Ventus VCT plc

Annual Report & Financial Statements

for the year ended 28 February 2021

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Ventus VCT plc invests in companies that operate renewable energy projects.

Registered No: 05205442

I am pleased to be able to present the Annual Report and Financial Statements of Ventus VCT plc (the "Company") for the year ended 28 February 2021.

Outcome of the General Meeting of the Company

Shareholders will be aware that at the General Meeting of the Company held on 19 May 2021 the shareholders voted overwhelmingly (98.1%) in favour of the resolution proposed by the Directors to sell the assets of the Company and discontinue the Company as a venture capital trust. The resolution was contingent on an identical resolution also passing at the General Meeting of Ventus 2 VCT plc ("Ventus 2") and I can confirm that this also passed with overwhelming (98.3%) shareholder support.

This significant milestone represents the culmination of 18 months of work. The Board and Investment Manager, together with the Board of Ventus 2 are continuing to work with Ernst & Young LLP ("EY") to assess the Company's assets and determine the transaction path to deliver the best outcome for shareholders.

The detailed circular published on 13 April 2021 (the "Circular") contains detailed information on the Board's rationale and indicative returns and timetable for the process.

Summary Financial Performance

The operational and financial performance of the Company's investee companies over the financial year has been stable. The Company has maintained its policy on target dividends despite the Covid-19 pandemic and subsequent economic shutdown, which adversely impacted power prices, particularly in the first half of the year. The Company's dividend policy is set out in the Strategic Report.

Electricity generation for the year ended 28 February 2021 was 97% of budget (2020: 101%). The Company has again benefited from the high proportion of long-term fixed power prices in the investee companies, as these fixes were higher than realisable UK wholesale prices in the period.

There has been a significant increase in net asset value ("NAV") across all share classes, resulting from the following changes. These changes are based on market observations of the assumptions being used by other comparable companies:

Positive factors:

- A reduction of 0.25% in the operational wind discount rate to 7.00%.
- A reduction of 1.00% in the operational hydro discount rate to 5.50%.
- A change in asset life assumption from 25 to 30 years from the commencement of operation for operational wind.
- A change in the asset life assumption from a rolling 25 years from the valuation date to 30 years in operational hydro.
- A change in the forecast power price assumption from a single consultant to a blended curve based on the reports from two leading consultants.

Negative factors:

- Higher corporation tax rates payable by the investee companies in the medium term as the government has indicated its intention to raise corporation tax in response to the Covid-19 pandemic, although this has not yet been legislated.

The total return for shareholders is positive across all share classes for the year.

The table below gives an overview of the financial performance for the year. Detail about the Company's net profits for the year is set out in the Financial Performance Report.

	Ordinary Shares pence per share	"C" Shares pence per share	"D" Shares pence per share
NAV at 29 February 2020	110.0	131.2	142.6
NAV at 28 February 2021	121.8	144.4	176.5
Increase in NAV	11.8	13.2	33.9
Dividends paid during the year	**8.0**	**8.0**	**5.0**
Total return (change in NAV + dividends paid)	**19.8**	**21.2**	**38.9**

Results

Income from investments during the year decreased for each share fund compared to the previous year. In the previous year the Company benefited from additional revenue from investee companies because of non-recurring refinancing initiatives and electricity generation ahead of budget. On a pence per share basis, income from investments was 6.80p (2020: 10.51p) per ordinary share, 6.75p (2020: 9.57p) per "C" share and 8.19p (2020: 12.31p) per "D" share.

The decrease in income from investments corresponds to a decrease in revenue profit during the year versus the previous year. On a pence per share basis, revenue profit was 4.54p (2020: 8.46p) per ordinary share, 4.33p (2020: 7.48p) per "C" share and 4.62p (2020: 9.95p) per "D" share.

The positive factors set out in the summary above have had a positive impact on the discounted cash flow valuations during the year. On a pence per share basis, the capital gain was 15.25p (2020: capital loss of 6.44p) per ordinary share, 16.87p (2020: capital loss of 5.81p) per "C" shares and 34.41p (2020: capital loss of 8.14p) per "D" share.

Net profit was therefore significantly higher than in the prior year at 19.79p (2020:2.02p) per ordinary share, 21.20p (2020:1.68p) per "C" share and 39.03p (2020: 1.81p) per "D" share.

Dividends

The Company proposes to declare a final dividend of 4.00p per ordinary share, 6.00p per "C" share and 10.00p per "D" share to be paid on 11 August 2021 to shareholders on the register as at the close of business on 30 July 2021. The Company paid an interim dividend of 4.00p per ordinary share, 4.00p per "C" share and 2.50p per "D" share on 20 January 2021. Therefore, the total annual dividend will be 8.00p per ordinary share, 10.00p per "C" share and 12.50p per "D" share.

Impact of Covid-19 and Going Concern

The Covid-19 pandemic started to impact the UK economy during the year. As the Company has a high proportion of fixed revenue from government tariffs and fixed price power contracts and the operational performance of the investee companies and service providers to those investee companies has remained robust, the Board has not changed the guidance on the target dividends.

The majority of wind turbine operational issues can be managed remotely or are resolved automatically by the turbines' control systems. Where physical visits to sites are required, site managers and turbine maintenance staff have been able to work safely whilst adhering to social distancing and enhanced health and safety protocols. Procurement of spare parts has not been interrupted.

The Company is relatively insulated against the fall in near term power prices, as a significant proportion of the investee company revenues are fixed as shown below.

% Forecast Fixed Price Revenue at investee company level*	FY 2021	FY2022	5 years FY2021-FY2025
Ordinary shares	97%	100%	72%
"C" Shares	97%	99%	72%
"D" Shares	99%	100%	80%
Company weighted average**	97%	99%	77%

* including all fixed price subsidies and fixed electricity prices. Note that revenue received will still vary with energy yield.

** weighted by NAV

Secondly, the revenues that are received from the government for the Renewable Obligation Certificates ("ROCs") and the Feed in Tariffs ("FITs") are linked to inflation through the Retail Price Index ("RPI"). The potential range of outcomes for inflation has widened due to Covid, although the 10-year inflation rates currently implied by index linked government bonds remains around 3.0%.

The Board has reviewed a number of power price scenarios and remains confident in the current dividend targets.

Annual General Meeting

The Board remains keenly aware of the ongoing risk to public health from the Covid-19 pandemic and is following government advice in relation to non-essential travel and AGMs. As with the 2020 AGM the 2021 AGM will therefore be held virtually and shareholders will not be able to attend.

The Company's AGM will be held on 22 July 2021 with the minimum number of people in virtual attendance to remain in compliance with legislation.

The Board urges shareholders to register all votes via proxy ahead of the AGM itself and the Chairman will record all voting as a poll to ensure each vote cast counts individually.

The Board recognises the importance of the AGM to shareholders and encourages the submission of questions on the Company or the portfolio to the Board via email to ventus@temporiscapital.com by 8 July 2021, being two weeks prior to the date of the AGM. Answers will be published on the Company website at the time of the AGM.

Details of the resolutions to be put to shareholders at the meeting are set out in the Notice of the AGM on page 67 which also contains further detailed information on the format and logistics of the AGM process.

David Williams
Chairman

18 June 2021

The Strategic Report has been prepared in accordance with the requirements of Section 414A of the Companies Act 2006. Its purpose is to inform the shareholders of the Company on key matters and help them to assess how the Directors have performed their duty to promote the success of the Company, in accordance with Section 172 of the Companies Act 2006.

The Company and its Business Model

The Company is a public limited company, incorporated in England and premium listed on the London Stock Exchange. The registered address of the Company is 7th Floor, Wellington House, 125-130 Strand, London WC2R 0AP.

The Company is an investment company, as defined by Section 833 of the Companies Act 2006. The Company has appointed Temporis Capital Limited ("Temporis") as the Investment Manager.

The Directors consider that the Company has conducted its affairs in a manner to enable it to comply with Section 274 of the Income Tax Act 2007 as a Venture Capital Trust ("VCT"). In particular, a VCT is required at all times to hold at least 70% (80% for accounting periods beginning after 5 April 2019, so from 1 March 2020 for the Company) by value of its investments (as defined in the legislation) in qualifying holdings, of which, for funds raised after 5 April 2011, 70% must comprise eligible ordinary shares.

The Company has a clearly defined investment policy and process. Investment and decisions are made by the Investment Manager after approval has been received from the Investment Committee. The Investment Committee includes representatives from Temporis Capital and a third party investment management expert. Regular Board meetings and strategy meetings are held to review the performance of the Company, its investments and the Investment Manager.

Strategic Objectives

The Company is now focused on implementing the resolution passed at the General Meeting on 19 May 2021 to sell the assets of the Company and discontinue the Company as a venture capital trust.

The Circular dated 13 April 2021 contains detailed information on the indicative timetable and process to deliver this objective.

Dividend Policy

The Company has previously set a target annual dividend of 8.00p per ordinary share, 8.00p per "C" share and 5.00p per "D" share. It should be stressed these are intentions only, and no forecasts are intended or should be inferred.

The ability of the Company to pay dividends is dependent on the receipt of cash from its investee companies which is uncertain and depends on various factors including wind and rainfall conditions, operational availability, the price of electricity, inflation and operating costs.

The Directors intend to continue to pay dividends whilst the assets are being sold.

Investment Policy

Existing Investments

The Company's implemented strategy has been to invest in companies developing or operating renewable energy projects in the wind and hydroelectric space with installed capacities of up to 20 megawatts. These investments generate stable, long term income with the objective of providing predictable dividends to shareholders. The investments are generally in special purpose companies which own and operate smaller projects which are not attractive to large development companies and utilities. The Company typically owns 25% to 50% of the equity share capital of an investee company and has also made associated investments in debt securities.

In order to improve stability of cash returns from investee companies and enhance the predictability of dividends to shareholders, more recent investments are, on average, structured with lighter leverage at financial close than earlier investments. Further information can be found in the Investment Manager's Report on page 15.

The Investment Manager's Report provides a detailed analysis of the portfolio held by each of the ordinary, "C" and "D" share funds including a schedule which sets out the stage of investment and the renewable energy technology type of the assets held by each investee company.

VCT Rules and Further Investments

In order to comply with VCT requirements, at least 80% by value of the Company's investments are required to be comprised of qualifying investments. In the prior year the applicable requirement for the Company was 70%.

For the purposes of the 70% qualifying holdings requirement, disposals of qualifying investments for cash may be disregarded for a period of 12 months (as from 6 April 2019, whereas it had previously been 6 months). Where a VCT breaches any requirement due to factors outside of its control, it may apply to HMRC for a determination that the breach will be disregarded for a period of 90 days while the breach is remedied.

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

With effect from 6 April 2016, all new investments in energy generation activities (including the export of electricity and the production of gas or other fuel) are not regarded as qualifying investments for VCTs.

Further changes to the VCT regulations were introduced in the Finance Act 2016 which restrict VCTs to making only qualifying investments and certain limited investments for liquidity purposes. All other non-qualifying investments are prohibited.

As such, the Company is limited in its ability to make further investments in accordance with the Investment Policy and, therefore, has no plans to make further investments. The VCT restrictions described above do not affect any of the Company's existing investments.

Conflicts of Interest

When there is a conflict or potential conflict of interest between the investment strategy of the Company and that of another fund managed by Temporis, the matter is referred to Temporis' compliance officer who ensures any conflicts are dealt with fairly. Any investment made in a company in which another fund managed by Temporis has invested or intends to invest will be approved by the Directors who are independent of Temporis, unless the investment is made at the same time and on the same terms or in accordance with a specific pre-existing agreement between the Company and Temporis.

Asset Life

The UK now has more than 13,000 MW of installed onshore wind farms and the sector is now well established with institutional investors.

The Company has revised its asset life assumption for onshore wind farms in the current year from 25 years to 30 years from the commencement of operation with no terminal value, repowering or life extension. This increase has been made following the completion of a technical report by a third party adviser and is in line with other market participants.

Hydro-electricity stations contain relatively simple technology in comparison to wind turbines and schemes can operate for 40 years or more, often without significant additional capital expenditure. The Company has revised its asset life assumption for operational hydro-electricity stations to 30 years from the valuation date. Previously the Company assumed an operating life of 25 years from the valuation date.

The operating life assumptions for both wind energy and hydroelectric assets are regularly reviewed against industry convention.

More detail on the changes to these assumptions is included in the Investment Manager's Report.

Risk Diversification

The geographical focus of the Company's portfolio is the UK and the majority of investments are in the wind sector. Funds are currently invested in 14 companies. All projects contained within the portfolio are now operational.

Investee Company Financing

Each investee company has long-term senior debt. The ratio of debt to equity within the investee companies in each share class is set out in the Investment Manager's Report on page 13.

The Investment Manager and Board periodically review opportunities to enhance shareholder value by optimising the debt structure within investee companies. Details of any refinancings undertaken in the current financial year are included in the Investment Manager's Report.

Many of the investee companies were required by the senior lender to fix the costs of borrowing with an interest rate swap. UK interest rates have contracted steadily since 2008 resulting in significant negative carrying values for these swaps. As these values are crystallised with a refinancing, it is sometimes not economic to refinance the investee company loans.

The Loan to Value ("LTV") ratio and the remaining tenor for each share class are set out in the Investment Manager's Report. The Company has acted to set leverage in the portfolio at a sustainable level which balances risk against higher return. Sensitivity analysis was performed to calculate the impact of an increase in senior debt on cover ratios and investee company dividends. Generally, an increase in LTV increases the risk of an investee company being unable to pay a dividend to the Company in a particular year.

Company Borrowing

The Company does not intend to borrow funds for investment purposes. However, the Company is exposed to gearing through its investee companies as described above.

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

Active Asset Management

In order to support the strategic objectives and enhance shareholder value, the Board has instructed the Investment Manager to actively manage the assets in the portfolio.

This active asset management approach primarily covers operational, commercial and financial enhancements at the investee company level. Further information on the activities undertaken by the Investment Manager in the current financial year is included within the Investment Manager's Report.

Overview of the Year and Dividends

An overview of the Company's performance is set out in the Chairman's Statement, and in detail in the Investment Manager's Report. Details of the dividends paid to shareholders during the year and the final dividend declared in respect of the year are also detailed in the Chairman's Statement.

Investment Portfolio

A summary of the performance of the investment portfolio of each share fund is set out in the Investment Manager's Report which provides details of the investments held.

Key Performance Indicators

The Directors consider the key performance indicators set out in the Financial Performance Report to be those which best measure the Company's performance and provide shareholders with an appropriate summary of how the business's objectives are pursued.

Principal Risks and Uncertainties

Under the Financial Conduct Authority's Disclosure and Transparency Rules, the Directors are required to identify those principal and emerging 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 in the table below are those which the Directors consider to be material and are set out in the Company's Risk Register.

Principal Identified Risk	Risk Mitigation
Impact of Covid-19 on the operational activities at investee companies potentially leading to lower energy generation due to plant not being fully operational.	*This risk is mitigated by use of high quality contractors for site management and turbine maintenance at investee companies. Procedures have been adopted by contractors which allow continued operations whilst adhering to restrictions on movement and social distancing. The Investment Manager monitors service levels from these suppliers closely.*
Failure to meet and maintain the investment requirements for compliance with HMRC VCT regulations may result in the Company losing its status as a VCT.	*The Board mitigates this risk by regularly reviewing investment management activity with appropriately qualified advisers.*
Inadequate control environment at service providers may lead to inaccurate reporting or misappropriation of assets.	*This risk is mitigated by only appointing service providers of a high standing under agreements that set out their responsibilities and by obtaining assurances from them that all exceptions have been reported to the Board. In addition, the Board has appointed an independent external party, Roffe Swayne, to report directly to the Board in respect of the Company's internal controls undertaken by the Investment Manager on behalf of the Company.*
Non-compliance with the Listing Rules of the Financial Conduct Authority, Companies Act Legislation and other applicable regulations may result in termination of the Company's Stock Exchange listing or other sanctions.	*This risk is mitigated by employing external advisers fully conversant with applicable statutory and regulatory requirements who report regularly to the Board on the Company's compliance.*
Reliance on the UK Government's continued support for the renewable energy sector and the risk of adverse changes in the application of government policies particularly in respect of the renewable energy sector and tax legislation.	*The future level of Government-mandated support for renewables has important implications for the industry and could impact the value of investments the Company has made in companies which own and operate renewable projects. However, the Directors believe that existing renewable energy tariffs supporting the assets owned by investee companies are secure. Government policy statements are constantly monitored.*
The financial returns to the Company are dependent on the price of electricity its investee companies are able to sell through power purchase agreements. The value of the Company's investments is dependent on projected wholesale electricity prices.	*This risk is mitigated because investee companies have negotiated fixed or floor price mechanisms into the power purchase agreements they have entered into for the sale of their generated output. However, in the longer term, beyond the period of these agreements, the Company is exposed to wholesale prices to a greater degree. The hydro-electricity assets can opt into a floor price each year under the Feed-in Tariff arrangements, which gives these assets a floor on the price of electricity sales. The Investment Manager's Report includes information about the sensitivity of the value of the Company's investments to changes in energy prices.*

Principal Identified Risk	Risk Mitigation
The values of the Company's wind farm and hydro-electricity investments are dependent on expectations of the level of electricity export of each asset, which are driven by expectations of the long-term wind or rainfall conditions. It is possible that expectations of long-term climatic conditions may change over the life time of each investment. The Company's revenues and dividends to shareholders are dependent on actual wind and rainfall conditions.	*The Investment Manager's Report includes information about the sensitivity of the values of the Company's investments to changes in electricity export assumptions. The Company's dividend targets are based on long-term average climatic conditions.*

Emerging Risks

A number of additional risks have presented themselves as a result of the shareholder vote at the General Meeting held on 19 May 2021 as follows:

The value of the Company's assets on sale may be materially different to the figures used in the Circular:

The value realisable on a sale of the Company's assets is linked to estimates and assumptions about a variety of matters including, without limitation, power price projections, inflation figures and a variety of broader macroeconomic considerations which may prove to be incorrect. The indicative returns were also based on an assessment of the market conditions at the time of the Circular and, therefore, remain subject to change. The Company has further assumed that there will be no material changes in government policies, either relating to taxation, law or the continuance of the ROC and FIT. A material change in any of these matters may result in a change in the value of the Company's assets on sale.

Reliance on financial models:

The potential value of the Company's assets on sale is calculated with reference to detailed financial models. There is a risk that the assumptions inherent in such financial models may be inaccurate or incomplete or that the financial models may contain calculative errors.

Ownership of the Company's assets:

The Company and Ventus 2 VCT plc between them do not hold 100% of the share capital of 13 of the 18 investee companies which they hold in total, as many of the assets were developed as joint ventures with landowners, developers or other parties. As a result, 11 of the Company's 16 investee companies

are subject to either first look or last look pre-emption rights in favour of other shareholders in those investee companies. The existence of pre-emption rights, as well as the holding of non-majority investments, may deter some potential buyers of the Company's assets. This may serve to remove competitive tension from a sales process, which may in turn result in a lower than anticipated price or cause a transaction to take materially longer than would otherwise be the case.

Timetable for sale, cash distribution and winding up:

There can be no assurance that the indicative timetable set out in the Circular will be adhered to. A sale of the Company's assets may prove materially more complex than anticipated, and the distribution of proceeds to shareholders may be delayed by a number of factors, including, without limitation, the ability of a liquidator to make distributions to shareholders.

Covid-19

The Board has also assessed the impact of the Covid-19 pandemic on the Company and has set out its analysis in the Chairman's statement.

Brexit

The Company has not experienced and does not expect to experience material change to its business as a result of the UK leaving the European Union because they Company's assets and liabilities, and those of its investee companies, are substantially within the UK.

The Board will continue to monitor these and other emerging risks, assess the impact on the Company and act to mitigate any negative consequences.

Investment Management, Administration and Performance Fees

Temporis Capital LLP was appointed as Investment Manager of the Company on 12 September 2011. Temporis Capital LLP transferred its assets, employees and businesses to its subsidiary, Temporis Capital Limited, on 31 March 2017. The transfer was approved by the Financial Conduct Authority (the "FCA") and Temporis Capital Limited has been granted the same permissions by the FCA as Temporis Capital LLP. The investment management agreement ("IMA") with the Company was novated from Temporis Capital LLP to Temporis Capital Limited. The Company's Investment Manager continues to be actively engaged in managing the portfolio.

Temporis provides investment management services as well as all accounting and administrative services.

The Investment Manager also provided similar services to Ventus 2 VCT plc and Temporis Operational Renewable Energy Strategy LP during the financial year.

Under the terms of the revised IMA entered into in July 2020 the annual management fee was reduced from 2.25% to 2.00% (back dated to 1 August 2019) and then reduced to 1.50% of NAV from 31 August 2020. The annual management fee will reduce further to 1.15% from 1 August 2022.

Total annual running costs are in aggregate capped at 3.6% of NAV (excluding the Investment Manager's performance-related incentive fee, any irrecoverable VAT and investment costs), with any excess being borne by the Investment Manager.

The Investment Manager will receive a performance-related incentive fee subject to the Company achieving certain defined targets. No incentive fee will be payable unless the Company has achieved a hurdle of 60p per share calculated as the sum of the cumulative Return to the end of the financial year ended 29 February 2020 plus the cumulative Earnings thereafter. Under the terms of the revised IMA, from the year ended 28 February 2021 onwards, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Earnings in any accounting period exceeds 7p per share. The details of the calculation methodology of this performance-related incentive fee were set out in detail in the Chairman's Statement in the prior year's annual report and financial statements.

Details of the performance related incentive fees payable to the Investment Manager are set out in Note 3 to these financial statements.

Under the revised IMA the investment management services are terminable by either party giving not less than 24 months' notice expiring any time after 31 July 2025. The revised IMA contains a provision to reduce the termination notice period to whichever is the earlier of one year from the date notice is given or when the non-cash assets of the Company are sold following a resolution of the shareholders that the Company should not continue as a venture capital trust.

The Directors evaluated the performance of the Investment Manager and agreed that, under the terms of the revised IMA, the continuing appointment of Temporis is in the interests of the shareholders. Further discussion of the Investment Manager's performance is within the Corporate Governance Statement.

Investee Company Governance

The investee companies are typically joint ventures between the landowner and the Company. Both the landowner and the Investment Manager, on behalf of the Company, have appointed board representatives to the investee companies. The investee company directors are responsible for appointing the service providers.

The total fees charged to the investee companies by Temporis in respect of the provision of directors was £56,000 (2020: £57,000) during the year. Each investee company has other shareholders and as such the share of the cost borne by the Company was £17,000 (2020: £17,000) during the year. Where directors' fees are charged by Temporis, the JV partner directors receive either the same or, in some cases, higher fees.

Investee Company Service Providers

The key investee service provider relationships are: insurance, turbine O&M (operations and maintenance), site management and performance reporting; and administrative services including accounting, Ofgem reporting and bank reporting. Since its appointment, the Investment Manager has consolidated the provision of these services to obtain scale benefits. For example; the majority of investee companies are now served by Thalia Power Limited ("Thalia") for administration and by BayWa for site management and performance reporting. Thalia is a related party to the Investment Manager. The average cost of Thalia providing these services to an investee company during the year was £28,000 (2020: £29,000). The total costs charged by Thalia to the Company's investee companies was £386,000 (2020: £371,000) during the year. The costs charged per investee company range between £17,000 and £40,000 per year. The Thalia costs attributable to the Company's ownership of its investee companies was £117,000 (2020: £112,000) during the year. These costs have been reviewed by the Board and are considered to be appropriate.

Company Secretary

The City Partnership (UK) Limited provides company secretarial services to the Company as set out in the company secretarial services agreement. For these services the Company Secretary received an annual fee of £19,000 (2020: £19,000) plus VAT. The company secretarial services are terminable by either party giving not less than six months' notice in writing.

VCT Monitoring Status

Philip Hare & Associates LLP advises the Company on its compliance with the taxation requirements relating to VCTs.

The Board is satisfied that the Company is compliant with VCT rules as at the year end and at the date of this report.

Section 172 Statement

In accordance with Section 172 (1) of the Companies Act 2006, the Directors are required to promote the success of the Company for the benefit of its members as a whole. In doing so the Directors also consider the broader stakeholder interests.

Key Decisions

During the year, the Board carried out an extensive review of the Company and concluded that it is in the best interests of the shareholders to dispose of the Company's assets and to return the net proceeds to shareholders. The reasons the Directors believe the proposed course of action is in the best interests of shareholders was presented in a Circular that was issued to shareholders on 13 April 2021.

As set out in detail in the Circular and discussed in the Chairman's Statement above, the Board called a General Meeting of the Company on 19 May 2021 with a resolution recommending to shareholders that the Company dispose of its assets and discontinue as a venture capital trust.

This was ratified by shareholders at the General Meeting of the Company held on 19 May 2021 where over 98% of shareholders voted in favour of the resolution. The Directors will now proceed to sell the Company's assets and wind-up the Company in due course.

The Board entered into a revised IMA with the Investment Manager as set out on page 9.

Global Greenhouse Gas Emissions

The Company has no direct greenhouse gas emissions to report from its operations, being an externally managed investment Company. It is the specific purpose of the Company to invest in companies that develop and operate assets which generate energy from renewable sources. Through its investment policy, the Company is committed to mitigating the impact of climate change by contributing to the transition to a low carbon economy and a cleaner environment.

Other Considerations

The Company has not applied the policies, of the Companies Act 2006, regarding the employment of disabled people and employee involvement as the Company does not have any employees other than the non-executive Directors.

The Company had no employees during the year and the Company currently has three non-executive Directors. The Directors' details are set out in Directors' Information on page 41.

The Company, being an externally managed investment company with no employees, has no specific policies in relation to environmental matters, social, community and human rights issues. The purpose of the Company is to invest in companies that develop and operate assets which generate energy from renewable sources. Through its investment policy, the Company is committed to mitigating the impact of climate change by contributing to the transition to a low carbon economy and a cleaner environment.

In respect of the Bribery Act, the Investment Manager believes there are no reasons or circumstances which could be foreseen in which any of the third-party service providers might fall foul of the Bribery Act. The Investment Manager has detailed procedures in place covering the giving, receiving, authorising and recording of gifts and hospitality by staff of the Investment Manager.

For and on behalf of the Board

David Williams
Chairman

18 June 2021

Summary Financial Performance

The summary financial performance of the Company for the year ended 28 February 2021 is contained within the Chairman's Statement. The Key Performance Indicators are set out below.

Investment Portfolio

The following table shows key information about the operational renewable energy projects owned by the Company's investee companies:

	Capacity MW	Operational since	Location	Output as % of budget - 12 months ended 28 Feb 2021*	Investment held by Ord Share Fund	C Share Fund	D Share Fund
Operational Wind							
Fenpower Limited	10.00	May 2007	Cambridgeshire	96%	✓		
A7 Greendykeside Limited	4.00	Nov 2007	Lanarkshire, Scotland	82%	✓		
Achairn Energy Limited	6.00	May 2009	Caithness, Scotland	80%	✓		
A7 Lochhead Limited	6.00	Jun 2009	Lanarkshire, Scotland	89%	✓		
Greenfield Wind Farm Limited	12.30	Mar 2011	Lanarkshire, Scotland	98%	✓	✓	
Biggleswade Wind Farm Limited	20.00	Dec 2013	Bedfordshire	104%	✓	✓	
Eye Wind Power Limited	6.80	Apr 2014	Suffolk	101%	✓		
Bernard Matthews Green Energy Pickenham Ltd/North Pickenham Energy Ltd	4.00	Apr 2014	Norfolk	106%	✓	✓	
Bernard Matthews Green Energy Weston Ltd/Weston Airfield Investments Ltd	4.00	Apr 2014	Norfolk	99%	✓	✓	
AD Wind Farmers Ltd (Allt Dearg Windfarmers LLP)	10.20	Dec 2012	Argyll and Bute, Scotland	94%		✓	
White Mill Windfarm Limited	14.40	Aug 2012	Cambridgeshire	101%		✓	
Bernard Matthews Green Energy Halesworth Limited	10.25	Aug 2015	Suffolk	102%	✓	✓	✓
Operational Hydro							
Darroch Power Limited (Derrydarroch)	1.90	Dec 2015	Near Loch Lomond, Scotland	95%	✓	✓	✓
Upper Falloch Power Limited	0.90	Dec 2015	Near Loch Lomond, Scotland	95%	✓	✓	✓

*Budget represents the most recently adopted long term energy yield assessment for the site.

All companies have a registered address of Wellington House, 125-130 Strand, London, England, WC2R 0AP except for:

Fenpower Limited: C/O Thrive Renewables Plc, Deanery Road, Bristol, England, BS1 5AS

A7 Lochhead Limited and A7 Greendykeside Limited: 31a The Avenue, Poole, Dorset, BH13 6LJ

Achairn Energy Limited: The Ca'D'Oro, 45 Gordon street, Glasgow, G1 3PE


Operational
Achairn
Derrydarroch/
Upper Falloch
Allt Dearg
Greendykeside
Greenfield
Lochhead
Pickenham
Weston
White Mill
Fenpower
Biggleswade
Eye
Halesworth

Key Performance Indicators

An assessment of the Company's key performance indicators, revenue profit, capital gain, dividends paid during the year and net asset value, is provided in the Chairman's Statement. The Directors consider these key performance indicators, which are typical for VCTs, to best measure the Company's performance and provide shareholders with a summary of how the business's objectives are being pursued. A summary of the key performance indicators for the year and the prior year is set out in the tables below:

For the year ended 28 February 2021

	Ordinary Shares		"C" Shares		"D" Shares		Total
	£000	Pence per share[1]	£000	Pence per share[1]	£000	Pence per share[1]	£000
Revenue profit attributable to equity shareholders	741	4.54	489	4.33	92	4.62	1,322
Capital gain/(loss) attributable to equity shareholders	2,487	15.25	1,904	16.87	685	34.41	5,076
Net profit attributable to equity shareholders	3,228	19.79	2,393	21.20	777	39.03	6,398
Dividends paid during the year	(1,305)	(8.00)	(903)	(8.00)	(100)	(5.00)	(2,308)
Total movement in equity shareholders' funds	1,923	11.79	1,490	13.20	677	34.03	4,090
		%		%		%	%
Ongoing charges ratio [2]		2.30%		2.15%		1.90%	2.20%

	Ordinary Shares		"C" Shares		"D" Shares		Total
	£000	Pence per share[3]	£000	Pence per share[3]	£000	Pence per share[3]	£000
As at 28 February 2021							
Net asset value	19,867	121.80	16,294	144.40	3,515	176.60	39,676
Total shareholder return [4]	34,467	212.55	23,236	205.90	3,825	192.10	61,528

For the year ended 29 February 2020

	Ordinary Shares £000	Ordinary Shares Pence per share[1]	"C" Shares £000	"C" Shares Pence per share[1]	"D" Shares £000	"D" Shares Pence per share[1]	Total £000
Revenue profit attributable to equity shareholders	1,379	8.47	844	7.47	198	9.93	2,421
Capital loss attributable to equity shareholders	(1,050)	(6.44)	(655)	(5.80)	(162)	(8.12)	(1,867)
Net profit attributable to equity shareholders	329	2.03	189	1.67	36	1.81	554
Dividends paid during the year	(1,468)	(9.00)	(1,015)	(9.00)	(100)	(5.00)	(2,583)
Total movement in equity shareholders' funds	(1,139)	(6.97)	(826)	(7.33)	(64)	(3.19)	(2,029)
		%		%		%	%
Ongoing charges ratio [2]		3.36%		3.21%		3.05%	3.27%

	Ordinary Shares £000	Ordinary Shares Pence per share[3]	"C" Shares £000	"C" Shares Pence per share[3]	"D" Shares £000	"D" Shares Pence per share[3]	Total £000
As at 29 February 2020							
Net asset value	17,944	110.00	14,804	131.20	2,838	142.60	35,586
Total shareholder return [4]	31,240	192.75	20,844	184.70	3,048	153.10	55,132

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

2 The ongoing charges ratio represents the total operating expenditure during the year (excluding investment costs and the performance-related incentive fee) as a percentage of the NAV of the Company at year end. The total annual running costs cap is 3.6% of NAV (excluding any investment costs, performance-related incentive fees and irrecoverable VAT)..

3 The "pence per share" value is determined in respect of the number of shares in issue as at the year end, except in respect of the total shareholder return, which includes dividends paid which is based on the number of shares eligible to receive dividends at the time the dividends were paid.

4 The total shareholder return represents the NAV of the Company at year end plus the cumulative dividends paid by the Company since incorporation.

Temporis Capital Limited has been the Investment Manager of the Company since September 2011 and is a full scope UK Alternative Investment Fund Manager ("AIFM") regulated by the Financial Conduct Authority.

Portfolio Overview – Top Ten Investments by Share Fund

The details of the top ten investments, by value, held by each of the ordinary share fund, the "C" share fund and the "D" share fund at 28 February 2021 are set out in the table below:

Ordinary Share Fund

Company	Value £000	Cost £000	Shareholding %	Voting rights %	Income recognised by the Company during the year £000	Basis of value	Proportion of share fund portfolio by value %	Date of latest accounts	Net assets £000	Turnover £000	Profit/ (loss) £000
Fenpower Limited	4,216	440	33.33%	33.33%	458	DCF	21.4%	31/03/2020	4,927	2,356	698
A7 Greendykeside Limited	3,046	1,396	50.00%	50.00%	187	DCF	15.4%	31/03/2020	904	1,077	382
Eye Wind Power Limited	2,385	1,597	35.38%	35.38%	218	DCF	12.1%	29/02/2020	1,796	1,633	323
Greenfield Wind Farm Limited	1,695	533	8.35%	8.35%	15	DCF	8.6%	31/12/2019	809	-	(69)
A7 Lochhead Limited	1,979	820	30.00%	30.00%	-	DCF	10.0%	31/03/2020	1,171	1,404	343
Bernard Matthews Green Energy Weston Limited	1,603	500	50.00%	50.00%	-	DCF	8.1%	31/03/2020	284	88	67
Darroch Power Limited	1,344	587	14.09%	14.09%	52	DCF	6.8%	31/03/2020	1,033	1,319	68
Achairn Energy Limited	1,210	350	8.50%	8.50%	49	DCF	6.1%	31/12/2019	998	1,239	(147)
Bernard Matthews Green Energy Pickenham Limited	858	500	50.00%	50.00%	-	DCF	4.3%	31/03/2020	237	92	70
Biggleswade Wind Farm Limited	668	175	3.50%	3.50%	46	DCF	3.4%	31/07/2020	1,331	5,296	2,947

"C" Share Fund

Company	Value £000	Cost £000	Shareholding %	Voting rights %	Income recognised by the Company during the year £000	Basis of value	Proportion of share fund portfolio by value %	Date of latest accounts	Net assets £000	Turnover £000	Profit/ (loss) £000
Biggleswade Wind Farm Limited	4,107	1,073	21.50%	21.50%	280	DCF	25.1%	31/07/2020	1,331	5,296	2,947
White Mill Windfarm Limited	3,573	1,000	25.00%	25.00%	389	DCF	21.8%	31/01/2020	2,251	3,133	1,696
Greenfield Wind Farm Limited	2,538	797	12.50%	12.50%	23	DCF	15.5%	31/12/2019	809	-	(69)
Weston Airfield Investments Limited	2,169	1,000	50.00%	50.00%	-	DCF	13.2%	31/03/2020	1,227	161	124
North Pickenham Energy Limited	1,837	1,000	50.00%	50.00%	-	DCF	11.2%	31/03/2020	625	185	145
AD Wind Farmers Limited	1,234	1,000	50.00%	50.00%	-	DCF	7.5%	30/09/2020	1,612	177	141
Bernard Matthews Green Energy Halesworth Limited	399	300	5.64%	5.64%	37	DCF	2.4%	30/06/2020	1,518	1,857	(4)
Darroch Power Limited	402	176	4.22%	4.22%	16	DCF	2.5%	31/03/2020	1,033	1,319	68
Upper Falloch Power Limited	126	101	2.79%	2.79%	12	DCF	0.8%	31/03/2020	130	647	(24)

"D" Share Fund

Company	Value £000	Cost £000	Shareholding %	Voting rights %	Income recognised by the Company during the year £000	Basis of value	Proportion of share fund portfolio by value %	Date of latest accounts	Net assets £000	Turnover £000	Profit/ (loss) £000
Darroch Power Limited	1,945	620	25.50%	25.50%	39	DCF	56.4%	31/03/2020	1,033	1,319	68
Bernard Matthews Green Energy Halesworth Limited	947	712	13.38%	13.38%	89	DCF	27.5%	30/06/2020	1,518	1,857	(4)
Upper Falloch Power Limited	556	360	29.58%	29.58%	35	DCF	16.1%	31/03/2020	130	647	(24)

Footnote to the Top 10 Investments Tables:

Basis of valuation - DCF Discounted future cash flows from the underlying business excluding interest earned to date

The ordinary share fund and the "C" share fund have shareholdings in Greenfield Wind Farm Limited of 8.35% and 12.50% respectively, therefore the Company's aggregate shareholding is 20.85%.

The ordinary share fund and the "C" share fund have shareholdings in Biggleswade Wind Farm Limited of 3.50% and 21.50% respectively, therefore the Company's aggregate shareholding is 25.00%.

The ordinary share fund, the "C" share fund and the "D" share fund have shareholdings in Bernard Matthews Green Energy Halesworth Limited of 4.45%, 5.64% and 13.38% respectively, therefore the Company's aggregate shareholding is 23.47%.

The ordinary share fund, the "C" share fund and the "D" share fund have shareholdings in Darroch Power Limited of 14.09%, 4.22% and 25.50% respectively, therefore the Company's aggregate shareholding is 43.81%.

The ordinary share fund, the "C" share fund and the "D" share fund have shareholdings in Upper Falloch Power Limited of 9.30%, 2.79% and 29.58% respectively, therefore the Company's aggregate shareholding is 41.67%.

Investee Company Performance and Investment Manager Initiatives

The Company continues to perform well, with proactive investment management serving to enhance shareholder returns and protect value in the portfolio.

The three share funds of the Company are fully invested in companies that own operating wind and hydroelectric projects. All development investments have either been completed, sold or written off.

Generation for the 12 months ended 28 February 2021 was below expectation at 97.0% of the combined portfolio budget. The first quarter of the financial year experienced significantly above average wind speeds throughout the UK, especially in March. However, this strong start was more than offset by a very poor winter period, especially January 2021.

The performance of the assets owned by the investee companies was generally very good during the year with availability of the turbines above the level guaranteed by the turbine maintenance providers apart from at Fenpower Limited, Greendykeside Limited and Whitemill Wind Farm Limited.

Achairn Energy Limited suffered two separate turbine breakdowns in the prior year, exacerbated by the insolvency of the turbine maintenance provider Senvion, which hampered procurement of replacement parts and availability of appropriately skilled repair technicians for a time.

The turbines have been operational again since early March 2020. Since the purchase of Senvion by Siemens-Gamesa Renewable Energy ("SGRE") in January 2020, Achairn Energy Limited has recovered the vast majority of the lost revenue in part from SGRE and in part from insurance proceeds. The remainder is expected to be received from insurers before the end of 2021.

Actions taken by the Board and Investment Manager to increase shareholder value during the year ended 28 February 2021:

The following actions and initiatives undertaken by the Board and Investment Manager have increased or brought forward cashflow to the Company:

> The refinancing in January 2021 of an investee company which owns the 1.90MW Derrydarroch hydro-electric generating station, reducing the cost of debt in the company to 2.49% per annum.

> The refinancing in January 2021 of an investee company which owns the 0.90MW Upper Falloch hydro-electric generating station, reducing the cost of debt in the company to 2.50% per annum.

Additional ongoing actions:

The following activities are ongoing, but the benefits cannot yet be fully quantified:

> The Investment Manager actively assesses wholesale electricity prices against the latest forecasts with the aim of fixing where the opportunity to fix at higher than forecast prices arises. For example, the Investment Manager acted to fix near term electricity prices in many of the investee companies in early March 2021 to take advantage of a significant spike in power prices ahead of the forecast prices which are used in the valuations.

> The Investment Manager has now validated the initial set of upgrades to both hardware and software across the SGRE wind portfolio. This validation shows an uplift in output for a given level of wind resource of 0.39%.

> The Investment Manager is in the process of investigating further turbine upgrades with SGRE and Vestas and is also optimising the flow of water from the catchment areas at the two hydro sites in order to increase generation for a given level of rainfall.

Active Asset Management

The Investment Manager continues to work actively to both increase the value of the Company's portfolio through improvements in the operations of underlying assets and to protect value where market conditions have deteriorated. The Investment Manager has also acted to facilitate the optimisation of the financial structure of investee companies, including the refinancing of two investee companies as detailed above.

The primary means of optimising revenue from, and hence capital value of, wind and hydro assets is to keep the plant available to generate and to increase the revenue per unit generated. The highest levels of electricity generation can be achieved by proactive management of the operation and maintenance providers by managing planned downtime and ensuring that unplanned downtime is kept to a minimum.

The Investment Manager has recruited, within its existing management fee structure, specialist in-house engineering experts who, together with site managers and third-party consultants, continually review operational performance data to identify opportunities to improve performance of both the machines and the investee company contractors.

Other areas where hands-on asset management delivers additional shareholder value is in relation to the negotiation of major commercial contracts including the power purchase agreements for each individual site. Coupled with this, the Investment Manager constantly monitors power prices to optimise the timing of price fixes across investee companies.

Furthermore, for our wind investments there are turbine optimisation products available to the investee companies which can also enhance generation. The Investment Manager has had upgrades installed to both hardware and software across the portfolio by the turbine suppliers (in some cases on a free trial basis until validation). The SGRE upgrades have been validated and show an average increase in electricity generation levels for a given level of resource of 0.39%. Vestas upgrades are yet to be validated.

The Investment Manager devotes attention to carefully reviewing and managing operating costs, to ensure that the Company benefits from the scale of its operating portfolio across all investee companies. Costs where the portfolio scale has delivered savings include site management, insurance, management oversight systems, auditing and reporting. This has resulted in operational cost savings across the portfolio.

The Investment Manager also seeks to reduce operating costs on a project by project basis by, for example, successfully appealing business rates assessments which has delivered significant savings for investee companies over the past 5 years.

LTV Levels

Each of the investee companies with operational assets has been financed with senior debt. Darroch Power Limited and Upper Falloch Limited were refinanced during the year.

The average percentage loan-to-value and the average remaining tenor of the debt finance of the investee companies with operational assets is set out below for each share fund's portfolio:

	Ordinary Share	"C" Share	"D" Share
Percentage Loan-to-Value as at 28 February 2021	35%	44%	57%
Percentage Loan-to-Value as at 29 February 2020	39%	48%	55%
Average remaining tenor (years) as at 28 February 2021	8.8	11.5	14.5
Average remaining tenor (years) as at 29 February 2020	9.1	11.6	13.0

Valuation of Investments

It is the accounting policy of the Company to hold its investments at fair value. The Company's investments in investee companies which operate renewable energy assets are valued using a discounted cash flow methodology. The Company has applied a discount rate to the unleveraged cash flows to determine the enterprise value of the investee company and then has subtracted the market value of any senior debt (including any prepayment fees and swap break costs) to calculate the value of the equity and/or mezzanine debt in the investee company. The discount rate used to value the unleveraged cash flows of investee companies holding operating wind farm investments is 7.00% as at 28 February 2021. The discount rate used to value the unleveraged cash flows of investee companies holding hydro-electric generating assets was 5.50% as at 28 February 2021.

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

Valuation Assumptions

Discount Rates

Following the continued downward trend in discount rates in valuing operating wind energy assets in the market, the discount rate used in valuing wind farm investments has been reduced by 25bps to 7.00% (2020: 7.25%) for the base case, i.e. those investee companies which had a number of years of operating history and had undertaken an energy yield reassessment based on proven operating experience. All of the Company's wind farm investments are considered mature and have been valued on the base case basis in 2021 and 2020.

The discount rate applied to the valuation of the Company's hydro-electric investments has been reduced by 100 bps. As at 29 February 2020, the Company's hydro-electric investments were considered to be less mature assets and had been valued using a discount rate of 7.25%. However, during the year ended 28 February 2021 both Darroch Power Limited and Upper Falloch Power Limited undertook operational energy yield studies and are now considered to represent the base case for valuation purposes. For the base case, i.e. a project which has more than 3 years of operating history and has undertaken an energy yield reassessment, a discount rate of 5.50% is considered appropriate (2020: 6.50%).

This tightening of the discount rate is driven by market observations, reflecting the high proportion of subsidy (approximately 75%) and the protection provided by the ability under the FIT regime to opt into the export tariff for the sale of electricity at an RPI linked price.

Inflation Rates

The long-term inflation rate assumption applied to the valuation of the Company's investments is 2.75% (2020: 2.75%). For the next financial year (ending 28 February 2022), a lower inflation figure of 1.4% has been applied to account for the near term conditions resulting from the Covid-19 pandemic. Inflation has a positive impact on valuations because the renewable obligation certificate and Feed-in Tariff (government supported subsidies) revenues earned by investee companies are inflation linked.

Asset Lives

Assumptions about the length of the operating lives of the renewable energy assets have been made in determining the value of the investee companies.

Many windfarms including some of those owned by the Company's investee companies now have in excess of ten years of operating history.

The assumed operating life of the Company's wind farm investments has been increased to 30 years from the commencement of operation (2020: 25 years). This increase has been made following the completion of a third-party technical assessment of the portfolio from a leading consultant and is in line with market observations.

The operating life of the Company's hydro-electric investments has been increased to 30 years from the valuation date (2020: a rolling 25 years from date of valuation) and is in line with market observations.

Market participants have also begun to explore and validate the possibility of repowering wind turbines i.e. replacing older turbines with newer, larger, more efficient machines. The first operational wind farm of scale in the UK, at Delabole in Cornwall, was successfully repowered with larger turbines in 2010, and others have followed.

Most of the land leases for investee company wind farms have clauses permitting renewal following renegotiation; grid connection agreements are generally evergreen and are owned by the investee company. Extension or repowering would normally require renegotiation of land leases and renewed planning permissions.

However, repowering would invalidate the ROC subsidy accreditation from Ofgem for the Company's investee companies and can therefore only be economically undertaken at the end of the subsidy period.

The Investment Manager continues to actively monitor the market and to ensure that, wherever possible, optionality to derive any value from further life extensions and repowering is preserved throughout the portfolio.

Sensitivity of NAV to Changes in Key Assumptions including Covid-19

The charts below illustrate the sensitivity of the NAV of the Company's share funds to changes of certain key input assumptions applied to the unleveraged cash flows in the valuation models.

Future Power Prices

The price at which the output from the generating assets is sold is a factor of both wholesale electricity prices and Government subsidies. The Company has fixed the majority of power prices in the medium term under power purchase agreements. For periods where there is variable power price risk, prices in the 28 February 2021 valuations are taken from a blend (simple average) of two forecasts provided by leading consultants (2020: Single consultant).

The hydro-electric generating assets can opt into a floor price each year under the FIT subsidy, which gives these investee companies an RPI linked floor on the price of electricity. This provides the investee companies with downside protection against changes in wholesale electricity prices. This is demonstrated by the sensitivity analysis illustrated in the table below for the "D" share fund, where investee companies holding hydro-electric generating assets make up 72.5% of the portfolio.

Output

External consultant reports are used to estimate the expected generating output of the investee companies' generating assets taking into account their technology type, the long term measured wind (or for hydro, water) resource, operational constraints driven by the planning consent and the local topography. The base case output is referred to as P50, being the energy output in MWh which is expected to be exceeded, on an annualised basis, 50% of the time. The analysis set out below describes the sensitivity of each share fund's NAV to a higher (P75) or lower (P25) probability of exceedance of the forecast long-term average output versus the base case (P50).

Discount Rate

The discount rates applied to the cash flows are regularly reviewed by the Investment Committee of the Investment Manager to ensure they are set at the appropriate levels. 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 range of discount rates which forms the base case in the sensitivity analysis is set out above.

Inflation

The base case inflation rate used in the sensitivity analysis is 2.75%. The rationale for this assumption is set out above.

Output

As set out in the prior year report, in order to consider the potential aggregate impact of Covid-19 on the future net asset value, the effects of multiple variables would need to be considered. For example, in the last 10 years, power prices and discount rates have both fallen, continually setting new lows. This can perhaps be explained by investors believing that lower power price forecasts have lower embedded risk, and therefore they are prepared to value the forecast revenues at lower discount rates.

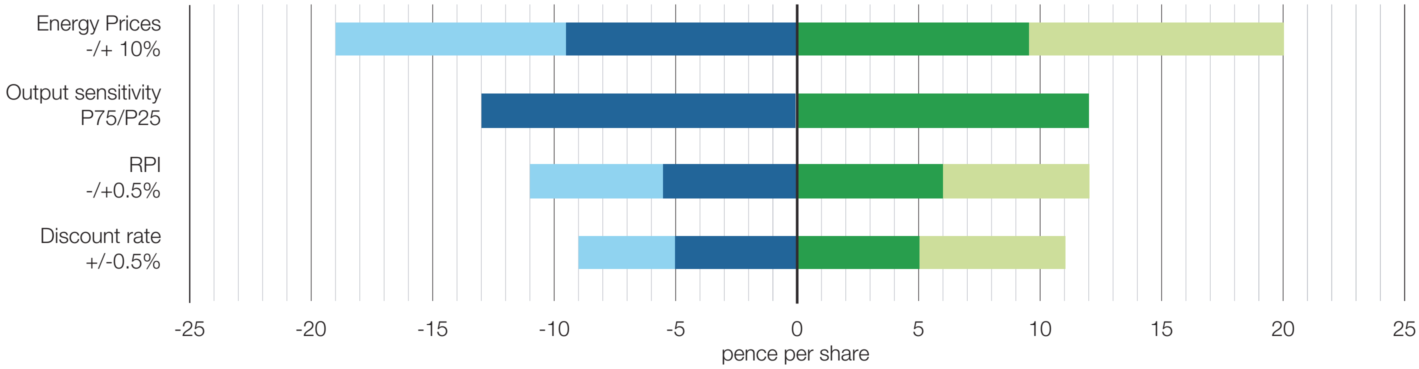
Equally, the fall in discount rates could be, at least in part, attributed to the fall in interest rates over the same period to near zero today. Given the high degree of uncertainty about how these variables may be correlated, no aggregate sensitivities have been shown.

Since the initial economic shutdown in March 2020, where energy consumption was at historical lows, large parts of the economy have adapted and resumed operations and as a result energy consumption has broadly returned to pre-Covid levels. Operationally there was little impact on the investee companies from Covid-19 during the year. However, in order to demonstrate the potential impact of those variables most likely to be affected by a future Covid-19 (or other similar infectious disease) driven economic shutdown, we again present a wider range of sensitivities than in previous years below:

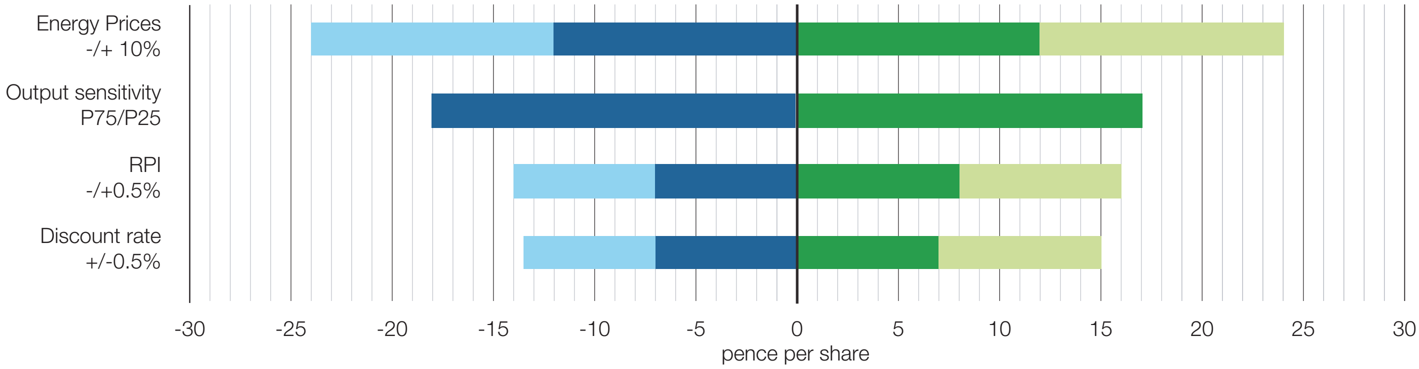
- Energy prices at-/+ 10% (darker bar) and-/+ 20% (lighter bar)
- RPI at-/+ 0.5% (darker bar) and-/+ 1.0% (lighter bar)
- Discount rate at +/- 0.5% (darker bar) and +/- 1.0% (lighter bar)

In each case the narrower range is consistent with that provided prior to the 29 February 2020 financial statements.

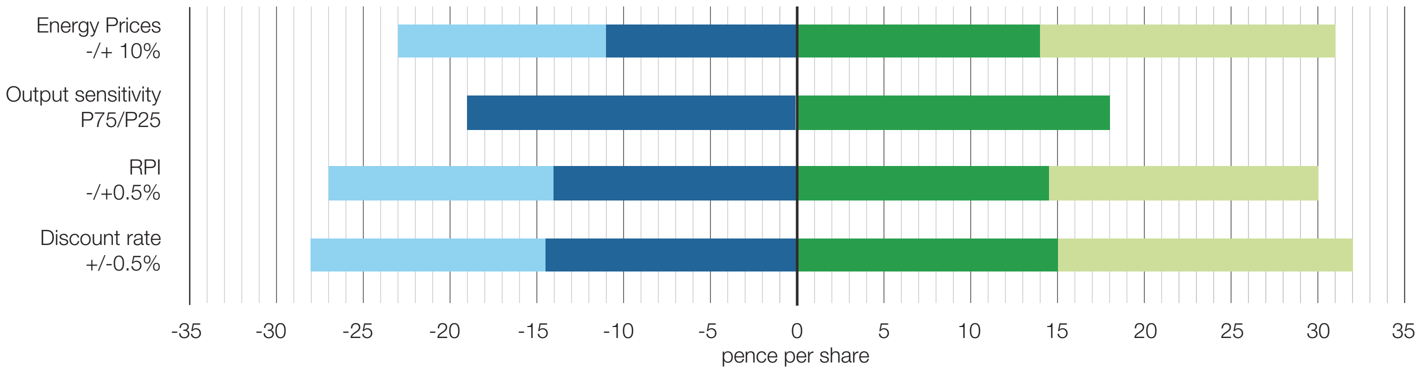
Ventus VCT plc – Ordinary Shares



Ventus VCT plc – "C" Shares



Ventus VCT plc – "D" Shares



Further details about the valuation sensitivity analysis are set out in note 9 of the Financial Statements.

Ordinary Share Portfolio

A summary of the ordinary share fund's investment valuations as at 28 February 2021 and gains during the year ended 28 February 2021 is given below:

				Investment value			Investment cost					
			Voting rights as at 28 February 2021 %	Shares as at 28 February 2021 £000	Loans as at 28 February 2021 £000	Total as at 28 February 2021 £000	Shares as at 28 February 2021 £000	Loans as at 28 February 2021 £000	Total as at 28 February 2021 £000	Unrealised gain in the year to 28 February 2021 £000	Investment value Total as at 29 February 2020 £000	Investment cost Total as at 29 February 2020 £000
Operational wind												
Fenpower Limited		Q	33.33%	4,071	145	4,216	308	132	440	46	4,227	497
A7 Greendykeside Limited		Q	50.00%	2,517	529	3,046	916	480	1,396	298	2,794	1,442
Achairn Energy Limited	1,2	Q	8.50%	1,049	161	1,210	203	147	350	131	1,097	368
A7 Lochhead Limited	1	Q	30.00%	1,979	-	1,979	820	-	820	500	1,479	820
Greenfield Wind Farm Limited	1	PQ	8.35%	1,461	234	1,695	334	199	533	297	1,675	810
Biggleswade Wind Farm Limited	1,2	Q	3.50%	570	98	668	86	89	175	97	575	179
Eye Wind Power Limited	1,2	Q	35.38%	2,385	-	2,385	1,597	-	1,597	335	2,050	1,597
Bernard Matthews Green Energy Weston Limited	1	Q	50.00%	1,603	-	1,603	500	-	500	688	915	500
Bernard Matthews Green Energy Pickenham Limited	1	Q	50.00%	858	-	858	500	-	500	234	624	500
Bernard Matthews Green Energy Halesworth Limited	1,2	Q	4.45%	315	-	315	51	-	51	39	276	51
Operational small hydro												
Darroch Power Limited	1	Q	14.09%	892	452	1,344	176	411	587	419	958	620
Upper Falloch Power Limited	1	Q	9.30%	115	307	422	58	279	337	7	437	359
Realised investments												
Firefly Energy Limited	1,3	Q	50.00%	-	-	-	200	161	361	2	111	474
Redeven Energy Limited	1,3		50.00%	-	-	-	-	109	109	4	-	113
Total				**17,815**	**1,926**	**19,741**	**5,749**	**2,007**	**7,756**	**3,097**	**17,218**	**8,330**

Q Investment complies with VCT regulations on qualifying holdings.
PQ Part of the investment complies with VCT regulations on qualifying holdings.
1 An investee company in which Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are managed by Temporis.
2 An investee company in which Temporis Operational Renewable Energy Strategy LP has also invested. Temporis Operational Renewable Energy Strategy LP is advised by Temporis.
3 Firefly Energy Limited and Redeven Energy Limited were dissolved after the year end.

"C" Share Portfolio

A summary of the "C" share fund' s investment valuations as at 28 February 2021 and gains during the year ended 28 February 2021 is given below:

			Voting rights as at 28 February 2021 %	Investment value: Shares as at 28 February 2021 £000	Investment value: Loans as at 28 February 2021 £000	Investment value: Total as at 28 February 2021 £000	Investment cost: Shares as at 28 February 2021 £000	Investment cost: Loans as at 28 February 2021 £000	Investment cost: Total as at 28 February 2021 £000	Unrealised gain in the year to 28 February 2021 £000	Investment value Total as at 29 February 2020 £000	Investment cost Total as at 29 February 2020 £000
Operational wind												
Greenfield Wind Farm Limited	1	PQ	12.50%	2,189	350	2,539	500	297	797	447	2,508	1,213
White Mill Windfarm Limited	1,2	PQ	25.00%	3,573	-	3,573	1,000	-	1,000	388	3,185	1,000
AD Wind Farmers Limited	1	Q	50.00%	1,234	-	1,234	1,000	-	1,000	96	1,138	1,000
Biggleswade Wind Farm Limited	1,2	Q	21.50%	3,507	601	4,108	527	546	1,073	605	3,530	1,100
Weston Airfield Investments Limited	1	Q	50.00%	2,169	-	2,169	1,000	-	1,000	232	1,937	1,000
North Pickenham Energy Limited	1	Q	50.00%	1,837	-	1,837	1,000	-	1,000	442	1,395	1,000
Bernard Matthews Green Energy Halesworth Limited	1,2	Q	5.64%	399	-	399	300	-	300	49	350	300
Operational small hydro												
Darroch Power Limited	1	Q	4.22%	267	135	402	53	123	176	124	288	186
Upper Falloch Power Limited	1	Q	2.79%	34	92	126	17	84	101	1	131	107
Realised investments												
Iceni Renewables Limited	1,3		50.00%	-	-	-	400	17	417	-	-	417
Total				**15,209**	**1,178**	**16,387**	**5,797**	**1,067**	**6,864**	**2,384**	**14,462**	**7,323**

Q Investment complies with VCT regulations on qualifying holdings.
PQ Part of the investment complies with VCT regulations on qualifying holdings.
1 An investee company in which Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are managed by Temporis.
2 An investee company in which Temporis Operational Renewable Energy Strategy LP has also invested. Temporis Operational Renewable Energy Strategy LP is advised by Temporis.
3 Iceni Renewables Limited was written off in a prior period and will be wound up in the forthcoming year.

“D” Share Portfolio

A summary of the “D” share fund’s investment valuations as at 28 February 2021 and gains and losses during the year ended 28 February 2021 is given below:

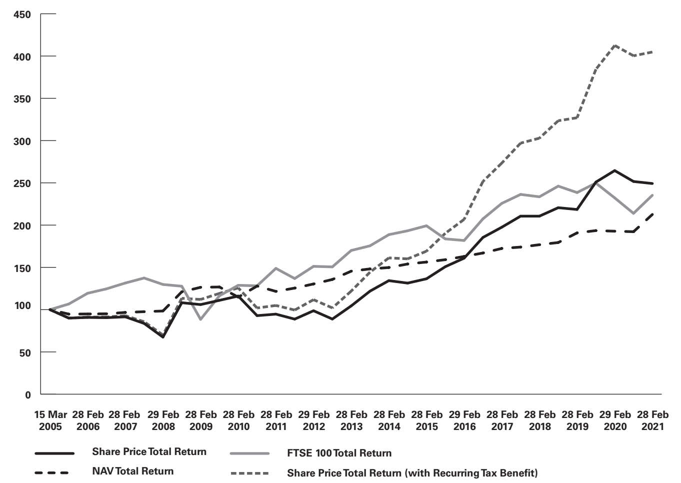
				Investment value			Investment cost					
			Voting rights as at 28 February 2021 %	Shares as at 28 February 2021 £000	Loans as at 28 February 2021 £000	Total as at 28 February 2021 £000	Shares as at 28 February 2021 £000	Loans as at 28 February 2021 £000	Total as at 28 February 2021 £000	Unrealised gain/ (loss) in the year to 28 February 2021 £000	Investment value Total as at 29 February 2020 £000	Investment cost Total as at 29 February 2020 £000
Operational wind												
Bernard Matthews Green Energy Halesworth Limited	1,2	Q	13.38%	948	-	948	712	-	712	118	830	712
Operational small hydro												
Darroch Power Limited	1	Q	25.50%	1,614	331	1,945	319	301	620	748	1,221	644
Upper Falloch Power Limited	1	Q	29.58%	364	192	556	185	175	360	(28)	598	374
Total				**2,926**	**523**	**3,449**	**1,216**	**476**	**1,692**	**838**	**2,649**	**1,730**

Q Investment complies with VCT regulations on qualifying holdings.

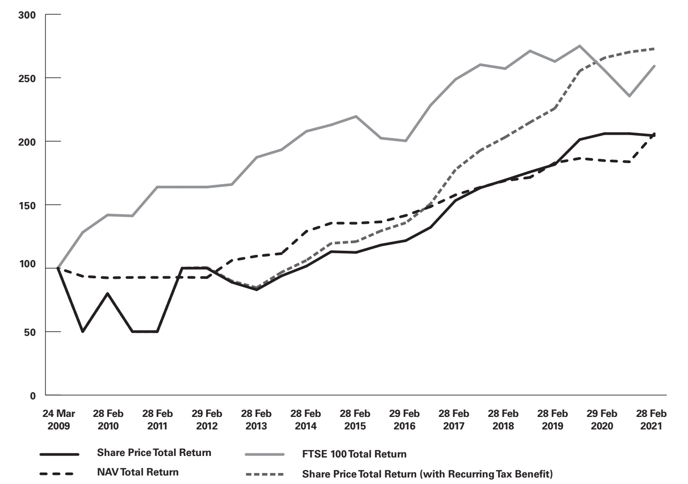
1 An investee company in which Ventus 2 VCT plc has also invested. The Company and Ventus 2 VCT plc are managed by Temporis.

2 An investee company in which Temporis Operational Renewable Energy Strategy LP has also invested. Temporis Operational Renewable Energy Strategy LP is advised by Temporis.

Total Shareholder Return on Ordinary Shares



Total Shareholder Return on "C" Shares



The graph demonstrates the change in value, in terms of Share Price Total Return[1] and NAV Total Return[2], based on £100 invested in ordinary shares on the date they were first listed on the London Stock Exchange (15 March 2005) over the period to 28 February 2021 compared with the total return attributable to £100 invested in companies comprising the FTSE 100 Index over the same period. For illustration purposes, a Share Price Total Return (with Recurring Tax Benefit)[3] is also presented.

The graph shows that there was an increase in shareholder return based on NAV during the year, which is representative of the upward revaluation in investments, the revenue earned and dividends paid.

The ordinary share fund's Share Price Total Return and NAV Total Return presented in the graph do not include the effects of VCT tax relief or income tax and capital gains tax exemptions from which VCT shareholders may benefit. Assuming an investor had benefitted from the initial income tax relief of 40% which was available to investors in the tax years in which the initial offer for ordinary shares was made, the Share Price Total Return of the ordinary share fund would be 415%. Also, this analysis does not include the effect of the additional benefits of income tax-free dividends or capital gains tax exemptions which are available to VCT investors nor does it include the tax benefits received by shareholders who participated in the linked tender offer and ordinary share offer in 2012.

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

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

3 The Share Price Total Return (with Recurring Tax Benefit) demonstrates the total return if the annual dividend was grossed-up (assuming a tax rate of 35% for illustrative purposes) and reinvested in the shares at the market price as at the date the dividends were paid. This does not include the initial tax relief available for investing in VCTs.

The graph demonstrates the change in value, in terms of Share Price Total Return[1] and NAV Total Return[2], based on £100 invested in "C" shares on the date they were first listed on the London Stock Exchange (24 March 2009) over the period to 28 February 2021 compared with the total return attributable to £100 invested in companies comprising the FTSE 100 Index over the same period. For illustration purposes, a Share Price Total Return (with Recurring Tax Benefit)[3] is also presented.

The graph shows that there was an increase in shareholder return based on NAV during the year, which is representative of the increase in the value of the investments, the revenue earned and dividends paid.

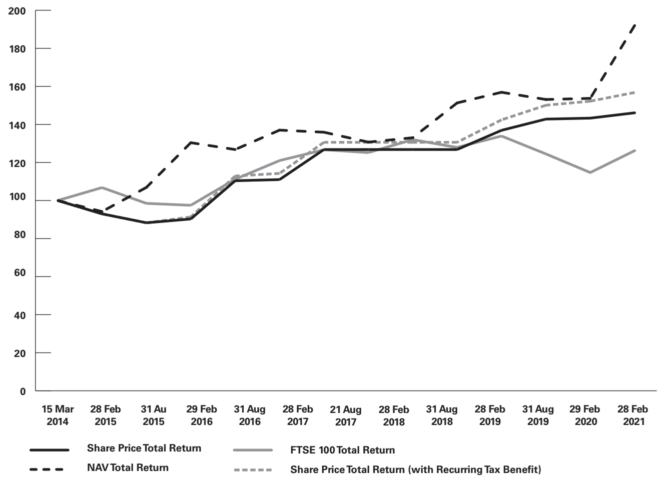
The "C" share fund's Share Price Total Return and NAV Total Return presented in the graph do not include the effects of VCT tax relief or income tax and capital gains tax exemptions from which VCT shareholders may benefit. Assuming an investor had benefitted from the initial income tax relief of 30% which was available to investors in the tax years in which the initial offer for "C" shares was made, the Share Price Total Return of the "C" share fund would be 292%. Also, this analysis does not include the effect of the additional benefits of income tax-free dividends or capital gains tax exemptions which are available to VCT investors.

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

2 The NAV Total Return is the NAV of the "C" shares held plus the cumulative dividends paid to those shares over the period in which they were held.

3 The Share Price Total Return (with Recurring Tax Benefit) demonstrates the total return if the annual dividend was grossed-up (assuming a tax rate of 35% for illustrative purposes) and reinvested in the shares at the market price as at the date the dividends were paid. This does not include the initial tax relief available for investing in VCTs.

Total Shareholder Return on "D" Shares



The graph demonstrates the change in value, in terms of Share Price Total Return[1] and NAV Total Return[2], based on £100 invested in "D" shares on the date they were first listed on the London Stock Exchange (15 March 2014) over the period to 28 February 2021 compared with the total return attributable to £100 invested in companies comprising the FTSE 100 Index over the same period. For illustration purposes, a Share Price Total Return (with Recurring Tax Benefit)[3] is also presented.

The graph shows that there was an increase in shareholder return based on NAV during the year, which is representative of the increase in value of the investments and the revenue earned and dividends paid.

The "D" share fund's Share Price Total Return and NAV Total Return presented in the graph do not include the effects of VCT tax relief or income tax and capital gains tax exemptions from which VCT shareholders may benefit. Assuming an investor had benefitted from the initial income tax relief of 30% which was available to investors in the tax years in which the initial offer for "D" shares was made, the Share Price Total Return of the "D" share fund would be 209%. Also, this analysis does not include the effect of the additional benefits of income tax-free dividends or capital gains tax exemptions which are available to VCT investors.

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

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

3 The Share Price Total Return (with Recurring Tax Benefit) demonstrates the total return if the annual dividend was grossed-up (assuming a tax rate of 35% for illustrative purposes) and reinvested in the shares at the market price as at the date the dividends were paid. This does not include the initial tax relief available for investing in VCTs.

Temporis Capital Limited
Investment Manager

18 June 2021

The Directors present their Annual Report and the audited Financial Statements for the year ended 28 February 2021 incorporating the Corporate Governance Statement on pages 30 to 33.

NAV, Results and Dividends – Ordinary Shares

The results, NAV and dividend information for the ordinary shares are set out in the Chairman's Statement, the Financial Performance Report and in the detailed Financial Statements below.

NAV, Results and Dividends – "C" Shares

The results, NAV and dividend information for the "C" shares are set out in the Chairman's Statement, the Financial Performance Report and in the detailed Financial Statements below.

NAV, Results and Dividends – "D" Shares

The results, NAV and dividend information for the "D" shares are set out in the Chairman's Statement, the Financial Performance Report and in the detailed Financial Statements below.

Going Concern

On 19 May 2021, the shareholders voted in favour of a resolution that the Company should sell its assets and discontinue as a venture capital trust. The Directors will proceed with an orderly sale of the Company's assets which they anticipate will take between 6 and 9 months to complete, although the timetable is subject to change and unforeseen events. The majority of the net cash proceeds from the sale will be distributed to shareholders as a dividend after the sale. Once the sale process is complete a circular will be sent by the Company to all shareholders containing notice of a general meeting at which a resolution will be proposed to wind up the Company through members voluntary liquidation (MVL). The Directors have a reasonable expectation that a final distribution of the Company's assets will be made to shareholders within one to two months of the Company being placed into MVL, although the timetable is subject to change and unforeseen events. Given the decision to sell the Company's assets and discontinue as a venture capital trust, the financial statements have been prepared on a non-going concern basis. This has had no significant impact on the financial statements because the disposal of the Company's assets is expected to be completed in an orderly manner and the estimated costs of winding up the Company are immaterial.

Statement of Longer-term Viability

Period of Assessment

Notwithstanding the shareholders' approval of the proposal to sell the Company's assets and discontinue as a venture capital trust as discussed above, the Directors have assessed the prospects of the Company over the five-year period from the date of this report. The Directors believe this period to be appropriate because, unless wound up or re-organised sooner, at every fifth annual general meeting (as required under the Articles) the Directors are required to put forward an ordinary resolution that the Company shall continue as a venture capital trust. The Directors believe that any forecast beyond five years would be too uncertain to be meaningful.

Risk Assessment

The Directors have conducted a regular robust review of the principal and emerging risks facing the Company. The Company maintains a Risk Register which is used to document the key risks considered to be pertinent to the Company and includes an assessment of the likelihood of certain events, their potential impact and the mitigating conditions which have been put in place to manage the impact of these events. The key risks which may impact the Company's business are set out in the Strategic Report.

Statement of Longer-term Viability

Having reviewed the Company's five-year cash flow forecast (details of indicative returns from which were set out in the circular issued to shareholders on 13 April 2021) the Directors have a reasonable expectation that over a period of five years, if necessary and if the assets are not disposed of and the Company is not wound up sooner than anticipated, the Company has adequate resources to continue in operation and meet its liabilities as they fall due.

Directors

The Directors of the Company during the year under review were David Williams, Nicholas Curtis and Josephine Dixon. Biographical information about the current Directors is shown in the Directors' Information on page 33. The terms of the Directors' appointment and replacement are set out in the Corporate Governance Statement. In accordance with corporate governance best practice all Directors will retire and, being eligible, offer themselves for re-election. As all the Directors have acted in the interest of the Company throughout the period of their appointment and demonstrated commitment to their role, the Board recommends they be reappointed at the AGM. The Company has in place directors' and officers' liability insurance.

Share capital

Authorised Share Capital

At 28 February 2021, the Company had authorised share capital of £22,500,000 in total which was represented by 50 million ordinary shares of 25p, 20 million "C" shares of 25p each and 20 million "D" shares of 25p each being 56%, 22% and 22% of the Company's authorised share capital respectively.

Allotted, Called and Fully Paid Up Shares

As at 28 February 2021, the Company had allotted, called and fully paid up shares in three share funds, of which 16,307,547 shares were ordinary shares of 25p each, 11,329,107 were "C" shares of 25p each and 1,990,767 were in "D" shares of 25p each. These shares represented 55%, 38% and 7% of the Company's issued share capital respectively. The Company holds 45,900 "C" shares in treasury.

Authority to Allot Shares and Disapplication of Pre-emption Rights

The Board is not seeking authority to allot shares or disapply pre-emption rights.

Authority to Repurchase Shares

At the AGM on 22 July 2021 the Board will seek authority for the Company to repurchase up to 14.99% of its issued Ordinary share capital, 14.99% of its issued C share capital and 14.99% of its issued D share capital.

Rights and Restrictions Attaching to Shares and Powers of the Board of Directors

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

CREST

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

Substantial Interests

As at 28 February 2021 and the date of this report, the Company was aware of the following shareholders that held beneficial interests and voting rights exceeding 3% of the voting rights attached to the Company's share capital. Below are percentages of all share classes.

	Percentage of shares held at	
Shareholders	**28 February 2021**	**18 June 2021**
Interactive Investor Services Nominees Limited	5.75%	6.20%
Hargreaves Lansdown (Nominees) Limited	3.61%	4.18%
Luna Nominees Limited	3.48%	3.48%
The Bank of New York (Nominees) Limited	3.04%	n/a

The Company is not aware of any other beneficial interest exceeding 3% of the voting rights attached to the Company's share capital.

Financial Instruments

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

Events after the Year End

Significant events which have occurred after the year end are detailed in note 15 of the Financial Statements.

Accountability and Audit

The statement of directors' responsibilities is set out on page 33 of this report. The Directors who were in office on the date of approval of these Financial Statements have confirmed that, as far as they are aware, there is no relevant audit information of which the Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

Auditor

A resolution to re-appoint BDO LLP as the Auditor of the Company will be proposed at the forthcoming AGM.

Streamlined Energy & Carbon Reporting (SECR)

The Company does not consume more than 40,000 kWh of energy in a reporting period and is therefore exempt from reporting under the regulations.

Annual General Meeting

Enclosed with this Annual Report and Financial Statements on page 67 is the Notice of AGM of the Company (or any adjournment thereof) to be convened for 22 July 2021 at 12 noon (the "Notice"). A copy of the Notice is set out at the end of this report. A Form of Proxy for use in connection with the AGM has been issued with this report. Details of the format are included in the Chairman's Statement. Further information in relation to the procedure, including voting and shareholder engagement can be found in the Notice itself.

Action to be Taken

Shareholders have been issued with a Form of Proxy for use in connection with the AGM. Shareholders are strongly encouraged to register their votes by proxy, either by returning the Form of Proxy in accordance with the instructions printed on it to the Company's Registrar, The City Partnership UK Limited, Suite 2 Park Valley House, Park Valley Mills, Meltham Road, Huddersfield, HD4 7BH not less than 48 hours before the time of the AGM (excluding any time which is not part of a working day) or by voting online through the Hub website: https://proxy-ventus.cpip.io

Shareholders will not have the opportunity to attend or vote in person at the AGM, as this will be a closed virtual meeting where only two director shareholders will be virtually present.

Recommendation

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

By order of the Board

The City Partnership (UK) Limited
Secretary

18 June 2021

Statement by the Chairman

This Directors' Remuneration Report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This Directors' Remuneration Report includes the Directors' Remuneration Policy Report and the Directors' Annual Report on Remuneration. Changes in legislation, which became effective in the first financial year ended on or after 1 October 2013, require that quoted companies may only pay remuneration to Directors in accordance with a remuneration policy which has been approved by shareholders.

Details of the Company's Directors' Remuneration Policy are shown below together with an explanation of changes made to fees during the year and the reason for the changes.

Under the Companies Act 2006, certain disclosures provided in this report are required to be audited. Where disclosures have been audited they have been indicated as such.

Directors' Remuneration Policy Report

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

The Board considers that Directors' fees should reflect the time commitment required and the high level of responsibility borne by Directors and should be broadly comparable to those paid by similar companies. It is not considered appropriate that Directors' remuneration should be performance-related, and none of the Directors are eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits in respect of their services as non-executive Directors of the Company. The Board considers that the level of remuneration should be sufficient to attract and retain Directors of appropriate experience to oversee the Company and should be adjusted, appropriately, for the level of work and responsibility required as well as for inflation.

The total remuneration of non-executive Directors should not exceed the £125,000 per annum limit set out in the Articles of Association of the Company which may not be changed without seeking shareholder approval at a general meeting.

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

The date of appointment of each Director and the AGM at which he is expected to next stand for re-election is set out below:

	Date of appointment	Due date for re-election
David Williams (Chairman)	13 July 2010	AGM 2021
Josephine Dixon	1 April 2017	AGM 2021
Nicholas Curtis	1 October 2019	AGM 2021

It is anticipated that the Company's assets will be sold and the Company will discontinue as a venture capital trust during the forthcoming year in response to the resolution which was passed at the general meeting held on 19 May 2021. However, based on the current level of fees, which came into effect on 1 September 2013, the Directors' remuneration for the forthcoming financial year would be as follows:

Year ending	28 February 2022 £
David Williams (Chairman)	30,000
Jo Dixon	25,000
Nicholas Curtis	25,000
Total	80,000

The Board will consider the level of Directors' fees at least annually. Any changes to be made to Directors' remuneration during this period will be made in accordance with the policy stated above. Directors' remuneration must be The Board will consider the level of Directors' fees at least annually. Any changes to be made to Directors' remuneration during this period will be made in accordance with the policy stated above. Directors' remuneration must be made in accordance with the approved policy unless approved by a separate shareholder resolution. The Directors' Remuneration Policy was approved by the shareholders at the AGM on 20 August 2020 and will remain in place until 28 February 2023.

Directors' Annual Report on Remuneration

During the financial year ended 28 February 2021, the Board resolved that it was appropriate to maintain the Directors' fees at the same level as that which was effective from 1 September 2013.

Directors' Fees (Audited Information)

The following fees were paid to individual Directors in respect of the year ended 28 February 2021. The fees were paid in accordance with the Directors' Remuneration Policy. Comparative figures for the year ended 29 February 2020 are also presented.

Fixed Remuneration	Year ended 28 February 2021 £	Year ended 29 February 2020 £	Annual % change in remuneration % Change
David Williams (Chairman)	30,000	30,000	0.0%
Jo Dixon	25,000	25,000	0.0%
Chris Zeal (resigned 1 October 2019)	-	14,583	N/a
Lloyd Chamberlain (resigned 1 October 2019)	-	7,480	N/a
Nicholas Curtis (appointed 1 October 2019)	25,000	10,417	+140.0%
Total	80,000	87,480	-8.6%

None of the Directors received any other remuneration during the year.

The table below shows aggregate Directors' remuneration, aggregate shareholder dividends paid and aggregate amounts paid to buy back the Company's own shares in the current and prior financial years:

	Year ended 28 February 2021 £	Year ended 29 February 2020 £	% Change
Aggregate Directors' remuneration	80,000	87,480	(8.6%)
Aggregate shareholder dividends paid	2,308,000	2,583,000	(10.6%)
Aggregate amounts paid to buy back the Company's own shares	-	-	n/a

Directors' Shareholding (Audited Information)

The Directors who held office during the year held the following interests in the Company:

	As at 28 Feb 2021 £ Ordinary shares	As at 28-Feb 2021 £ "C" shares	As at 28 Feb 2021 £ "D" shares	As at 29 Feb 2020 £ Ordinary shares	As at 29 Feb 2020 £ "C" shares	As at 29 Feb 2020 £ "D" shares
David Williams (Chairman)	nil	nil	25,000	nil	nil	25,000
Jo Dixon	30,000	nil	nil	30,000	nil	nil
Nicholas Curtis	187,569	40,687	nil	187,569	40,687	nil
Lloyd Chamberlain	n/a	n/a	n/a	15,000	196,513	nil
Chris Zeal	n/a	n/a	n/a	50,000	nil	nil

There have been no changes in the beneficial interests of the Directors between 28 February 2021 and the date of this report.

Company Performance

Due to the positioning of the Company in the market as a specialist VCT investing in companies that has developed, constructed and will operate small on-shore UK renewable energy projects, the Directors consider that there is no suitable company or index that can be identified for comparison over the period since the date the Company's shares were first issued. However, in order to comply with the Directors' Remuneration Report Regulations 2013, the FTSE 100 Index has been used as a comparative. The total return analysis is included in the Investment Manager's Report.

Voting on the Directors' Remuneration Report at AGMs

At the AGM held on 20 August 2020, the shareholders approved the Directors' Remuneration Report in respect of the year ended 28 February 2021. Votes representing 4,486,078 shares (93.8%) were in favour of the resolution, votes representing 2974,440 shares (6.2%) were against the resolution and 132,249 votes were withheld. At the AGM held on 20 August 2020 shareholders last approved the Directors' Remuneration Policy and votes representing 4,458,405 shares (93.3%) of shares were voted in favour of the resolution, votes representing 318,040 (6.7%) voted against the resolution and votes representing 139,322 share were withheld.

An ordinary resolution to approve the Directors' Remuneration Report will be proposed at the forthcoming AGM.

On behalf of the Board

David Williams
Chairman

18 June 2021

The Board of Ventus VCT plc has considered the principles and recommendations of the AIC Code of Corporate Governance published in July 2018 ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code (the "Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to member companies of the AIC.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the Code), will provide better information to shareholders. The Company has complied with the recommendations of the AIC Code and the relevant provisions of the Code, except as set out below.

The Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- remuneration committee

For the reasons set out in the AIC Guide, and as explained in the Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company with a small non-executive Board. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Board of Directors

At 28 February 2021 the Board consisted of three Directors, all of whom are non-executive. The Board rightly ensures that it has the appropriate balance of skills, experience, length of service and knowledge of the Company amongst its Directors, including from shareholders. Biographical information on the current Directors is shown in the Directors' Information on page 41.

Independence

The Board has reviewed the independence of each Director and of the Board as a whole. Directors withdrew from discussions concerning their individual status. The Board believes that each Director has demonstrated independence of character and judgement. The Board is of the view that length of service will not necessarily compromise the independence or contribution of Directors of a venture capital trust, where continuity and experience can be of significant benefit to the Company and its shareholders. The Board agrees with the view expressed in the AIC Code that long serving directors should not be prevented from being considered independent, in accordance with corporate governance best practice all Directors will offer themselves for re-election on an annual basis at each AGM.

Directors' Responsibilities

The Board meets at least quarterly and is in regular contact with the Investment Manager between these meetings. There were 10 meetings of the Board and four meetings of the Audit Committee held during the year and the attendance of the Directors is shown in the table below:

	Held	Board Meetings Attended	Audit Committee Meetings Held	Audit Committee Meetings Attended
David Williams	10	10	4	4
Nicholas Curtis	10	10	4	4
Jo Dixon	10	10	4	4

The Directors also held two strategy meetings with the Investment Manager during the year. In addition, the Board regularly convenes through teleconference to manage specific issues.

All the Directors are equally responsible under the law for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of all the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered. The Board has a formal schedule of matters specifically reserved to it for decision, to ensure that it has firm direction and control of the Company. The schedule of matters reserved to it includes the general investment strategy of the Company and the performance of the Company. All Directors have direct access to the Company Secretary and independent advisers at the Company's expense provided prior clearance has been obtained from the Board. The Company Secretary is responsible to the Board for ensuring that Board and Committee procedures are followed and for compliance with applicable statutory rules and regulations and for ensuring the timely delivery of information.

When Directors have concerns that cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in the Board minutes. On resignation, a Director who has any such concerns is encouraged to provide a written statement to the Chairman, for circulation to the Board. The terms and conditions of appointment of non-executive Directors are available upon written application to the Company Secretary. Directors appointed by the Board to fill a vacancy are required to submit to election at the next AGM by separate resolution. The Company may by ordinary resolution appoint any person who is willing to act as a Director, either to fill a vacancy or as an additional Director. Upon joining the Board, new Directors will receive a full, formal and tailored induction. As the Company has no major shareholders, it is considered unnecessary to provide shareholders with the opportunity to meet new non-executive Directors at a specific meeting other than an AGM. In accordance with the AIC Code all Directors will be subject to re-election at each AGM of the Company.

The performance of the Board, Audit Committee and individual Directors has been evaluated through an assessment process led by the Chairman. The assessment process included consideration of performance monitoring and evaluation, strategy and corporate issues, shareholder value and communications and governance.

Report from the Audit Committee

The Audit Committee comprises Nicholas Curtis, Jo Dixon and David Williams. The Board is satisfied that the Audit committee as a whole has competence relevant to the venture capital trust sector and the requisite skills and experience to fulfil the responsibilities of the audit committee and that the chair of the Audit committee meets the requirements of the AIC Code as to recent and relevant financial experience. The Board considers that David Williams was independent on appointment and is still an independent director and as the Board is small in number and all Directors are non-executive all Directors, including the Chairman of the Company, are therefore members of the Audit Committee. The Audit Committee meets at least twice a year to review the audit plan and the Annual and Half-yearly Financial Statements before submission to the Board. The roles and responsibilities of the Audit Committee, including reviewing the Company's internal controls, risk management systems and monitoring Auditor independence, are set out in written terms of reference and are available on the Company's website www.ventusvct.com and are also available upon written application to the Company Secretary. The Audit Committee has primary responsibility for making recommendations on the appointment, reappointment and removal of the external Auditor. The Audit Committee met four times this year and the Audit Committee chairman also held private discussions with the external Auditor without the Investment Manager present. After each meeting, the Chairman reports to the Board on the matters discussed, on recommendations and actions to be taken.

During the year ended 28 February 2021 the Audit Committee considered, monitored and reviewed:

> all financial statements released by the Company (including the annual and Half yearly Financial Report);

> the Company's accounting policies;

> the effectiveness of the system of internal controls and risk management; no significant weaknesses were identified in the year under review;

> the external Auditor's plan and fees;

> a report from the external Auditors following its detailed audit work, and discussed key issues arising from that work;

> its own terms of reference; and

> the internal audit plan and the recommendations from the internal Auditors

The key areas of risk identified by the Audit Committee in relation to the business activities and financial statements of the Company are:

> compliance with HM Revenue & Customs to maintain the Company's VCT status;

> valuation of investments; and

> revenue recognition and recoverability;

These matters are monitored regularly by the Investment Manager and reviewed by the Board at every Board meeting. They were also discussed with the Investment Manager and the Auditor at the Audit Committee meeting held to discuss the annual financial statements.

The Audit Committee concluded:

VCT status – the Investment Manager confirmed to the Audit Committee that the conditions for maintaining the Company's status had been complied with throughout the year. The Company's VCT status was also reviewed by the Company's adviser, Philip Hare & Associates LLP.

Valuation of unquoted investments – the Investment Manager confirmed to the Audit Committee that the basis of valuation for unquoted investments was consistent with the prior year and in accordance with published industry guidelines, taking account of the latest available information about investee companies and current market data. A comprehensive report on the valuation of investments is presented and discussed at Board meetings; Directors are also consulted about material changes to those valuations between Board meetings.

Revenue recognition and recoverability – the Audit Committee considered the revenue recognised during the year and the revenue receivable by the Company at the year end and is satisfied that they are appropriately accounted for.

The Investment Manager and the Auditor confirmed to the Audit Committee that they were not aware of any unadjusted material misstatements. Having reviewed the reports received from the Investment Manager and the Auditor, the Audit Committee is satisfied that the key areas of risk and judgement have been properly addressed in the financial statements and that the significant assumptions used in determining the value of assets and liabilities have been properly appraised and are sufficiently robust. The Audit Committee has managed the relationship with the external Auditor and assessed the effectiveness of the audit process. When assessing the effectiveness of the process for the year under review the Audit Committee considered the Auditor's technical knowledge and that it has a clear understanding of the business of the Company; that the audit team is appropriately resourced; that the Auditor provided a clear explanation of the scope and strategy of the audit and that the Auditor maintained independence and objectivity. As part of the review of Auditor effectiveness and independence, BDO LLP ("BDO") has confirmed that it is independent of the Company and has complied with professional accounting standards. BDO has held office as Auditor since being appointed on 1 July 2009.

In accordance with professional guidelines the engagement partner is rotated after at most five years. The current partner started working with the Company in the financial year ended 28 February 2019.

In accordance with prohibited non-audit services as listed in Article 5 (1) of the EU Audit Regulation BDO no longer provide non-audit services to the Company.

Under the EU Audit Regulation, there is a requirement that an audit tender process be carried out every ten years and mandatory rotation at least every twenty years. As a result, the Company undertook an audit tender for the year ending 29 February 2020. The result of the tender was that, on the recommendation of the Audit Committee and taking discussions held with the engagement Partner at BDO into consideration, the Board took the decision to reappoint BDO. A resolution to re-appoint BDO as auditor will be presented for shareholder approval at the upcoming AGM.

Nomination Committee

The Nomination Committee comprises David Williams, Jo Dixon and Nicholas Curtis. The Chairman of the Company acts as Chairman of the Nomination Committee. The Nomination Committee has considered the recommendations of the Code concerning diversity and welcomes such initiatives generally. The Nomination Committee believes, however, that all appointments should be made on merit rather than positive discrimination. The Nomination Committee is clear that maintaining an appropriate balance round the board table through a diverse mix of skills, experience, knowledge and background is of paramount importance and gender diversity is a significant element of this. Any search for new Board candidates will be conducted and appointments made on merit, against objective selection criteria having due regard, among other things, to the benefits of diversity on the Board. The changes to the composition of the Board during the year were made to address views expressed by shareholders at the time of the AGM, the Board believe the new arrangement provides an excellent balance of director skills and experience.

Remuneration Committee

To date, no Remuneration Committee has been established. Where an investment company has no executive directors, the Code principles relating to directors' remuneration do not apply and as such no Remuneration Committee has been appointed. Matters relating to remuneration of Directors, all of whom are non-executive, are considered by the Board and any Director is excluded from meetings whose purpose is the setting of his own remuneration.

Internal Control

The Directors acknowledge their responsibility for the Company's risk management and systems of internal control and for reviewing their effectiveness. Internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which has been in place for the year under review and up to the date of approval of the accounts. The Board has delegated, contractually to third parties, the investment management, the custodial services (which include safeguarding the Company's assets), the day-to-day accounting, company secretarial and administration requirements and the registration services. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered.

In April 2012, the Company appointed Roffe Swayne, an independent external party, to undertake an internal audit programme to review the processes and procedures in place at the Investment Manager. Roffe Swayne tests the satisfactory operation of internal controls for the Company and reports to the Audit Committee. Roffe Swayne has reported to the Audit Committee during the financial year that key controls tested included tax mitigation and compliance, statutory reporting and the control environment are effectively and efficiently designed and operate to mitigate the risks associated with them. The Board will continue to monitor and review the risk management process on a regular basis.

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

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

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

- authorisation limits over expenditure incurred by the Company;
- segregation of duties between the analysis of investment valuations, review of the assumptions made in valuing investments and the recording of these valuations in the accounting records;
- bank reconciliations, carried out on a regular basis; and
- review by the Audit Committee of financial information prior to its publication.

Performance of the Investment Manager

The primary focus of regular Board meetings is to review the investment performance against the Company's stated investment policy and objectives. In doing so, the Board assesses the performance of the Investment Manager and considers whether the arrangements made between the Company and the Investment Manager are appropriate and in the interests of shareholders. The Board completed a formal assessment of the performance of the current Investment Manager and in the opinion of the Directors, the continuing appointment of Temporis as the Investment Manager is in the interests of the shareholders. However, as detailed in the prior year Chairman's Statement, the Board negotiated with the Investment Manager to secure a significant reduction in the investment management fees payable by the Company. The Directors are satisfied that the Investment Manager will continue to manage the Company's investment programme in a way which will enable the Company to achieve its objectives.

Share Capital

The Company has three classes of shares, ordinary, "C" and "D" shares, which carry no right to fixed income. Details of the Company's share capital, including the number of shares authorised and allotted, are set out in the Directors' Report. In accordance with the Company's Articles of Association, subject to the provisions of the Companies Act 2006 and to any special rights conferred on the holders of any other shares, any shares may be issued with or have attached to them such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may decide. The powers of the Company's Directors in relation to the Company issuing or buying back its own shares are set out in the Director's Report.

Voting

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

Dividends

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

Capital Entitlement

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

Major Interests in the Company's Shares

The identity of each of the shareholders with a significant holding as at the year end and the date of this report, including details of the size and nature of their holding, is disclosed in the Substantial Interests section of the Directors' Report. As at the year end and date of this report the Company had no immediate or ultimate controlling parties and there were no shares in issue carrying special rights with regard to control of the Company.

Articles of Association

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

Relations with Shareholders

The Company communicates with shareholders and solicits their views where it is appropriate to do so. The Procedure for the 2021 AGM is set out in the Chairman's Statement and the Notice of the AGM which is on page 67 of these accounts.

The Board is also happy to respond to any written queries made by shareholders during the course of the year. Shareholders may write to the Board of Ventus VCT plc at the following address: c/o The City Partnership (UK) Limited, 110 George Street, Edinburgh, EH2 4LH.

The Board as a whole approves the Chairman's Statement which forms part of the Annual and Half-yearly Financial Report to shareholders in order to ensure that they present a balanced and understandable assessment of the Company's position and future prospects. The Board confirms that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's position, performance, business model and strategy. Notice of the AGM is included on page 67. A separate resolution is proposed at the AGM on each substantially separate issue. The Registrar collates the proxy votes, and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the Code, proxy votes are announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. For the 2021 AGM it is intended to call a poll for all resolutions. The notice of the next AGM can be found at the end of these Financial Statements. A proxy form in respect of this meeting will be issued to shareholders separately.

For and on behalf of the Board

David Williams
Chairman

18 June 2021

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

David Williams – Chairman of the Company

David Williams is a graduate in Electrical and Electronic Engineering and has been involved in renewable energy for over 30 years (with over 20 years as CEO), starting his career with UK utility company SWALEC. He set up Energy Power Resources (EPR) in 1996 and co-founded Eco2 in 2002. Renewable Energy Projects under his management over the 30 years equate to 700MW of capacity and £2.3Bn of funds raised. This saves over 1.75M tonnes of CO_2 every year and supplies the equivalent of 1.4M homes with renewable energy.

He has advised the British Government on a number of expert panels including being a member of the UK Government's Renewable Advisory Board and currently Chairs the Welsh Government's Energy & Environment Sector Panel.

He has three lifetime achievement awards in respect of his work in renewable energy, including an Honorary Doctorate in recognition of his outstanding contribution to the sector from the University of South Wales and the Ernst & Young Entrepreneur of the Year Award for the London and South Region in 2012. In 2014, he was assessed by the Western Mail as being in the top 35 most influential people on the Welsh Economy. He has been a member of the Board since July 2010 and Chairman of the Company since 31 October 2017.

Jo Dixon

Jo Dixon is a chartered accountant with experience as a non-executive director in a number of companies in the investment trust sector. She is currently a director and audit chair of Alliance Trust plc, BB Healthcare Trust plc, BMO Global Smaller Companies plc and Strategic Equity Capital plc, and chairman of JP Morgan European Investment Trust plc, all of which companies are publicly quoted and listed on the London Stock Exchange. She has had over 15 years of experience in the investment trust world as a director. She spent her early career in the City, including appointments at Shire Trust Limited and the NatWest Group. She has also worked in senior finance roles at Newcastle United plc, Serco Group plc and The Eden Project. She has been a member of the Board since April 2017 and chairs the Audit Committee.

Nicholas Curtis

Nicholas Curtis is a Chartered Accountant, having qualified with Coopers & Lybrand (1988-1992). He worked for Edison Mission Energy, developing and acquiring thermal and renewable energy assets in the UK and Europe (1992- 1998). Nicholas has extensive project finance and structuring skills having worked for Barclays Capital in the infrastructure and renewables sector (1998- 2011). In 2011, Nicholas left banking to set up a renewables business, primarily focusing on small scale hydro and wind. He now owns and operates twelve renewable assets. He has been a member of the Board since 1 October 2019.

Directors' Responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company's financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss for the company for that period.

In preparing these financial statements, the directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and accounting estimates that are reasonable and prudent;

> state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the financial statements;

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

> prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

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

The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the group's performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial Statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of Financial Statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Directors' Responsibilities Pursuant to FCA's Disclosure and Transparency Rules

The Directors confirm to the best of their knowledge:

> The Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and

> The Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description or the principal risks and uncertainties that they face.

The names and functions of all the Directors are stated in the Directors' Information on page 33.

For and on behalf of the Board

David Williams
Chairman

18 June 2021

Directors

David Williams (Chairman)
Jo Dixon
Nicholas Curtis

Investment Manager and Registered Office

Temporis Capital Limited
Wellington House
125-130 Strand
London
WC2R 0AP

Company Secretary

The City Partnership (UK) Limited
110 George Street
Edinburgh
EH2 4LH

Principal Banker

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Solicitors

Howard Kennedy LLP
No.1 London Bridge
London
SE1 9BG

VCT Taxation Adviser

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London
EC4Y 0HA

Broker

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

Registrars

The City Partnership (UK) Limited
Suite 2 Park Valley House
Park Valley Mills
Meltham Road
Huddersfield
HD4 7BH

Internal Auditor

Roffe Swayne
Ashcombe Court
Godalming
Surrey
GU7 1LQ

Depositary

Ocarian Depositary (UK) Limited
The Innovation Centre
Northern Ireland Science Park
Queen's Road
Belfast
BT3 9DT

Website

www.ventusvct.com

Opinion

In our opinion the financial statements:

> give a true and fair view of the state of the Company's affairs as at 28 February 2021 and of the Company's profit for the year then ended;

> have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and

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

We have audited the financial statements of Ventus VCT plc (the 'Company') for the year ended 28 February 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 1 July 2009 to audit the financial statements for the year ended 28 February 2010 and subsequent financial periods. In respect of the year ended 28 February 2021 we were reappointed as auditor by the members of the Company at the annual general meeting held on 20 August 2020.

The period of total uninterrupted engagement including retenders and reappointments is 12 years, covering the years ending 28 February 2010 to 28 February 2021. We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1 to the financial statements which explains that the directors intend to wind up the company and therefore do not consider the company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 1. Our opinion is not modified in respect of this matter.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

	2021	2020
Key audit matters		
Valuation of investments	Yes	Yes
Materiality		
£0.83m (2020: £0.72m) based on 2% (2020: 2%) of total assets		

An overview of the scope of our audit

Our Company audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the scope of our audit addressed the key audit matter
Valuation of investments (note 1 and note 9) There is a high level of judgement and estimation uncertainty involved in determining the unquoted investment valuations. The risk is heightened as the Investment Manager is responsible for valuing the investments for the financial statements, and the investment management fee is based upon that calculation.	In respect of the all equity investments valued using discounted cash flow models, we performed the following specific procedures: > With the use of our internal valuation experts, where relevant, we challenged the appropriateness of the selection and application of key assumptions in the model including the discount factor, inflation, power prices and energy yield life including benchmarking these to available industry data; > We analysed changes in significant assumptions compared with the valuation models audited in the previous year and vouched these to a mixture of independent and internal BDO valuation team's sources; > Agreed power price forecasts to independent energy consultants reports; > Used computer assisted auditing techniques and spreadsheet analysis tools to assess the integrity of the valuation models and agreed changes to input with relevant supporting documents; > Considered the accuracy of forecasting by comparing previous forecasts to actual results. For all mezzanine loan investments we performed the following: > Vouched to loan agreements and verified the terms of the loan; > Considered the carrying value of the loan with regard to the total value of the investments. For each of the key assumptions in the valuation models, we considered the appropriateness of the assumption and whether alternative reasonable assumptions could have been applied. We considered each assumption in isolation as well as in conjunction with other assumptions and the valuation as a whole. Where appropriate, we sensitised the valuations where other reasonable alternative assumptions could have been applied. **Key observations:** Based on the procedures performed we consider the judgements and estimates made in the valuation of the portfolio of investments to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Company financial statements 2021 £m	2020 £m
Materiality	0.83	0.72
Basis for determining materiality	2% of total assets	
Rationale for the benchmark applied	As a venture capital trust, the total asset value is the key measure of performance.	
Performance materiality	0.62	0.54
Basis for determining performance materiality	Performance materiality was deemed to be 75% of total materiality. The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Specific materiality

We also determined that for items impacting revenue return, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items to be £131,000 (2020: 243,000) based on 10% (2020: 10%) of net revenue returns before tax. We further applied a performance materiality level of 75% (2020: 75%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £16,000 (2020: £14,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability

> The Directors' statement with regards to the appropriateness of adopting the accounting other than going concern basis and any material uncertainties identified; and

> The Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why the period is appropriate.

Other Code provisions

> Directors' statement on fair, balanced and understandable;

> Board's confirmation that it has carried out a robust assessment of the emerging and principal risks;

> The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and

> The section describing the work of the audit committee.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit:

> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

> the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Directors' remuneration

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

> the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or

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

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

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. We considered the significant laws and regulations to be Chapter 3 Part 6 of the Income Tax Act 2007, the Companies Act 2006, the FCA listing and DTR rules, the principles of the UK Corporate Governance Code, industry practice represented by the AIC SORP and applicable accounting standards. We also considered the company's qualification as an Investment Trust under UK tax legislation. We assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the risks in the valuation of the investments.

Our tests included, but were not limited to:

> agreement of the financial statement disclosures to underlying supporting documentation;

> enquiries of management and those charged with governance;

> testing of journal postings made during the year to identify potential management override of controls;

> review of minutes of board meetings throughout the period; and

> obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Ariel Grosberg
(Senior Statutory Auditor)
For and on behalf
of BDO LLP, Statutory Auditor
London, UK

18 June 2021

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2021

		Ordinary Shares			"C" Shares			"D" Shares			Total		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised gains on investments	9	-	3,097	3,097	-	2,384	2,384	-	838	838	-	6,319	6,319
Income from investments	2	1,109	-	1,109	761	-	761	163	-	163	2,033	-	2,033
Investment management fees	3	(202)	(610)	(812)	(160)	(480)	(640)	(51)	(153)	(204)	(413)	(1,243)	(1,656)
Other expenses	4	(166)	-	(166)	(112)	-	(112)	(20)	-	(20)	(298)	-	(298)
Profit before taxation		741	2,487	3,228	489	1,904	2,393	92	685	777	1,322	5,076	6,398
Taxation	6	-	-	-	-	-	-	-	-	-	-	-	-
Profit and total comprehensive income for the year attributable to shareholders		741	2,487	3,228	489	1,904	2,393	92	685	777	1,322	5,076	6,398
Earnings per share:													
Basic and diluted earnings per share (p)	8	**4.54**	**15.25**	**19.79**	**4.33**	**16.87**	**21.20**	**4.62**	**34.41**	**39.03**	**13.49**	**66.53**	**80.02**

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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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" ("SORP") issued in October 2019.

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 28 February 2020

		Ordinary Shares			"C" Shares			"D" Shares			Total		
	Note	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net unrealised loss on investments	9	-	(617)	(617)	-	(308)	(308)	-	(122)	(122)	-	(1,047)	(1,047)
Income from investments	2	1,714	-	1,714	1,084	-	1,084	245	-	245	3,043	-	3,043
Investment management fees	3	(146)	(437)	(583)	(115)	(345)	(460)	(16)	(48)	(64)	(277)	(830)	(1,107)
Other expenses	4	(185)	-	(185)	(127)	-	(127)	(23)	-	(23)	(335)	-	(335)
Profit/(loss) before taxation		1,383	(1,054)	329	842	(653)	189	206	(170)	36	2,431	(1,877)	554
Taxation	6	(4)	4	-	2	(2)	-	(8)	8	-	(10)	10	-
Profit/(loss) and total comprehensive income for the year attributable to shareholders		1,379	(1,050)	329	844	(655)	189	198	(162)	36	2,421	(1,867)	554
Earnings per share:													
Basic and diluted earnings per share (p)	8	**8.46**	**(6.44)**	**2.02**	**7.48**	**(5.81)**	**1.68**	**9.95**	**(8.14)**	**1.81**	**25.89**	**(20.89)**	**5.50**

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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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" ("SORP") issued in October 2019.

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION
for the year ended 28 February 2021

	Notes	Year ended 28 February 2021				Year ended 29 February 2020			
		Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Non-current assets									
Investments	9	-	-	-	-	17,218	14,462	2,649	34,329
		-	-	-	-	17,218	14,462	2,649	34,329
Current assets									
Investments	9	19,741	16,387	3,449	39,577	-	-	-	-
Trade and other receivables	10	124	94	37	255	561	287	194	1,042
Cash and cash equivalents	11	796	473	197	1,466	344	165	23	532
		20,661	16,954	3,683	41,298	905	452	217	1,574
Total assets		20,661	16,954	3,683	41,298	18,123	14,914	2,866	35,903
Current liabilities									
Trade and other payables	12	(794)	(660)	(168)	(1,622)	(179)	(110)	(28)	(317)
Net current assets		19,867	16,294	3,515	39,676	726	342	189	1,257
Net assets		19,867	16,294	3,515	39,676	17,944	14,804	2,838	35,586
Equity attributable to equity holders									
Share capital	13	4,076	2,832	498	7,406	4,076	2,832	498	7,406
Capital redemption reserve		1,587	-	-	1,587	1,587	-	-	1,587
Share premium		-	-	1,433	1,433	-	-	1,433	1,433
Special reserve		5,843	6,979	-	12,822	6,277	7,082	-	13,359
Capital reserve – realised		(3,551)	(3,523)	(380)	(7,454)	(2,941)	(3,043)	(227)	(6,211)
Capital reserve – unrealised		11,912	10,004	1,756	23,672	8,815	7,620	918	17,353
Revenue reserve		-	2	208	210	130	313	216	659
Total equity		19,867	16,294	3,515	39,676	17,944	14,804	2,838	35,586
Basic and diluted net asset value per share (p)	14	**121.8**	**144.4**	**176.6**	**134.1**	**110.0**	**131.2**	**142.6**	**127.2**

Approved by the Board and authorised for issue on 18 June 2021.

David Williams
Chairman

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

Ventus VCT plc. Registered No: 05205442

STATEMENT OF CHANGES IN EQUITY
for the year ended 28 February 2021

Ordinary Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2020	4,076	1,587	-	6,277	(2,941)	8,815	130	17,944
Transfer from special reserve to revenue reserve	-	-	-	(434)	-	-	434	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(610)	3,097	741	3,228
Dividends paid in the year	-	-	-	-	-	-	(1,305)	(1,305)
At 28 February 2021	4,076	1,587	-	5,843	(3,551)	11,912	-	19,867

"C" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2020	2,832	-	-	7,082	(3,043)	7,620	313	14,804
Transfer from special reserve to revenue reserve	-	-	-	(103)	-	-	103	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(480)	2,384	489	2,393
Dividends paid in the year	-	-	-	-	-	-	(903)	(903)
At 28 February 2021	2,832	-	-	6,979	(3,523)	10,004	2	16,294

"D" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2020	498	-	1,433	-	(227)	918	216	2,838
Profit and total comprehensive income for the year	-	-	-	-	(153)	838	92	777
Dividends paid in the year	-	-	-	-	-	-	(100)	(100)
At 28 February 2021	498	-	1,433	-	(380)	1,756	208	3,515

Total	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2020	7,406	1,587	1,433	13,359	(6,211)	17,353	659	35,586
Transfer from special reserve to revenue reserve	-	-	-	(537)	-	-	537	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(1,243)	6,319	1,322	6,398
Dividends paid in the year	-	-	-	-	-	-	(2,308)	(2,308)
At 28 February 2021	7,406	1,587	1,433	12,822	(7,454)	23,672	210	39,676

All amounts presented in the Statement of Changes in Equity are attributable to equity holders. The reserves available for distribution comprise the revenue reserve, special reserve and realised capital reserve. The special reserve may be used to pay dividends.

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN EQUITY
for the year ended 29 February 2020

Ordinary Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2019	4,076	1,587	-	6,473	(2,508)	9,432	23	19,083
Transfer from special reserve to revenue reserve	-	-	-	(196)	-	-	196	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(433)	(617)	1,379	329
Dividends paid in the year	-	-	-	-	-	-	(1,467)	(1,467)
At 29 February 2020	4,076	1,587	-	6,277	(2,941)	8,815	130	17,944

"C" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2019	2,832	-	-	7,345	(2,696)	7,928	221	15,630
Transfer from special reserve to revenue reserve	-	-	-	(263)	-	-	263	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(347)	(308)	844	189
Dividends paid in the year	-	-	-	-	-	-	(1,015)	(1,015)
At 29 February 2020	2,832	-	-	7,082	(3,043)	7,620	313	14,804

"D" Shares	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2019	498	-	1,433	-	(187)	1,040	118	2,902
Loss and total comprehensive income for the year	-	-	-	-	(40)	(122)	198	36
Dividends paid in the year	-	-	-	-	-	-	(100)	(100)
At 29 February 2020	498	-	1,433	-	(227)	918	216	2,838

Total	Share capital £000	Capital redemption reserve £000	Share premium £000	Special reserve £000	Capital reserve realised £000	Capital reserve unrealised £000	Revenue reserve £000	Total £000
At 1 March 2019	7,406	1,587	1,433	13,818	(5,391)	18,400	362	37,615
Transfer from special reserve to revenue reserve	-	-	-	(459)	-	-	459	-
Profit/(Loss) and total comprehensive income for the year	-	-	-	-	(820)	(1,047)	2,421	554
Dividends paid in the year	-	-	-	-	-	-	(2,583)	(2,583)
At 29 February 2020	7,406	1,587	1,433	13,359	(6,211)	17,353	659	35,586

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS
for the year ended 28 February 2021

	Year ended 28 February 2021				Year ended 29 February 2020			
	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Cash flows from operating activities								
Investment income received	1,455	956	320	2,731	1,705	1,050	247	3,002
Investment management fees paid	(291)	(238)	(46)	(575)	(420)	(347)	(151)	(918)
Other cash payments	(120)	(172)	(38)	(330)	(468)	(250)	(8)	(726)
Cash generated from operations	1,044	546	236	1,826	817	453	88	1,358
Taxes paid	-	-	-	-	-	-	-	-
Net cash inflow from operating activities	1,044	546	236	1,826	817	453	88	1,358
Cash flows from investing activities								
Proceeds from investments	713	665	38	1,416	773	413	-	1,186
Net cash inflow from investing activities	713	665	38	1,416	773	413	-	1,186
Cash flows from financing activities								
Dividends paid	(1,305)	(903)	(100)	(2,308)	(1,468)	(1,015)	(100)	(2,583)
Net cash outflow from financing activities	(1,305)	(903)	(100)	(2,308)	(1,468)	(1,015)	(100)	(2,583)
Net increase/(decrease) in cash and cash equivalents	452	308	174	934	122	(149)	(12)	(39)
Cash and cash equivalents at the beginning of the year	344	165	23	532	222	314	35	571
Cash and cash equivalents at the end of the year	796	473	197	1,466	344	165	23	532

The accompanying notes on pages 47 to 66 form an integral part of these Financial Statements.

1. Accounting Policies

Accounting Convention

The Financial Statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Financial Statements have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") issued in October 2019 is consistent with the requirements of IFRS, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP.

Accounting Policy and Disclosure

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

Basis of preparation other than going concern

On 19 May 2021, the shareholders voted in favour of a resolution that the Company should sell its assets and discontinue as a venture capital trust. The Directors will proceed with an orderly sale of the Company's assets which they anticipate will take between 6 and 9 months to complete, although the timetable is subject to change and unforeseen events. The financial statements have, therefore, been prepared on a non-going concern basis. This has had no significant impact on the financial statements because the disposal of the Company's assets is expected to be completed in an orderly manner and the estimated costs of winding up the Company are immaterial.

Income

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

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

Expenses

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

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

Taxation

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

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

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

Due to the Company's status as a VCT, 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 statement of financial position 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 statement of financial position 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. Deferred tax assets and liabilities are not discounted.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company has become a party to the contractual provisions of the instrument.

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

Investments in unquoted companies and equity based derivatives are valued in accordance with International Private Equity and Venture Capital Valuation Guidelines (2018), using the most appropriate valuation methodology as determined by the Board. Unquoted investee companies with renewable energy generating plant constituting a substantial portion of their assets and which have proved stable operational performance are valued using the "discounted future cash flows from the underlying business" methodology, excluding interest accrued in the accounts to date. Notwithstanding the above, the Board may determine that an alternative methodology should be used where this more appropriately reflects the fair value of an investment.

When an investee company has gone into receivership or liquidation or where any loss in value below cost is considered to be permanent, 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 Joint Ventures" and IFRS 11 "Joint Arrangements" and upon initial recognition, will measure its investments in Associates and Joint Ventures at fair value, with subsequent changes to fair value recognised in the income statement in the period of change.

Trade and Other Receivables

Trade and other receivables are initially recognised at fair value. Other than accrued interest, they are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. The Company recognises the losses allowance for expected credit losses 'ECL' as per IFRS 9. Losses allowance are deducted from the gross carrying amount of the trade and receivables carried at amortised cost. 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. Interest accrued is held at fair value through profit and loss and valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines (2018).

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 original 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 and Reserves

Share Capital

Equity instruments issued by the Company are recorded at the nominal amount.

Special Reserve

The special reserves were created by approval of the High Court to cancel the Company's share premium accounts. The special reserve may be used to fund buy-backs of shares and pay dividends as and when it is considered by the Board to be in the interests of the shareholders.

Capital Reserve - Realised

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

Capital Reserve – Unrealised

This reserve includes increases and decreases in the valuation of investments held at fair value insofar as they are not considered to be permanent.

Share Premium

This reserve includes amounts subscribed for share capital in excess of nominal value of the shares, net of direct issue costs.

Capital Redemption Reserve

This reserve includes amounts transferred from the share capital on cancellation of issued shares.

Revenue Reserve

This reserve includes all other net gains and losses not recognised elsewhere which are available for distribution to shareholders.

Key Assumptions and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. The estimates and assumptions adopted are those which the Board considers to be appropriate at the reporting date. Estimates and assumptions will change from time to time depending on prevailing circumstances. Estimates, by their nature, are based on judgement and available information. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of assets which are designated as "fair value through profit or loss". The impact of changes in the key estimates and assumptions adopted are discussed in the Investment Manager's Report on pages 16 to 17 and note 9 of the Financial Statements.

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

Dividends Payable

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

Segmental Reporting

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

2. Income

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Income from investments				
Loan stock interest	226	159	74	459
Dividends	883	602	89	1,574
	1,109	761	163	2,033

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Income from investments				
Loan stock interest	352	234	79	665
Dividends	1,362	850	166	2,378
	1,714	1,084	245	3,043

3. Investment Management Fees

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Investment management fees	812	640	204	1,656

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Investment management fees	583	460	64	1,107

The annual management fee and incentive fee are exclusive of VAT. The annual management fee is paid quarterly in advance.

At the beginning of the year the Investment Manager was entitled to an annual fee of 2.25% of the Company's NAV, However, in July 2020 the annual fees were reduced to 2.00% of the Company's NAV (back dated to 8 August 2019). From 31 August 2020, the annual fees were further reduced to 1.50% of the Company's NAV.

Total annual running costs are in aggregate capped at 3.6% of NAV (excluding the Investment Manager's performance-related incentive fee, any irrecoverable VAT and investment costs), with any excess being borne by the Investment Manager.

The Investment Manager will receive a performance-related incentive fee subject to the Company achieving certain defined targets. No incentive fee will be payable unless the Company has achieved a hurdle of 60p per share calculated as the sum of the cumulative Return to the end of the financial year ended 29 February 2020 (where Return is the dividend paid in respect of a financial period plus the increase in NAV at the end of the relevant financial period over the NAV at the end of the previous financial period) plus the cumulative Earnings thereafter (where Earnings is the net profit /(loss) and total comprehensive income before deduction of the incentive fee for the relevant financial period). Under the terms of the revised IMA, from the year ending 28 February 2021 onwards, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Earnings in any accounting period exceeds 7p per share. Details of the key terms of the revised IMA and further information about how the performance-related incentive fee is calculated are set out in the Strategic Report.

The investment management fees incurred during the year ended 28 February 2021 included a performance-related incentive fee of £522,000 in respect of the ordinary share fund (2020: £163,000), £401,000 in respect of the "C" share fund (2020: £113,000) and £159,000 in respect of the "D" share fund (2020: £nil).

4. Other Expenses

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Revenue expenses:				
Directors' remuneration	44	31	5	80
Fees payable to the Company's Auditor for:				
- Audit of the Company's annual accounts	20	14	3	37
Other expenses	102	67	12	181
	166	112	20	298

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Revenue expenses:				
Directors' remuneration	48	33	6	87
Fees payable to the Company's Auditor for:				
- Audit of the Company's annual accounts	16	11	2	29
Other costs	121	83	15	219
	185	127	23	335

5. Directors' Remuneration

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
D Williams	16	11	3	30
J Dixon	14	10	1	25
N Curtis	14	10	1	25
Aggregate emoluments	44	31	5	80

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
D Williams	16	11	2	29
J Dixon	14	10	2	26
C Zeal	8	5	1	14
N Curtis	6	4	1	11
L Chamberlain	4	3	-	7
Aggregate emoluments	48	33	6	87

Further details regarding Directors' remuneration are disclosed in the Directors' Remuneration Report on pages 27 to 28. The Company has no employees other than the Directors.

6. Taxation

Year ended 28 February 2021		Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
(a)	**Tax charge/(credit) for the year**				
	Current UK corporation tax:				
	(Credited)/Charged to revenue reserve	-	-	-	-
	Charged/(Credited) to capital reserve	-	-	-	-
		-	-	-	-
(b)	**Factors affecting the tax charge/(credit) for the year**				
	Profit before taxation	3,228	2,393	777	6,398
	Tax credit calculated on profit before taxation at the applicable rate of 19% (2020: 19%)	613	455	148	1,216
	Effect of:				
	UK dividends not subject to tax	(168)	(114)	(17)	(299)
	Capital gains not subject to tax	(588)	(453)	(159)	(1,200)
	Non-deductible expenses	-	-	-	-
	Tax losses not recognised	143	112	28	283
		-	-	-	-

Year ended 29 February 2020		Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
(a)	**Tax charge/(credit) for the year**				
	Current UK corporation tax:				
	(Credited)/Charged to revenue reserve	(4)	2	(8)	(10)
	Charged/(Credited) to capital reserve	4	(2)	8	10
		-	-	-	-
(b)	**Factors affecting the tax charge/(credit) for the year**				
	Profit before taxation	329	189	36	554
	Tax credit calculated on profit before taxation at the applicable rate of 19% (2019: 19%)	63	36	7	106
	Effect of:				
	UK dividends not subject to tax	(259)	(162)	(32)	(453)
	Capital (gains)/losses not subject to tax	117	59	23	199
	Tax losses not recognised	79	67	2	148
		-	-	-	-

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

The tax rate is scheduled to remain at 19% for the years commencing 1 April 2021 and 2022. A deferred tax asset has not been recognised for the following at an effective rate of 19%:

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Unused tax losses	452	345	49	846

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Unused tax losses	264	198	12	474

7. Dividends

Ordinary Shares	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Amounts recognised as distributions to ordinary shareholders in the year:		
Previous year's final dividend of 4.00p per ordinary share (2020: 5.00p)	652	815
Current year's interim dividend of 4.00p per ordinary share (2020: 4.00p)	653	652
	1,305	1,467

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

	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Interim dividend for the year ended 28 February 2021 of 4.00p per ordinary share (2020: 4.00p)	653	652
Proposed final dividend for the year ended 28 February 2021 of 4.00p per ordinary share (2020: 4.00p)	652	652
	1,305	1,304

"C" Shares	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Amounts recognised as distributions to "C" shareholders in the year:		
Previous year's final dividend of 4.00p per "C" share (2020: 5.00p)	451	564
Current year's interim dividend of 4.00p per "C" share (2020: 4.00p)	452	451
	903	1,015

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

	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Interim dividend for the year ended 28 February 2021 of 4.00p per "C" share (2020: 4.00p)	452	451
Proposed final dividend for the year ended 28 February 2021 of 6.00p per "C" share (2020: 4.00p)	677	451
	1,129	902

"D" Shares	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Amounts recognised as distributions to "D" shareholders in the year:		
Previous year's final dividend of 2.50p per "D" share (2020: 2.50p)	50	50
Current year's interim dividend of 2.50p per "D" share (2020: 2.50p)	50	50
	100	100

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

	Year ended 28 February 2021 £000	Year ended 29 February 2020 £000
Interim dividend for the year ended 28 February 2021 of 2.50p per "D" share (2020: 2.50p)	50	50
Proposed final dividend for the year ended 28 February 2021 of 10.00p per "D" share (2020: 2.50p)	199	50
	249	100

8. Basic and diluted earnings per share

For the year ended 28 February 2021		Ordinary Shares	"C" Shares	"D" Shares
Revenue earnings for the year	*p per share**	4.54	4.33	4.62
Based on:				
Revenue earnings for the year	*£'000*	741	489	92
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767
Capital gain/(loss) for the year	*p per share**	15.25	16.87	34.41
Based on:				
Capital gain/(loss) for the year	*£'000*	2,487	1,904	685
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767
Net profit for the year	*p per share**	19.79	21.20	39.03
Based on:				
Net profit for the year	*£'000*	3,228	2,393	777
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767

For the year ended 29 February 2020		Ordinary Shares	"C" Shares	"D" Shares
Revenue earnings for the year	*p per share**	8.46	7.48	9.95
Based on:				
Revenue earnings for the year	*£'000*	1,379	844	198
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767
Capital loss for the year	*p per share**	(6.44)	(5.81)	(8.14)
Based on:				
Capital loss for the year	*£'000*	(1,050)	(655)	(162)
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767
Net profit for the year	*p per share**	2.02	1.68	1.81
Based on:				
Net profit for the year	*£'000*	329	189	36
Weighted average number of shares in issue	*number of shares*	16,307,547	11,283,207	1,990,767

* The value per share may differ on recalculation due to rounding differences.

There is no difference between the basic return per ordinary share and the diluted return per ordinary share, between the basic return per "C" share and the diluted return per "C" share or between the basic return per "D" share and the diluted return per "D" share because no dilutive financial instruments have been issued. The number of shares disclosed above excludes 45,900 "C" shares which are held in treasury.

9. Investments

Year ended 28 February 2021

	Ordinary Shares			"C" Shares			"D" Shares			Total		
	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000
Opening position												
Opening cost	5,749	2,581	8,330	5,797	1,526	7,323	1,216	514	1,730	12,762	4,621	17,383
Opening realised losses	639	(417)	222	(464)	(17)	(481)	-	-	-	175	(434)	(259)
Opening unrealised gains	8,372	294	8,666	7,498	122	7,620	890	29	919	16,760	445	17,205
Opening fair value	14,760	2,458	17,218	12,831	1,631	14,462	2,106	543	2,649	29,697	4,632	34,329
During the year												
Disposal proceeds	-	(574)	(574)	-	(459)	(459)	-	(38)	(38)	-	(1,071)	(1,071)
Unrealised gains	3,055	42	3,097	2,378	6	2,384	820	18	838	6,253	66	6,319
Closing fair value	17,815	1,926	19,741	15,209	1,178	16,387	2,926	523	3,449	35,950	3,627	39,577
Closing position												
Closing cost	5,749	2,007	7,756	5,797	1,067	6,864	1,216	476	1,692	12,762	3,550	16,312
Closing realised losses	639	(417)	222	(464)	(17)	(481)	-	-	-	175	(434)	(259)
Closing unrealised gains	11,427	336	11,763	9,876	128	10,004	1,710	47	1,757	23,013	511	23,524
Closing fair value	17,815	1,926	19,741	15,209	1,178	16,387	2,926	523	3,449	35,950	3,627	39,577

Year ended 29 February 2020

	Ordinary Shares			"C" Shares			"D" Shares			Total		
	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000	Shares £000	Loan stock £000	Total £000
Opening position												
Opening cost	5,749	3,355	9,104	5,797	1,938	7,735	1,216	514	1,730	12,762	5,807	18,569
Opening realised gains/(losses)	639	(417)	222	(464)	(17)	(481)	-	-	-	175	(434)	(259)
Opening unrealised gains	8,957	326	9,283	7,760	168	7,928	1,006	34	1,040	17,723	528	18,251
Opening fair value	15,345	3,264	18,609	13,093	2,089	15,182	2,222	548	2,770	30,660	5,901	36,561
During the year												
Disposal proceeds	-	(774)	(774)	-	(412)	(412)	-	-	-	-	(1,186)	(1,186)
Unrealised losses	(585)	(32)	(617)	(262)	(46)	(308)	(116)	(5)	(121)	(963)	(83)	(1,046)
Closing fair value	14,760	2,458	17,218	12,831	1,631	14,462	2,106	543	2,649	29,697	4,632	34,329
Closing position												
Closing cost	5,749	2,581	8,330	5,797	1,526	7,323	1,216	514	1,730	12,762	4,621	17,383
Closing realised gains/(losses)	639	(417)	222	(464)	(17)	(481)	-	-	-	175	(434)	(259)
Closing unrealised gains	8,372	294	8,666	7,498	122	7,620	890	29	919	16,760	445	17,205
Closing fair value	14,760	2,458	17,218	12,831	1,631	14,462	2,106	543	2,649	29,697	4,632	34,329

9. Investments (continued)

The investments are presented as current assets as at 28 February 2021 because it is the Company's intention to sell them within a period of one year.

The shares held by the Company represent equity holdings in unquoted UK companies. The Investment Manager's Report on pages 19 to 21 provides details in respect of the Company's shareholding in each investment, loans issued and investments disposed of during the year. For details of the registered address of each investee company refer to page 9.

Under IFRS 7 and IFRS 13, the Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

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

> Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and

> Those with inputs for the instrument that are not based on observable market data (unobservable inputs) (Level 3).

As at 28 February 2021, each of the Company's investments held was valued using inputs which are considered to be Level 3 inputs.

To determine the valuations as at 28 February 2021 (and 29 February 2020), the Company has applied a discount rate to the unleveraged cash flows to determine the enterprise value of the investee company and then has subtracted the market value of any senior debt (including any prepayment fees and swap break costs) to calculate the value of the equity and/or mezzanine debt in the investee company.

The Board has considered the key assumptions which may affect the results reported in the financial statements and the Company is further required to disclose the effect of changing one or more inputs with reasonable alternative assumptions where a significant change to the fair value measurement would result. The key assumptions that have a significant impact on the fair value in the discounted future cash flow valuations are the discount factors used (7.00% for wind investments and 5.50% for hydro-electric investments), the rate of inflation (2.75%), the price at which power and associated benefits may be sold (the actual price, if fixed, or the forecast price) and the level of electricity the investee' companies generating assets are likely to produce (P50). The future price at which power and associated benefits may be sold is estimated using a blend of forecasts produced by two third party industry experts, and the projected energy yield is determined by yield analyses also prepared by third party industry experts. The asset life is assumed to be 30 years from date of first operation for wind assets and 30 years from the valuation date for hydro assets.

The Board has determined that reasonable alternative assumptions may be made in respect of these four input assumptions. The sensitivity of the value of the portfolio to the application of a decrease or increase in these assumptions is set out in the tables below.

Ordinary shares

			Impact on value of investments					
			Downside case			Upside case		
	Base assumption	Alternative assumptions	£	Pence per share	%	£	Pence per share	%
Energy Prices	Blend of two forecasts	-/+ 10%	(1,554,788)	(9.53)	-7.9%	1,579,202	9.68	8.0%
Output	P50	P75/P25	(2,050,385)	(12.57)	-10.4%	1,983,108	12.16	10.0%
Inflation (RPI)	2.75%	-/+ 0.5%	(880,969)	(5.40)	-4.5%	928,329	5.69	4.7%
Discount rates	Wind: 7.00% Hydro: 5.50%	+/- 0.5%	(802,866)	(4.92)	-4.1%	850,140	5.21	4.3%
Asset life	30 years	-/+ 5 years	(2,656,785)	(16.29)	-13.5%	1,744,134	10.70	8.8%

“C” shares

	Base assumption	Alternative assumptions	Impact on value of investments: Downside case £	Downside case Pence per share	Downside case %	Upside case £	Upside case Pence per share	Upside case %
Energy Prices	Blend of two forecasts	-/+ 10%	(1,337,234)	(11.85)	-8.2%	1,345,706	11.93	8.2%
Output	P50	P75/P25	(1,990,400)	(17.64)	-12.1%	1,886,066	16.72	11.5%
Inflation (RPI)	2.75%	-/+ 0.5%	(827,826)	(7.34)	-5.1%	875,258	7.76	5.3%
Discount rates	Wind: 7.00% Hydro: 5.50%	+/- 0.5%	(748,183)	(6.63)	-4.6%	793,879	7.04	4.8%
Asset life	30 years	-/+ 5 years	(1,791,429)	(15.88)	-10.9%	1,404,840	12.45	8.6%

“D” shares

	Base assumption	Alternative assumptions	Impact on value of investments: Downside case £	Downside case Pence per share	Downside case %	Upside case £	Upside case Pence per share	Upside case %
Energy Prices	Blend of two forecasts	-/+ 10%	(228,443)	(11.48)	-6.6%	279,681	14.05	8.1%
Output	P50	P75/P25	(382,805)	(19.23)	-11.1%	361,873	18.18	10.5%
Inflation (RPI)	2.75%	-/+ 0.5%	(275,194)	(13.82)	-8.0%	292,706	14.70	8.5%
Discount rates	Wind: 7.00% Hydro:5.50%	+/- 0.5%	(283,530)	(14.24)	-8.2%	303,274	15.23	8.5%
Asset life	30 years	-/+ 5 years	(279,370)	(14.03)	-8.1%	90,426	4.54	2.6%

Total

	Base assumption	Alternative assumptions	Impact on value of investments: Downside case £	Downside case Pence per share	Downside case %	Upside case £	Upside case Pence per share	Upside case %
Energy Prices	Blend of two forecasts	-/+ 10%	(3,120,465)	(10.55)	-8.1%	3,204,588	10.83	8.1%
Output	P50	P75/P25	(4,423,590)	(14.95)	-11.5%	4,231,047	14.30	11.0%
Inflation (RPI)	2.75%	-/+ 0.5%	(1,983,989)	(6.71)	-5.2%	2,096,293	7.09	5.5%
Discount rates	Wind: 7.00% Hydro:5.50%	+/- 0.5%	(1,834,580)	(6.20)	-4.8%	1,947,293	6.58	5.1%
Asset life	30 years	-/+ 5 years	(4,727,584)	(15.98)	-12.0%	3,239,400	10.95	8.2%

Further information regarding input sensitivity can found in the Investment Manager’s Report on pages 15 to 18.

10. Trade and Other Receivables

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Current assets				
Accrued interest income	82	74	13	169
Other receivables	30	11	22	63
Prepayments	12	9	2	23
	124	94	37	255

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Current assets				
Accrued interest income	434	277	192	903
Other receivables	111	1	-	112
Prepayments	16	9	2	27
	561	287	194	1,042

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

11. Cash and Cash Equivalents

	Ordinary Shares Cash £000	"C" Shares Cash £000	"D" Shares Cash £000	Total Cash £000
As at 1 March 2020	344	165	23	532
Net decrease	452	308	174	934
As at 28 February 2021	796	473	197	1,466

	Ordinary Shares Cash £000	"C" Shares Cash £000	"D" Shares Cash £000	Total Cash £000
As at 1 March 2019	222	314	35	571
Net (decrease)/increase	122	(149)	(12)	(39)
As at 29 February 2020	344	165	23	532

As at 28 February 2021, the ordinary share fund held £70,000 (29 February 2020: £70,000) in a decommissioning bond account on behalf of Eye Wind Power Limited which is considered to be a restricted cash balance. The ordinary share fund recognised an amount payable of £70,000 within trade and other payables as at 28 February 2021 in respect of the amount due to Eye Wind Power Limited.

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

12. Trade and Other Payables

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

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Trade payables	5	-	-	5
Other payables	226	227	3	456
Accruals	563	433	165	1,161
	794	660	168	1,622

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Trade payables	56	-	-	56
Other payables	71	75	21	167
Accruals	52	35	7	94
	179	110	28	317

13. Share Capital

	Ordinary Shares		"C" Shares		"D" Shares		Total
Authorised	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000	£000
As at 1 March 2020	50,000,000	12,500	20,000,000	5,000	20,000,000	5,000	22,500
As at 28 February 2021	50,000,000	12,500	20,000,000	5,000	20,000,000	5,000	22,500

	Ordinary Shares		"C" Shares		"D" Shares		Total
Allotted, called up and fully paid	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000	£000
As at 1 March 2020	16,307,547	4,076	11,329,107	2,832	1,990,767	498	7,406
As at 28 February 2021	16,307,547	4,076	11,329,107	2,832	1,990,767	498	7,406

	Ordinary Shares		"C" Shares		"D" Shares		Total
Authorised	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000	£000
As at 1 March 2019	50,000,000	12,500	20,000,000	5,000	20,000,000	5,000	22,500
As at 29 February 2020	50,000,000	12,500	20,000,000	5,000	20,000,000	5,000	22,500

	Ordinary Shares		"C" Shares		"D" Shares		Total
Allotted, called up and fully paid	Number of shares of 25p each	£000	Number of shares of 25p each	£000	Number of shares of 25p each	£000	£000
As at 1 March 2019	16,307,547	4,076	11,329,107	2,832	1,990,767	498	7,406
As at 29 February 2020	16,307,547	4,076	11,329,107	2,832	1,990,767	498	7,406

At 28 February 2021, the Company had three classes of shares which carry no right to fixed income. The rights and obligations attaching to the Company's shares are set out in the Directors' Report on page 25. The number of shares disclosed above includes 45,900 "C" shares which are held in treasury.

14. Basic and Diluted NAV per Share

The calculation of NAV per ordinary share as at 28 February 2021 of 121.8p (2020: 110.0p) is based on net assets of £19,867,000 (2020: £17,944,000) divided by 16,307,547 (2020: 16,307,547) ordinary shares in issue at that date. The NAV per "C" share as at 28 February 2021 of 144.4p (2020: 131.2p) is based on net assets of £16,294,000 (2020: £14,804,000) divided by 11,283,207 (2020: 11,283,207) "C" shares in issue at that date. The NAV per "D" share as at 28 February 2021 of 176.5p (2020: 142.6p) is based on net assets of £3,515,000 (2020: £2,838,000) divided by 1,990,767 (2020: 1,990,767) "D" shares in issue at that date.

The number of shares disclosed above excludes 45,900 "C" shares which are held in treasury.

15. Events after the Year End

At a general meeting of the Company held on 19 May 2021 the shareholders voted in favour of a resolution that the Company sells its assets and discontinues as a venture capital trust. Further information is set out in the Chairman's Statement and the Directors' Report.

16. Financial Instruments and Risk Management

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

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

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

Interest Rate Risk Profile of Financial Assets and Financial Liabilities
Financial Assets
As at 28 February 2021

Ordinary Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	17,815	n/a	n/a	n/a
Loan stock	1,926	0% - 13.5%	10.04%	6.9 years
Accrued interest income	82	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	796	0% - 0.10%	0.00%	n/a

"C" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	15,207	n/a	n/a	n/a
Loan stock	1,178	0% - 13%	12.30%	5.3 years
Accrued interest income	74	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	473	0% - 0.10%	0.00%	n/a

"D" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	2,925	n/a	n/a	n/a
Loan stock	523	10.50%	10.50%	12.3 years
Accrued interest income	13	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	197	0% - 0.10%	0.00%	n/a

Combined share funds	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	35,947	n/a	n/a	n/a
Loan stock	3,627	0% - 13.5%	10.13%	7.9 years
Accrued interest income	169	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	1,466	0% - 0.10%	0.00%	n/a

As at 29 February 2020

Ordinary Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	14,760	n/a	n/a	n/a
Loan stock	2,458	0% - 13.5%	9.97%	7.2 years
Accrued interest income	434	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	344	0% - 0.10%	0.00%	n/a

"C" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	12,831	n/a	n/a	n/a
Loan stock	1,631	0% - 13%	12.49%	6.1 years
Accrued interest income	277	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	165	0% - 0.10%	0.00%	n/a

16. Financial Instruments and Risk Management (continued)

"D" Shares	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	2,106	n/a	n/a	n/a
Loan stock	543	10.50%	10.50%	13.3 years
Accrued interest income	192	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	23	0%- 0.10%	0.00%	n/a

Combined share funds	£000	Interest rate p.a. %	Weighted average interest rate p.a. %	Weighted average period to maturity
At fair value through profit or loss:				
Ordinary shares	29,697	n/a	n/a	n/a
Loan stock	4,632	0%- 13.5%	10.06%	8.2 years
Accrued interest income	903	n/a	n/a	n/a
Financial assets at amortised cost:				
Cash	532	0%- 0.10%	0.00%	n/a

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

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

Other than certain accrued interest income receivable amounts, the Company's trade and other receivables did not hold a right to interest income.

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

The risk from future fluctuations in interest rate movements is mitigated by the Company holding a majority of its investments in instruments which are not exposed to market interest rate changes.

Other receivables, not included in the analysis above, are non-interest bearing.

Financial Liabilities

The Company's financial liabilities and guarantees are non-interest bearing and are detailed in Note 12 and Note 17 to the Financial Statements.

Currency Exposure

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

Borrowing Facilities

The Company has no committed borrowing facilities as at 28 February 2021 (2020: £nil).

Investment Risk

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

Investment Price Risk

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

The sensitivity of each share fund's investment portfolio to an increase or decrease in valuation is set out in note 9.

Liquidity Risk

Due to the nature of the Company's investments, it is not easy to liquidate investments in ordinary shares and loan stock in the short term. The main cash outflows are made for dividends, which are within the control of the Company, and operating expenses which are reasonably predictable. In this respect, the Company may manage its liquidity risk by making prudent forecasts in respect of realising future cash proceeds from its investments and holding sufficient cash to enable it to fund its obligations. The cash equivalents are held on deposit and are therefore readily convertible into cash. The Company's liabilities are all current liabilities and due within one year. There are no material financial liabilities.

Credit Risk

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

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

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

The maximum credit risk of the Company is £5.3 million (2020: £6.2 million) of which the ordinary share fund is exposed to £2.8 million, the "C" share fund is exposed to £1.7 million and the "D" share fund is exposed to £0.8 million.

The table below sets out the amounts receivable by the Company which were past due but not individually impaired as at 28 February 2021 and the extent to which they are past due.

Amounts past due 28 February 2021:

Ordinary Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	977	977	-	-
Accrued interest	37	37	-	-
Past due	1,014	1,014	-	-

The loan principal which was past due for payment at 28 February 2021 was £15,000 for Greenfield Wind Farm Limited and £9,000 for Biggleswade Wind Farm Limited. The loan interest past due for payment at 28 February 2021 for Darroch Power Limited was £11,000, for Upper Falloch Limited was £7,000, for Biggleswade Wind Farm Limited was £6,000 and Greenfield Wind Farm Limited was £13,000.

"C" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	1,050	1,050	-	-
Accrued interest	60	60	-	-
Past due	1,110	1,110	-	-

16. Financial Instruments and Risk Management (continued)

The loan principal which was past due for payment at 28 February 2021 was £22,000 for Greenfield Wind Farm Limited and £54,000 for Biggleswade Wind Farm Limited. The loan interest past due for payment at 28 February 2021 for Darroch Power Limited was £3,000, for Upper Falloch Limited was £2,000, for Biggleswade Wind Farm Limited was £36,000 and Greenfield Wind Farm Limited was £19,000.

"D" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	476	476		
Accrued interest	13	13	-	-
Past due	489	489	-	-

The loan interest past due for payment at 28 February 2021 for Darroch Power Limited was £8,000 and for Upper Falloch Limited was £5,000.

Amounts past due 29 February 2020:

Ordinary Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	1,221	1,221	-	-
Accrued interest	364	86	83	195
Past due	1,585	1,307	83	195

The loan principal which was past due for payment at 29 February 2020 was £51,000 for Greenfield Wind Farm Limited. The loan interest past due for payment at 29 February 2020 for Darroch Power Limited was £96,000, for Upper Falloch Limited was £198,000 and Greenfield Wind Farm Limited was £70,000.

"C" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	936	936	-	-
Accrued interest	200	67	64	69
Past due	1,136	1,003	64	69

The loan principal which was past due for payment at 29 February 2020 was £76,000 for Greenfield Wind Farm Limited. The loan interest past due for payment at 29 February 2020 for Greenfield Wind Farm Limited was £113,000, for Darroch Power Limited was £28,000, and for Upper Falloch Limited was £59,000.

"D" Shares	Total £000	0 - 6 months £000	6 - 12 months £000	Over 12 months £000
Loan	514	514	-	-
Accrued interest	189	40	33	116
Past due	703	554	33	116

The loan interest past due for payment at 29 February 2020 for Darroch Power Limited was £69,000 and for Upper Falloch Limited was £121,000.

17. Contingencies, Guarantees and Financial Commitments

The fair value of financial guarantees provided by the Company is considered to be £nil.

The Company has entered into the following agreements:-

On 4 April 2006, the Company registered a charge over its shares in Fenpower Limited to Alliance & Leicester plc (now Santander UK plc) as security for a senior loan facility of £4.8 million raised by Fenpower Limited to finance the construction costs of the wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Fenpower Limited.

On 20 December 2006, the Company registered a charge over its shares in A7 Greendykeside Limited to Alliance & Leicester Commercial Bank plc (now Santander UK plc) as security for a senior loan facility of £3.5 million raised by A7 Greendykeside Limited to finance the construction costs of the wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of A7 Greendykeside Limited.

On 22 October 2008, the Company registered a charge over its shares in Achairn Energy Limited to Alliance & Leicester Commercial Finance plc (now Santander Asset Finance plc) as security for a senior loan facility of £6.9 million raised by Achairn Energy Limited to finance the construction costs of its wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Achairn Energy Limited.

On 28 November 2008, the Company registered a charge over its shares in A7 Lochhead Limited to Alliance & Leicester Commercial Finance plc (now Santander Asset Finance plc) as security for a senior loan facility of £7.8 million raised by A7 Lochhead Limited to finance the construction costs of the wind farm. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of A7 Lochhead Limited.

On 4 July 2017, the Company registered a charge over its shares in Eye Wind Power Limited to Bayerische Landesbank as security for a senior loan facility of £6.1 million. The liability of the Company under this charge of shares is limited to the value of the Company's investment in the shares of Eye Wind Power Limited.

On the 10 April 2019, the Company registered a charge over its shares in Bernard Matthews Green Energy Halesworth Limited to Bayerische Landesbank as security for a senior loan facility of £9 million. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Bernard Matthews Green Energy Halesworth Limited.

On 23 October 2019, the Company registered a charge over its shares in White Mill Wind Farm Limited to L1 Renewables as security for a senior loan facility of up to £9.5 million raised by White Mill Wind Farm Limited. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of White Mill Wind Farm Limited.

On 23 October 2019, the Company registered a charge over its shares in Biggleswade Wind Farm Limited to L1 Renewables as security for a senior loan facility of up to £15.7 million raised by Biggleswade Wind Farm Limited. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Biggleswade Wind Farm Limited.

On 12 November 2019, the Company registered a charge over its shares in Greenfield Wind Farm Limited to L1 Renewables as security for a senior loan facility of £10.8 million raised by Muirhall Windfarm Limited, a company wholly owned by Greenfield Wind Farm Limited. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Greenfield Wind Farm Limited.

On 8 January 2021, the Company registered a share charge over its shares in Upper Falloch Power Limited to Bayerische Landesbank as security for a senior loan facility of £4.5 million raised by Upper Falloch Power Limited. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Upper Falloch Power Limited.

On 8 January 2021, the Company registered a share charge over its shares in Darroch Power Limited to Bayerische Landesbank as security for a senior loan facility of £8.0 million raised by Darroch Power Limited. The liability of the Company under this charge of shares is limited to the value of the Company's investment in shares of Darroch Power Limited.

The Company had no other contingencies, financial commitments or guarantees as at 28 February 2021.

18. Related Party Transactions

The Directors are related parties of the Company. Information about the fees paid to the Directors is set out in the Directors' Remuneration Report on page 28.

Temporis is also a related party as it provides investment management services as well as accounting and administrative services. Details of the investment management fees are set out in note 3 and details of the fees earned from providing directors to investee companies and administrative services to investee companies (through an associate company) are set out in the Strategic Report on pages 9 and 10.

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

Year ended 28 February 2021	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Balances				
Investments- shares	16,766	15,207	2,925	34,898
Investments- loan stock	1,765	1,178	523	3,466
Accrued interest income	73	74	13	160
Accrued dividend income	7	9	22	38
Transactions				
Loan stock interest income	205	159	74	438
Dividend income	854	602	89	1,545

Year ended 29 February 2020	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Total £000
Balances				
Investments- shares	13,837	12,831	2,106	28,774
Investments- loan stock	2,284	1,631	543	4,458
Accrued interest income	425	277	192	894
Transactions				
Loan stock interest income	329	234	79	642
Dividend income	1,354	850	166	2,370

19. Controlling Party

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

20. Management of Capital

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

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

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

The Company does not have any externally imposed capital requirements.

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

The 2021 AGM will proceed as a "closed meeting" attended solely by two directors, who as shareholders are able to form a quorum.

As such, this year shareholders will not be able to attend the event in person, which will instead be performed as a virtual AGM with the minimum number of people in attendance to remain in compliance with new legislation being introduced.

The Company's AGM will be held on 22 July 2021 at 12 noon.

The Board urges shareholders to register all votes via proxy ahead of the AGM itself. The Chairman will record the voting for each resolution by way of a poll to ensure each vote cast is counted individually.

The Board recognises the importance of the AGM to shareholders and encourages the submission of questions on the Company or the portfolio to the Board via email to info@temporiscapital.com by 8 July 2021, being two weeks prior to the date of the AGM. Answers will be published on the Company website at the time of the AGM.

Notice is hereby given that the AGM of Ventus VCT plc will be held at 12 noon on 22 July 2021 for the purpose of considering and, if thought fit, passing the following, of which Resolutions 1 to 8 will be proposed as ordinary resolutions and Resolution 9 will be proposed as a Special Resolution:

Ordinary Business

1. To receive the Company's audited Annual Report and Financial Statements for the year ended 28 February 2021.
2. To declare a final dividend of 4.00p per ordinary share, 6.00p per "C" share and 10.00p per "D" share in respect of the year ended 28 February 2021.
3. To approve the Directors' Remuneration Report for the year ended 28 February 2021.
4. To re-elect David Williams as a Director of the Company.
5. To re-elect Jo Dixon as a Director of the Company.
6. To re-elect Nick Curtis as a Director of the Company.
7. To re-appoint BDO LLP as Auditor of the Company to hold office until the conclusion of the next AGM at which accounts are laid before the Company.
8. To authorise the Directors to determine the remuneration of the Auditor.

Special Business

9. That the Company be and is hereby generally and unconditionally authorised to make market purchases within the meaning of Section 693(4) of the Companies Act 2006 (the "Act") of ordinary shares of 25p each, "C" shares of 25p each and "D" shares of 25p each in the capital of the Company provided that:
   (i) The maximum aggregate number of shares hereby authorised to be purchased is 2,444,501 ordinary shares, 1,698,233 "C" shares and 298,415 "D" shares, representing 14.99% of the current issued share capital of each class;
   (ii) The minimum price which may be paid for a share is 25p per share;
   (iii) The maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of; (a) 105% of the average of the middle market prices shown in the quotations for a share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased; and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
   (iv) The authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company to be held in 2022 and the date which is 18 months after the date on which this resolution is passed; and
   (v) The Company may make a contract or contracts to purchase its own shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of its own shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

By order of the Board

The City Partnership (UK) Limited
Secretary

18 June 2021

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Managed by Temporis Capital

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