16,000; year ended 28 February 2010: tax credit £4,000). The charges and credits have been accrued assuming an effective tax rate of 21%. The tax charge applicable to the ordinary share fund assumes that consortium relief will be made available from its investee companies. There is an unrecognised deferred tax asset attributable to the "C" share fund of £23,000 in respect of unrelieved surplus operating expenses.

8. Basic and diluted return per share

The Company's basic and diluted net profit per ordinary share of 4.18p (six months ended 31 August 2009: net loss of 0.10p per ordinary share; twelve months ended 28 February 2010: net loss of 7.08p per ordinary share) is based on the net profit for the period of £842,000 (six months ended 31 August 2009: net loss of £11,000; twelve months ended 28 February 2010: net loss of £798,000) and the weighted average number of ordinary shares in issue during the period of 20,143,427 (six months ended 31 August 2009: 11,173,337; twelve months ended 28 February 2010: 11,280,150). There were no differences between basic and diluted return per ordinary share because no dilutive instruments had been issued or granted.

The Company's basic and diluted net loss per "C" share of 0.43p (six months ended 31 August 2009: net loss of 1.01p per "C" share; twelve months ended 28 February 2010: net loss of 2.67p per "C" share) is based on the net loss for the period of £45,000 (six months ended 31 August 2009: net loss of £61,000; twelve months ended 28 February 2010: net loss of £163,000) and the weighted average number of "C" shares in issue during the period of 10,515,992 (six months ended 31 August 2009: 6,021,215; twelve months ended 28 February 2010: 6,089,818). There were no differences between basic and diluted return per "C" share because no dilutive instruments had been issued or granted.

9. Investments

Group

Six months ended 31 August 2010 (unaudited)

	Ordinary Shares			"C" Shares			Shares £000	Mezzanine loan stock £000	Total £000
	Shares £000	Mezzanine loan stock £000	Total £000	Shares £000	Mezzanine loan stock £000	Total £000			
Opening position									
Opening cost	5,345	3,647	8,992	-	325	325	5,345	3,972	9,317
Opening unrealised (losses)/gains	(611)	53	(558)	-	-	-	(611)	53	(558)
Opening fair value	4,734	3,700	8,434	-	325	325	4,734	4,025	8,759
During the period									
Investments transferred from Ventus 3 VCT plc	4,891	3,879	8,770	-	-	-	4,891	3,819	8,710
Purchases at cost	334	1,086	1,420	500	1,350	1,850	834	2,496	3,330
Investment proceeds	-	-	-	-	(325)	(325)	-	(325)	(325)
Unrealised gains	489	45	534	-	-	-	489	45	534
Closing fair value	10,448	8,710	19,158	500	1,350	1,850	10,948	10,060	21,008
Closing position									
Closing cost	10,570	8,612	19,182	500	1,350	1,850	11,070	9,962	21,032
Closing unrealised (losses)/gains	(122)	98	(24)	-	-	-	(122)	98	(24)
Closing fair value	10,448	8,710	19,158	500	1,350	1,850	10,948	10,060	21,008

The Company did not have subsidiary undertakings in the prior periods therefore comparative movements and balances for the Group have not been presented in respect of these periods.

Company

Six months ended 31 August 2010 (unaudited)

	Ordinary Shares			"C" Shares			Shares £000	Mezzanine loan stock £000	Total £000
	Shares £000	Mezzanine loan stock £000	Total £000	Shares £000	Mezzanine loan stock £000	Total £000			
Opening position									
Opening cost	5,345	3,647	8,992	-	325	325	5,345	3,972	9,317
Opening unrealised (losses)/gains	(611)	53	(558)	-	-	-	(611)	53	(558)
Opening fair value	4,734	3,700	8,434	-	325	325	4,734	4,025	8,759
During the period									
Investments transferred from Ventus 3 VCT plc	5,065	4,377	9,442	-	-	-	5,065	4,377	9,442
Purchases at cost	334	1,146	1,480	500	1,400	1,900	834	2,546	3,380
Investment proceeds	-	-	-	-	(375)	(375)	-	(375)	(375)
Unrealised gains	489	45	534	-	-	-	489	45	534
Closing fair value	10,622	9,268	19,890	500	1,350	1,850	11,122	10,618	21,740
Closing position									
Closing cost	10,744	9,170	19,914	500	1,350	1,850	11,244	10,520	21,764
Closing unrealised (losses)/gains	(122)	98	(24)	-	-	-	(122)	98	(24)
Closing fair value	10,622	9,268	19,890	500	1,350	1,850	11,122	10,618	21,740

NOTES TO THE FINANCIAL STATEMENTS

Continued

9. Investments (continued)

Company

Six months ended 31 August 2009 (unaudited)

	Shares £000	Mezzanine loan stock £000	Ordinary Shares Total £000
Opening position			
Opening cost	5,323	2,624	7,947
Opening unrealised gains	153	-	153
Opening fair value	5,476	2,624	8,100
During the period			
Purchases at cost	18	810	828
Unrealised losses	(13)	-	(13)
Closing fair value	5,481	3,434	8,915
Closing position			
Closing cost	5,341	3,434	8,775
Closing unrealised gains	140	-	140
Closing fair value	5,481	3,434	8,915

Company

Year ended 28 February 2010 (audited)

	Shares £000	Ordinary Shares loan stock £000	Mezzanine Total £000	"C" Shares Mezzanine loan stock £000	Shares £000	Mezzanine loan stock £000	Total £000
Opening position							
Opening cost	5,323	2,624	7,947	-	5,323	2,624	7,947
Opening unrealised gains	153	-	153	-	153	-	153
Opening fair value	5,476	2,624	8,100	-	5,476	2,624	8,100
During the year							
Purchases at cost	22	1,023	1,045	325	22	1,348	1,370
Unrealised (losses)/gains	(764)	53	(711)	-	(764)	53	(711)
Closing fair value	4,734	3,700	8,434	325	4,734	4,025	8,759
Closing position							
Closing cost	5,345	3,647	8,992	325	5,345	3,972	9,317
Closing unrealised (losses)/gains	(611)	53	(558)	-	(611)	53	(558)
Closing fair value	4,734	3,700	8,434	325	4,734	4,025	8,759

The shares held by the Company are in unquoted UK companies. The Investment Manager's Report on pages 4 to 13 provides details in respect of the Company's shareholding in each investment together with details of mezzanine loans.

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

**10. Trade and other receivables
Group**

As at 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	301	62	363
	301	62	363
Current assets			
Accrued interest income	669	15	684
Other receivables	408	46	454
Prepayments	13	6	19
	1,090	67	1,157

The Company did not have subsidiary undertakings in the prior periods therefore comparative balances for the Group have not been presented in respect of these periods.

Company

As at 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	301	62	363
	301	62	363
Current assets			
Accrued interest income	669	15	684
Other receivables	320	46	366
Prepayments	13	6	19
	1,002	67	1,069

Company

As at 31 August 2009 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	159	-	159
	159	-	159
Current assets			
Accrued interest income	151	-	151
Other receivables	91	8	99
Prepayments	9	4	13
	251	12	263

NOTES TO THE FINANCIAL STATEMENTS

Continued

10. Trade and other receivables (continued)

Company

As at 28 February 2010 (audited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Non-current assets			
Accrued interest income	126	-	126
	126	-	126
Current assets			
Accrued interest income	292	12	304
Other receivables	211	13	224
Prepayments	5	3	8
	508	28	536

Included in accrued interest income is mezzanine loan stock interest totalling £363,000 (31 August 2009: £159,000; 28 February 2010: £126,000) which is due after more than one year, which represents non-current assets. The Directors consider that the carrying amounts of trade and other receivables approximate to their fair value.

11. Cash and cash equivalents

The total cash and cash equivalents held in the Company's ordinary share fund was £442,000 at 31 August 2010 (31 August 2009: £1,084,000; 28 February 2010: £1,364,000). On acquisition of the assets and liabilities of Ventus 3 VCT plc, the Company received £639,000 in cash. The reduction, over the period, in cash and cash equivalents held by the ordinary share fund was due to the purchase of investments and payment of expenses exceeding cash proceeds from investments and cash received from Ventus 3 VCT plc.

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 2010 the cash held by the subsidiaries totalled £93,000.

The total cash and cash equivalents held in the Company's "C" share fund was £8,547,000 at 31 August 2010 (31 August 2009: £6,469,000; 28 February 2010: £6,495,000). The increase in cash and cash equivalents during the period was attributable to the cash raised under the second "C" share offer being greater than the investments made and expenses paid.

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

12. Trade and other payables

Group

As at 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	26	(26)	-
Other payables	12	18	30
Accruals	109	36	145
	147	28	175

The Company did not have subsidiary undertakings in the prior periods therefore comparative balances for the Group have not been presented in respect of these periods.

Company

As at 31 August 2010 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	26	(26)	-
Other payables	7	18	25
Accruals	109	36	145
	142	28	170

Company

As at 31 August 2009 (unaudited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	18	(16)	2
Other payables	-	2	2
Accruals	17	12	29
	35	(2)	33

Company

As at 28 February 2010 (audited)

	Ordinary Shares £000	"C" Shares £000	Total £000
Corporation tax	4	(4)	-
Other payables	-	457	457
Accruals	72	14	86
	76	467	543

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

13. Financial liabilities**Group**

As at 31 August 2010 (unaudited)

	Ordinary Shares £000
Mezzanine loan stock	372
	372

The Group's financial liabilities consist of mezzanine loans of £16,000 and £356,000 provided by Ventus VCT plc to Redeven Energy Limited and Spurlens Rig Wind Limited respectively.

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

14. Share capital

	Ordinary Shares		"C" Shares		Total £000
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Authorised					
At 1 March 2010	30,000,000	7,500	20,000,000	5,000	50,000,000
At 28 February 2010	30,000,000	7,500	20,000,000	5,000	50,000,000
	Ordinary Shares		"C" Shares		Total £000
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Allotted, called up and fully paid					
At 1 March 2010	12,287,249	3,071	6,924,686	1,731	19,211,935
Allotted, called up and fully paid during the period	12,250,311	3,063	4,404,421	1,101	16,654,732
At 28 February 2010	24,537,560	6,134	11,329,107	2,832	35,866,667

NOTES TO THE FINANCIAL STATEMENTS

Continued

14. Share capital (continued)

	Ordinary Shares		"C" Shares		Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Authorised					
At 1 March 2009	30,000,000	7,500	-	-	30,000,000
Shares authorised during the period	-	-	20,000,000	5,000	20,000,000
At 31 August 2009	30,000,000	7,500	20,000,000	5,000	50,000,000

	Ordinary Shares		"C" Shares		Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Allotted, called up and fully paid					
At 1 March 2009	11,173,337	2,793	-	-	11,173,337
Allotted, called up and fully paid during the period	-	-	6,924,686	1,731	6,924,686
At 31 August 2009	11,173,337	2,793	6,924,686	1,731	18,098,023

	Ordinary Shares		"C" Shares		Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Authorised					
At 1 March 2009	30,000,000	7,500	-	-	30,000,000
Shares authorised during the year	-	-	20,000,000	5,000	20,000,000
At 28 February 2010	30,000,000	7,500	20,000,000	5,000	50,000,000

	Ordinary Shares		"C" Shares		Total
	Number of shares of 25p each	£000	Number of shares of 25p each	£000	
Allotted, called up and fully paid					
At 1 March 2009	11,173,337	2,793	-	-	11,173,337
Allotted, called up and fully paid during the year	1,113,912	278	6,924,686	1,731	8,038,598
At 28 February 2010	12,287,249	3,071	6,924,686	1,731	19,211,935

On 8 February 2010 the Company launched a second "C" share offer.

During the period the following allotments of "C" shares of 25p took place at a price of 100p per share:

Date of allotment	Number of shares
24 March 2010	1,726,556
1 April 2010	1,725,652
5 April 2010	554,288
2 June 2010	397,925
Total	4,404,421

The offer for "C" shares closed on 31 May 2010 and the final allotment was made on 2 June 2010. After issue costs, £4,162,000 was raised from these share issues. Under an agreement between the Company and the Investment Manager, the Company agreed to pay the Investment Manager an offer fee of 5.5% of the gross proceeds (but net of up front commissions paid to authorised introducers by the Company). During the period, the Company paid £123,000 to the Investment Manager pursuant to this arrangement. Issue costs (other than up front commissions paid to authorised introducers) were borne by the Investment Manager.

On 6 May 2010, the Company issued 12,250,311 new ordinary shares in respect of the scheme of reconstruction with Ventus 3 VCT plc. Further details are presented in note 17.

15. Basic and diluted net asset value per share

The net asset value per ordinary share of 87.6p at 31 August 2010 (31 August 2009: 92.9p; 28 February 2010: 84.3p) is based on net assets attributable to the ordinary shareholders of £21,493,000 (31 August 2009: £10,374,000; 28 February 2010: £10,356,000) and the number of shares in issue as at 31 August 2010 of 24,537,560 (31 August 2009: 11,173,337; 28 February 2010: 12,287,249).

The net asset value per "C" share of 92.7p at 31 August 2010 (31 August 2009: 93.6p; 28 February 2010: 92.1p) is based on net assets attributable to the "C" shareholders of £10,498,000 (31 August 2009: £6,483,000; 28 February 2010: £6,381,000) and the number of shares in issue as at 31 August 2010 of 11,329,107 (31 August 2009: 6,924,686; 28 February 2010: 6,924,686).

16. Dividends

An interim dividend of 1.50p per ordinary share has been declared by the Company for the half-year ended 31 August 2010 which will be paid on 12 January 2011 to all ordinary shareholders on the register as at close of business on 10 December 2010. The Company did not pay a final dividend for the year ended 28 February 2010.

17. Acquisition of the assets and liabilities of Ventus 3 VCT plc

On 6 May 2010, the Company completed a scheme of reconstruction with Ventus 3 VCT plc (the "Scheme" or "Merger"). The terms of the Scheme were set out in a circular issued by the Company on 8 February 2010. The Scheme was effected by Ventus 3 VCT plc transferring its assets and liabilities to the Company, in consideration for which the Company issued 12,250,311 new ordinary shares to the shareholders of Ventus 3 VCT plc. Under the Scheme, Ventus 3 VCT plc was placed into members' voluntary liquidation. The number of new shares issued by the Company to the shareholders of Ventus 3 VCT plc was determined on the basis of the relevant net assets of Ventus 3 VCT plc and the Company's ordinary share fund on the date prior to the Merger, adjusted in accordance with the terms of the Scheme. The new ordinary shares rank *pari passu* in all respects and form a single class with the existing ordinary shares.

As a result of the Merger the Company has a shareholding of 60% of the shares issued by each of Redeven Energy Limited and Spurlens Rig Wind Limited (details on which are presented in the Investment Manager's Report), therefore these investee companies have been consolidated into the Group's financial statements.

18. Post balance sheet events

Since the balance sheet date the Company has invested £72,000 for additional equity in Wind Power Renewables Limited, increasing its shareholding to 48% of the ordinary shares.

In October 2010, Kettering East Energy Limited repaid, in full, a loan of £250,000 which had been provided by the Company.

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 28 February 2010. There have been no changes to the contingencies, guarantees and financial commitments of the Company as set out in that report.

NOTES TO THE FINANCIAL STATEMENTS

Continued

20. Related parties

The Company retains Climate Change Capital Limited as its Investment Manager. Details of the fees paid to the Investment Manager during the six months ended 31 August 2010 are set out in note 3.

Further to acquiring the assets of Ventus 3 VCT plc on 6 May 2010, the Company holds control over Redeven Energy Limited and Spurlens Rig Wind Limited. The Company did not have control over any investee companies in the prior periods. These investee companies are considered to be related parties. In addition, the investee companies in which the Group 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 balance sheet date and transactions with these companies during the six months ended 31 August 2010 are summarised below; all of which were held by the ordinary share fund only.

Group

	Ordinary Shares As at 31 August 2010 (unaudited) £000
Balances	
Investments - shares	8,138
Investments - mezzanine loan stock	4,785
Accrued interest income	497
Other receivables	255
	Six months ended 31 August 2010 (unaudited) £000
Transactions	
Mezzanine loan stock interest income	245
Dividend income	160

Company

	Ordinary Shares As at 31 August 2010 (unaudited) £000
Balances	
Investments - shares	8,312
Investments - mezzanine loan stock	5,343
Accrued interest income	497
	Six months ended 31 August 2010 (unaudited) £000
Transactions	
Mezzanine loan stock interest income	245
Dividend income	160

Company

	Ordinary Shares As at 31 August 2009 (unaudited) £000
Balances	
Investments - shares	4,124
Investments - mezzanine loan stock	1,971
Accrued interest income	184

	Six months ended 31 August 2009 (unaudited) £000
Transactions	
Mezzanine loan stock interest income	102

Company

	Ordinary Shares As at 28 February 2010 (audited) £000
Balances	
Investments - shares	3,352
Investments - mezzanine loan stock	2,092
Accrued interest income	247

	Year ended 28 February 2010 (audited) £000
Transactions	
Mezzanine loan stock interest income	229

At 31 August 2010 the Company's ordinary share fund was owed £255,000 by PBM Power Limited in respect to amounts which had been advanced to fund the investee company's operating expenses. The Company's shareholding in PBM Power Limited was 25% at the period end.

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.



Achairn Energy Limited,
Caithness, Scotland.
(Photograph: James Innes, 2009)



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