

# Gresham House Renewable Energy VCT2 plc

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Half-Yearly Report for the six months  
ended 31 March 2025



**Gresham House**  
Specialist investment

The 21.3MWp of remaining renewable energy projects co-owned by Gresham House Renewable Energy VCT1 plc (VCT1) and Gresham House Renewable Energy VCT2 plc (VCT) generated 5,053 megawatt-hours (MWh) of electricity over the six months ended 31 March 2025, sufficient to meet the annual electricity consumption of circa 1,871 homes<sup>1</sup>. The Investment Adviser estimates that generating this output from renewable energy sources such as solar and wind, rather than coal or gas-fired power stations, saves 2,208 tonnes<sup>2</sup> of carbon dioxide (CO<sub>2</sub>).

<sup>1</sup> Assuming an average annual electricity usage per household of 2.7MWh, as quoted by Ofgem May 2023. "Homes powered" calculated using Renewable UK methodology: MWh divided by average annual domestic electricity consumption. Household power consumption dropped in 2023 due to high power prices.

<sup>2</sup> Assuming an "all non-renewable fuels" emissions statistic of 437tCO<sub>2</sub>/GWh of electricity supplied, BEIS statistics July 2024, Digest of UK Energy Statistics, Table 5.14 ("Estimated carbon dioxide emissions from electricity supplied"). "Carbon avoided" calculated using Renewable UK methodology: Carbon reduction is calculated by multiplying the total amount of electricity generated by solar and wind per year by the number of tonnes of carbon which fossil fuels would have produced to generate the same amount of electricity.

## Investment Objectives

Gresham House Renewable Energy VCT2 plc is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995. Following the adoption of the new investment policy from 13 July 2021 (the New Investment Policy), the VCT's principal objective is to manage the VCT with the intention of realising the sale or monetisation otherwise of all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning value to Shareholders in an orderly manner, whilst protecting the tax position of Shareholders, hereafter defined as Managed Wind Down.

The VCT will pursue its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This process might include sales of individual assets or running of the portfolio in accordance with the existing terms of the assets, or a combination of both.

The detailed investment policy adopted to achieve the investment objectives is set out in the Strategic Report of the Annual Report and Accounts for the year ended 30 September 2024 on pages 18 to 30.

For more information visit <https://greshamhouse.com/real-assets>

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## SHAREHOLDER INFORMATION

### Performance summary

	<b>23 June 2025 Pence</b>	<b>31 Mar 2025 Pence</b>	<b>30 Sep 2024 Pence</b>	<b>31 Mar 2024 Pence</b>
Net asset value per Ordinary Share		35.7	37.9	45.6
Net asset value per 'A' Share		0.1	0.1	0.1
Cumulative dividends *		83.1	83.1	83.1
Total Return *		<u>118.9</u>	<u>121.1</u>	<u>128.8</u>
Share Price – Ordinary (GV2O)	35.0p	35.0p	44.4p	48.0p
Share Price – A Shares (GV2A)	5.05p	5.05p	5.05p	5.05p

\* for a holding of one Ordinary Share and A Share

### Dividends

		<b>Ordinary Shares</b>	<b>'A' Shares</b>	<b>Total</b>
2011 Final	30 March 2012	3.5	-	3.5
2012 Final	28 March 2013	5.0	-	5.0
2013 Special	28 February 2014	7.3	3.7	11.0
2013 Final	28 March 2014	5.0	-	5.0
2015 Interim	18 September 2015	5.0	-	5.0
2016 Interim	16 September 2016	5.0	-	5.0
2017 Interim	15 September 2017	5.0	-	5.0
2018 Interim	14 December 2018	5.5	0.5	6.0
2019 Interim	20 December 2019	5.3	0.5	5.8
2020 Interim	31 December 2020	5.3	0.5	5.8
2022 Interim	27 January 2023	2.0	-	2.0
2023 Interim	28 July 2023	16.5	-	16.5
2023 Interim	21 December 2023	7.5	-	7.5
		<u>77.9</u>	<u>5.2</u>	<u>83.1</u>

Dividends are paid by the registrar, MUFG Corporate Markets, on behalf of the VCT. Shareholders who wish to have dividends paid directly into their bank account and did not complete these details on their original application form can complete a mandate form for this purpose. Forms can be obtained from MUFG Corporate Markets, whose contact details are shown on page 17.

Shareholder information is continued on page 16.

## CHAIRMAN'S STATEMENT

I am pleased to present the Half-Yearly Report of Gresham House Renewable Energy VCT2 plc (VCT) for the period ended 31 March 2025.

The Board appointed Jones Lang LaSalle (JLL) in late 2023 to assist with the sale of the solar assets of the VCT, the sale being the key element of the Managed Wind Down process. The assets continue to be managed by the Investment Adviser with the focus on delivering the best possible yield whilst minimising costs ahead of the sale process. The Investment Adviser has also been diligently supporting the Boards of the VCTs and JLL in progressing the ongoing sale process. The sale process has been challenging given the tough market conditions and specifically large discounts to Net Asset Values for listed renewable energy funds.

Whilst the exclusivity period agreed in 2024 with the original preferred bidder has expired and the offer withdrawn, further non-binding offers have now been received for the remaining solar assets by the date of signing of the half-yearly report for the six months ended 31 March 2025 at the end of June 2025. The original preferred bidder's offer reduced as the projections could not be agreed. JLL, the Boards of both VCTs and the Investment Adviser are continuing to engage with the new bidders to clarify certain aspects of the offers.

As of writing, good progress is being made towards the conclusion of the sale process but until the transaction completes, there is no certainty, as evidenced by the late withdrawal of the previous preferred bidder. The VCT Board's current view is that a transaction has a reasonable prospect of being agreed before the end of the summer.

The technical performance of the solar assets has been positive following maintenance and repowering works carried out. However, given the age of the portfolio, further equipment maintenance has been necessary during the first half-year which has impacted generation. Total revenue was also affected by poor irradiation, resulting in a shortfall for the whole portfolio of 5.3%, versus budget in the six month period ended 31 March 2025.

In determining the Company's fair value at 31 March 2025, the Board used a similar approach to the valuation exercise undertaken at year end September 2024, i.e. the Board considered the current market conditions and the NBO made in the current sale process. Poor market conditions for realising these types of mature solar assets have continued into 2025 with the value of the Company's assets, and the Company's NAV, being adjusted downwards. At the period end, the Company's NAV per 'pair' of shares (one Ordinary Share and one 'A' Share) was 35.8p compared to 38.0p at 30 September 2024.

### Investment portfolio

At 31 March 2025, the VCT held a portfolio of ten investments, which were valued at £13.1mn. There have been no follow-on acquisitions. No investments were disposed of during the six month period.

The portfolio is analysed (by value) between the different types of assets as follows:

Ground mounted solar	97.0%
Small wind	3.0%
Non-renewable assets	0.0%

The Board has reviewed the investment valuations at the half-year end and notes that the valuation of the renewables' portfolio has decreased by £1.0mn or 7.1%, largely due to the passing of time reducing the future cash flows and, as the current market conditions remain challenging, a further market value adjustment of the solar and wind assets.

The portfolio still benefits from having locked in PPAs at attractive power prices which have generated strong returns over the first six months of this financial year.

As referred to in previous reports, there was a concern in relation to the connection of the South Marston solar park to the grid, arising from the decision by Honda to close its site and sell the land to a third party. It took considerable time and effort to reach an agreement with the new owner of the site. The documentation was finally completed in April 2025 having gained lender consent beforehand as required. This removes what was seen as an impediment to a sale of this asset.

Kingston and Lake Farm, two of the large solar assets, have been impacted by the deterioration of some of their solar panels. This allows moisture to enter the panels, which in turn causes electrical faults. These faults have an impact on the sites' capacity, leading to circa 9% of Kingston and 11% of Lake Farm being disconnected. The Investment Adviser has been pursuing warranty claims against the manufacturers of these solar panels for some time. These have progressed well during the six month period and offers have been made for compensation which the Investment Adviser has accepted. One manufacturer has provided replacement panels whilst the other will be making a cash settlement. The replacement panels from the first manufacturer were received during May 2025 and preparatory work ahead of their installation is underway. The Investment Adviser is therefore working to restore the lost output from the 9-11% of the sites' capacity that was disconnected. This should significantly improve the output and revenues from both sites.

In order to maintain VCT status, the Company needs to ensure that it maintains certain percentages of qualifying investments within its portfolio. The Board anticipates that the Company will fall below these required percentages by mid-September 2025. Therefore, to avoid a breach of VCT status, the Board has been advised that the Company may need to enter a members' voluntary liquidation by beginning of September 2025 which would involve delisting the Company's shares. However, the Board is seeking to take other steps that are available to avoid a technical breach. It is the Boards intention to make every effort to have agreed a sale of assets before the need to go into liquidation.

### Venture Capital investments

The VCT holds one investment that is not in renewable energy. The company, bio-bean Limited, went into administration in April 2023 and is in the process of liquidation. No recovery of any value is expected. The value of the venture capital investment was marked down to £nil at 31 March 2023.

Further detail on the investment portfolio is provided in the Investment Adviser's Report.

### Net asset value and results

At 31 March 2025, the NAV per Ordinary Share stood at 35.7p and the NAV per 'A' Share stood at 0.1p, producing a combined total of 35.8p per 'pair' of shares. The movement in the NAV per share during the half-year is detailed in the table below:



	Pence per 'pair' of shares
<b>NAV as at 30 September 2024</b>	<b>38.0</b>
Realised losses on assets still held	(2.5)
Valuation decrease on assets still held	(1.3)
Income less expenses	1.6
<b>NAV as at 31 March 2025</b>	<b>35.8</b>

The NAV Total Return (NAV plus cumulative dividends) has decreased by 1.8% in the last six months and now stands at 118.9p excluding the initial 30% VCT tax relief, compared to the cost to investors in the initial fundraising of £1.00 or 70.0p net of income tax relief.

The loss on ordinary activities after taxation for the half-year was £0.6mn (31 March 2024: £0.6mn), comprising a revenue profit of £0.4mn (31 March 2024: £1.1mn) and a capital loss of £1.0mn (31 March 2024: £1.7mn) as shown in the Income Statement.

#### Dividends

At 31 March 2025, dividends of 83.1p per 'pair' of shares had been paid. No dividends were paid during the six month period. Once the assets have been sold, the intention is to return all sale proceeds to shareholders through dividend distributions or, if the VCT has since entered voluntary liquidation, via capital distributions.

#### 2025 Annual General Meeting (AGM)

The VCT's fourteenth AGM was held on 18 March 2025 at 4:00 p.m. All resolutions were passed by way of a poll.

#### Share Buybacks

As noted in previous Reports, no share buybacks are envisaged for the foreseeable future.

#### Outlook

The two positive developments regarding the Company's assets namely the resolution of the South Marston grid connection agreement with the new Honda factory site owner and the agreed warranty claims for replacement equipment at two projects will make the Company's assets more attractive to interested parties which the Board is in discussion with. The Board is determined to ensure the sales process achieves maximum value for shareholders and anticipates agreeing a sale in late summer.

Once again, I would like to thank Shareholders for their patience and continued interest and support.

**Christian Yates**

**Chairman**

25 June 2025

# Investment Adviser's Report

## Portfolio highlights

Gresham House Renewable Energy VCT2 plc (VCT) remains invested in the renewable energy projects that the VCT and Gresham House Renewable Energy VCT1 plc (VCT1) have co-owned for a period of between eleven to fourteen years, depending on the asset. The total generation capacity of assets co-owned by the VCT is 21.3MWp, made up of 20.3MWp from six ground mounted solar FIT projects and 1MWp of micro-wind projects spread across approximately 200 sites. At 31 March 2025, the VCT also owned one venture capital investment which is in the process of liquidation.

Work to sell the remainder of the VCT's assets has continued, with JLL as the Corporate Finance Adviser who launched a sale process at the end of 2023 which ultimately stalled at the end of 2024, with the preferred buyer eventually withdrawing in March 2025. Given the time that has lapsed, JLL have refreshed the marketing material to update it for the significant improvements in both South Marston and the successful warranty claims before issuing the materials to other interested parties who have recently expressed an interest in the acquisition. The Investment Adviser continues to manage the assets and deliver the best possible yield from them, whilst also supporting the Boards of the VCTs and JLL in advancing the sale process.

For the purpose of determining the Net Asset Value (NAV) for the Company's portfolio, the Investment Adviser has reviewed the fair market value for the six month period to 31 March 2025 on the same basis as the last valuation. It is the VCT Directors who have the responsibility of valuing the Company's assets based on input from the Investment Adviser. The valuation presented in this half-yearly report reflects the Directors' view of the fair market value of the Company's assets.

During the half year, the total revenue from renewable energy generation was £3.3mn (31 March 2024: £3.6mn). 82.7% of this revenue is from Feed-in- Tariff revenues which are set by the UK Government. The total revenue from the renewable assets was 5.3% below forecast budget, primarily due to lower than forecast solar irradiation in the period and technical issues related to the age of the assets. Only March 2025 exceeded its monthly forecast whilst November 2024, December 2024 and February 2025 saw particularly low solar irradiation (sun) compared to previous years.

Due to the age of the VCT's assets, additional maintenance is required to keep them operating effectively. Wychwood and Parsonage benefitted from a program of inverter replacement during the period enabling improved technical performance for those sites. Lake Farm and Kingston will need warranty claims to be implemented over the coming months in order to reverse the decline in their output as a result of failed components.

The VCT holds an investment in what was expected to be growth business: bio-bean Limited. As highlighted in the last annual report, the business regrettably went into administration and as such its holding value was written down to zero.

## Portfolio composition

		31 March 2025		30 September 2024	
Asset type	kWp	VCT 2 Value** £'000	% of Portfolio value	Value VCT 2** £'000	% of Portfolio value
Ground mounted solar (FiT)*	20.292	£12,689	97.0%	£13,040	92.7%
Wind assets (FiT)*	985	£391	3.0%	£1,033	7.3%
Venture Capital investments	N.A.	£0	0.0%	£0	0.0%
<b>TOTAL</b>	<b>21.277</b>	<b>£13,080</b>	<b>100.0%</b>	<b>£14,073</b>	<b>100.0%</b>

\*Feed in Tariff (FiT)

\*\* The investment values above are gross and include loans owed by the VCT to the investment portfolio companies of £4.0mn at 31 March 2025 (30 September 2024: £4.3mn) as reflected in the net assets on the VCT's balance sheet.

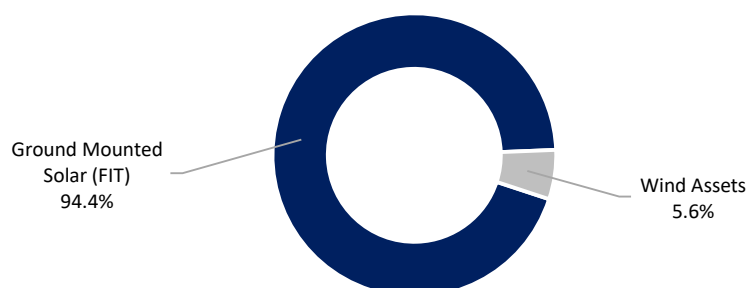
The 21.3 MWp of renewable energy projects held in the portfolio of the VCT and VCT1 as 31 March 2025 generated 5,053MWh of electricity over the half year, sufficient to meet the annual electricity consumption of circa 1,871 homes<sup>1</sup>. The Investment Adviser estimates that generating this output from renewable energy sources such as solar and wind, rather than coal or gas-fired power stations, saves 2,208 tonnes of CO<sub>2</sub>.

<sup>1</sup> Assuming an average annual electricity usage per household of 2.7MWh, as quoted by Ofgem May 2023. "Homes powered" calculated using Renewable UK methodology: MWh divided by average annual domestic electricity consumption. Household power consumption dropped in 2023 due to high power prices.

<sup>2</sup> Assuming an "all non-renewable fuels" emissions statistic of 437tCO<sub>2</sub>/GWh of electricity supplied, BEIS statistics July 2024, Digest of UK Energy Statistics, Table 5.14 ("Estimated carbon dioxide emissions from electricity supplied"). "Carbon avoided" calculated using Renewable UK methodology: Carbon reduction is calculated by multiplying the total amount of electricity generated by solar and wind per year by the number of tonnes of carbon which fossil fuels would have produced to generate the same amount of electricity.

## Portfolio summary:

### Renewable Energy Revenue By Asset Type



The performance against budget for the half year period is shown below:

Asset type	1 October 2024 – 31 March 2025		
	Budgeted revenue	Actual revenue	Revenue performance
Ground mounted solar (FiT)	3,197,388	3,122,149	97.7%
Micro-wind assets	294,667	185,049	62.8%
<b>Total</b>	<b>3,492,055</b>	<b>3,307,198</b>	<b>94.7%</b>

The revenue is affected by:

- renewable energy resources (solar irradiation & wind);
- the technical performance of the assets; and
- the revenue per unit of energy generated.

The difference between budgeted and actual revenue is due only to the difference between forecast generation and actual generation as power prices and tariff levels were known at the time of setting the budget.

#### Renewable energy resources

The portfolio is heavily weighted to solar (95.4% by capacity of the renewable assets, and 97.0% by value of the portfolio).

#### Technical performance

The table below shows the technical performance, (including in the case of solar, the impact of the lower irradiation), for each of the groups of assets.

Asset type	1 October 2024 – 31 March 2025			1 October 2023 – 31 March 2024
	Budgeted output kWh	Actual output kWh	% of Technical performance*	Actual output kWh (in the same period last year)
Ground mounted solar (FiT)	5,483,635	5,052,581	92.1%	5,011,043
Micro-wind assets	632,571	397,251	62.8%	561,154
<b>TOTAL</b>	<b>6,116,206</b>	<b>5,449,833</b>	<b>89.1%</b>	<b>5,572,197</b>

\* Technical performance is a measure of the percentage of actual output over budgeted output.

Three of the six ground-mounted solar projects have been repowered and other repairs have been carried out following successful warranty claims. This has led to improved performance across the portfolio. Two of the sites, Kingston and Lake Farm are experiencing faults due to the early deterioration of solar panels which in turn leads to water ingress. The Investment Adviser has raised warranty claims against the two manufacturers, both of which have now accepted the faults and offered compensation. One of the manufacturers has provided replacement solar panels which were delivered during May 2025. The other will be providing cash compensation. The Investment Adviser is in the final stages of concluding the agreement with the second manufacturer. Preparation work has begun, to plan the replacement of faulty panels in the most cost-effective way.

Two smaller sites, Wychwood and Parsonage, had some inverters that no longer functioned. These inverters are now obsolete. Wychwood had all its inverters repowered during the period. Some of its original inverters that still work were used to replace the failed inverters at Parsonage. The remainder of the functional original inverters have been placed in storage and will continue to be used as spares to replace future failed inverters at Parsonage if required. This approach is cost effective and should extend the economic life of Parsonage by a few years as well as boosting the technical performance of Wychwood.

South Marston (4.97MW) has historically sold all of its power to the Honda plant in Swindon. The Honda plant was closed in 2021 and the site was sold to Panattoni, a commercial real estate/logistics developer, in February 2024. Panattoni have been granted planning permission to redevelop the site, creating 10 buildings to be used as manufacturing sites and distribution warehouses. This transfer of ownership and redevelopment required changes to the South Marston grid connection arrangements and the implementation of an independent Distribution Network Operator (iDNO) solution. iDNOs are similar to DNOs in that they also own, operate and maintain electricity infrastructure. The networks they adopt are typically new installed assets, such as connections to new developments, which will connect back onto the DNO's network. Unlike DNOs, iDNOs do not have a specific geographic area. The Investment Adviser has been liaising with Honda, Panattoni, and various advisers to ensure the viability of the solar park and continuity to power export. The new contracts between South Marston Renewables Ltd, Honda and Panattoni were granted lender consent and were completed in April 2025.

The micro-wind portfolio performed 37.2% lower than budget (12.7% lower than budget in the corresponding period last year). The Investment Adviser attributes the lower performance to a combination of inverter failures and general wear and tear which leads to turbines being off for refurbishment, where applicable. Micro-wind assets account for less than 5% of the portfolio in terms of capacity, so the Investment Advisor seeks to balance performance against considerable refurbishment costs, given the current sales process. During the period, two turbines which were deemed uneconomical to repair, were handed over to their landowner. The entire wind portfolio is composed of R9000 turbines, which have generally performed satisfactorily and have the support of an experienced O&M contractor with access to spare parts and maintenance crews.

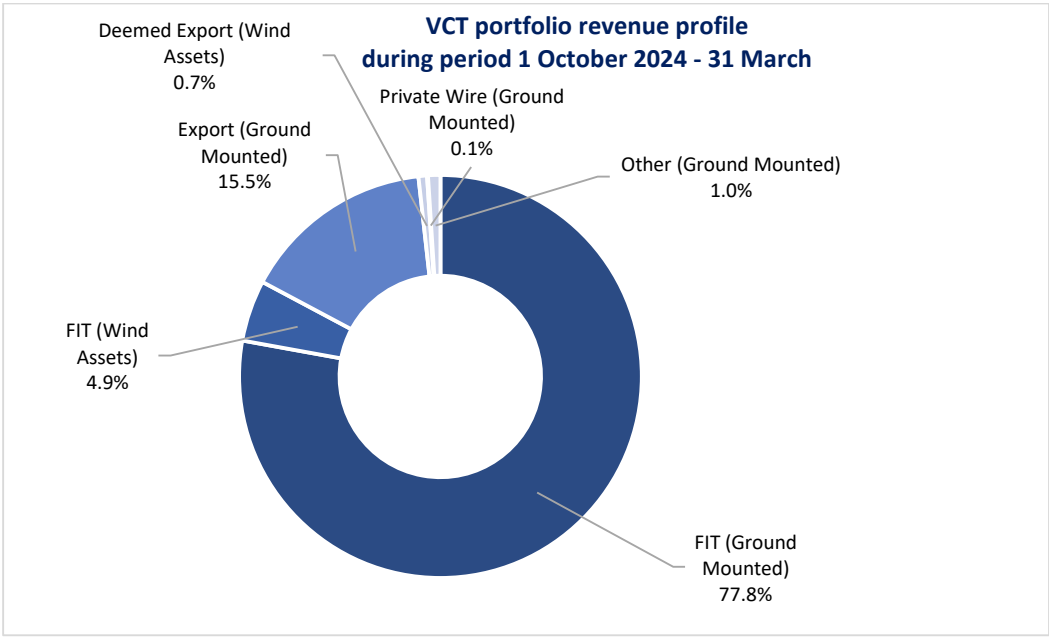
#### Revenue per MWh of renewable energy generated

The VCT's assets benefit from revenues linked to the Retail Price Index (RPI), with c.83.0% of total revenues generated in the period earned from government backed incentives for generating renewable electricity. This income is fixed by the government, is RPI linked and is a significant driver of value in the portfolio. The rest of the revenue is based on wholesale price which has dropped significantly since its peak following Russia's invasion of Ukraine. Total revenues per MWh generated by the solar assets were almost £620 during the period, compared to £650 during the six months prior.

The high proportion of income that is fixed by the FiT scheme is RPI linked and not exposed to wholesale power prices and is a significant driver of value in this portfolio. This enables the portfolio to be largely insulated from any significant reductions in the wholesale price of electricity whilst allowing it to benefit from increases such as those experienced in 2022.



The significance of the government backed incentives to revenues is shown by the following chart.



**Operating costs**

The majority of the cost base is fixed and/or contracted under long-term contracts and includes rent, business rates, and regular O&M costs. Many of these costs have also risen in line with inflation.

The most material variable cost item is for repair and maintenance. Repair and maintenance expenditure for the remaining ground mounted solar panels is largely covered by cash held in the maintenance reserve account as part of the debt facility totalling £456k at the end of the half year.

**Outlook**

The Investment Adviser’s continued focus is to maximise generation and therefore revenues from the remaining assets, whilst supporting the Board’s efforts to realise the maximum exit value for Shareholders.

The assets that were enhanced through inverter and transformer replacements demonstrate a sustained improvement in performance. The generation outlook at Lake Farm and Kingston remains challenging until the faulty components are replaced, which will be a focus for the Investment Advisor over the coming period or until the sale of these asset. The Investment Adviser remains vigilant for signs of further degradation so that the impact on availability can be managed and reduced.

The Investment Adviser is working alongside JLL to facilitate the due diligence process currently underway with potential buyers.

**Gresham House Asset Management Limited**

25 June 2025

## UNAUDITED INCOME STATEMENT

for the six months ended 31 March 2025

	Six months ended 31 March 2025			Six months ended 31 March 2024			Year ended 30 September 2024
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Total £'000
Income	687	-	687	1,445	-	1,445	1,695
(Losses)/gains on investments	-	(993)	(993)	-	(1,596)	(1,596)	(3,552)
	687	(993)	(307)	1,445	(1,596)	(151)	(1,857)
Investment advisory fees	(58)	(19)	(77)	(73)	(24)	(97)	(172)
Other expenses	(188)	(1)	(189)	(214)	(98)	(312)	(555)
<b>Profit/ (loss) on ordinary activities before taxation</b>	441	(1,013)	(572)	1,158	(1,718)	(560)	(2,584)
Tax on total comprehensive income and ordinary activities	-	-	-	-	-	-	-
<b>Profit/ (loss) attributable to equity Shareholders</b>	441	(1,013)	(572)	1,158	(1,718)	(560)	(2,584)
<b>Earnings per Ordinary Share</b>	1.7p	(3.9)p	(2.2)p	4.4p	(6.5)p	(2.1)p	(9.9p)
<b>Earnings per 'A' Share</b>	-	-	-	-	-	-	-

The above results arise from activities classified as continuing operations, however as described in Note 1, the VCT is in a Managed Wind Down process. The total column within the Income Statement represents the Statement of Total Comprehensive Income of the VCT prepared in accordance with Financial Reporting Standards (FRS 102). The supplementary revenue and capital return columns are prepared in accordance with the Statement of Recommended Practice issued in November 2014 (updated in July 2022) by the Association of Investment Companies (AIC SORP).

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses are recognised in the Income Statement as noted above.

## UNAUDITED BALANCE SHEET

as at 31 March 2025

	31 March 2025 £'000	31 March 2024 £'000	30 September 2024 £'000
<b>Current assets</b>			
Investments (Note 9)	13,080	16,104	14,074
Costs incurred on sale of VCT's assets	368	237	305
Debtors	50	47	51
Cash at bank and in hand	12	2	1
	<u>13,510</u>	<u>16,390</u>	<u>14,431</u>
<b>Creditors: amounts falling due within one year</b>	<u>(4,140)</u>	<u>(4,424)</u>	<u>(4,489)</u>
<b>Net current assets</b>	<u><b>9,370</b></u>	<u><b>11,966</b></u>	<u><b>9,942</b></u>
<b>Creditors: amounts falling due after more than one year</b>	-	-	-
<b>Net assets</b>	<u><b>9,370</b></u>	<u><b>11,966</b></u>	<u><b>9,942</b></u>
<b>Capital and reserves</b>			
Called up Share capital	71	71	71
Treasury Shares (Note 8)	(3,404)	(3,403)	(3,404)
Special reserve (Note 8)	8,736	8,733	8,736
Revaluation reserve (Note 8)	9,479	10,025	9,830
Capital reserve - realised (Note 8)	(5,980)	(3,462)	(5,318)
Revenue reserve (Note 8)	468	2	27
<b>Equity shareholders' funds</b>	<u><b>9,370</b></u>	<u><b>11,966</b></u>	<u><b>9,942</b></u>
<b>Net asset value per Ordinary Share</b>	<b>35.7p</b>	<b>45.6p</b>	<b>37.9p</b>
<b>Net asset value per 'A' Share</b>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>	<u><b>0.1p</b></u>
	<u><b>35.8p</b></u>	<u><b>45.7p</b></u>	<u><b>38.0p</b></u>

The financial statements of Gresham House Renewable Energy VCT2 plc on pages 7 to 15 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

**Christian Yates**

**Chairman**

Company number: 07378395

Date: 25 June 2025

## UNAUDITED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2025

	Called up Share capital £'000	Treasury Shares £'000	Special reserve £'000	Revaluation reserve £'000	Capital Reserve - realised £'000	Revenue reserve £'000	Total £'000
<b>As at 1 October 2023</b>	71	(3,403)	9,713	11,546	(3,265)	(176)	14,486
Dividend paid	-	-	(980)	-	-	(980)	(1,960)
Total comprehensive (loss)/profit	-	-	-	(1,717)	(2,052)	1,184	(2,584)
<b>As at 30 September 2024</b>	71	(3,403)	8,736	9,830	(5,318)	27	9,942
Total comprehensive (loss)/profit	-	-	-	(351)	(662)	441	(572)
<b>As at 31 March 2025</b>	<b>71</b>	<b>(3,404)</b>	<b>8,736</b>	<b>9,479</b>	<b>(5,980)</b>	<b>468</b>	<b>9,370</b>

## UNAUDITED STATEMENT OF CASH FLOWS

for the six months ended 31 March 2025

	31 March 2025 £'000	31 March 2024 £'000	30 September 2024 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) on ordinary activities before taxation	(572)	(560)	(2,584)
Losses on investments	993	1,596	3,552
Cost incurred on sale of VCT's assets write off	-	-	98
Dividend income	(679)	(1,425)	(1,667)
Interest income	(8)	(20)	(28)
(Increase)/decrease in other debtors	(1)	9	1
(Decrease)/ increase in other creditors	(350)	608	608
<b>Net cash (outflow)/ inflow from operating activities</b>	<b>(617)</b>	<b>208</b>	<b>(20)</b>
<b>Cash flows from investing activities</b>			
Net proceeds from sale of investments/ loan note redemptions	-	(75)	338
Costs incurred on sale of VCT's assets	(62)	22	(84)
Interest received	11	40	56
Dividend income received	679	1,425	1,667
<b>Net cash inflow from investing activities</b>	<b>628</b>	<b>1,412</b>	<b>1,977</b>
<b>Net cash inflow before financing activities</b>	<b>11</b>	<b>1,620</b>	<b>1,957</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	-	(1,960)	(1,960)
Redemption of loan notes	-	338	-
<b>Net cash outflow from financing activities</b>	<b>-</b>	<b>(1,622)</b>	<b>(1,960)</b>
<b>Net increase/ (decrease) in cash</b>	<b>11</b>	<b>(2)</b>	<b>(3)</b>
Cash and cash equivalents at start of period	1	4	4
<b>Cash and cash equivalents at end of period</b>	<b>12</b>	<b>2</b>	<b>1</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand	12	2	1
<b>Total cash and cash equivalents</b>	<b>12</b>	<b>2</b>	<b>1</b>

## SUMMARY OF INVESTMENT PORTFOLIO AND MOVEMENTS

for the six months ended 31 March 2025

### Investment Portfolio as at 31 March 2025

Qualifying and partially qualifying investments	Operating sites	Sector	Cost £'000	Valuation £'000	Valuation movement in period £'000	% of portfolio by value
Lunar 2 Limited <sup>1,4</sup>	South Marston, Beechgrove	Ground solar	1,330	11,208	(293)	85.6%
Lunar 1 Limited <sup>1,4</sup>	Kingston Farm, Lake Farm	Ground solar	124	623	(24)	4.8%
New Energy Era Limited <sup>4</sup>	Wychwood Solar Farm	Ground solar	884	452	(18)	3.5%
Vicarage Solar Limited <sup>4</sup>	Parsonage Farm	Ground solar	871	406	(16)	3.1%
HRE Willow Limited <sup>3</sup>	HRE Willow	Small wind	875	199	(283)	1.5%
Minsmere Power Limited <sup>3</sup>	Minsmere	Small wind	975	76	(121)	0.6%
Tumblewind Limited <sup>3</sup>	Tumblewind	Small wind	850	59	(155)	0.5%
Small Wind Generation Limited <sup>3</sup>	Small Wind Generation	Small wind	975	56	(83)	0.4%
bio-bean Limited <sup>2</sup>	Cambridgeshire	Clean energy	695	-	-	0.0%
Lunar 3 Limited <sup>1,4</sup>		Ground solar	1	-	-	0.0%
			<u>7,580</u>	<u>13,080</u>	<u>(993)</u>	<u>99.9%</u>
Cash at bank and in hand				12		0.1%
Total investments				<u>13,092</u>		<u>100.0%</u>

<sup>1</sup> Partially qualifying investment

<sup>2</sup> bio-bean Limited was permanently impaired as at 31 March 2023. At the date of signing the VCTs half-yearly report 31 March 2025, bio-bean's liquidation is ongoing.

<sup>3</sup> £0.6mn of the valuation movement has been recognised as a realised loss at 31 March 2025.

<sup>4</sup> The individual portfolio company valuations are based on the estimated realisation proceeds from the ongoing sales process allocated by MWh per solar investment and number of turbines per wind investment. Lunar 2 Limited holds a higher beneficial interest in other solar companies within the group structure resulting in a higher allocated proportion of the estimated realisation proceeds.

All venture capital investments are incorporated in England and Wales.

Gresham House Renewable Energy VCT1 plc, of which Gresham House Asset Management Limited (GHAM) is the Investment Adviser, holds the same investments as above.



## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

### 1. General information

Gresham House Renewable Energy VCT2 plc (VCT) is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995 and is domiciled in the United Kingdom and incorporated in England and Wales (Company No. 07378395). The Company's principal activity is that of a VCT which invests in renewable energy investments. The registered office of the Company is The Scalpel 18th floor, 52 Lime Street, London, EC3M 7AF. Its share capital is denominated in Pound Sterling (GBP) and consists of Ordinary shares and 'A' shares.

At the general meeting on 13 July 2021, the proposed special resolution was approved by Shareholders, resulting in the VCTs entering a Managed Wind Down and a new investment policy replacing the existing investment policy. The VCT's principal objective is to manage the VCT with the intention of realising the sale or monetisation otherwise of all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning value to Shareholders in an orderly manner. Given that a formal decision has been made to wind up the VCT, the Directors intend to liquidate the VCT.

The VCT will pursue its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This process includes sales of individual assets. The VCT will enter members' voluntary liquidation, anticipated by mid-September 2025, or will take other steps that are available to avoid a technical breach of VCT status.

Since the start of the Managed Wind Down in July 2021, the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. On this basis, the Directors have prepared the VCT's financial statements on a basis other than going concern. As a result, the investments held at fair value through profit or loss were transferred from fixed assets to current assets in the 30 September 2021 annual financial statements and subsequent periods. No additional adjustments have been made to the unaudited half-yearly results covering the six months to 31 March 2025 as a result of them being prepared on a basis other than going concern.

### 2. Accounting policies - Basis of accounting

The unaudited half-yearly results cover the six months to 31 March 2025 and have been prepared in accordance with the accounting policies set out in the annual accounts for the year ended 30 September 2024 which were prepared under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in accordance with the Statement of Recommended Practice (SORP) "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies (AIC) in November 2014 (updated in July 2022) (SORP) as well the Companies Act 2006.

3. All revenue and capital items in the Income Statement derive from continuing operations, however as described in Note 1, the VCT is in a Managed Wind Down process.
4. The VCT has only one class of business and derives its income from investments made in shares, securities and bank deposits.
5. Net asset value per share at the period end has been calculated on 26,133,036 Ordinary Shares and 39,463,845 'A' Shares, being the number of shares in issue at the period end, excluding Treasury Shares.
6. Return per share for the period has been calculated on 26,133,036 Ordinary Shares and 39,463,845 'A' Shares, being the weighted average number of shares in issue during the period, excluding Treasury Shares.
7. **Dividends**

	Period ended 31 March 2025		Year ended 30 September 2024
	Special reserve	Capital Total	Total
	£'000	£'000	£'000
<b>Dividends paid</b>			
2023: Interim Ordinary - 7.5p	-	-	1,960
	-	-	1,960

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 8. Reserves

	Period ended 31 March 2025 £'000	Year ended 30 September 2024 £'000
Treasury shares	(3,404)	(3,404)
Special reserve	8,736	8,736
Revaluation reserve	9,479	9,830
Capital reserve-realised	(5,980)	(5,318)
Revenue reserve	468	27
	<u>9,299</u>	<u>9,871</u>

The Special reserve is available to the VCT to enable the purchase of its own shares in the market. The Special reserve, Capital reserve - realised and Revenue reserve are all distributable reserves for the purposes of dividend payments to Shareholders. At 31 March 2025, distributable reserves were £3.2mn (30 September 2024: £3.4mn).

### 9. Investments

The fair value of investments is determined using the detailed accounting policies as referred to in note 2.

The VCT has categorised its financial instruments using the fair value hierarchy as follows:

- Level 1 Reflects financial instruments quoted in an active market;
- Level 2 Reflects financial instruments that have prices that are observable either directly or indirectly; and
- Level 3 Reflects financial instruments that use valuation techniques that are not based on observable market data (unquoted equity investments and loan note investments).

	31 March 2025				30 September 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000
Unquoted loan notes	-	-	330	330	-	-	330	330
Unquoted equity	-	-	12,750	12,750	-	-	13,744	13,744
	<u>-</u>	<u>-</u>	<u>13,080</u>	<u>13,080</u>	<u>-</u>	<u>-</u>	<u>14,074</u>	<u>14,074</u>

Reconciliation of fair value for Level 3 financial instruments held at the period end:

	Unquoted loan notes £'000	Unquoted equity £'000	Total £'000
Balance at 30 September 2024	330	13,744	14,074
<i>Movements:</i>			
<i>Unrealised losses in the income statement</i>	-	(351)	(351)
<i>Impairment realised during the period</i>	-	(642)	(642)
Balance at 31 March 2025	<u>330</u>	<u>12,751</u>	<u>13,080</u>

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 10. Risks and uncertainties

Under the Disclosure and Transparency Directive, the Board is required in the VCT's half-year results to report on principal risks and uncertainties facing the VCT over the remainder of the financial year.

The Board has concluded that the key risks facing the VCT over the remainder of the financial period are as follows:

- (i) Asset diversification risk associated with a Managed Wind Down, the value of the portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of assets exposure will be affected accordingly;
- (ii) market risk in respect of the various assets held by the investee companies;
- (iii) failure to maintain approval as a VCT;
- (iv) risk surrounding the sale of the VCT's solar assets; and
- (v) economic risk due to several geo-political events.

The VCT's compliance with the VCT regulations is continually monitored by the VCT Status Adviser, who reports regularly to the Board on the current position. The VCT has appointed Philip Hare & Associates LLP as VCT Status Adviser, who will work closely with the Investment Adviser and provide regular reviews and advice in this area. The Board considers that this approach reduces the risk of a breach of the VCT regulations to a minimal level. In order to maintain VCT status, the Company needs to ensure that it maintains an excess over a % threshold of qualifying investments within its portfolio. The Board anticipates that the Company may fall below these percentages as the asset realisation process continues. Therefore, to avoid a breach of VCT status, the Board has been advised that the Company may in due course need to start the process of a members' voluntary liquidation which would involve delisting of the Company's shares.

There is a risk that the VCT's solar assets may not be realised at their carrying value, and the sale commissions, such as liquidation costs and other costs associated with the realisation of the VCT's assets, may reduce cash available for distribution to Shareholders. Furthermore, there is a risk that the sale of the VCT's assets may prove materially more complex than anticipated which may delay distribution of proceeds to Shareholders. To mitigate these risks, the VCT's Board has engaged several experts in this field to ensure an appropriate sale price is reached. The Directors will ensure that the sale price reflects the best available offer for the Company's assets taking into account future income generation by the portfolio and the age and condition of the assets. In addition, the Board reviews quarterly cash flow forecasts, prepared by the Investment Adviser, and has considered the impact of additional costs likely to be incurred during the Managed Wind Down of the VCT.

The Board has considered the several geo-political events and the impact of the higher interest rates on the VCT. Where investments in loan stock attract interest, this is predominately charged at fixed rates.

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS (continued)

### 11. Going concern

At the General Meeting on 13 July 2021 a formal decision was made to wind the VCT up.

In assessing the VCT as a going concern, the Directors have considered the forecasts which reflect the proposed strategy for portfolio investments and the results of the continuation votes at the AGM and General Meeting held on 22 March 2021 and 13 July 2021 respectively.

Although the continuation vote was passed by VCT1 at the AGM, there were a significant number of votes against this resolution and the shareholders of this VCT voted against continuation. This required the VCTs to draw up proposals for voluntary liquidation, reconstruction or other re-organisation for consideration by the members at the General Meeting held on 13 July 2021. At this meeting the proposed special resolution was approved by shareholders, resulting in the VCT entering a managed wind-down and a new investment policy replacing the existing investment policy. The Board agreed to realise the VCT's investments in a manner that achieves balance between maximising the net value received from those investments and making timely returns to shareholders. This process includes sales of individual assets. The VCT will enter members' voluntary liquidation, anticipated by mid-September 2025, or will take other steps that are available to avoid a technical breach of VCT status. The board and the Investment adviser have consulted the VCTs status and legal advisers on Members Voluntary Liquidation actions and timing to ensure that the VCTs will enter voluntary liquidation timely.

Since the start of the Managed Wind Down in July 2021, the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. On this basis, the Directors have prepared the VCT's financial statements on a basis other than going concern.

The Board notes that the VCT has adequate resources from its investments to be moved up to the VCT as and when required to pay its liabilities, during the managed wind-down, and to continue in business until the formal liquidation and wind-up commences.

### 12. Events after the end of the reporting period

No significant events have occurred between the statement of financial position date and the date when the financial statements have been approved, which would require adjustments to, or disclosure in the financial statements.

### 13. The unaudited financial statements set out herein do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and have not been delivered to the Registrar of Companies.

### 14. The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with the "Statement: Half-Yearly Financial Reports" issued by the UK Accounting Standards Board and the Half-Yearly Report includes a fair review of the information required by:

- a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

Copies of the Half-Yearly Report can be obtained from the VCT's registered office or can be downloaded from [www.greshamhouse.com/real-assets](http://www.greshamhouse.com/real-assets).

## SHAREHOLDER INFORMATION

### **Selling shares**

The VCT is not currently buying in shares as the VCT needs to conserve such cash as it generates for the running of the VCT and the payment of dividends. The Board reviews the buyback policy from time to time and may make changes if it considers that to be in the best interest of Shareholders as a whole. The VCT is only able to make market purchases of shares, so Shareholders will need to use a stockbroker to sell any shares. Disposing of shares is likely to have significant tax implications, so Shareholders are urged to contact their independent financial adviser before making a decision. If you are considering selling your shares or wish to buy shares in the secondary market, please contact the VCT's Corporate Broker, Panmure Liberum Limited (Panmure). Panmure can be contacted as follows:

Chris Lloyd  
0207 886 2716  
[chris.lloyd@panmure.com](mailto:chris.lloyd@panmure.com)

Paul Nolan  
0207 886 2717  
[paul.nolan@panmure.com](mailto:paul.nolan@panmure.com)

### **Notification of change of address**

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address, or other amendment, this should be notified to the VCT's registrar, MUFG Corporate Markets, under the signature of the registered holder.

### **Other information for Shareholders**

Up-to-date VCT information (including financial statements, share prices and dividend history) is available on the Investment Adviser's website at:

[www.greshamhouse.com/real-assets](http://www.greshamhouse.com/real-assets)

If you have any queries regarding your shareholding in Gresham House Renewable Energy VCT2 plc, please contact the registrar MUFG Corporate Markets by post, by phone or by email. The registrar's contact details can be found on the following page.

## COMPANY INFORMATION

### Directors

Christian Yates (Chairman)  
Andrew Donovan  
Matthew Evans

### Company Secretary and Registered Office

JTC (UK) Limited  
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52 Lime Street  
London EC3M 7AF

### Registered number

07378395

### Investment Adviser

Gresham House Asset Management Limited  
5 New Street Square  
London EC4A 3TW  
Tel: 020 3837 6270  
[www.greshamhouse.com](http://www.greshamhouse.com)

### Administrator

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52 Lime Street  
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Tel: 020 7409 0181  
[www.jtcgroup.com](http://www.jtcgroup.com)

### Registrar

MUFG Corporate Markets, a division of MUFG Pension & Market Services (formerly Link Group)  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

MUFG Corporate Markets Customer Support Centre can be contacted: by phone on UK – 0371 664 0300 (calls are charged at the standard geographic rate and will vary by provider). Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open Monday to Friday 9:00 a.m. to 5:30 p.m. excluding public holidays in England and Wales).

By email: [vcts@cm.mpms.mufg.com](mailto:vcts@cm.mpms.mufg.com)





**Gresham House**  
Specialist investment