



Ventus VCT plc

Half-yearly Financial Report

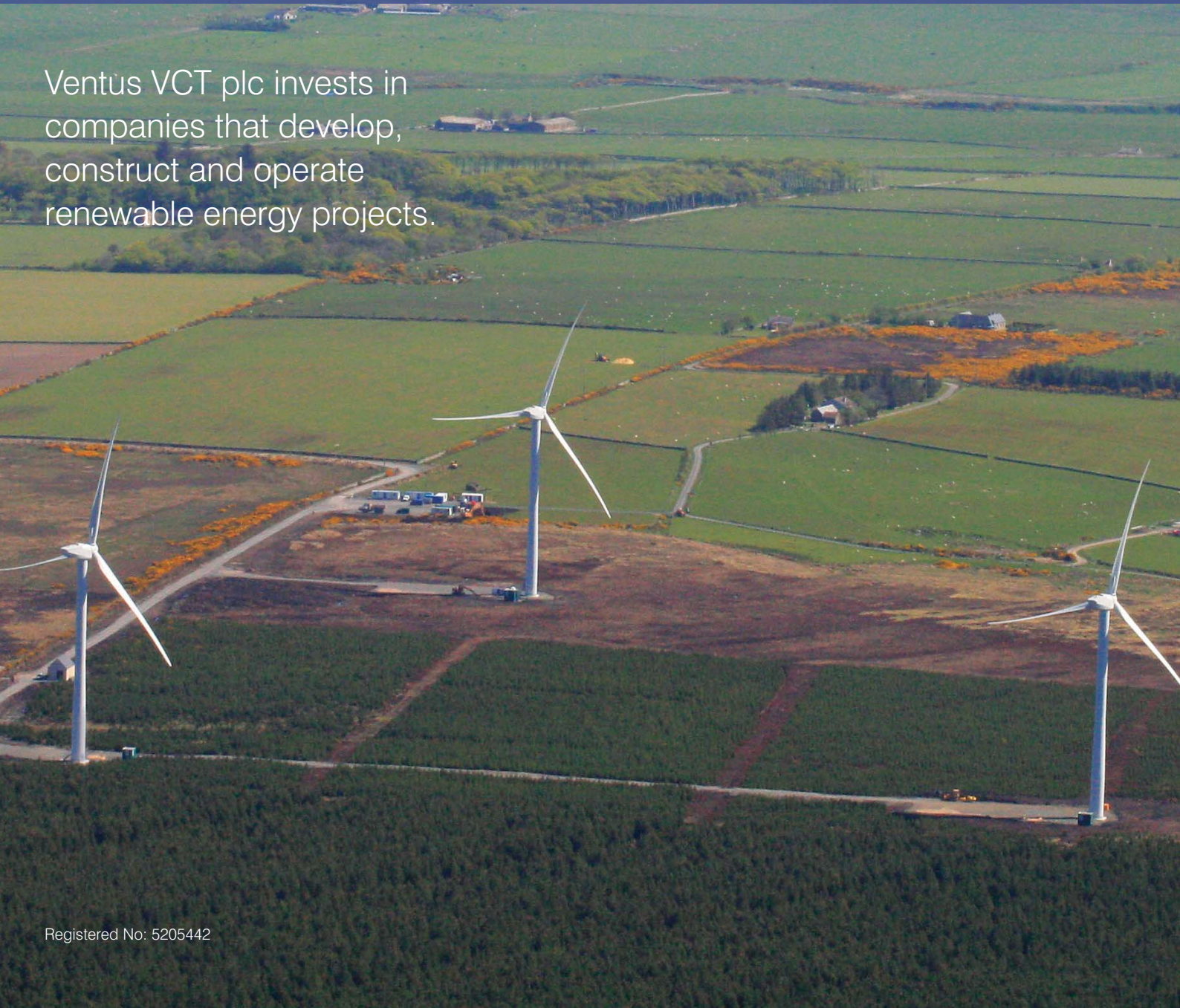
for the six month period ended 31 August 2010



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



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

Net asset value
(per ordinary share)

112.5p

Interim dividend
(per ordinary share)

1.50p

Net asset value
(per "C" share)

92.7p

Net Asset Value, Results and Dividend - Ordinary Shares

At the period end, the net asset value per ordinary share of the Company stood at £18,426,000 or 112.5p per ordinary share. The revenue profit attributable to ordinary shareholders for the period was £297,000 or 1.81p per ordinary share. The capital gain attributable to ordinary shareholders for the period was £1,846,000 or 11.26p per ordinary share, resulting in a net gain attributable to ordinary shareholders for the period of £2,143,000 or 13.07p per ordinary share.

The value of investments held at 31 August 2010 in the ordinary share fund was £17,311,000 compared to £14,305,000 at 28 February 2010. The Investment Manager's report gives details of investments made during the period, together with information about the valuation of all investee company holdings within the portfolio.

The income generated in the ordinary share fund during the period comprised interest earned on mezzanine loan stock and cash deposits and dividends from investee companies. The total income in the ordinary share fund for the six months to 31 August 2010 was £449,000 compared to £375,000 for the six months to 31 August 2009. The increase in income was attributable to the receipt of dividends from investee companies.

The Company declared and paid an annual dividend of 3.50p per ordinary share for the year ended 28 February 2010. This was paid as an interim dividend of 1.50p per ordinary share for the first half of the year and a final dividend of 2.00p per ordinary share paid on 27 July 2010.

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.

Net Asset Value and Results – "C" Shares

On 8 February 2010, the Company launched its second "C" share offer jointly with Ventus 2 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 £10,502,000 or 92.7p per "C" share. The revenue profit attributable to "C" shareholders for the period was £17,000 or 0.16p per "C" share. The capital loss attributable to "C" shareholders for the period was £77,000 or 0.73p per "C" share, resulting in a net loss attributable to "C" shareholders for the period of £60,000 or 0.57p 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. The total income in the "C" share fund for the six months to 31 August 2010 was £96,000.

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 investments made, dividends paid to the ordinary shareholders and "C" share capital raised constitute the important events of the period.

CHAIRMAN'S STATEMENT

Continued

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 | 297 | 1.81 | 17 | 0.16 | 314 |
| Capital gain/(loss) attributable to equity shareholders | 1,846 | 11.26 | (77) | (0.73) | 1,769 |
| Net profit/(loss) attributable to equity shareholders | 2,143 | 13.07 | (60) | (0.57) | 2,083 |
| Dividends paid during the period | (328) | (2.00) | - | - | (328) |
| Total movement in equity shareholders' funds | 1,815 | 11.07 | (60) | (0.57) | 1,755 |
| | | % | | % | % |
| Total expense ratio ² | | 2.77% | | 3.11% | 2.89% |

| | £000 | Ordinary Shares Pence per share | £000 | "C" Shares Pence per share | Total £000 |
|---------------------------------------|--------|------------------------------------|--------|-------------------------------|---------------|
| As at 31 August 2010 | | | | | |
| Net asset value ³ | 18,426 | 112.5 | 10,502 | 92.7 | 28,928 |
| Total shareholder return ⁴ | 20,764 | 127.9 | 10,502 | 92.7 | 31,266 |

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

² The 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 13 companies, with a total value of £17.36 million, which includes £48,000 invested in Wind Power

Renewables 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:

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

The responsibility statement has been approved by the Board.

David Pinckney

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 13 companies (held by the ordinary share fund)

£17.36m

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

£2.85m

Summary of Investments

As at the date of this report, the ordinary share fund of the Company holds investments in 13 companies with a total investment value of £17.36 million. £15.58 million of the investments, by value at the date of this report, are held in investee companies which are operational and £1 million is invested in a company which is constructing a wind farm. The ordinary share fund also holds investments valued at £0.78 million in investee companies seeking planning permissions to develop renewable energy generating assets.

As at the date of this report, the "C" share fund of the Company holds investments 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 value 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.

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 2 VCT plc. The offer closed on 31 May 2010.

Investment Portfolio Summary

The following table shows total investments made by 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 period are also presented, as is the total amount invested and contractually committed as at the date of this report.

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 |
|--------------------------------|------------------------------------|----|---|---|--|--|---|---|--|--|
| Fenpower Limited | 10 megawatt wind farm | Q | 3,849 | - | 45 | 2,069 | 3,894 | 2,069 | 3,894 | 3,894 |
| Craig Wind Farm Limited* | 10 megawatt wind farm | Q | 2,931 | - | 125 | 2,093 | 3,056 | 2,093 | 3,056 | 3,056 |
| A7 Greendykeside Limited | 4 megawatt wind farm | Q | 2,018 | - | 4 | 1,536 | 2,022 | 1,536 | 2,022 | 2,022 |
| Firefly Energy Limited* | Renewable energy service provider | Q | 2,000 | - | - | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Achairn Energy Limited* | 6 megawatt wind farm | Q | 587 | - | 20 | 463 | 607 | 463 | 607 | 607 |
| A7 Lochhead Limited* | 6 megawatt wind farm | Q | 1,072 | - | 39 | 1,000 | 1,111 | 1,000 | 1,111 | 1,111 |
| Broadview Energy Limited* | Wind farm owner and developer | Q | 1,154 | - | 1,731 | 750 | 2,885 | 750 | 2,885 | 2,885 |
| Redimo LFG Limited* | 10 megawatt landfill gas portfolio | Q | - | - | - | 2,000 | - | 2,000 | - | - |
| Spurlens Rig Wind Limited* | Wind farm development | | 132 | - | - | 132 | 132 | 132 | 132 | 132 |
| Olgrinmore Limited* | Wind farm development | | 46 | - | - | 46 | 46 | 46 | 46 | 46 |
| Redeven Energy Limited* | Wind farm developer | | 316 | 40 | - | 356 | 356 | 356 | 356 | 356 |
| Wind Power Renewables Limited* | Wind farm developer | | 200 | - | - | 200 | 200 | 248 | 248 | 248 |
| Greenfield Wind Farm Limited* | 12 megawatt windfarm | PQ | - | 1,002 | - | 1,002 | 1,002 | 1,002 | 1,002 | 1,002 |
| Total | | | 14,305 | 1,042 | 1,964 | 13,647 | 17,311 | 13,695 | 17,359 | 17,359 |

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 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are managed by Climate Change Capital Limited.

The following table shows total investments made by the “C” share fund as at 31 August 2010 and as at the date of this report in terms of cost and value. The additions and disposals made in the period are also presented, as is the total amount invested and contractually committed as at the date of this report.

“C” Shares

| Company name | Details | | Investment value as at 28 February 2010 £000 | Additions/ (disposals) 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 |
|----------------------------------|-----------------------|----|---|--|--|---|---|--|--|
| 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 regulations on qualifying holdings.

* – A company in which Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are managed by Climate Change Capital Limited.

Investment Portfolio Review

A review of each of the investments held by the Company as at the date of this report is presented 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.

Fenpower Limited

The Company holds an investment valued at £3,894,000 in Fenpower Limited, which operates a ten megawatt wind farm in Cambridgeshire. The wind farm was developed in two phases. The first phase, consisting of three wind turbines, has been operational since May 2007 and the second phase, consisting of two additional turbines, became operational in April 2008.

The Company has a 33.3% ownership interest in Fenpower Limited for which it paid a consideration of £308,000 and has also provided mezzanine loan facilities of £1,761,000.

Total energy generation over the twelve months to 31 August 2010 was 24% below budget as a result of unusually low wind volumes. Wind turbine availability was significantly improved as a result of the resolution of the technical issues that have affected the phase one turbines during the first two operating years. Over the last contract year the turbines have exceeded their warranted level of availability and operations at the site have been able to settle into a far more stable regime.

The Company received mezzanine interest payments from Fenpower Limited of £284,000 in April 2010 against income accrued in the current and prior periods, which is in line with budget. As a result of the reduced energy generation, Fenpower Limited was not in a position to make payments of mezzanine interest at the end of September 2010 and therefore the amount due has been accrued. Fenpower Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facilities. The Investment Manager expects the next payment of mezzanine interest to be made in March 2011 subject to improved generation levels from higher wind volumes and continued good levels of turbine availability.

Craig Wind Farm Limited

The Company holds an investment valued at £3,056,000 in Craig Wind Farm Limited, which operates a ten megawatt wind farm in the Scottish Borders. The site became operational in October 2007.

The Company owns 37.5% of the ordinary shares in Craig Wind Farm Limited and has also provided a £1,014,000 mezzanine loan facility.

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.

Mezzanine interest payments are being made in accordance with the loan agreement and £196,000 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. 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 facilities. No dividends have been declared or paid 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.

A7 Greendykeside Limited

The Company holds an investment valued at £2,022,000 in A7 Greendykeside Limited, a company that has developed a four megawatt wind farm in Lanarkshire, Scotland. The site became operational in November 2007.

The Company owns 50% of the ordinary share capital of A7 Greendykeside Limited and £620,000 has been invested by way of a mezzanine loan facility.

The operational performance of the wind turbines over the contract year has been very good with high levels of availability being achieved, however wind volumes have been particularly disappointing and the total energy generation achieved over the twelve months to 31 August 2010 was 43% below budget. Notwithstanding the low wind volumes, A7 Greendykeside Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facilities

Mezzanine interest payments are being made in accordance with the loan agreement. Interest payments totalling £39,000 were received during the period ended 31 August 2010 against income accrued in the half year and prior periods and scheduled interest of £39,000 was paid in September 2010. A dividend distribution from this investment was received by the Company in March 2010 for £50,000 and a further dividend of £15,000 was paid in October 2010.

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 holds an investment of £2,000,000 in Firefly Energy Limited by way of a £200,000 subscription for 50% of the ordinary share capital and a shareholder loan which has capital outstanding of £1,800,000.

In October 2010, the Company received a mezzanine interest payment of £40,000 from Firefly Energy Limited.

Achairn Energy Limited

Achairn 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 has invested £203,000 to acquire 8.5% of the ordinary share capital in Achairn Energy Limited and has provided £260,000 by way of a mezzanine loan facility. Achairn Energy Limited has been operational for a suitable period and in accordance with the Company's investment valuation policy, the investment has been revalued at £607,000.

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.

During the six months ended 31 August 2010 the Company received £48,000 in mezzanine interest against income accrued in the half year and prior periods. As a result of the reduced energy generation levels resulting from poor wind volumes, Achairn 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. Achairn Energy Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facilities. The Investment Manager expects the next payment of mezzanine interest to be made in March 2011 subject to improved generation levels from higher wind volumes.

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 has invested £820,000 to acquire 30% of the ordinary share capital in A7 Lochhead Limited and has provided a further £180,000 by way of a mezzanine loan facility. 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 £1,111,000.

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. Notwithstanding the low wind volumes, A7 Lochhead Limited has been able to meet its bank debt service payments and is in compliance with the covenants on its bank loan facilities.

In March 2010 the Company received interest payments of £34,000 against income accrued in the current and prior periods and dividends of £30,000. In October 2010 the Company received interest payments of £11,000 against income accrued in the current period and a further dividend of £12,000.

Broadview Energy Limited

The Company holds an investment valued at £2,885,000 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 13% in the ordinary shares of Broadview Energy, which was originally acquired for £750,000 in February 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 shares of Broadview Energy Limited of £22 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 any proceeds back into growing the business.

Redimo LFG Limited

The Company invested £2,000,000 for 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.

Spurlens Rig Wind Limited

The Company has invested £132,000 in Spurlens Rig Wind Limited and holds 40% of the ordinary share capital. Spurlens Rig Wind Limited is developing a six turbine wind farm in the Borders region of Scotland.

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

An investment of £46,000 has been made for 11.8% of the ordinary share capital of Olgrinmore Limited, a company developing a two turbine wind farm in Caithness, Scotland. 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 originally invested £32,000 for a 10% stake in Olgrinmore Limited and has since subscribed for shares in two subsequent capital raising rounds to fund the increased cost of the planning application. The appeal has been lodged without the need to raise further funding.

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

An investment of £356,000 has been made in Redeven Energy Limited, by way of a shareholder loan, to fund the development of three wind farm sites in East Anglia. The Company has a 40% shareholding in this wind farm development company which has entered into a joint venture agreement with the landlord at the three sites.

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 where planning permissions are obtained.

Wind Power Renewables Limited

Wind Power Renewables Limited is a developer of wind farm sites in East Anglia. The Company originally invested £120,000 for equity and held 20% of the ordinary shares of Wind Power Renewables Limited. The Company has also provided £80,000 by way of a mezzanine loan. In September 2010, the Company invested a further £48,000 for equity and increased its shareholding to 32% 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.

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 has 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 seeks, primarily, 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.

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 of investee companies 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 Company shall not, without the previous sanction of an ordinary resolution of the Company, exceed a sum equal to 10% of the adjusted share capital and reserves of the Company in accordance with its Articles. These provisions apply to the borrowings of investee companies where those companies are considered to be subsidiaries of the Company. At the date of this report none of the investee companies are considered to be subsidiaries 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 2008 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.

Climate Change Capital Limited

Investment Manager

28 October 2010

DIRECTORS & ADVISERS

Directors

David Pinckney (Chairman)
Charles Conner (appointed 13 July 2010)
David Williams (appointed 13 July 2010)
Alan Moore (resigned 13 July 2010)
Paul Thomas (resigned 13 July 2010)
Colin Wood (resigned 13 July 2010)

Company Secretary

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

Registrar & Registered Office

Capita Registrars
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditors

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

Broker

Matrix Corporate Capital LLP
1 Vine Street
London
W1J 0AH

Principal Banker

HSBC Bank plc
60 Queen Victoria Street
London
EC4N 4TR

VCT Taxation Adviser

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Investment Manager

Climate Change Capital Limited
3 More London Riverside
London
SE1 2AQ

Solicitors

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

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 gain on investments | 8 | - | 1,964 | 1,964 | - | - | - | - | 1,964 | 1,964 |
| Income | 2 | 449 | - | 449 | 96 | - | 96 | 545 | - | 545 |
| Investment management fees | 3 | (50) | (149) | (199) | (31) | (92) | (123) | (81) | (241) | (322) |
| Other expenses | 4 | (60) | - | (60) | (44) | - | (44) | (104) | - | (104) |
| Profit/(loss) before taxation | | 339 | 1,815 | 2,154 | 21 | (92) | (71) | 360 | 1,723 | 2,083 |
| Taxation | 6 | (42) | 31 | (11) | (4) | 15 | 11 | (46) | 46 | - |
| Profit/(loss) and total comprehensive income for the period attributable to shareholders | | 297 | 1,846 | 2,143 | 17 | (77) | (60) | 314 | 1,769 | 2,083 |
| Return per share: | | | | | | | | | | |
| Basic and diluted return per share (p) | 7 | 1.81 | 11.26 | 13.07 | 0.16 | (0.73) | (0.57) | | | |

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 21 to 32 form an integral part of these financial statements.

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 | 8 | - | (29) | (29) | - | - | - | - | (29) | (29) |
| Income | 2 | 375 | - | 375 | 9 | - | 9 | 384 | - | 384 |
| Investment management fees | 3 | (54) | (163) | (217) | (15) | (46) | (61) | (69) | (209) | (278) |
| Other expenses | 4 | (68) | - | (68) | (28) | - | (28) | (96) | - | (96) |
| (Loss)/profit before taxation | | 253 | (192) | 61 | (34) | (46) | (80) | 219 | (238) | (19) |
| Taxation | 6 | (31) | 26 | (5) | 7 | 10 | 17 | (24) | 36 | 12 |
| (Loss)/profit and total comprehensive income for the period attributable to shareholders | | 222 | (166) | 56 | (27) | (36) | (63) | 195 | (202) | (7) |
| Return per share: | | | | | | | | | | |
| Basic and diluted return per share (p) | 7 | 1.48 | (1.11) | 0.37 | (0.44) | (0.60) | (1.04) | | | |

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 21 to 32 form an integral part of these financial statements.

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 | 8 | - | (1,897) | (1,897) | - | - | - | - | (1,897) | (1,897) |
| Income | 2 | 728 | - | 728 | 31 | - | 31 | 759 | - | 759 |
| Investment management fees | 3 | (110) | (328) | (438) | (35) | (106) | (141) | (145) | (434) | (579) |
| Other expenses | 4 | (138) | - | (138) | (60) | - | (60) | (198) | - | (198) |
| (Loss)/profit before taxation | | 480 | (2,225) | (1,745) | (64) | (106) | (170) | 416 | (2,331) | (1,915) |
| Taxation | 6 | (73) | 60 | (13) | 10 | 16 | 26 | (63) | 76 | 13 |
| (Loss)/profit and total comprehensive income for the period attributable to shareholders | | 407 | (2,165) | (1,758) | (54) | (90) | (144) | 353 | (2,255) | (1,902) |
| Return per share: | | | | | | | | | | |
| Basic and diluted return per share (p) | 7 | 2.69 | (14.31) | (11.62) | (0.88) | (1.48) | (2.36) | | | |

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 21 to 32 form an integral part of these financial statements.

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 | 8 | 17,311 | 1,850 | 19,161 | 16,048 | - | 16,048 | 14,305 | 325 | 14,630 |
| Trade and other receivables | 9 | 172 | 63 | 235 | 511 | - | 511 | 109 | - | 109 |
| | | 17,483 | 1,913 | 19,396 | 16,559 | - | 16,559 | 14,414 | 325 | 14,739 |
| Current assets | | | | | | | | | | |
| Trade and other receivables | 9 | 567 | 89 | 656 | 706 | 26 | 732 | 843 | 38 | 881 |
| Cash and cash equivalents | 10 | 444 | 8,541 | 8,985 | 110 | 6,451 | 6,561 | 1,412 | 6,468 | 7,880 |
| | | 1,011 | 8,630 | 9,641 | 816 | 6,477 | 7,293 | 2,255 | 6,506 | 8,761 |
| Total assets | | 18,494 | 10,543 | 29,037 | 17,375 | 6,477 | 23,852 | 16,669 | 6,831 | 23,500 |
| Current liabilities | | | | | | | | | | |
| Trade and other payables | 11 | (68) | (41) | (109) | (138) | 4 | (134) | (58) | (431) | (489) |
| Net current assets | | 943 | 8,589 | 9,532 | 678 | 6,481 | 7,159 | 2,197 | 6,075 | 8,272 |
| Net assets | | 18,426 | 10,502 | 28,928 | 17,237 | 6,481 | 23,718 | 16,611 | 6,400 | 23,011 |
| Equity attributable to equity holders | | | | | | | | | | |
| Share capital | 12 | 4,096 | 2,832 | 6,928 | 3,750 | 1,731 | 5,481 | 4,096 | 1,731 | 5,827 |
| Share premium | | 1,067 | 7,874 | 8,941 | - | 4,813 | 4,813 | 1,067 | 4,813 | 5,880 |
| Special reserve | | 10,437 | - | 10,437 | 10,437 | - | 10,437 | 10,437 | - | 10,437 |
| Capital reserve – realised | | (1,136) | (167) | (1,303) | (887) | (36) | (923) | (1,018) | (90) | (1,108) |
| Capital reserve – unrealised | | 3,664 | - | 3,664 | 3,568 | - | 3,568 | 1,700 | - | 1,700 |
| Revenue reserve | | 298 | (37) | 261 | 369 | (27) | 342 | 329 | (54) | 275 |
| Total equity | | 18,426 | 10,502 | 28,928 | 17,237 | 6,481 | 23,718 | 16,611 | 6,400 | 23,011 |
| Basic and diluted net asset value per share (p) | 13 | 112.5 | 92.7 | | 114.9 | 93.6 | | 101.4 | 92.4 | |

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

Charles Conner
Director

Ventus VCT plc. Registered No: 05205442

The accompanying notes on pages 21 to 32 form an integral part of these financial statements.

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 | 4,096 | 1,067 | 10,437 | (1,018) | 1,700 | 329 | 16,611 |
| Profit/(loss) and total comprehensive income for the period | - | - | - | (118) | 1,964 | 297 | 2,143 |
| Dividends paid in the period | - | - | - | - | - | (328) | (328) |
| At 31 August 2010 | 4,096 | 1,067 | 10,437 | (1,136) | 3,664 | 298 | 18,426 |

| | 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 | | (90) | | (54) | 6,400 |
| Shares issued in the period | 1,101 | 3,303 | | - | | - | 4,404 |
| Issue costs | - | (242) | | - | | - | (242) |
| (Loss)/profit and total comprehensive income for the period | - | - | | (77) | | 17 | (60) |
| At 31 August 2010 | 2,832 | 7,874 | | (167) | | (37) | 10,502 |

| | 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 | 5,827 | 5,880 | 10,437 | (1,108) | 1,700 | 275 | 23,011 |
| Shares issued in the period | 1,101 | 3,303 | - | - | - | - | 4,404 |
| Issue costs | - | (242) | - | - | - | - | (242) |
| Profit/(loss) and total comprehensive income for the period | - | - | - | (195) | 1,964 | 314 | 2,083 |
| Dividends paid in the period | - | - | - | - | - | (328) | (328) |
| At 31 August 2010 | 6,928 | 8,941 | 10,437 | (1,303) | 3,664 | 261 | 28,928 |

All amounts presented in the 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 when it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 21 to 32 form an integral part of these financial statements.

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 | 3,750 | 10,437 | (750) | 3,597 | 597 | 17,631 |
| Profit/(loss) and total comprehensive income for the period | - | - | (137) | (29) | 222 | 56 |
| Dividends paid in the period | - | - | - | - | (450) | (450) |
| At 31 August 2009 | 3,750 | 10,437 | (887) | 3,568 | 369 | 17,237 |

| | 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) | (27) | (63) |
| At 31 August 2009 | 1,731 | 4,813 | (36) | (27) | 6,481 |

| | 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 | 3,750 | - | 10,437 | (750) | 3,597 | 597 | 17,631 |
| Shares issued in the period | 1,731 | 5,194 | - | - | - | - | 6,925 |
| Issue costs | - | (381) | - | - | - | - | (381) |
| (Loss)/profit and total comprehensive income for the period | - | - | - | (173) | (29) | 195 | (7) |
| Dividends paid in the period | - | - | - | - | - | (450) | (450) |
| At 31 August 2009 | 5,481 | 4,813 | 10,437 | (923) | 3,568 | 342 | 23,718 |

All amounts presented in the 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 when it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 21 to 32 form an integral part of these financial statements.

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 | 3,750 | - | 10,437 | (750) | 3,597 | 597 | 17,631 |
| Shares issued in the year | 346 | 1,149 | - | - | - | - | 1,495 |
| Issue costs | - | (82) | - | - | - | - | (82) |
| (Loss)/profit and total comprehensive income for the year | - | - | - | (268) | (1,897) | 407 | (1,758) |
| Dividends paid in the year | - | - | - | - | - | (675) | (675) |
| At 28 February 2010 | 4,096 | 1,067 | 10,437 | (1,018) | 1,700 | 329 | 16,611 |

| | 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 | - | - | | (90) | | (54) | (144) |
| At 28 February 2010 | 1,731 | 4,813 | | (90) | | (54) | 6,400 |

| | 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 | 3,750 | - | 10,437 | (750) | 3,597 | 597 | 17,631 |
| Shares issued in the year | 2,077 | 6,343 | - | - | - | - | 8,420 |
| Issue costs | - | (463) | - | - | - | - | (463) |
| (Loss)/profit and total comprehensive income for the year | - | - | - | (358) | (1,897) | 353 | (1,902) |
| Dividends paid in the year | - | - | - | - | - | (675) | (675) |
| At 28 February 2010 | 5,827 | 5,880 | 10,437 | (1,108) | 1,700 | 275 | 23,011 |

All amounts presented in the 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 when it is considered by the Board to be in the interests of the shareholders.

The accompanying notes on pages 21 to 32 form an integral part of these financial statements.

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 | 681 | 14 | 695 | 570 | - | 570 | 1,182 | - | 1,182 |
| Deposit interest received | 1 | 16 | 17 | - | 9 | 9 | 6 | 17 | 23 |
| Investment management fees paid | (199) | (123) | (322) | (217) | (61) | (278) | (439) | (142) | (581) |
| Other cash payments | (81) | (27) | (108) | (74) | (41) | (115) | (150) | (70) | (220) |
| Cash from/(used in) operations | 402 | (120) | 282 | 279 | (93) | 186 | 599 | (195) | 404 |
| Taxes paid | - | - | - | - | - | - | (81) | - | (81) |
| Net cash inflow/(outflow) from operating activities | 402 | (120) | 282 | 279 | (93) | 186 | 518 | (195) | 323 |
| Cash flows from investing activities | | | | | | | | | |
| Purchases of investments | (1,042) | (1,900) | (2,942) | (197) | - | (197) | (322) | (325) | (647) |
| Proceeds from investments | - | 375 | 375 | - | - | - | - | - | - |
| Net cash outflow from investing activities | (1,042) | (1,525) | (2,567) | (197) | - | (197) | (322) | (325) | (647) |
| 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) | (242) | - | (381) | (381) | - | (381) | (381) |
| "C" shares to be issued | - | - | - | - | - | - | - | 444 | 444 |
| Ordinary shares issued | - | - | - | - | - | - | 1,495 | - | 1,495 |
| Ordinary share issue costs | - | - | - | - | - | - | (82) | - | (82) |
| Dividends paid | (328) | - | (328) | (450) | - | (450) | (675) | - | (675) |
| Net cash inflow/(outflow) from financing activities | (328) | 3,718 | 3,390 | (644) | 6,544 | 5,900 | 544 | 6,988 | 7,532 |
| Net increase/(decrease) in cash and cash equivalents | (968) | 2,073 | 1,105 | (562) | 6,451 | 5,889 | 740 | 6,468 | 7,208 |
| Cash and cash equivalents at the beginning of the period | 1,412 | 6,468 | 7,880 | 672 | - | 672 | 672 | - | 672 |
| Cash and cash equivalents at the end of the period | 444 | 8,541 | 8,985 | 110 | 6,451 | 6,561 | 1,412 | 6,468 | 7,880 |

The accompanying notes on pages 21 to 32 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 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 ("SORP") is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

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.

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 the instrument.

Trade and other receivables

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

Cash and cash equivalents

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

Financial liabilities and equity

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

Trade and other payables

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

Equity instruments

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

Special reserve

The special reserve was created by approval of the High Court to cancel the Company's share premium account in respect of the shares issued in the initial offer for the Company's ordinary

NOTES TO THE FINANCIAL STATEMENTS

Continued

shares. The special reserve may be used to fund buy-backs of shares as and when it is considered by the Board to be in the interests of the shareholders.

Capital reserve - realised

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

Capital reserve – unrealised

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

Investments

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

Investments in unquoted companies 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 those 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.

2. Income

Six months ended 31 August 2010 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|--------------------------------|----------------------------|-----------------------|---------------|
| Income from investments | | | |
| Mezzanine loan stock interest | 368 | 79 | 447 |
| Dividends | 80 | - | 80 |
| | 448 | 79 | 527 |
| Other income | | | |
| UK treasury bill income | - | 12 | 12 |
| Bank deposit interest | 1 | 5 | 6 |
| | 449 | 96 | 545 |

Six months ended 31 August 2009 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|--------------------------------|----------------------------|-----------------------|---------------|
| Income from investments | | | |
| Mezzanine loan stock interest | 375 | - | 375 |
| | 375 | - | 375 |
| Other income | | | |
| UK treasury bill income | - | 6 | 6 |
| Bank deposit interest | - | 3 | 3 |
| | 375 | 9 | 384 |

Year ended 28 February 2010 (audited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|--------------------------------|----------------------------|-----------------------|---------------|
| Income from investments | | | |
| Mezzanine loan stock interest | 702 | 11 | 713 |
| Dividends | 25 | - | 25 |
| | 727 | 11 | 738 |
| Other income | | | |
| UK treasury bill income | - | 15 | 15 |
| Bank deposit interest | 1 | 5 | 6 |
| | 728 | 31 | 759 |

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 £199,000 (six months ended 31 August 2009: £217,000; twelve months ended 28 February 2010: £438,000). 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: £141,000). During the period, the Company paid an offer fee of £123,000 to the Investment Manager in respect of the issue of "C" shares (referred to in note 12).

NOTES TO THE FINANCIAL STATEMENTS

Continued

4. Other expenses

Six months ended 31 August 2010 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---|----------------------------|-----------------------|---------------|
| Directors' remuneration | 19 | 13 | 32 |
| Fees payable to the Company's Auditors for: | | | |
| - <i>Audit of the Company's annual accounts</i> | 8 | 5 | 13 |
| - <i>Other services relating to taxation</i> | 1 | - | 1 |
| - <i>Other services</i> | 4 | 3 | 7 |
| Other expenses | 28 | 23 | 51 |
| | 60 | 44 | 104 |

Six months ended 31 August 2009 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---|----------------------------|-----------------------|---------------|
| Directors' remuneration | 23 | 9 | 32 |
| Fees payable to the Company's Auditors for: | | | |
| - <i>Audit of the Company's annual accounts</i> | 6 | 3 | 9 |
| - <i>Other services relating to taxation</i> | 2 | - | 2 |
| - <i>Other services</i> | 1 | - | 1 |
| Other expenses | 36 | 16 | 52 |
| | 68 | 28 | 96 |

Year ended 28 February 2010 (audited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---|----------------------------|-----------------------|---------------|
| Directors' remuneration | 46 | 19 | 65 |
| Fees payable to the Company's Auditors for: | | | |
| - <i>Audit of the Company's annual accounts</i> | 12 | 5 | 17 |
| - <i>Other services relating to taxation</i> | 1 | 1 | 2 |
| - <i>Other services</i> | 2 | 1 | 3 |
| Other expenses | 77 | 34 | 111 |
| | 138 | 60 | 198 |

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.

5. Directors' Remuneration

Six months ended 31 August 2010 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|----------------------|----------------------------|-----------------------|---------------|
| D Pinckney | 6 | 5 | 11 |
| A Moore | 3 | 2 | 5 |
| P Thomas | 3 | 2 | 5 |
| C Wood | 3 | 2 | 5 |
| D Williams | 2 | 1 | 3 |
| C Conner | 2 | 1 | 3 |
| Aggregate emoluments | 19 | 13 | 32 |

Six months ended 31 August 2009 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|----------------------|----------------------------|-----------------------|---------------|
| D Pinckney | 7 | 3 | 10 |
| A Moore | 5 | 2 | 7 |
| P Thomas | 5 | 2 | 7 |
| C Wood | 6 | 2 | 8 |
| Aggregate emoluments | 23 | 9 | 32 |

Year ended 28 February 2010 (audited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|----------------------|----------------------------|-----------------------|---------------|
| D Pinckney | 14 | 6 | 20 |
| A Moore | 11 | 4 | 15 |
| P Thomas | 11 | 4 | 15 |
| C Wood | 10 | 5 | 15 |
| Aggregate emoluments | 46 | 19 | 65 |

The Directors did not receive any other remuneration during the period except for that which is disclosed in the table above. Alan Moore, Paul Thomas and Colin Wood resigned from the Board of Directors on 13 July 2010. David Williams and Charles Conner were elected to the Board of Directors on 13 July 2010.

6. Taxation

The half-yearly tax charge in the ordinary share fund of £11,000 (six months ended 31 August 2009: tax charge £5,000; year ended 28 February 2010: tax charge £13,000) offsets a tax credit of £11,000 in the "C" share fund (six months ended 31 August 2009: tax credit £17,000; year ended 28 February 2010: tax credit £26,000). 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 £13,000 in respect of unrelieved surplus operating expenses.

7. Basic and diluted return per share

The basic and diluted net profit per ordinary share of 13.07p (six months ended 31 August 2009: net profit of 0.37p per ordinary share; twelve months ended 28 February 2010: net loss of 11.62p per ordinary share) is based on the net profit for the period of £2,143,000 (six months ended 31 August 2009: net profit of £56,000; twelve months ended 28 February 2010: net loss of £1,758,000) and the weighted average number of ordinary shares in issue during the period of 16,384,793 (six months ended 31 August 2009: 15,000,183; twelve months ended 28 February 2010: 15,132,954). There were no differences between basic and diluted return per share because no dilutive instruments had been issued or granted.

The basic and diluted net loss per "C" share of 0.57p (six months ended 31 August 2009: net loss of 1.04p per "C" share; twelve months ended 28 February 2010: net loss of 2.36p per "C" share) is based on the net loss for the period of £60,000 (six months ended 31 August 2009: net loss of £63,000; twelve months ended 28 February 2010: net loss of £144,000) 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 share because no dilutive instruments had been issued or granted.

NOTES TO THE FINANCIAL STATEMENTS

Continued

8. Investments

Six months ended 31 August 2010 (unaudited)

| | Ordinary Shares | | | "C" Shares | | | Total | | |
|-----------------------------------|-----------------|---------------------------------|---------------|----------------|---------------------------------|---------------|----------------|---------------------------------|---------------|
| | 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 | 6,558 | 6,047 | 12,605 | - | 325 | 325 | 6,558 | 6,372 | 12,930 |
| Opening unrealised gains/(losses) | 1,743 | (43) | 1,700 | - | - | - | 1,743 | (43) | 1,700 |
| Opening fair value | 8,301 | 6,004 | 14,305 | - | 325 | 325 | 8,301 | 6,329 | 14,630 |
| During the period | | | | | | | | | |
| Purchases at cost | 334 | 708 | 1,042 | 500 | 1,400 | 1,900 | 834 | 2,108 | 2,942 |
| Investment proceeds | - | - | - | - | (375) | (375) | - | (375) | (375) |
| Unrealised gains | 1,962 | 2 | 1,964 | - | - | - | 1,962 | 2 | 1,964 |
| Closing fair value | 10,597 | 6,714 | 17,311 | 500 | 1,350 | 1,850 | 11,097 | 8,064 | 19,161 |
| Closing position | | | | | | | | | |
| Closing cost | 6,892 | 6,755 | 13,647 | 500 | 1,350 | 1,850 | 7,392 | 8,105 | 15,497 |
| Closing unrealised gains/(losses) | 3,705 | (41) | 3,664 | - | - | - | 3,705 | (41) | 3,664 |
| Closing fair value | 10,597 | 6,714 | 17,311 | 500 | 1,350 | 1,850 | 11,097 | 8,064 | 19,161 |

Six months ended 31 August 2009 (unaudited)

| | Ordinary Shares | | |
|--------------------------|-----------------|---------------------------------|---------------|
| | Shares £000 | Mezzanine loan stock £000 | Total £000 |
| Opening position | | | |
| Opening cost | 6,528 | 5,755 | 12,283 |
| Opening unrealised gains | 3,597 | - | 3,597 |
| Opening fair value | 10,125 | 5,755 | 15,880 |
| During the period | | | |
| Purchases at cost | 24 | 173 | 197 |
| Unrealised losses | (29) | - | (29) |
| Closing fair value | 10,120 | 5,928 | 16,048 |
| Closing position | | | |
| Closing cost | 6,552 | 5,928 | 12,480 |
| Closing unrealised gains | 3,568 | - | 3,568 |
| Closing fair value | 10,120 | 5,928 | 16,048 |

Year ended 28 February 2010 (audited)

| | Ordinary Shares | | | "C" Shares Mezzanine loan stock £000 | Total | | |
|-----------------------------------|-----------------|---------------------------------|---------------|---|----------------|---------------------------------|---------------|
| | Shares £000 | Mezzanine loan stock £000 | Total £000 | | Shares £000 | Mezzanine loan stock £000 | Total £000 |
| Opening position | | | | | | | |
| Opening cost | 6,528 | 5,755 | 12,283 | - | 6,528 | 5,755 | 12,283 |
| Opening unrealised gains | 3,597 | - | 3,597 | - | 3,597 | - | 3,597 |
| Opening fair value | 10,125 | 5,755 | 15,880 | - | 10,125 | 5,755 | 15,880 |
| During the year | | | | | | | |
| Purchases at cost | 30 | 292 | 322 | 325 | 30 | 617 | 647 |
| Unrealised losses | (1,854) | (43) | (1,897) | - | (1,854) | (43) | (1,897) |
| Closing fair value | 8,301 | 6,004 | 14,305 | 325 | 8,301 | 6,329 | 14,630 |
| Closing position | | | | | | | |
| Closing cost | 6,558 | 6,047 | 12,605 | 325 | 6,558 | 6,372 | 12,930 |
| Closing unrealised gains/(losses) | 1,743 | (43) | 1,700 | - | 1,743 | (43) | 1,700 |
| Closing fair value | 8,301 | 6,004 | 14,305 | 325 | 8,301 | 6,329 | 14,630 |

The shares held by the Company are in unquoted UK companies. The Investment Manager's Report on pages 4 to 11 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.

9. Trade and other receivables

As at 31 August 2010 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---------------------------|----------------------------|-----------------------|---------------|
| Non-current assets | | | |
| Accrued interest income | 172 | 63 | 235 |
| | 172 | 63 | 235 |
| Current assets | | | |
| Accrued interest income | 538 | 14 | 552 |
| Other receivables | 19 | 68 | 87 |
| Prepayments | 10 | 7 | 17 |
| | 567 | 89 | 656 |

As at 31 August 2009 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---------------------------|----------------------------|-----------------------|---------------|
| Non-current assets | | | |
| Accrued interest income | 511 | - | 511 |
| | 511 | - | 511 |
| Current assets | | | |
| Accrued interest income | 692 | - | 692 |
| Other receivables | 3 | 23 | 26 |
| Prepayments | 11 | 3 | 14 |
| | 706 | 26 | 732 |

NOTES TO THE FINANCIAL STATEMENTS

Continued

9. Trade and other receivables (continued)

As at 28 February 2010 (audited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|---------------------------|----------------------------|-----------------------|---------------|
| Non-current assets | | | |
| Accrued interest income | 109 | - | 109 |
| | 109 | - | 109 |
| Current assets | | | |
| Accrued interest income | 834 | 12 | 846 |
| Other receivables | 3 | 23 | 26 |
| Prepayments | 6 | 3 | 9 |
| | 843 | 38 | 881 |

Included in accrued interest income is mezzanine loan stock interest totalling £235,000 (31 August 2009: £511,000; 28 February 2010: £109,000) 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.

10. Cash and cash equivalents

The total cash and cash equivalents held in the ordinary share fund was £444,000 at 31 August 2010 (31 August 2009: £110,000; 28 February 2010: £1,412,000). The reduction in cash and cash equivalents during the period was due to the purchase of investments and payment of expenses and dividends, offset by income received from investee companies.

The total cash and cash equivalents held in the "C" share fund was £8,541,000 at 31 August 2010 (31 August 2009: £6,451,000; 28 February 2010: £6,468,000). The increase in cash and cash equivalents during the period was attributable to the cash raised under the second "C" share offer which exceeded cash used in making investments and paying expenses.

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

11. Trade and other payables

As at 31 August 2010 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|-----------------|----------------------------|-----------------------|---------------|
| Corporation tax | 37 | (37) | - |
| Other payables | 5 | 60 | 65 |
| Accruals | 26 | 18 | 44 |
| | 68 | 41 | 109 |

As at 31 August 2009 (unaudited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|-----------------|----------------------------|-----------------------|---------------|
| Corporation tax | 100 | (16) | 84 |
| Other payables | 26 | - | 26 |
| Accruals | 12 | 12 | 24 |
| | 138 | (4) | 134 |

As at 28 February 2010 (audited)

| | Ordinary Shares £000 | "C" Shares £000 | Total £000 |
|-----------------|----------------------------|-----------------------|---------------|
| Corporation tax | 26 | (26) | - |
| Other payables | - | 446 | 446 |
| Accruals | 32 | 11 | 43 |
| | 58 | 431 | 489 |

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

12. Share capital

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|--------------------------|------------------------------|--------|------------------------------|------------|------------------------------|--------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Authorised | | | | | | |
| At 1 March 2010 | 40,000,000 | 10,000 | 20,000,000 | 5,000 | 60,000,000 | 15,000 |
| At 31 August 2010 | 40,000,000 | 10,000 | 20,000,000 | 5,000 | 60,000,000 | 15,000 |

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|--|------------------------------|-------|------------------------------|------------|------------------------------|-------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Allotted, called up and fully paid | | | | | | |
| At 1 March 2010 | 16,384,793 | 4,096 | 6,924,686 | 1,731 | 23,309,479 | 5,827 |
| Allotted, called up and fully paid during the year | - | - | 4,404,421 | 1,101 | 4,404,421 | 1,101 |
| At 31 August 2010 | 16,384,793 | 4,096 | 11,329,107 | 2,832 | 27,713,900 | 6,928 |

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|-------------------------------------|------------------------------|--------|------------------------------|------------|------------------------------|--------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Authorised | | | | | | |
| At 1 March 2009 | 40,000,000 | 10,000 | - | - | 40,000,000 | 10,000 |
| Shares authorised during the period | - | - | 20,000,000 | 5,000 | 20,000,000 | 5,000 |
| At 31 August 2009 | 40,000,000 | 10,000 | 20,000,000 | 5,000 | 60,000,000 | 15,000 |

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|--|------------------------------|-------|------------------------------|------------|------------------------------|-------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Allotted, called up and fully paid | | | | | | |
| At 1 March 2009 | 15,000,183 | 3,750 | - | - | 15,000,183 | 3,750 |
| Allotted, called up and fully paid during the year | - | - | 6,924,686 | 1,731 | 6,924,686 | 1,731 |
| At 31 August 2009 | 15,000,183 | 3,750 | 6,924,686 | 1,731 | 21,924,869 | 5,481 |

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|-----------------------------------|------------------------------|--------|------------------------------|------------|------------------------------|--------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Authorised | | | | | | |
| At 1 March 2009 | 40,000,000 | 10,000 | - | - | 40,000,000 | 10,000 |
| Shares authorised during the year | - | - | 20,000,000 | 5,000 | 20,000,000 | 5,000 |
| At 28 February 2010 | 40,000,000 | 10,000 | 20,000,000 | 5,000 | 60,000,000 | 15,000 |

| | Ordinary Shares | | Number of shares of 25p each | "C" Shares | Number of shares of 25p each | Total |
|--|------------------------------|-------|------------------------------|------------|------------------------------|-------|
| | Number of shares of 25p each | £000 | | £000 | | |
| Allotted, called up and fully paid | | | | | | |
| At 1 March 2009 | 15,000,183 | 3,750 | - | - | 15,000,183 | 3,750 |
| Allotted, called up and fully paid during the year | 1,384,610 | 346 | 6,924,686 | 1,731 | 8,309,296 | 2,077 |
| At 28 February 2010 | 16,384,793 | 4,096 | 6,924,686 | 1,731 | 23,309,479 | 5,827 |

12. Share capital (continued)

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 an offer fee of £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.

13. Basic and diluted net asset value per share

The net asset value per ordinary share of 112.5p at 31 August 2010 (31 August 2009: 114.9p; 28 February 2010: 101.4p) is based on net assets attributable to the ordinary shareholders of £18,426,000 (31 August 2009: £17,237,000; 28 February 2010: £16,611,000) and the number of shares in issue as at 31 August 2010 of 16,384,793 (31 August 2009: 15,000,183; 28 February 2010: 16,384,793).

The net asset value per "C" share of 92.7p at 31 August 2010 (31 August 2009: 93.6p; 28 February 2010: 92.4p) is based on net assets attributable to the "C" shareholders of £10,502,000 (31 August 2009: £6,481,000; 28 February 2010: £6,400,000) 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).

14. Dividends

An interim dividend of 1.50p per ordinary share has been declared 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. A final dividend for the year ended 28 February 2010 of 2.00p per ordinary share was paid on 27 July 2010.

15. Post balance sheet events

Since the balance sheet date the Company has invested £48,000 for additional equity in Wind Power Renewables Limited, increasing its shareholding to 32% of the ordinary shares.

16. 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 in respect to these during the six month period ended 31 August 2010.

17. 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.

The investee companies in which the Company has a shareholding of 20% or more are considered to be related parties. The significant changes to the balances and transactions with these companies are presented in the Investment Manager's Report. The aggregate balances at the balance sheet date and transactions with these companies during the six months to 31 August 2010 are summarised below. The "C" share fund did not have a shareholding of 20% or more in any investee company as at 31 August 2010.

Ordinary Shares

| | As at 31 August 2010 (unaudited) £000 |
|--------------------------------------|---|
| Balances | |
| Investments - shares | 7,005 |
| Investments - mezzanine loan stock | 5,765 |
| Accrued interest income | 640 |
| <hr/> | |
| | Six months ended 31 August 2010 (unaudited) £000 |
| Transactions | |
| Mezzanine loan stock interest income | 310 |
| Dividend income | 80 |

Ordinary Shares

| | As at 31 August 2009 (unaudited) £000 |
|--------------------------------------|---|
| Balances | |
| Investments - shares | 8,722 |
| Investments - mezzanine loan stock | 5,668 |
| Accrued interest income | 1,163 |
| <hr/> | |
| | Six months ended 31 August 2009 (unaudited) £000 |
| Transactions | |
| Mezzanine loan stock interest income | 356 |

Ordinary Shares

| | As at 28 February 2010 (audited) £000 |
|--------------------------------------|---|
| Balances | |
| Investments - shares | 6,795 |
| Investments - mezzanine loan stock | 5,723 |
| Accrued interest income | 882 |
| <hr/> | |
| | Year ended 28 February 2010 (audited) £000 |
| Transactions | |
| Mezzanine loan stock interest income | 663 |
| Dividend income | 25 |

18. 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)



The Ventus Funds
Managed by Climate Change Capital Ltd

www.ventusvct.com



Climate Change Capital[®]

Investment Manager
Climate Change Capital Ltd
3 More London Riverside
London
SE1 2AQ

T: +44 (0) 20 7939 5000
F: +44 (0) 20 7939 5030
www.climatechange-capital.com