



Ventus 2 VCT plc

Half-yearly Financial Report (unaudited)
for the six month period ended 31 August 2021

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Ventus 2 VCT plc owns
a portfolio of operating
renewable energy
companies

I am pleased to present the unaudited financial report of Ventus 2 VCT plc (the "Company") for the six month period ended 31 August 2021.

Sale Process Update

Shareholders will the "Investment Manager") and Ernst & Young LLP ("EY"), to implement the resolution by undertaking a formal sale process for all of the Company's assets.

The sales process is progressing well, and the Directors expect to complete the sale process within the expected timescale set out in the circular published on 13 April 2021 (the "Circular"). This timetable was 6 to 9 months from the date of the General Meeting held on 19 May 2021.

Post Sale Timeline

Subsequent to the completion of the sale process and receipt of the cash proceeds, the Directors intend to declare a special interim dividend as soon as is practical. This dividend will be equal to the distributable reserves in each share class and the Directors have set out the expected special interim dividend by share class below:

	Ordinary Shares pence per share	"C" Shares pence per share	"D" Shares pence per share
Expected special interim dividend	47.0	64.0	11.0

At the same time as the transaction is announced, the Company also intends to issue a circular to convene a further General Meeting of the Company with a resolution to place the Company into a Members Voluntary Liquidation ("MVL").

Providing that this resolution is passed, the liquidator will make a liquidation distribution, retaining the minimum funds to cover future operating expenses and the estimated costs of liquidation, with a small contingency.

Strategic Objectives

Since the resolution was passed at the General Meeting to sell the assets of the Company and discontinue the Company as a venture capital trust, the Directors and Temporis have been focused on implementing that resolution.

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

As noted above, the Directors expect the sale process to be completed within the timeframe set out in the Circular.

Summary Financial Performance

Electricity generation for the six month period ended 31 August 2021 was 79% of budget (for the year ended 28 February 2021: 97%) due to significantly lower than expected wind and rain resource over the summer months. The negative impact of this on the cash flows of the investee companies is estimated to be 1.4 pence per Ordinary Share, 1.3 pence per "C" Share and 3.1 pence per "D" Share.

The table below gives an overview of the financial performance for the period, including the change in Net Asset Value ("NAV"). Details about the Company's net profit for the period 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 28 February 2021	94.1	146.3	178.4
NAV at 31 August 2021	90.5	141.6	188.3
Increase / (Decrease) in NAV	(3.6)	(4.7)	9.9

Dividends paid during the six month period ended 31 August 2021

Dividends paid during the six month period ended 31 August 2021	5.0	6.0	10.0
Total return (change in NAV + dividends paid)	1.4	1.3	19.9

Shareholders should note that in the NAVs set out above, the Company uses a single set of assumptions across each asset class (wind, hydro and landfill gas). However, any buyer of an individual investee company may use specific assumptions to reflect their unique view of the risks inherent to each particular asset, thereby resulting in material variations in asset price by investee company and share class.

The changes in NAV during the period vary by share class. The “D” shares have increased whilst the Ordinary and “C” shares have declined. This is predominantly driven by a change in the shape of the power price forecast used in the valuations, with significantly higher power prices predicted in the near term (to 2025), and lower prices predicted in the long term (as compared with those used in the 28 February 2021 Annual Report).

The investee companies holding hydroelectric assets have the option to opt into an RPI linked export tariff for the sale of electricity, which protects them from the deterioration in long term forecast power prices. The near term prices are now significantly in excess of the RPI linked export tariff, and the investee companies holding hydroelectric assets are able to fully realise this upside. The wind assets operate under a different subsidy regime, and also have a high proportion of fixed price contracts in the near term. Therefore, they are less able to realise this upside. The “C” Share investee companies have the highest proportion of fixed price contracts.

Additionally, inflation has a greater impact on the valuation of the hydroelectric assets, in comparison to the wind assets, as the RPI linked subsidy makes up circa 75% of the hydroelectric asset revenues in comparison with less than 50% of wind farm asset revenues.

Dividends and Dividend Policy

The Company’s regular interim dividend has historically been announced in the interim accounts and then paid in January. The Director’s current expectation is to be able to pay the first distribution following the sale of the Company’s assets at a similar time, and so for administrative simplicity, the Board has not declared an interim dividend at the time of the publication of these interim accounts but rather intends to pay a special interim dividend once cash proceeds have been realised from the sale of the portfolio.

Impact of Covid-19

The Covid-19 pandemic has of course had a significant negative impact on the global economy, as well as to our everyday lives. However, over the past 18 months, the overall impact on the Company’s operations has been minimal.

The majority of wind turbine operational issues can be managed remotely or are resolved automatically by the turbine’s 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 Investment Manager’s Report contains additional detailed information on the impact of Covid-19.

VCT Qualifying Status

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

Lloyd Chamberlain
Chairman

26 November 2021

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 below table are those which the Directors consider to be material and are set out in the Company's Risk Register. The Directors do not expect that the risks and uncertainties presented will change significantly over the current financial year especially in light of the vote passed at the General Meeting.

Principal Identified Risk	Risk Mitigation
That the asset sale process does not complete in an orderly manner allowing the Company to distribute satisfactory sale proceeds in the timescales set out in the Circular dated 19 May 2021.	<i>The Board has engaged with EY as financial advisor, who, together with the Investment Manager and legal advisors bring significant sale process experience. The sale process is now well progressed.</i>
Impact of Covid-19 on the operational activities at investee companies potentially leading to lower energy generation due to plant not being fully operational.	<i>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.</i>
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.	<i>The Board mitigates this risk by regularly reviewing investment management activity with appropriately qualified advisers.</i>
Inadequate control environment at service providers may lead to inaccurate reporting or misappropriation of assets.	<i>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.</i>
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.	<i>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.</i>
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.	<i>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.</i>
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.	<i>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.</i>

PRINCIPAL RISKS AND UNCERTAINTIES

Continued

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.	<i>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.</i>

At the General Meeting held 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. An update on the sale timeline and post sale actions to be undertaken are contained in the Chairman's Statement.

As was the case with the Annual Report for the year ended 28 February 2021, given the decision to sell the Company's assets and discontinue as a venture capital trust, these interim 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.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

- (a) the condensed financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Company as required by Disclosure Guidance and Transparency Rule ("DTR") 4.2.4R;
- (b) the interim management report, included within the Chairman's Statement and Investment Manager's Report, includes a fair review of the information required by DTR 4.2.7R, being the significant events of the first half of the year and the principal risks and uncertainties for the remaining six months of the year as set out on pages 4 and 5; and
- (c) the condensed financial statements include a fair review of related party transactions and changes thereto, as required by DTR 4.2.8R.

The Responsibility Statement has been approved by the Board.

Lloyd Chamberlain
Chairman

26 November 2021

FINANCIAL PERFORMANCE REPORT

Summary Financial Performance

The summary financial performance of the Company for the six month period ended 31 August 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 renewable energy projects owned by the Company's investee companies:

	Capacity MW	Operational since	Location	Output as % of budget - six months ended 31 Aug 2021*	Investment held by		
					Ordinary Share Fund	"C" Share Fund	"D" Share Fund
Operational Wind							
Achairn Energy Limited	6.00	May 2009	Caithness, Scotland	71.3%	•		
A7 Lochhead Limited	6.00	Jun 2009	Lanarkshire, Scotland	69.2%	•		
Greenfield Wind Farm Limited	12.30	Mar 2011	Lanarkshire, Scotland	67.1%	•	•	
Biggleswade Wind Farm Limited	20.00	Dec 2013	Bedfordshire	90.6%	•	•	
Eye Wind Power Limited	6.80	Apr 2014	Suffolk	84.8%	•		
Bernard Matthews Green Energy Pickenham Ltd/North Pickenham Energy Ltd	4.00	Apr 2014	Norfolk	90.8%	•	•	
Bernard Matthews Green Energy Weston Ltd/Weston Airfield Investments Ltd	4.00	Apr 2014	Norfolk	86.6%	•	•	
AD Wind Farmers Ltd (Allt Dearg Windfarmers LLP)	10.20	Dec 2012	Argyll and Bute, Scotland	73.2%		•	
White Mill Windfarm Limited	14.35	Aug 2012	Cambridgeshire	84.9%		•	
Bernard Matthews Green Energy Halesworth Limited	10.25	Aug 2015	Suffolk	93.4%	•	•	•
Operational Hydro							
Osspower Limited (Allt Fionn)	1.99	Jul 2012	Near Loch Lomond, Scotland	54.7%	•		
Darroch Power Limited (Derrydarroch)	1.90	Dec 2015	Near Loch Lomond, Scotland	59.9%	•	•	•
Upper Falloch Power Limited	0.90	Dec 2015	Near Loch Lomond, Scotland	63.7%	•	•	•
Operational Landfill Gas							
Renewable Power Systems (Dargan Road) Limited**	2.30	Aug 2009	Belfast, Northern Ireland	N/A	•		

* Budget represents the most recently adopted long term energy yield assessment for the site derived from specifically commissioned external consultant's reports.

** The revenues earned by Renewable Power Systems (Dargan Road) Limited consist primarily of generator availability payments and are not dependent on electricity output.

All investee companies have their registered address at: 7th Floor, Wellington House, 125-130 Strand, London WC2R 0AP.

Except for:

- > A7 Lochhead Limited: 31a The Avenue, Poole, Dorset, BH13 6LJ
- > Achairn Energy Limited: The Ca'D'Oro, 45 Gordon Street, Glasgow, G1 3PE
- > Osspower Limited: Suite 2C, Second Floor Stuart House, Eskmills, Musselburgh, East Lothian, EH21 7PB
- > Renewable Power Systems (Dargan Road) Limited: Northwood House, 138 Bromham Road, Bedford, Beds, MK40 2QW

FINANCIAL PERFORMANCE REPORT

Continued

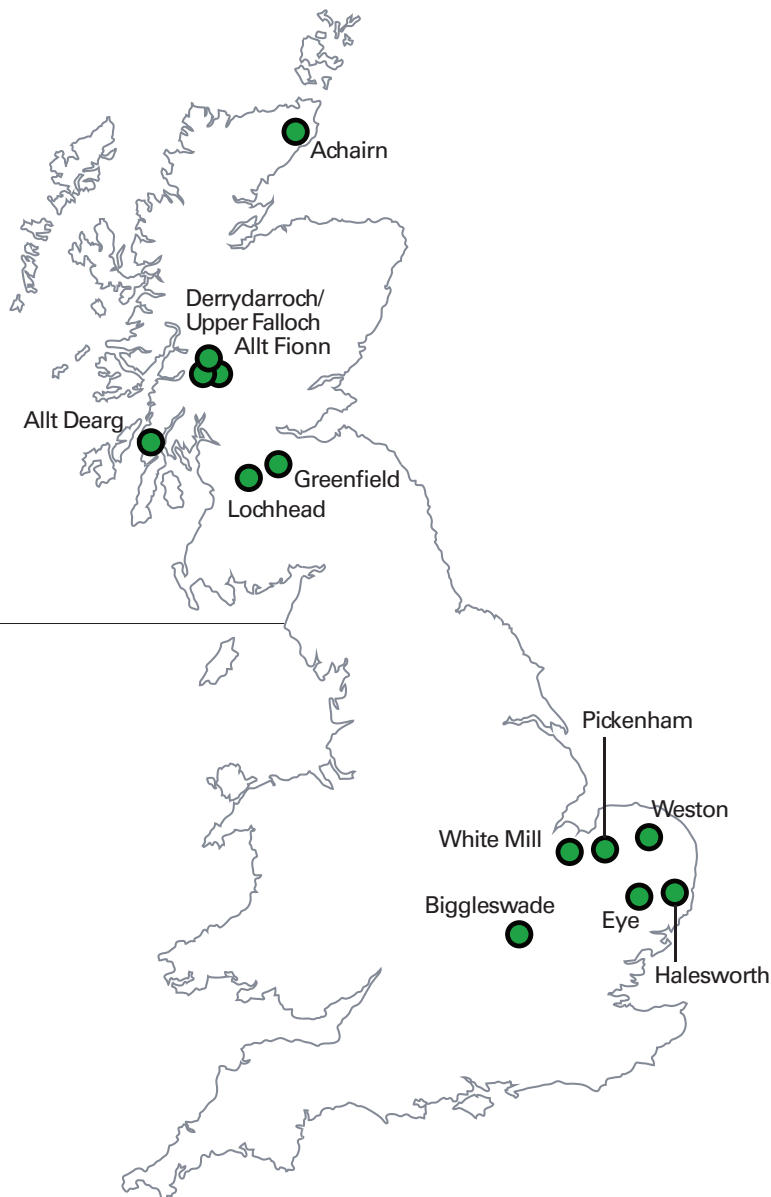
Key

● Operational

Key performance indicators

The performance of the Company is reviewed in the Investment Manager's Report.

The Directors consider the following key performance indicators, which are typical for VCTs, to best measure the Company's performance and to provide shareholders with a summary of how the business's objectives are being pursued:



For the six month period ended 31 August 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	1,043	4.28	1,026	9.09	235	11.76	2,304
Capital gain/(loss) attributable to equity shareholders	(698)	(2.86)	(879)	(7.79)	161	8.10	(1,416)
Net gain attributable to equity shareholders	345	1.42	147	1.30	396	19.86	888
Dividends paid during the period	(1,220)	(5.00)	(677)	(6.00)	(199)	(10.00)	(2,096)
Total movement in equity shareholders' funds	(875)	(3.58)	(530)	(4.70)	197	9.86	(1,208)
		%		%		%	%
Ongoing charges ratio ²		2.76%		2.40%		1.91%	2.55%

As at 31 August 2021

	Ordinary Shares		"C" Shares		"D" Shares		Total
	£000	Pence per share ³	£000	Pence per share ³	£000	Pence per share ³	£000
Net asset value	22,079	90.5	15,975	141.6	3,749	188.3	41,803
Total shareholder return ⁴	35,134	148.6	23,594	209.1	4,258	213.8	62,986

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

2 The ongoing charges ratio represents the Company's total operating expenditure during the period (excluding the Investment Manager's performance fee) as a percentage of the NAV of the Company at the period end.

The total annual running costs cap is set out in Note 3 to the financial statements.

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

4 The total shareholder return represents the NAV at period end plus the cumulative dividends paid 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.

Investee Company Performance and Investment Manager Initiatives

The predominant activity during the six month period ended 31 August 2021 has been to support the Directors as part of the asset sale process. However, the Investment Manager has continued to undertake proactive investment management activities which have served to enhance the final shareholder returns and to maintain value.

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.

As set out in the Annual Report for the year ended 29 February 2020, changes in VCT legislation have ruled out further investments in energy generation by VCTs.

Generation for the six month period ended 31 August 2021 was significantly below expectation at 79% of the combined portfolio budget. This was driven by very low wind and rain resource between 1 March and 31 August 2021, especially in April and July 2021.

Active Asset Management

In parallel with the sale process, the Investment Manager has continued to work actively to increase the value of the Company's portfolio through improvements to the operations of the underlying assets.

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 the Company's wind investments there are turbine optimisation products available which can also enhance generation. Over the past 24 months 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 fully 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 savings for the wind farm investee companies in Scotland.

LTV Levels

Each of the investee companies with operational assets except RPS (Dargan Road) Limited has been financed with senior debt. The percentage average 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
As at 31 August 2021			
Percentage Loan-to-Value	41%	44%	55%
Average remaining tenor of loan (years)	9.8	11.0	14.0
As at 28 February 2021			
Percentage Loan-to-Value	42%	44%	57%
Average remaining tenor of loan (years)	0.3	11.5	14.5

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 (where applicable) the mezzanine debt in the investee company.

The key assumptions that have a significant impact on discounted cash flow valuations for these assets are the discount rate, the 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 assets and operating costs.

Valuation Assumptions

Discount Rates – Wind Farms

The discount rate used to value the unleveraged cash flows of wind farm investee companies is 7.00% at 31 August 2021 (unchanged from 28 February 2021).

Discount Rates – Hydro-Electric

The discount rate used to value the unleveraged cash flows of hydroelectric investee companies is 5.50% (unchanged from 28 February 2021).

Inflation Rates

The inflation rate assumption used in the 31 August 2021 valuations is informed by the Bank of England implied RPI inflation to 2030. The average implied inflation across this period is 3.10%. Post 2030, in light of the government announcement confirming that RPI would be aligned with CPIH post 2030, the inflation rate assumption has been reduced to 1.80% for all future periods. This reduction is equal to the variance between RPI and CPIH at 31 August 2021. These assumptions have been updated from the previous assumption of 1.40% for 2022, 2.75% all other periods).

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, and are of a larger quantum than the inflation linked operating expenses incurred by each investee company.

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 is 30 years from the commencement of operations (unchanged from 28 February 2021) and is in line with market observations.

The assumed operating life of the Company's hydroelectric investments is 30 years from the valuation date (unchanged from 28 February 2021) and is in line with market observations.

Sensitivity of Net Asset Value to Changes in Key Assumptions

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 for the remaining assumed operating lifetime of the underlying assets.

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's investee companies have fixed a significant proportion of their output in the medium term under power purchase agreements. For periods where there is variable power price risk, prices in the 31 August 2021 valuations are taken from a blend (simple average) of two forecasts provided by leading consultants (unchanged from 28 February 2021).

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 company's generating assets taking into account their type and location. 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 is regularly reviewed by the Investment Committee of the Investment Manager to ensure they are set at 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 (RPI) used in the sensitivity analysis is as set out above. This input is also regularly reviewed by the Investment Committee of the Investment Manager to ensure it is set at an appropriate level.

Sensitivities

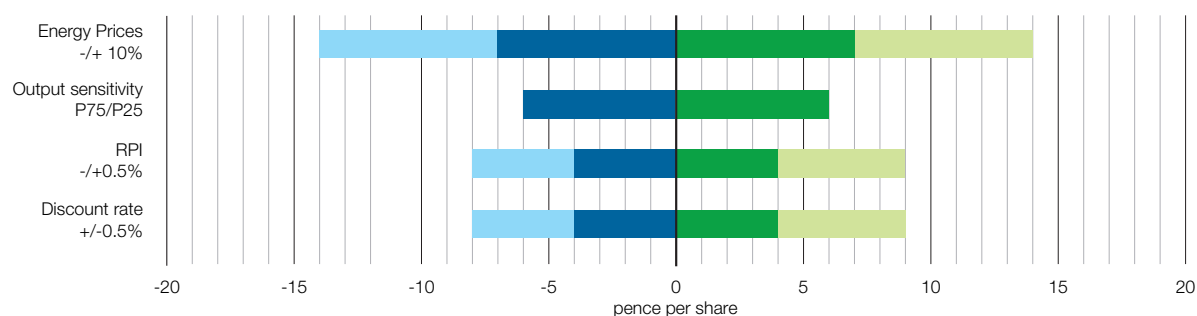
To consider the potential aggregate impact of Covid-19 on the future net asset value, the effects of multiple variables would need to be considered. For example, in the last 10 years, power prices and discount rates have both fallen, continually setting new lows. This can perhaps be explained by investors 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.

To demonstrate the impact of those variables most likely to be impacted by Covid-19, a wider range of sensitivities has been shown below:

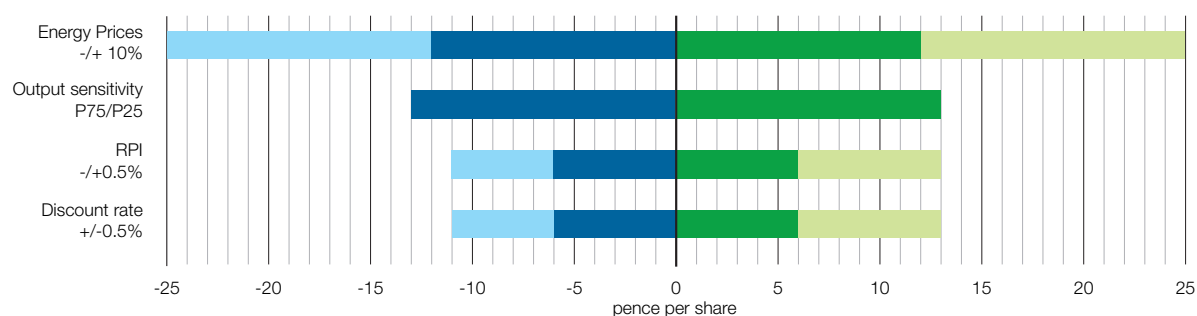
- > Energy prices at +/- 10% (darker bar) and +/- 20% (lighter bar)
- > RPI at +/- 0.5% (darker bar) and +/- 1.0% (lighter bar)
- > Discount rate at +/- 0.5% (darker bar) and +/- 1.0% (lighter bar)

In each case the range is consistent with that provided in previous Annual Reports and interim accounts since 29 February 2020.

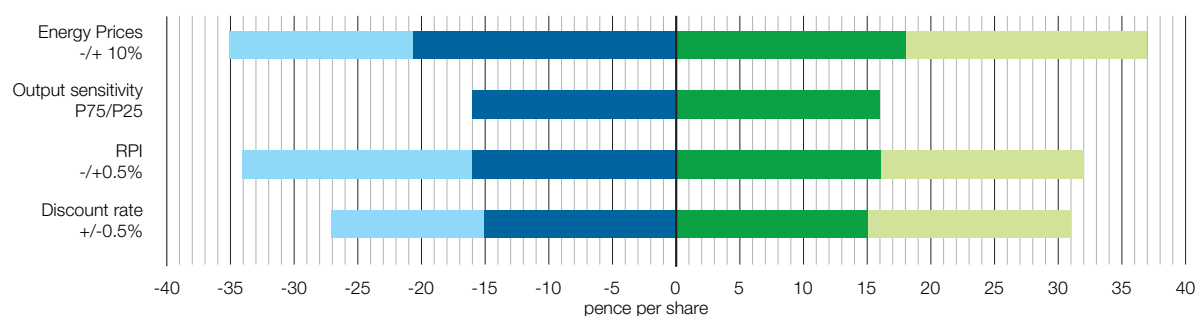
Sensitivity of the NAV of Ordinary share fund to changes in key input assumptions



Sensitivity of the NAV of "C" share fund to changes in key input assumptions



Sensitivity of the NAV of "D" share fund to changes in key input assumptions



INVESTMENT MANAGER'S REPORT

Continued

Ordinary share portfolio

A summary of the ordinary share fund's investment valuations as at 31 August 2021 and gains and losses during the six months ended 31 August 2021 is given below:

		Voting rights as at 31 August 2021 %	Investment value			Investment cost			Unrealised gain/(loss) six months to 31 August 2021 £000	Investment value Total as at 28 February 2021 £000	Investment cost Total as at 28 February 2021 £000
			Shares as at 31 August 2021 £000	Loans as at 31 August 2021 £000	Total as at 31 August 2021 £000	Shares as at 31 August 2021 £000	Loans as at 31 August 2021 £000	Total as at 31 August 2021 £000			
Operational wind											
Achairn Energy Limited ^{1,2}	Q	40.40%	5,262	766	6,028	1,225	702	1,927	326	5,747	1,970
A7 Lochhead Limited ¹	Q	20.00%	1,248	-	1,248	569	-	569	(73)	1,320	568
Greenfield Wind Farm Limited ¹	PQ	16.65%	2,477	403	2,880	666	335	1,001	(438)	3,379	1,060
Biggleswade Wind Farm Limited ^{1,2}	Q	3.50%	525	88	613	86	80	166	(47)	669	174
Eye Wind Power Limited ^{1,2}	Q	35.38%	2,125	-	2,125	1,480	-	1,480	(260)	2,385	1,480
Bernard Matthews Green Energy Weston Limited ¹	Q	50.00%	1,429	-	1,429	500	-	500	(174)	1,603	500
Bernard Matthews Green Energy Pickenham Limited ¹	Q	50.00%	786	-	786	500	-	500	(72)	858	500
Bernard Matthews Green Energy Halesworth Limited ^{1,2}	Q	10.09%	761	-	761	351	-	351	48	713	351
Operational landfill gas											
Renewable Power Systems (Dargan Road) Limited	Q	50.00%	900	338	1,238	780	336	1,116	28	1,266	1,172
Operational small hydro											
Osspower Limited		50.00%	3,927	-	3,927	300	-	300	110	3,817	300
Darroch Power Limited ¹	Q	11.46%	780	45	825	20	41	61	53	773	62
Upper Falloch Power Limited ¹	Q	10.97%	155	31	186	8	28	36	19	167	36
Realised investments											
Redeven Energy Limited ^{1,3}		50.00%	-	-	-	-	-	-	-	-	125
Firefly Energy Limited ^{1,3}		50.00%	-	-	-	-	-	-	-	-	218
Total			20,375	1,671	22,046	6,485	1,522	8,007	(480)	22,697	8,521

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

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 Capital Limited.

3 Firefly Energy Limited and Redeven Energy Limited were dissolved in the six month period ended 31 August 2021.

"C" share portfolio

A summary of the "C" share fund's investment valuations as at 31 August 2021 and gains and losses during the six months ended 31 August 2021 is given below:

			Investment value			Investment cost					
		Voting rights as at 31 August 2021 %	Shares as at 31 August 2021 £000	Loans as at 31 August 2021 £000	Total as at 31 August 2021 £000	Shares as at 31 August 2021 £000	Loans as at 31 August 2021 £000	Total as at 31 August 2021 £000	Unrealised gain/(loss) six months to 31 August 2021 £000	Investment value Total as at 28 February 2021 £000	Investment cost Total as at 28 February 2021 £000
Operational wind											
Greenfield Wind Farm Limited ¹	PQ	12.50%	1,860	303	2,163	500	251	751	(330)	2,539	797
White Mill Windfarm Limited ^{1,2}	PQ	25.00%	3,513	-	3,513	1,000	-	1,000	(61)	3,574	1,000
AD Wind Farmers Limited ¹	Q	50.00%	1,378	-	1,378	1,000	-	1,000	144	1,234	1,000
Biggleswade Wind Farm Limited ¹	Q	21.50%	3,227	540	3,767	526	492	1,018	(287)	4,107	1,071
Weston Airfield Investments Limited ¹	Q	50.00%	2,019	-	2,019	1,000	-	1,000	(150)	2,169	1,000
North Pickenham Energy Limited ¹	Q	50.00%	1,756	-	1,756	1,000	-	1,000	(81)	1,837	1,000
Bernard Matthews Green Energy Halesworth Limited ^{1,2}	Q	5.63%	426	-	426	300	-	300	27	399	300
Operational small hydro											
Darroch Power Limited ¹	Q	4.22%	288	130	418	53	117	170	21	402	175
Upper Falloch Power Limited ¹	Q	2.79%	39	88	127	17	80	97	5	126	101
Realised investments											
Iceni Renewables Limited ^{1,3}		50.00%	-	-	-	400	18	418	-	-	418
Total			14,506	1,061	15,567	5,796	958	6,754	(712)	16,387	6,862

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

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 Capital Limited.

3 Iceni Renewables Limited is in the process of being wound up.

INVESTMENT MANAGER'S REPORT

Continued

"D" share portfolio

A summary of the "D" share fund's investment valuations as at 31 August 2021 and gains and losses during the six months ended 31 August 2021 is given below:

			Investment value			Investment cost			Unrealised gain/(loss) six months to 31 August 2021	Investment value Total as at 28 February 2021	Investment cost Total as at 28 February 2021
			Shares as at 31 August 2021	Loans as at 31 August 2021	Total as at 31 August 2021	Shares as at 31 August 2021	Loans as at 31 August 2021	Total as at 31 August 2021			
	Voting rights as at 31 August 2021 %		£000	£000	£000	£000	£000	£000	£000	£000	£000
Operational wind											
Bernard Matthews Green Energy Halesworth Limited ^{1,2}	13.38%	1,010	-	1,010	712	-	712	63	947	712	
Operational small hydro											
Darroch Power Limited ¹	25.50%	1,736	318	2,054	319	289	608	120	1,946	620	
Upper Falloch Power Limited ¹	29.58%	417	184	601	185	167	353	53	556	360	
Total		3,163	502	3,665	1,216	456	1,672	236	3,449	1,692	

Q Investment complies with VCT regulations on qualifying holdings.

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

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 Capital Limited.

Investment Policy

The investment policy of the Company is set out in detail in the Strategic Report section of the Annual Report for the year ended 28 February 2021 and has not changed since that time.

Temporis Capital Limited

Investment Manager

26 November 2021

DIRECTORS AND ADVISERS

Directors

Lloyd Chamberlain (Chairman)
Jane Tozer MBE OBE
Chris Zeal

Investment Manager and Registered Office

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Principal Banker

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Auditor

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Registrars

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Internal Auditor

Roffe Swayne
Ashcombe Court
Godalming
Surrey
GU7 1LQ

Depository

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the six month period ended 31 August 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 gain/(loss) on investments	6	-	(480)	(480)	-	(712)	(712)	-	236	236	-	(956)	(956)
Income from Investments		1,232	-	1,232	1,130	-	1,130	268	-	268	2,630	-	2,630
Investment management fees	3	(40)	(118)	(158)	(29)	(88)	(117)	(22)	(66)	(88)	(91)	(272)	(363)
Other expenses		(149)	(100)	(249)	(75)	(79)	(154)	(11)	(9)	(20)	(235)	(188)	(423)
Profit/(loss) before taxation		1,043	(698)	345	1,026	(879)	147	235	161	396	2,304	(1,416)	888
Taxation	4	-	-	-	-	-	-	-	-	-	-	-	-
Profit/(loss) and total comprehensive income attributable to equity shareholders		1,043	(698)	345	1,026	(879)	147	235	161	396	2,304	(1,416)	888
Earnings per share													
Basic and diluted earnings per share (p)	5	4.28	(2.86)	1.42	9.09	(7.79)	1.30	11.76	8.10	19.86			

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 Statement of Comprehensive Income, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union. The revenue and capital columns shown above constitute supplementary information prepared under the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2014 ("SORP") published by the Association of Investment Companies.

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME (unaudited)
for the six month period ended 31 August 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 gain/(loss) on investments	6	-	78	78	-	(243)	(243)	-	(10)	(10)	-	(175)	(175)
Income from Investments		451	-	451	323	-	323	58	-	58	832	-	832
Investment management fees	3	(43)	(129)	(172)	(33)	(99)	(132)	(6)	(19)	(25)	(82)	(247)	(329)
Other expenses		(106)	-	(106)	(51)	-	(51)	(10)	-	(10)	(167)	-	(167)
Profit/(loss) before taxation		302	(51)	251	239	(342)	(103)	42	(29)	13	583	(422)	161
Taxation	4	8	(8)	-	(1)	1	-	(4)	3	(1)	3	(4)	(1)
Profit/(loss) and total comprehensive income attributable to equity shareholders		310	(59)	251	238	(341)	(103)	38	(26)	12	586	(426)	160
Earnings per share													
Basic and diluted earnings per share (p)	5	1.27	(0.24)	1.03	2.12	(3.02)	(0.90)	1.91	(1.30)	0.61			

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

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards as adopted by the European Union. The revenue and capital columns shown above constitute supplementary information prepared under the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" 2014 ("SORP") published by the Association of Investment Companies.

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

CONDENSED STATEMENT OF FINANCIAL POSITION (unaudited)

as at 31 August 2021

		As at 31 August 2021				As at 28 February 2021 (audited)			
	Note	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	6	22,046	15,567	3,665	41,278	22,697	16,387	3,449	42,533
Trade and other receivables		149	54	14	217	309	90	36	435
Cash and cash equivalents		87	522	160	769	297	681	233	1,211
		22,282	16,143	3,839	42,264	23,303	17,158	3,718	44,179
Total assets		22,282	16,143	3,839	42,264	23,303	17,158	3,718	44,179
Current liabilities									
Trade and other payables		(203)	(168)	(90)	(461)	(349)	(653)	(166)	(1,168)
Net current assets		22,079	15,975	3,749	41,803	22,954	16,505	3,552	43,011
Net assets		22,079	15,975	3,749	41,803	22,954	16,505	3,552	43,011
Equity attributable to equity holders									
Share capital		6,097	2,832	498	9,427	6,097	2,832	498	9,427
Capital redemption reserve		2,105	-	-	2,105	2,105	-	-	2,105
Share premium		-	-	1,433	1,433	-	-	1,433	1,433
Special reserve		11,660	7,211	-	18,871	11,836	7,211	-	19,047
Capital reserve – realised		(12,271)	(3,711)	(450)	(16,432)	(12,053)	(3,544)	(375)	(15,972)
Capital reserve – unrealised		14,488	9,293	1,992	25,773	14,968	10,005	1,756	26,729
Revenue reserve		-	350	276	626	1	1	240	242
Total equity		22,079	15,975	3,749	41,803	22,954	16,505	3,552	43,011
Basic and diluted net asset value per share (p)									
	7	90.5	141.6	188.3		94.1	146.3	178.4	

Approved by the Board and authorised for issue on 26 November 2021.

Lloyd Chamberlain

Chairman

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

Ventus 2 VCT plc. Registered No: 05667210

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

For the six month period ended 31 August 2021

	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
Ordinary Shares								
At 1 March 2021	6,097	2,105	-	11,836	(12,053)	14,968	1	22,954
Transfer of special reserve to revenue reserve	-	-	-	(176)	-	-	176	-
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(218)	(480)	1,043	345
Dividends paid in the period	-	-	-	-	-	-	(1,220)	(1,220)
At 31 August 2021	6,097	2,105	-	11,660	(12,271)	14,488	-	22,079
"C" Shares	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2021	2,832	-	-	7,211	(3,544)	10,005	1	16,505
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(167)	(712)	1,026	147
Dividends paid in the period	-	-	-	-	-	-	(677)	(677)
At 31 August 2021	2,832	-	-	7,211	(3,711)	9,293	350	15,975
"D" Shares	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2021	498	-	1,433	-	(375)	1,756	240	3,552
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(75)	236	235	396
Dividends paid in the period	-	-	-	-	-	-	(199)	(199)
At 31 August 2021	498	-	1,433	-	(450)	1,992	276	3,749
Total	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2021	9,427	2,105	1,433	19,047	(15,972)	26,729	242	43,011
Transfer of special reserve to revenue reserve	-	-	-	(176)	-	-	176	-
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(460)	(956)	2,304	888
Dividends paid in the period	-	-	-	-	-	-	(2,096)	(2,096)
At 31 August 2021	9,427	2,105	1,433	18,871	(16,432)	25,773	626	41,803

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

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY (unaudited)

For the six month period ended 31 August 2020

	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
Ordinary Shares								
At 1 March 2020	6,097	2,105	-	12,399	(11,817)	10,579	-	19,363
Transfer of special reserve to revenue reserve	-	-	-	(300)	-	-	300	-
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(137)	78	310	251
Dividends paid in the period	-	-	-	-	-	-	(610)	(610)
At 31 August 2020	6,097	2,105	-	12,099	(11,954)	10,657	-	19,004

	£000	£000	£000	£000	£000	£000	£000	£000
"C" Shares								
At 1 March 2020	2,832	-	-	7,488	(3,060)	7,621	122	15,003
Transfer of special reserve to revenue reserve	-	-	-	(195)	-	-	195	-
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(98)	(243)	238	(103)
Dividends paid in the period	-	-	-	-	-	-	(451)	(451)
At 31 August 2020	2,832	-	-	7,293	(3,158)	7,378	104	14,449

	£000	£000	£000	£000	£000	£000	£000	£000
"D" Shares								
At 1 March 2020	498	-	1,433	-	(221)	918	246	2,874
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(16)	(10)	38	12
Dividends paid in the period	-	-	-	-	-	-	(50)	(50)
At 31 August 2020	498	-	1,433	-	(237)	908	234	2,836

	£000	£000	£000	£000	£000	£000	£000	£000
Total								
At 1 March 2020	9,427	2,105	1,433	19,887	(15,098)	19,118	368	37,240
Transfer of special reserve to revenue reserve	-	-	-	(495)	-	-	495	-
Profit/(loss) and total comprehensive income for the period	-	-	-	-	(251)	(175)	586	160
Dividends paid in the period	-	-	-	-	-	-	(1,111)	(1,111)
At 31 August 2020	9,427	2,105	1,433	19,392	(15,349)	18,943	338	36,289

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

CONDENSED STATEMENT OF CASH FLOWS (unaudited)

For the six month period ended 31 August 2021

	Ordinary Shares £000	"C" Shares £000	"D" Shares £000	Six months ended 31 August 2021 Total £000	Six months ended 31 August 2020 Total £000
Cash flows from operating activities					
Investment income received	1,264	1,155	268	2,687	1,087
Investment management fees paid	(157)	(521)	(183)	(861)	(433)
Other cash payments	(268)	(224)	21	(471)	(200)
Net cash inflow from operating activities	839	410	106	1,355	454
Cash flows from investing activities					
Proceeds from investments	171	108	20	299	943
Net cash inflow/ (outflow) from investing activities	171	108	20	299	943
Cash flows from financing activities					
Dividends paid	(1,220)	(677)	(199)	(2,096)	(1,111)
Net cash outflow from financing activities	(1,220)	(677)	(199)	(2,096)	(1,111)
Net increase/ (decrease) in cash and cash equivalents	(210)	(159)	(73)	(442)	286
Cash and cash equivalents at the beginning of the period	297	681	233	1,211	424
Cash and cash equivalents at the end of the period	87	522	160	769	710

The accompanying notes on pages 22 to 28 form an integral part of these Financial Statements.

EXPLANATORY NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six month period ended 31 August 2021

1. Accounting convention and policies

The half-yearly results which cover the six month period ended 31 August 2021 have been prepared on the basis of accounting policies set out in the statutory accounts of the Company for the year ended 28 February 2021. The half-yearly financial statements have been prepared under IAS 34 Interim Financial Reporting.

The accounting policies are consistent with those of the previous financial year. The Directors do not expect the accounting policies to change over the current financial year.

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. Therefore, as with the Annual Report for the year ended 28 February 2021, the Half-yearly Financial Report for the six month period ended 31 August 2021 has 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.

2. Publication of non-statutory accounts

The financial information for the year ended 28 February 2021 contained in the Half-yearly Financial Report does not constitute the Company's statutory accounts for that period but has been derived from the statutory accounts.

Statutory accounts in respect of the year ended 28 February 2021 have been audited and reported on by the auditor and delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006.

3. Investment management fees

The Company pays the Investment Manager an annual management fee equal to 1.50% of the Company's net assets. The fee is not subject to VAT and is payable quarterly in advance. The annual management fee is allocated 75% to capital and 25% to revenue. Total annual running costs are in aggregate capped at 3.6% of NAV (excluding any performance fees, irrecoverable VAT and investment costs if applicable), with any excess being borne by the Investment Manager.

The Investment Manager will receive a performance-related incentive fee subject to the Company achieving certain defined targets. No incentive fee will be payable until the Company's Earnings (where Earnings is the profit/(loss) and total comprehensive income before deduction of the incentive fee for the relevant financial period) exceed 7p per share in the financial period. Thereafter, 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 incentive fee is exclusive of VAT.

The management fee payable to the Investment Manager for the six month period ended 31 August 2021 in respect of net asset value attributable to ordinary shareholders was £158,000 (six month period ended 31 August 2020: £172,000, after deduction of a refund of £22,000 relating to the reduction in investment management fees dating back to 1 August 2019). The management fee payable to the Investment Manager for the six month period ended 31 August 2021 in respect of the net assets attributable to the "C" shareholders was £117,000 (six month period ended 31 August 2020: £132,000, after deduction of a refund of £22,000 relating to the reduction in investment management fees dating back to 1 August 2019). The management fee payable to the Investment Manager for the six month period ended 31 August 2021 in respect of the net assets attributable to the "D" shareholders was £88,000, of which £64,000 is an accrued performance fee (six month period ended 31 August 2020: £25,000, after deduction of a refund of £4,000 relating to the reduction in investment management fees dating back to 1 August 2019).

4. Taxation

The Company has accrued £nil tax charge for the six month period ended 31 August 2021 in the ordinary share fund (six month period ended 31 August 2021: £nil tax charge), £nil tax charge for the six month period ended 31 August 2021 in the "C" share fund (six month period ended 31 August 2020: £nil tax charge), £nil tax charge for the six month period ended 31 August 2021 in the "D" share fund (six month period ended 31 August 2020: £nil tax charge).

The tax charges are accrued using an effective tax rate of 19% for the 2021/22 tax year and 19% for the 2020/21 tax year, however dividends and capital gains are not subject to tax resulting in a lower effective tax rate than the standard applicable rate in the UK.

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

5. Basic and diluted earnings per share

For the six month period ended 31 August 2021		Ordinary Shares	"C" Shares	"D" Shares
Revenue return for the period	<i>p per share *</i>	4.28	9.09	11.76
<i>Based on:</i>				
Revenue return for the period	<i>£000</i>	1,043	1,026	235
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	11,283,207	1,990,767
Capital gain/(loss) for the period	<i>p per share *</i>	(2.86)	(7.79)	8.10
<i>Based on:</i>				
Capital gain/(loss) for the period	<i>£000</i>	(698)	(879)	161
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	11,283,207	1,990,767
Net profit for the period	<i>p per share *</i>	1.42	1.30	19.86
<i>Based on:</i>				
Net profit for the period	<i>£000</i>	345	147	396
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	11,283,207	1,990,767
For the six month period ended 31 August 2020		Ordinary Shares	"C" Shares	"D" Shares
Revenue return for the period	<i>p per share *</i>	1.27	2.12	1.91
<i>Based on:</i>				
Revenue return for the period	<i>£000</i>	310	238	38
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	11,283,207	1,990,767
Capital loss for the period	<i>p per share *</i>	(0.24)	(3.02)	(1.30)
<i>Based on:</i>				
Capital loss for the period	<i>£000</i>	(59)	(341)	(26)
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	11,283,207	1,990,767
Net profit/(loss) for the period	<i>p per share *</i>	1.03	(0.90)	0.61
<i>Based on:</i>				
Net profit/(loss) for the period	<i>£000</i>	251	(103)	12
Weighted average number of shares in issue	<i>number of shares</i>	24,392,655	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.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Continued

6. Investments

Six months ended 31 August 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	6,685	1,836	8,521	5,796	1,066	6,862	1,216	476	1,692	13,697	3,378	17,075
Closing realised losses	(442)	(229)	(671)	(464)	(17)	(481)	-	-	-	(906)	(246)	(1,152)
Opening unrealised gains	14,636	211	14,847	9,878	128	10,006	1,709	48	1,757	26,223	387	26,610
Opening fair value	20,879	1,818	22,697	15,210	1,177	16,387	2,925	524	3,449	39,014	3,519	42,533
During the period												
Disposal proceeds	-	(171)	(171)	-	(108)	(108)	-	(20)	(20)	-	(299)	(299)
Unrealised gains/(losses)	(504)	24	(480)	(704)	(8)	(712)	238	(2)	236	(970)	14	(956)
Closing fair value	20,375	1,671	22,046	14,506	1,061	15,567	3,163	502	3,685	38,044	3,234	41,278
Closing position												
Closing cost	6,485	1,522	8,007	5,796	958	6,754	1,216	456	1,672	13,497	2,936	16,433
Closing realised losses	(242)	(86)	(328)	(464)	(17)	(481)	-	-	-	(706)	(103)	(809)
Closing unrealised gains	14,132	235	14,367	9,174	120	9,294	1,947	46	1,993	25,253	401	25,654
Closing fair value	20,375	1,671	22,046	14,506	1,061	15,567	3,163	502	3,665	38,044	3,234	41,278

During the six month period ended 31 August 2021, Firefly Energy Limited and Redeven Energy Limited were dissolved. The value of these investments had been written off in a prior period but the cost of the investments and the associated losses have been derecognised during the six month period ended 31 August 2021.

Year ended 28 February 2021 (audited)	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	6,685	2,616	9,301	5,796	1,525	7,321	1,216	514	1,730	13,697	4,655	18,352
Closing realised losses	(442)	(229)	(671)	(464)	(17)	(481)	-	-	-	(906)	(246)	(1,152)
Opening unrealised gains	10,269	189	10,458	7,500	122	7,622	889	30	919	18,658	341	18,999
Opening fair value	16,512	2,576	19,088	12,832	1,630	14,462	2,105	544	2,649	31,449	4,750	36,199
During the year												
Disposal proceeds	-	(780)	(780)	-	(459)	(459)	-	(38)	(38)	-	(1,277)	(1,277)
Unrealised gains	4,367	22	4,389	2,378	6	2,384	820	18	838	7,565	46	7,611
Closing fair value	20,879	1,818	22,697	15,210	1,177	16,387	2,925	524	3,449	39,014	3,519	42,533
Closing position												
Closing cost	6,685	1,836	8,521	5,796	1,066	6,862	1,216	476	1,692	13,697	3,378	17,075
Closing realised losses	(442)	(229)	(671)	(464)	(17)	(481)	-	-	-	(906)	(246)	(1,152)
Closing unrealised gains	14,636	211	14,847	9,878	128	10,006	1,709	48	1,757	26,223	387	26,610
Closing fair value	20,879	1,818	22,697	15,210	1,177	16,387	2,925	524	3,449	39,014	3,519	42,533

The investments are presented as current assets as it is the Company's intention to sell them within the current year.

The shares held by the Company represent equity holdings in unquoted UK companies. The Investment Manager's Report above provides details in respect of the Company's shareholding in each investment and the investments disposed of during the period.

6. Investments (continued)

In order to determine the valuations of the investee companies as at 31 August 2021 (and 28 February 2021), the Company has applied a discount rate to the unleveraged cash flows to calculate the enterprise value of each investee company and has then 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 market value of senior debt in an investee company is its liquidation cost, i.e., the principal balance plus unpaid accrued interest, early repayment fees and swap break cost (if applicable). The market value of the mezzanine debt is determined by discounting the future principal and interest cash flows at a discount rate 9% with a cap on its value equal to 110% of face value.

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 31 August 2021, each of the Company's investments held was valued using inputs which are considered to be Level 3 inputs and a reconciliation of the movements is in the table above.

As at 31 August 2021

	Carrying amount £000	Quoted prices in active markets for identical instruments Level 1 £000	Significant other observable inputs Level 2 £000	Significant unobservable inputs Level 3 £000
Shares	38,044	-	-	38,044
Loan stock	3,234	-	-	3,234
Total	41,278	-	-	41,278

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 (set out in the investment managers report), 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 sensitivity of the value of the portfolio to the application of an increase or decrease in the four key assumptions is set out in the tables below.

Ordinary shares

	Base assumption	Alternative assumptions	Impact on value of investments					
			Downside case			Upside case		
			£'000	Pence per share	%	£'000	Pence per share	%
Energy Prices	Blend of two forecasts	-/+ 10%	(1,723)	(7.1)	(7.8)%	1,718	7.0	7.8%
Output	P50	P75/P25	(1,522)	(6.2)	(6.9)%	1,522	6.2	6.9%
Inflation (RPI)	Bank of England*	-/+ 0.5%	(982)	(4.0)	(4.5)%	1,035	4.2	4.7%
Discount rates	Wind: 7.00%	+/- 0.5%	(960)	(3.9)	(4.4)%	1,017	4.2	4.6%

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Continued

6. Investments (continued)

"C" shares

	Base assumption	Alternative assumptions	Impact on value of investments					
			Downside case			Upside case		
			£'000	Pence per share	%	£'000	Pence per share	%
Energy Prices	Blend of two forecasts	-/+ 10%	(1,399)	(12.4)	(9.0)%	1,397	12.4	9.0%
Output	P50	P75/P25	(1,440)	(12.8)	(9.2)%	1,440	12.8	9.2%
Inflation (RPI)	Bank of England*	-/+ 0.5%	(657)	(5.8)	(4.2)%	690	6.1	4.4%
Discount rates	Wind: 7.00%	+/- 0.5%	(653)	(5.8)	(4.2)%	689	6.1	4.4%

"D" shares

	Base assumption	Alternative assumptions	Impact on value of investments					
			Downside case			Upside case		
			£'000	Pence per share	%	£'000	Pence per share	%
Energy Prices	Blend of two forecasts	-/+ 10%	(368)	(18.5)	(10.0)%	368	18.5	10.0%
Output	P50	P75/P25	(314)	(15.8)	(8.6)%	314	15.8	8.6%
Inflation (RPI)	Bank of England*	-/+ 0.5%	(292)	(14.7)	(8.0)%	310	15.6	8.5%
Discount rates	Wind: 7.00%	+/- 0.5%	(281)	(14.1)	(7.7)%	300	15.1	8.2%

* A detailed explanation of the inflation rate assumption has been set out in the Investment Manager's report.

Further sensitivity analysis is provided in the Investment Manager's Report.

7. Basic and diluted net asset value per share

As at 31 August 2021

		Ordinary Shares	"C" Shares	"D" Shares
Net asset value per share	<i>p per share*</i>	90.5	141.6	188.3
Based on:				
Net asset value	<i>£000</i>	22,079	15,975	3,749
Number of shares	<i>number of shares</i>	24,392,655	11,283,207	1,990,767

As at 28 February 2021 (audited)

		Ordinary Shares	"C" Shares	"D" Shares
Net asset value per share	<i>p per share*</i>	94.1	146.3	178.4
Based on:				
Net asset value	<i>£000</i>	22,954	16,505	3,552
Number of shares	<i>number of shares</i>	24,392,655	11,283,207	1,990,767

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

8. Dividends

A final dividend for the year ended 28 February 2021 of 5.00p per ordinary share was paid to ordinary shareholders on 11 August 2021.

A final dividend for the year ended 28 February 2021 of 6.00p per "C" share was paid to "C" shareholders on 11 August 2021.

A final dividend for the year ended 28 February 2021 of 10.00p per "D" share was paid to "D" shareholders on 11 August 2021.

9. Contingencies, guarantees and financial commitments

The contingencies guarantees and financial commitments of the Company were disclosed in the annual report and financial statements for the year ended 28 February 2021. All the contingencies, guarantees and financial commitments disclosed therein remain in force.

10. Related party transactions

The Directors are related parties of the Company. 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.

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.

	Ordinary Shares £000	"C" shares £000	"D" shares £000	Total £000
Balances as at 31 August 2021				
Investments – shares	20,375	14,506	3,163	38,044
Investments – loan stock	1,671	1,061	502	3,234
Accrued interest income	70	48	13	131
Transactions for the six months ended 31 August 2021				
Loan stock interest income	99	59	26	184
Dividend income	1,133	1,071	242	2,446

	Ordinary Shares £000	"C" shares £000	"D" shares £000	Total £000
Balances as at 31 August 2020				
Investments – shares	16,594	12,615	2,095	31,304
Investments – loan stock	1,957	1,275	544	3,776
Accrued interest income	139	179	157	475
Transactions for the six months ended 31 August 2020				
Loan stock interest income	107	89	38	234
Dividend income	304	234	20	558

	Ordinary Shares £000	"C" shares £000	"D" shares £000	Total £000
Balances as at 28 February 2021 (audited)				
Investments – shares	20,879	15,210	2,925	39,014
Investments – loan stock	1,818	1,177	524	3,519
Accrued interest income	103	73	13	189
Accrued dividends	166	10	22	198
Transactions for the year ended 28 February 2021 (audited)				
Loan stock interest income	339	236	79	654
Dividend income	961	850	165	1,976

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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11. Report distribution

In accordance with the Company's commitment to environmental sustainability and to minimise costs wherever appropriate, the financial statements will continue to be made available through regulated news service providers and will also be available in the Financial Reports section of the Company's website www.ventusvct.com. Any shareholder who wishes to receive notification of reports by email or post may request this by contacting the Registrar, The City Partnership (UK) Limited, The Mending Rooms, Park Valley Mills, Meltham Road, Huddersfield HD4 7BH.



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