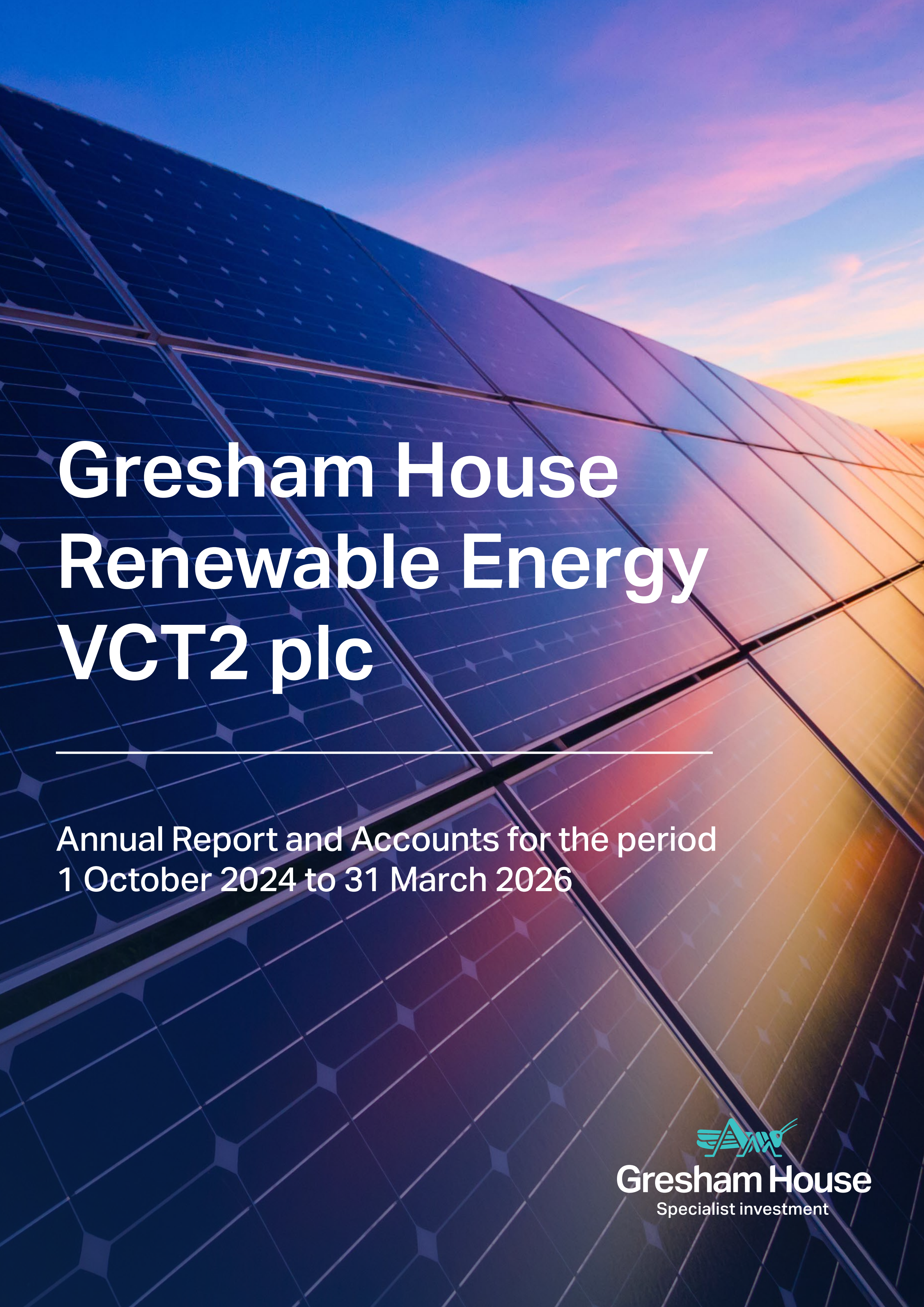


Gresham House Renewable Energy VCT2 plc

Annual Report and Accounts for the period 1 October 2024 to 31 March 2026

Gresham House
Specialist investment

The 21.3MWp of renewable energy projects, which reduced to 20.3 MWp remaining after the sale of the small wind assets on 23 February 2026, co-owned by Gresham House Renewable Energy VCT2 plc (the VCT or VCT2 or the Company) and Gresham House Renewable Energy VCT1 plc (VCT1) generated 26,071 megawatt-hours (MWh) of electricity over the 18 months ended 31 March 2026, sufficient to meet the annual electricity consumption of c. 9,656 homes[1]. 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 11,686 tonnes[2] of carbon dioxide (CO_2).

Investment Objectives

Gresham House Renewable Energy VCT 2 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 being 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 VCT's Strategic Report of the Annual Report on pages 14 to 15.

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

1 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.

2 Assuming an "all non-renewable fuels" emissions statistic of 448tCO_2/GWh of electricity supplied, DESNZ statistics July 2025, Digest of UK Energy Statistics, Table 5.14 ("Estimated carbon dioxide intensity of 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.

Shareholder Information

Share price
The VCT's share prices can be found on various financial websites with the following TIDM/EPIC codes:

	Ordinary Shares	'A' Shares
TIDM/EPIC codes	GV2O	GV2A
Latest share price (28 July 2026)	23.0p per share	5.05p per share

Selling shares
The Board has decided that the VCT will not be buying shares for the foreseeable future, as the VCT wishes to conserve such cash as it generates for the Managed Wind Down of the VCT and the payment of dividends. The Company intends on entering members voluntary liquidation on 2 September 2026.

Dividends
Dividends will be paid by the registrar on behalf of the VCT. Shareholders who wish to have dividends paid directly into their bank account, rather than by cheque to their registered address, and did not complete these details on their original application form can, if they have a UK bank account, sign up for this service online by registering for the registrar's Investor Centre at https://uk.investorcentre.mpms.mufg.com/ or by contacting the Customer Support Centre. The Investor Centre is a secure online site where you can manage your shareholding quickly and easily.

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 between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales).
- By email – vcts@cm.mpms.mufg.com
- By post – MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds, LS1 4DL

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 (formerly known as Link Group), 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:

https://greshamhouse.com/real-assets

If you have any queries regarding your shareholding in Gresham House Renewable Energy VCT 2 plc, please contact the registrar on the above number or email.

Financial Highlights*

22.9p

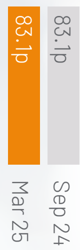
Net asset value per Ordinary Share (pence)
(as at 31 March 2026)

0.1p

Net asset value per 'A' Share (pence)
(as at 31 March 2026)

83.1p

Cumulative Dividends paid (pence)
(as at 31 March 2026)



106.1p

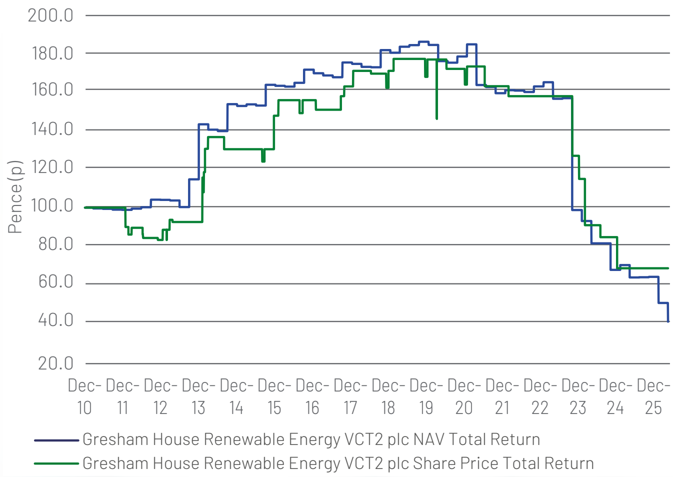
NAV Total return per Ordinary Share and 'A' Share (pence)
(as at 31 March 2026)

* The above financial highlights are considered to be Alternative Performance Measures, further details on how these are calculated have been included in the Strategic Report under the Key Performance Indicators section.

VCT2 Share Price Total Return

Total Return with dividends reinvested**

The graph below represents the VCT's performance over the reporting periods since the VCT's Ordinary Shares and 'A' Shares were first listed on the London Stock Exchange and shows share price total return (share price plus cumulative dividends paid) and net asset value total return (net asset value plus cumulative dividends paid) on a dividends reinvested basis, as per the AIC method.

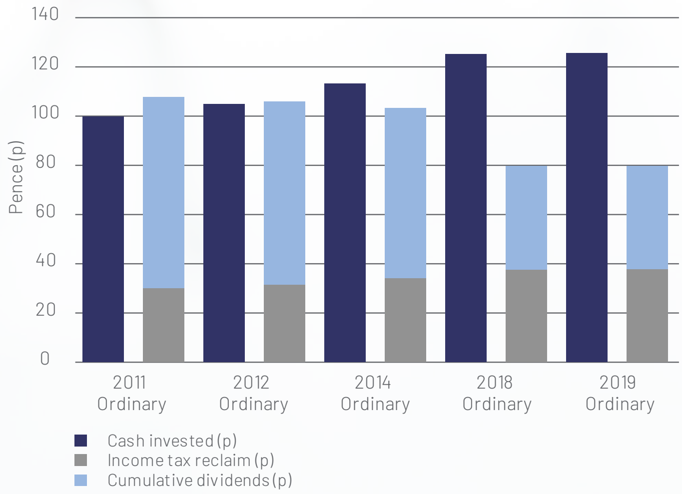


* Data runs to 31 March 2026.

** Alternative Performance Measure (APM)

Cash Returned to Shareholders by date of investment

The chart below shows the cash returned to Shareholders based on the subscription price and the income tax reclaimed on subscription.



Following the sale of the remaining solar assets announced on 23 June 2026, a dividend of 17.0p per Ordinary Share was announced on 23 July 2026 for payment on 21 August 2026. The chart above includes the Cash Returned to Shareholders as of the date of publication of the Company's Annual Financial statements. After 21 August 2026, a Cash Returned to Shareholders chart including the dividend of 17.0p per Ordinary Share payable on 21 August 2026 will be available on **https://greshamhouse.com/real-assets**.

Directors

Christian Yates (Chairman) has over 35 years' international experience in investment management, financial services, corporate leadership and board governance. He was closely involved in establishing both Gresham House Renewable Energy VCTs (formerly Hazel Renewable Energy VCTs) in 2010 whilst a Partner at Hazel Capital LLP. During his career he has held senior executive positions with Bear Stearns Asset Management, Julius Baer, Chase Asset Management and Lazard Asset Management, building and leading international investment businesses across Europe, North America, the Middle East and Asia. His investment experience spans public and private markets, including infrastructure, renewable energy, real estate and alternative investments, together with the establishment of investment funds across multiple international jurisdictions. He is Executive Chairman of AIM-listed Nativo Resources plc. Christian brings extensive experience in governance, capital allocation, capital raising, strategic transactions and long-term shareholder value creation.

Matthew Evans was a founding partner of LGT Vestra in 2007, where he ran the ventures team, focusing on renewables, unlisted commercial property and private equity investments. Matthew founded CH1 Investment Partners LLP, which provides bespoke investment solutions to high net worth, professional and sophisticated investors.

Matthew is a Director of several other businesses, including Innova Energy II Ltd and Cygnet Renewables Ltd, and is also a Designated Member of Innova Transmission Funding LLP.

Andrew Donovan is an experienced corporate financier, with over 30 years of M&A and capital-raising transaction experience in the utilities, energy and infrastructure sectors at Schroders, Citi, Lexicon, Evercore and Schroders Greencoat. He has specialised in the renewable energy sector for the past 20 years.

Andrew developed and sold a portfolio of UK grid-scale battery storage projects for Capbal (2017-22). Batteries have a crucial role to play in balancing and stabilising the electricity network with the rapid growth of intermittent renewables.

Andrew is a member of Chartered Accountants Ireland and Chair of the VCT's Audit Committee. He is also the Independent Non-Executive Director of Nativo Resources PLC.

All Directors are Non-Executive. Details of the independence of each Director are set out in the Corporate Governance Statement on page 34.

Investment Adviser

Gresham House Asset Management Limited (GHAM or Gresham House) is the Investment Adviser to the VCT and Gresham House Renewable Energy VCT1 plc. GHAM is owned by Gresham House Limited, a specialist investment manager providing funds, direct investments, and tailored investment solutions, including co-investment across a range of highly differentiated alternative investment strategies. GHAM's expertise includes strategic public equity and private assets, forestry, renewable energy, housing, and infrastructure.

Gresham House has been a privately owned company since 20 December 2023 when it delisted following the acquisition by Searchlight Capital Partners L.P.

The acquisition has had a minimal impact on the Company and business has continued as usual. For further information please visit the website link: **https://greshamhouse.com/about/**.

Chairman's Statement

Christian Yates
Chairman

I am pleased to present the Annual Report of Gresham House Renewable Energy VCT2 plc (VCT2) for the period 1 October 2024 to 31 March 2026.

As announced in the RNS on 1 December 2025, in light of the timeline for asset sales and the need for the Company to subsequently enter into a Members' Voluntary Liquidation (MVL), the Board resolved to change the Company's accounting reference date from 30 September 2025 to 31 March 2026 with immediate effect from that date. The Annual Report covering the 18-months up to 31 March 2026 is presented on the following pages.

Completion of the Company's sale of assets process
The sale of the remaining solar assets announced on 23 June 2026 completes the Company's realisation strategy following Shareholder approval in July 2021 that the Company should enter into a Managed Wind Down with a revised investment policy.

The Company's remaining solar assets (ground-mounted solar) were sold to a UK entity managed by True Green Capital Management LLC, a specialist renewable energy infrastructure fund manager. The sale of these assets, co-owned by Gresham House Renewable Energy VCT11 plc, completed for total gross consideration of approximately £20mn across both VCTs. Following repayment of certain outstanding loan balances, this equates to net proceeds of approximately £6.3mn for VCT2. This compares with the last published valuation of £8.5mn as at 31 March 2025.

This follows the disposal of small wind assets on 23 February 2026 comprising around 200 wind turbines with a total capacity of approximately 1MW for cash considerations and loan repayments totalling £559,000. This compares to a NAV valuation of around £552,000 on 31 March 2025, the latest published unaudited Net Asset Value (NAV) prior to completion of the small wind transaction.

Two ground-mounted solar sites and approximately 1,600 commercial and residential rooftop solar installations had previously been disposed of at the end of April 2023 for a cash consideration of approximately £12.6mn across both VCTs. Following the recent divestment in June 2026, the Company has progressed the preparation of the proposed entry into MVL, currently anticipated to take place on 2 September 2026.

Post sale timeline
The Board was pleased to announce a special interim dividend from the sale proceeds received in late June 2026 of 17.0p per Ordinary Share for Shareholders on the register on 31 July 2026 and payment on 21 August 2026 No amount is payable to 'A' Shares on 21 August 2026.

Retaining sufficient funds to cover future operating expenses and the estimated costs of liquidation, together with a contingency for any overspend of forecasted costs and/or any unknown costs prior to the Company being dissolved have been carefully considered by the Board.

The Board intends to issue a circular in early August 2026 to convene a General Meeting oof the Company on 2 September 2026 with a resolution to place the Company into MVL.

Sale of remaining solar assets
The divestment process of the remaining solar assets proved significantly more challenging and time-consuming than originally anticipated. The portfolio comprised a relatively small number of mature assets with complex financing arrangements and a range of legal, property and administrative matters emerged during the sale process. These factors contributed to an extended timetable, increased transaction costs and some material price adjustments. These included the repayment of consortium tax relief taken by operating subsidiaries; a loan prepayment to de-lever the portfolio; the impact of the Government's switch in indexation consultation from Retail Price Index (RPI) to Consumer Price Index (CPI) with effect from 1 April 2026[1]; and cable reburial costs at the Parsonage solar farm.

The Energy and Infrastructure Advisory Team of Jones Lang LaSalle (JLL) was appointed by the Board in late 2023 to advise on the sale of these assets. The assets continued to be managed by the Investment Adviser with the focus on delivering the best possible yield whilst managing costs ahead of the completion of a sale. Although technical challenges remained due to the age of the assets, the technical performance of the solar assets was on budget during the reporting period thanks to good irradiation and maintenance and repowering works carried out. Total revenue was 7.3% above budget in the reporting period.

[1] https://www.gov.uk/government/consultations/renewables-obligation-ro-scheme-indexation-changes

The Investment Adviser has also supported the Boards of the VCTs and JLL in progressing and completing the sale of the assets.

Valuation 31 March 2026
The valuation at 31 March 2026 reflects the sale proceeds of the remaining solar assets received in late June 2026 and the possible return of a small escrow amount in the upcoming months. Since the most recent audited financial statements for the year ended 30 September 2024, estimated realisation proceeds, taking account of the market conditions and the offers received from potential buyers, has been used as a valuation methodology by the Board. Poor market conditions for realising these types of mature, small solar assets continued throughout 2025 and into 2026 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 23.0p, compared to 35.8p included in the published unaudited financial statements six months ended 31 March 2025.

The Board has reviewed the investment valuations at offer price at the period end and notes that the valuation of the renewables' portfolio has decreased by £3.9mn or 27.5% over the 18-month period. The decrease includes the small wind assets' permanent impairment in costs of £0.6mn at 31 March 2025 and the £0.4mn cost of these assets at disposal in February 2026. The decrease of the valuation of the solar assets was largely due to the issues giving rise to the material price adjustments summarised above. The portfolio benefitted from having locked in Power Price Agreements (PPAs) at attractive power prices which partially offset the negative price adjustments during the period.

Investment portfolio
At 31 March 2026, the VCT held a portfolio of six investments, comprising five ground-mounted solar investments valued at £10.2mn and one non-renewables asset, bio-bean Limited valued at £nil (company in administration since April 2023). The four wind investments (approx. 200 wind turbines) were divested on 23 February 2026.

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 c. 9% of Kingston and 11% of Lake Farm being disconnected. The Investment Adviser has successfully pursued warranty claims against the manufacturers of these solar panels. One manufacturer has provided replacement panels whilst the other has made a cash settlement.

Beechgrove Farm, another of the larger assets, raised a warranty claim against its solar panel manufacturer as the solar panel connectors, which had been replaced under a previous warranty claim, were not fitted correctly by the manufacturer's contractor, causing them to overheat. The manufacturer has accepted liability and has shipped sufficient connectors to replace all on site.

Net asset value and results
At 31 March 2026, the NAV per Ordinary Share stood at 22.9p and the NAV per 'A' Share stood at 0.1p, producing a combined total of 23.0p per 'pair' of shares. The movement in the NAV per share during the period 1 October 2024 to 31 March 2026 is detailed in the table below:

	Pence per 'pair' of shares
NAV as at 30 September 2024	**38.0**
Realised losses on assets sold	(2.6)
Valuation decrease on assets still held	(11.0)
Income less expenses	(1.4)
NAV as at 31 March 2026	**23.0**

The NAV Total Return (NAV plus cumulative dividends) has decreased by 12.4% in the last 18-months and now stands at 106.1p 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 period 1 October 2024 to 31 March 2026 was £3.9mn (30 September 2024: £2.6mn), comprising a revenue profit of £0.4mn (30 September 2024: £1.2mn) and a capital loss of £4.3mn (30 September 2024: £3.8mn) as shown in the Income Statement on page 44.

VCT qualifying status
In order to maintain VCT status, the Company needs to ensure that it maintains certain percentages of qualifying investments within its portfolio. The Board anticipated that the Company would fall below these required percentages by mid-September 2025. To avoid a technical breach, the Company applied to HM Revenue & Customs (HMRC) which granted dispensation whilst the sale of wind and remaining solar assets process were progressed. The Company's qualifying investment test was temporarily restored following the sale of the small wind assets in February 2026 and is deemed to be met at 31 March 2026. The qualifying investment test has dropped below the required percentage of qualifying investments following the sale of remaining solar assets on 22 June 2026. Currently, HMRC dispensation is in place to 1 September 2026, but it is anticipated that the qualifying investment test will restore following a dividend payment on 21 August 2026 (as announced on 23 July 2026). The Company anticipates entering members' voluntary liquidation on 2 September 2026.

Dividends
At 31 March 2026, total cumulative dividends of 83.1p per 'pair' of shares had been paid to those who invested at the outset No dividends were paid during the period 1 October 2024 to 31 March 2026. Now that all renewable assets have been sold, the Board intends to return as much as possible of the sale proceeds to Shareholders through a dividend or capital distribution. A distribution in respect of the sale proceeds was announced on 23 July 2026.

2026 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 prior to the VCT entering MVL. Any remaining value held within the VCT after the intended distribution as a result of the sale proceeds will be returned to Shareholders through the liquidation process.

Outlook
The completion of the sale of the remaining solar assets, announced on 23 June 2026, completes the sale of the Company's assets and the Company will now move rapidly towards the liquidation process with the publication of the Notice of General Meeting to propose that the company be placed in liquidation being issued on 2 September 2026.

The Board would like to take this opportunity to thank Shareholders for their patience in what has been a very drawn-out sale process. The Board worked hard to try to expedite matters. However, we are pleased that we have now reached the point where the majority of the proceeds of the sale can be distributed to Shareholders as indicated above.

Christian Yates
Chairman
30 July 2026

Investment Adviser's Report

Portfolio Highlights
During the reporting period of 1 October 2024 to 31 March 2026, Gresham House Renewable Energy VCT2 plc (VCT or VCT2 or the Company) remained invested in the renewable energy projects that the VCT and Gresham House Renewable Energy VCT1 plc (VCT1) have co-owned for nearly 15 years. The total generation capacity of assets co-owned by the VCT was 21.3MWp at the start of the reporting period, made up of 20.3MWp from six ground mounted solar FIT projects and c.a 1MWp of small-wind projects spread across approximately 200 sites. Following the sale of the small wind assets in February 2026, only the 20.3MWp of solar projects remained.

Work to sell the VCT's remaining solar assets continued during the reporting period and thereafter with the completion of the sale of the remaining solar assets announced on 23 June 2026. JLL, the Corporate Finance Adviser, advised the Board throughout the sale processes since their appointment. The preferred bidder was selected in Q2 2025, and the Investment Adviser has been supporting the boards of the VCTs and JLL in advancing the sale process ever since. The Investment Adviser continued to manage the assets up to the completion of the sale.

For the purpose of determining the Net Asset Value NAV) for the Company's portfolio, the valuation at 31 March 2026 presented in this report reflects the sale proceeds of the remaining solar assets received in late June 2026 and a small escrow amount expected to be received in the upcoming months. It is the VCT Directors who have the responsibility of valuing the Company's assets based on input from the Investment Adviser. Since the audited financial statements 30 September 2024, estimated realisation proceeds considering the market conditions and the offers received from potential buyers was used as the valuation methodology.

During the 18-month period, the total revenue from solar energy generation was £15.3mn. Revenue was £11.8mn in the previous 12 months. Revenue for the wind assets was £531k until they were sold during February 2026 (£394k in the previous 12 months). 85.4% of this revenue is from Feed-in-Tariff (FiT) revenues which are set by the UK Government. The total revenue from the renewable assets was 7.3% above forecast budget, thanks to higher than forecast power prices in the period compensating for technical issues related to the age of the assets.

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 replacements during the period enabling improved technical performance for those sites. Lake Farm and Kingston made successful warranty claims against their solar panel manufacturers following the decline in their output as a result of early degradation. Beechgrove Farm also had a successful warranty claim against its solar panel manufacturer due to solar panel connectors being incorrectly fitted following a previous warranty claim.

Portfolio Composition
Portfolio composition by asset type and impact on VCT2 Net NAV)

	31 March 2026	31 March 2026		30 September 2024	
Asset Type	**kWp**	**VCT2 Value** ('000)**	**% of Portfolio value**	**VCT2 Value** ('000)**	**% of Portfolio value**
Ground mounted solar (FiT)*	20,292	£10,167	100.0%	£13,040	92.7%
Wind assets (FiT)* – sold on 23 February 2026	N.A.	£0	0.0%	£1,033	7.3%
Venture Capital investments	N.A.	£0	0.0%	£0	0.0%
Total	**20,292**	**£10,167**	**100.0%**	**£14,073**	**100.0%**

* Feed in Tariff (FiT)
** The investment values above are gross and include loans owed by the VCT to the investment portfolio companies of £3.8mn at 31 March 2026 (30 September 2024: £4.3mn) as reflected in the net assets on the VCT's balance sheet.

During the 18-month period from 1 October 2024 to 31 March 2026 the renewable energy projects held in the portfolio of the VCT and VCT1 generated 26,071 MWh (26 GWh) of electricity, sufficient to meet the annual electricity consumption of c. 9,656 homes[1]. 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 11,686 tonnes[2] of CO_2.

[1] 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.

[2] Assuming an "all non-renewable fuels" emissions statistic of 448tCO_2/GWh of electricity supplied, DESNZ statistics July 2025, Digest of UK Energy Statistics, Table 5.14 ("Estimated carbon dioxide intensity of 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.

The performance against budget for the 18-month period is shown below:

	1 October 2024 – 31 March 2026		
Asset type	**Budgeted revenue (£)**	**Actual revenue (£)**	**Revenue performance (%)**
Ground mounted solar (FiT)	14,297,429	15,337,038	107.3%
Wind assets (FiT)	753,837*	531,322*	70.5%*
Total	**15,051,266**	**15,868,360**	**105.4%**

* The wind data is for the period 1 October 2024 to 28 February 2026 due to the sale of the assets during February 2026.

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.

Technical performance
The table below shows the technical performance, for each of the groups of assets.

	1 October 2024 – 31 March 2026			1 October 2023 – 30 September 2024
Asset Type	**Budgeted output (kWh)**	**Actual output (kWh)**	**Technical performance (%)***	**Actual output (kWh) – in the previous 12 months**
Ground mounted solar (FiT)	24,904,517	24,952,802	100.2%	18,117,821
Wind assets (FiT)	1,586,610**	1,118,279**	70.5%**	875,646
Total	**26,491,127**	**26,071,081**	**98.4%**	**18,993,467**

* Technical performance is a measure of the percentage of actual output over budgeted output.
** The wind data is for the period 1 October 2024 to 28 February 2026 due to the sale of the assets during February 2026.

During the 18-month period, 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 has provided cash compensation of €292,123 (c. £253,000).

One of the transformers at Lake Farm failed during early January 2026 and was off for a significant portion of the month. This was repaired under warranty.

Beechgrove Farm raised a warranty claim against its solar panel manufacturer as the solar panel connectors, which had been replaced under a previous warranty claim, were not fitted correctly by the manufacturer's contractor. The manufacturer has accepted liability and has shipped sufficient connectors to replace all on site.

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 18-month period. Some of its original inverters that still work were used to replace the failed inverters at Parsonage. 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. At Parsonage, survey work during the period identified a small number of locations where the cable connecting the solar farm to the substation needed to be reburied. An experienced cable contractor has been selected. The reburial works, the cost of which has been covered by the VCT along with VCT2, are expected to be undertaken by the buyer later in the year.

At South Marston, the implementation of an independent Distribution Network Operator (iDNO) solution has been completed. 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. 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 and Panattoni received lender consent and were completed in April 2025. Upgrades were carried out to the point of connection equipment which required a few days' outage and new meters were fitted to the site, which continues to operate as normal.

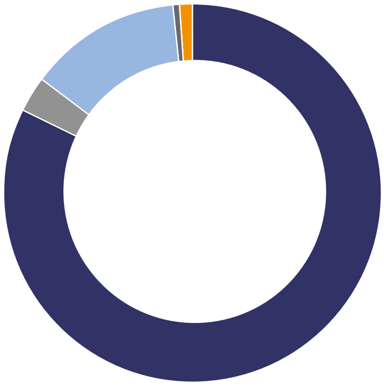
The small wind portfolio performed 29.5% lower than budget (16.2% lower than budget in the previous 12-month period). The Investment Adviser attributes the lower performance to a combination of inverter failures and general wear and tear which leads to turbines being off for refurbishment, where applicable. Small wind assets accounted for less than 5% of the portfolio in terms of capacity, so the Investment Adviser sought to balance performance against considerable refurbishment costs, given the sales process. During the period, three turbines which were deemed uneconomical to repair, were handed over to their landowner. The remainder of the small wind portfolio was sold on 23 February 2026 as previously announced.

Revenue per MWh of renewable energy generated

The VCT's assets benefit from revenues linked to the RPI, with c.85.8% 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 dropped significantly since its peak following Russia's invasion of Ukraine. Prices increased in volatility with the start of the Iran war although they have not reached prior peaks. Total revenues per MWh generated by the solar assets were almost £615 during the period, compared to £654 during the 12 months prior. Nevertheless, the Investment Adviser was able to secure new power purchase agreements during the period at rates higher than budgeted for all sites.

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

VCT portfolio revenue profile during period 1 October 2024 – 31 March 2026



FiT (Ground Mounted)	**82.4%**
FiT (Wind Assets)	**3.0%**
Export (Ground Mounted)	**13.1%**
Export (Wind Assets)	**0.4%**
Private Wire (Ground mounted)	**0.1%**
Other (Ground mounted)	**1.0%**

The wind data is for the period 1 October 2024 to 28 February 2026 due to the sale of the assets during February 2026.

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 £469k at 31 March 2026.

Outlook – Sale of Assets completed on 23 June 2026

Up to completion of the sale of remaining solar assets announced on 23 June 2026, the Investment Adviser's continued focus has been to maximise generation and therefore revenues from the remaining assets, whilst supporting the Board's efforts to realise the maximum exit value for Shareholders.

After the sale of the remaining solar assets announced on 23 June 2026, all the Company's renewable investments have been disposed of in accordance with the revised investment policy 2021 approved by Shareholders.

Gresham House Asset Management Limited

30 July 2026

Review of Investments

Portfolio of investments

The following investments were held at 31 March 2026:

Qualifying and partially qualifying investments	Operating sites	Sector	Cost £'000	Valuation £'000	Valuation movement in 18-month period £'000	% of portfolio
Lunar 2 Limited[1,3]	South Marston, Beechgrove	Ground solar	1,330	8,980	(2,522)	88.3%
Lunar 1 Limited[1,3]	Kingston Farm, Lake Farm	Ground solar	124	499	(148)	4.8%
New Energy Era Limited[3]	Wychwood Solar Farm	Ground solar	884	362	(107)	3.6%
Vicarage Solar Limited[3]	Parsonage Farm	Ground solar	871	326	(96)	3.2%
bio-bean Limited[2]	Cambridgeshire	Clean energy	695	–	–	0.0%
Lunar 3 Limited[1,3]		Ground solar	1	–	–	0.0%
			3,905	10,167	(2,873)	99.9%
Cash at bank and in hand				55		0.1%
Total investments				**10,222**		**100.0%**

1 Partially qualifying investment

2 bio-bean Limited was permanently impaired as at 31 March 2023. bio-bean's liquidation was ongoing at 31 March 2026.

3 On 23 June 2026, the sale of remaining solar assets was announced. The ground-mounted solar portfolio valuations at 31 March 2026, allocated by MWh per solar investment, reflects the offer price. Lunar 2 Limited holds a higher beneficial interest in other solar companies within the group structure resulting in a higher allocated proportion of the offer price.

All venture capital investments are incorporated in England and Wales.

VCT1, of which Gresham House is the Investment Adviser, holds the same investments as above.

Investment movements for the period ended 31 March 2026

Disposals

Qualifying investments	Original cost £'000	Cost[1] £'000	Redemption of loan notes £'000	Sales proceeds £'000	Gross realised gain/(loss) £'000
HRE Willow Limited	875	119	–	11	(108)
Minsmere Power Limited	975	133	136	6	9
Tumblewind Limited	850	116	60	4	(51)
Small Wind Generation Limited	975	23	135	4	116
Total	**3,675**	**391**	**331**	**25**	**(34)**

1 £0.6mn of the small wind assets valuation movement has been recognised as a realised loss at 31 March 2025 and is included in Cost. The small wind assets were sold on 23 February 2026.

The basis of valuation for the Company's investments is set out below on pages 10 to 12.

Further details of the remaining investments (by value):

Lunar 2 Limited

Lunar 2 Limited is a holding company of FiT remunerated ground-mounted solar farms of 5MW (Wiltshire), 4MW (Devon) and 0.6MW (Somerset).

Cost at 31/03/26:	£1,330,000
Cost at 30/09/24:	£1,330,000
Date of first investment:	Dec 2013
Valuation at 31/03/26:**	£8,984,000
Valuation at 30/09/24:	£11,101,000
Valuation method:	Offer price
Investment comprises:	
Ordinary shares:	£1,330,000
Proportion of equity held:	50%
Summary financial information from statutory accounts (non-consolidated):	**31 March 2025**
Turnover:	*
Operating profit/(loss):	*
Net assets:	£3,635,000

* This information is not publicly available

** The remaining solar assets valuations are based on the offer price allocated by MWh per solar 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 offer price. The completion of the sale of remaining solar assets was announced on 23 June 2026.

Lunar 1 Limited

Lunar 1 Limited

Lunar 1 Limited is a holding company of FiT remunerated ground-mounted solar farms of two 5MW (Wiltshire) and one 0.7MW (Oxfordshire).

Cost at 31/03/26:	£125,000
Cost at 30/09/24:	£125,000
Date of first investment:	Dec 2013
Valuation at 31/03/26:	£499,000
Valuation at 30/09/24:	£1,925,000
Valuation method:	Offer price
Investment comprises:	
Ordinary shares:	£125,000
Proportion of equity held:	5%
Summary financial information from statutory accounts:	**31 March 2025**
Turnover:	£nil
Operating loss:	£(14,000)
Net assets:	£2,386,000

New Energy Era Limited

New Energy Era Limited owns a FiT remunerated solar farm of 0.7MW near Shipton-under-Wychwood, Oxfordshire.

Cost at 31/03/26:	£884,000
Cost at 30/09/24:	£884,000
Date of first investment:	Nov 2011
Valuation at 31/03/26:	£362,000
Valuation at 30/09/24:	£1,320,000
Valuation method:	Offer price
Investment comprises:	
Ordinary shares:	£884,000
Proportion of equity held:	45%
Summary financial information from statutory accounts:	**31 March 2025**
Turnover:	£513,000
Operating profit:	£352,000
Net assets:	£2,341,000

Vicarage Solar Limited

Vicarage Solar Limited is the holding company of a FiT remunerated solar farm of 0.7MW near Ilminster, Somerset.

Cost at 31/03/26:	£871,000
Cost at 30/09/24:	£871,000
Date of first investment:	Mar 2012
Valuation at 31/03/26:	£326,000
Valuation at 30/09/24:	£1,049,000
Valuation method:	Offer price
Investment comprises:	
Ordinary shares:	£871,000
Proportion of equity held:	45%
Summary financial information from statutory accounts (non-consolidated):	**31 March 2025**
Turnover:	*
Operating profit/(loss):	*
Net assets:	£1,934,000

* This information is not publicly available

Lunar 3 Limited

Lunar 3 Limited was incorporated at end of 2013 as part of the refinancing of the ground-mounted solar assets owned by Lunar 1 Limited and Lunar 2 Limited. Lunar 3 Limited is a dormant company and does not own any assets.

Cost at 31/03/26:	£100
Cost at 30/09/24:	£100
Date of first investment:	Dec 2013
Valuation at 31/03/26:	£0
Valuation at 30/09/24:	£0
Valuation method:	n/a
Investment comprises:	
Ordinary shares:	£200
Proportion of equity held:	50%
Summary financial information from statutory accounts:	**31 March 2025**
Turnover:	*
Operating profit/(loss):	*
Net assets:	£200

* This information is not publicly available

Explanatory notes
The summary financial information has been sourced from the statutory accounts of the underlying investee companies. The net asset/liability figures presented therefore do not approximate a valuation.

The proportion of equity held in each investment also represents the level of voting rights held by the VCT in respect of the investment.

Summary of loan stock interest income – small wind assets

	Period ended 31 March 2026* £'000	Year ended 30 September 2024 £'000
Loan stock interest income in the period*		
Tumblewind Limited	7	12
Minsmere Power Limited	15	11
Small Wind Generation Limited	0	5
Total	**22**	**28**

* The small wind loan stock interest income is for the period 1 October 2024 to 23 February 2026, date the small wind assets were sold.

Analysis of investments by commercial sector
The Company investment portfolio by sector at 31 March 2026 is as follow:

→ by cost: ground mounted solar 100%;

→ by value: ground mounted solar 100%.

The Company's remaining assets, ground mounted solar assets, were disposed of in late June 2026.

Strategic Report

The Directors present the Strategic Report for the 18-month period ended 31 March 2026. The Board has prepared this report in accordance with the Companies Act 2006.

Business model
The VCT acts as an investment company, investing in a portfolio of businesses within the renewable and clean energy sectors and operating as a VCT to ensure that its Shareholders can benefit from the tax reliefs available.

Business review and developments
The VCT's business review and developments during the financial period, including updates on the Managed Wind Down process for the VCT and the ongoing sale of the portfolio, are set out in the Chairman's Statement and Investment Adviser's Report.

During the 18-month period to 31 March 2026, the renewable investments held decreased in value by £3.5mn. The value of the non-renewable investment bio-bean Limited remained at £nil during the reporting period having entered administration in April 2023.

Income over expenditure for the 18-month period resulted in a net loss, after accounting for capital expenses, of £3.9mn (12-month period to 30 September 2024: £2.6mn loss).

The total loss for the 18-month period was £3.9mn and net assets at the period-end were £6.0mn (30 September 2024: £9.9mn). No dividend was declared or paid during the 18-month period. An interim dividend of 17.0p per Ordinary Share was announced on 23 July 2026 and will be paid on 21 August 2026.

The Directors initially obtained provisional approval for the VCT to act as a Venture Capital Trust from HM Revenue & Customs. In order to maintain VCT status, the Company needs to ensure that it maintains a certain percentages of qualifying investments within its portfolio. The Board anticipated that the Company would fall below these required percentages by 9 September 2025. To avoid a technical breach, the Company applied to HMRC which granted dispensation whilst the sale of small wind and remaining solar assets processes were progressed. The Company's qualifying investment test was temporarily restored following the sale of the small wind assets in February 2026 and is deemed to be met at 31 March 2026. The qualifying investment test dropped below the required percentage of qualifying investments following the sale of remaining solar assets on 22 June 2026. Currently, HMRC dispensation is in place to 1 September 2026, but it is anticipated that the qualifying investment test will restore following a dividend payment on 21 August 2026 (as announced on 23 July 2026). The Company anticipates entering members' voluntary liquidation on 2 September 2026.

Investment advisory and administration fees
Gresham House Asset Management Limited (Gresham House) provides investment advisory services to the VCT, at a fee equivalent to 1.15% of net assets. The annual advisory fee is a NAV based fee and was, up to an Investment Advisory Agreement (IAA) amendment announced on 25 June 2024, subject to a clawback depending on whether the Company's annual running costs exceed 3% of NAV. The agreement is for a minimum term of 2 years, effective from 7 November 2017, with a 9-month notice period on either side thereafter. Written notice can be provided to terminate the IAA immediately if one of the parties, the VCT or Gresham House, enter liquidation and approved by the other party in writing.

Following the sale of some assets in April 2023 and subsequent dividend paid as a result of the 13 July 2021 Shareholder vote to wind-down the Company, the Company's net assets reduced significantly to a level not anticipated when the IAA was agreed and signed. Due to this significant reduction in the NAV as a result of the Managed Wind Down process, the annual running costs for the financial year ending 30 September 2024 were forecast to be around 4% of NAV. This would mean that running costs, many of which are largely fixed, would now exceed the initial 3% cap and the Investment Adviser's annual advisory fee would therefore be subject to the clawback (on top of an already reduced annual advisory fee due to a lower NAV following asset sales). To rectify this unintended consequence of the new investment policy, the IAA amendment seeks to minimise the effect of the clawback by raising the cap to 5% of NAV or £625,000, whichever is lower.

The Board has reviewed the services to be provided by Gresham House and has concluded that it is satisfied with the strategy, approach and procedures which are to be implemented in providing investment advisory services to the VCT. The Board is also of the opinion that the allocation of the investment advisory fee between capital and revenue of the VCT, as described in Note 4 to the financial statements, is still appropriate.

JTC (UK) Limited (JTC) acts as Administrator and Company Secretary. JTC provides administration and accounting services to the VCT for a fee of c. £47,400 (plus VAT, if applicable) per annum. It also provides company secretarial services for a base fee of c. £47,400 (plus VAT, if applicable) per annum and during the financial period as an agreed standard cost for further company secretarial support has charged a fee of £1,250 for each additional meeting of the Board convened to discuss the Managed Wind Down of the Company. The agreement shall continue in force until determined by either party, with a 6-month notice period on either side. Written notice can be provided to terminate immediately following the entry into liquidation by the VCT and VCT 1.

Investment policy
General
At the General Meeting held on 13 July 2021, 99.59% of the Shareholders resolved to approve the New Investment Policy of the Company to reflect a realisation strategy and the Company ceasing to make any new investments. The new Investment Policy replaced the previous Investment Policy in its entirety.

Following the sale of the remaining solar assets announced on 23 June 2026, substantially all of the Company's investments have been realised. A distribution in respect of the sale proceeds was announced on 23 July 2026. The Board intends to issue a circular to convene a General Meeting of the Company to seek Shareholder approval for the Company to be placed into members voluntary liquidation.

Since inception to 13 July 2021

Up to 13 July 2021, the VCT's objectives were to maximise tax free capital gains and income to Shareholders from dividends and capital distributions by investing the VCT's funds in:

- a portfolio of clean technology and environmentally sustainable investments, primarily being in the UK and the EU, that have attractive income and growth characteristics, with investments in existing asset-backed renewable generation projects as the core of the portfolio; and
- a range of non-qualifying investments, comprised from a selection of cash deposits, fixed income funds, securities and secured loans and which will have credit ratings of not less than A minus (Standard & Poor's rated)/A3 (Moody's rated). In addition, as the portfolio of VCT qualifying investments will involve smaller start-up companies, non-qualifying loans could be made to these companies to negate the need to borrow from banks and, therefore, undermine the companies' security within the conditions imposed on all VCTs under current and future VCT legislation applicable to the VCT.

13 July 2021 to 31 March 2026

Following Shareholder approval at the General Meeting on 13 July 2021, the New Investment Policy of the VCT is that the Company will be managed with the intention of realising all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner, whilst protecting the tax position of Shareholders.

The Company 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 off the portfolio in accordance with the existing terms of the assets, or a combination of both. Pursuant to its investment objective, following the sale of a portion of its solar assets in April 2023 and its small wind assets in February 2026, the Company's realisation strategy completed in June 2026 with the sale of its remaining solar assets.

The Company will cease to make any new investments or to undertake capital expenditure except where, in the opinion of both the Board and the Investment Adviser (or, where relevant, the Investment Adviser's successors):

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or as cash equivalents.

Asset allocation

Details of the Company's compliance with the VCT qualifying investments is included on page 14.

Prior to the Company's entry into the Managed Wind Down, the VCT sought to invest in at least eight investments to diversify risk and to reduce the potential impact of poor performance by any individual investment. As at 31 March 2026, the number of investments has decreased to six investments. The sale of five investments was announced on 23 June 2026. The remaining investment entered administration in April 2023.

Risk Management

During the period under review, the VCT's assets have been managed to reduce risk as far as possible in anticipation of the conclusion of the Managed Wind Down.

The main risk management features include:

- monitoring of investee companies – the Investment Adviser will closely monitor the performance of all the investments made by the VCT in order to identify any issues and to enable necessary corrective action to be taken; and
- the VCT will ensure that it has sufficient influence over the management of the business of the investee companies, in particular, through rights contained in the relevant investment agreements and other Shareholder/constitutional documents.

The VCT has followed the above risk diversification strategy with regard to the Lunar 1 Limited and Lunar 2 Limited investments in AEE Renewables UK 3 Limited, AEE Renewables UK 26 Limited, South Marston Solar Limited, Beechgrove Solar Limited, New Energy Era Limited and Vicarage Solar Limited.

Gearing

The creditors shown on the Balance Sheet at 31 March 2026, which are short-term, include amounts owed to investee companies. These amounts were cleared as part of the sale of remaining assets on 22 June 2026. As at 31 March 2026, the VCT had the ability to borrow £4.5mn in accordance with the articles and had actual borrowings of £nil.

The VCT has no intention to borrow any funding in the foreseeable future.

UK Listing rules

In accordance with the UK Listing Rules:

(i) the VCT may not invest more than 10%, in aggregate, of the value of the total assets of the VCT at the time an investment is made in other listed closed-ended investment funds except listed closed-ended investment funds which have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds;

(ii) the VCT must not conduct any trading activity which is significant in the context of the VCT; and

(iii) the VCT must, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policy set out in this document. This investment policy is in line with Chapter 15 of the UK Listing Rules and Part 6 of the Income Tax Act.

The UK Listing Rules have been complied with for the 18-month period ended 31 March 2026.

Directors and senior management

The VCT has three Non-Executive Directors, all males. The VCT has no employees.

Key performance indicators
At each Board meeting, the Directors consider a number of performance measures to assess the VCT's success in meeting its objectives. The Board has identified the VCT's key performance indicators as NAV Total Return and dividends paid per share, the performance of which during the period are in the table below:

Key performance indicators per financial period:	18-month period ended 31 March 2026	Year ended 30 September 20 24
Net Asset Value Total Return (% p.a.)	(12.4)%	(7.6)%
Dividends paid per share (p)	0.0p	0.0p

These are defined as follows:

Net Asset Value Total Return: the sum of NAV per Ordinary Share, NAV per 'A' Share and cumulative dividends paid.

Net Asset Value per Ordinary Share: The closing total net asset position of the VCT as at the reporting date less the total par value of all 'A' Shares in issue at the reporting date divided by the total number of Ordinary Shares in issue at the reporting date.

Net Asset Value per 'A' Share: Par value per 'A' Share.

Cumulative dividends paid: The gross total of all dividends paid for both Ordinary and 'A' Shares from inception up to the reporting date.

The total net asset position of the VCT as at the reporting date is as per the Balance Sheet, while the total number of shares in issue for both Ordinary and 'A' Shares is disclosed in Note 14.

In addition, the Board considers the VCT's performance in relation to other VCTs.

The position of the VCT's NAV Total Return as at 31 March 2026 and a summary of dividends paid per share are as indicated in the table on this page. The VCT had an objective of paying dividends of 5p per share per annum. Under the New Investment Policy, the quantum and timing of any dividends paid during the Managed Wind Down process is at the sole discretion of the Board, and depends on the sale of the assets, ongoing income streams generated by the assets held and the Company's ongoing cash requirements. As part of the Managed Wind Down, now that the remaining assets have been sold (as at late June 2026), the intention is to return all sale proceeds to Shareholders through dividend distributions or, once the VCT has entered voluntary liquidation, via capital distributions.

Principal risks and uncertainties
The principal and emerging risks including the significant economic risks that might impact the Company and the attainment of its realisation strategy have been reviewed in detail. The Board recognises that there are risks and uncertainties that could have a material effect on the Company's financial results. Under the 2019 AIC Corporate Governance Code, Directors of listed companies are required to confirm in the annual report that they have performed a robust assessment of the Company's emerging and principal risks, including those that would threaten its business model, future performance, solvency or liquidity and reputation.

The Board is ultimately responsible for risk management with oversight of the risk framework and management process delegated to the Audit Committee. The main features of the risk management framework are included in the Strategic Report on page 15.

The Company's risk matrix is the core element of the risk management process. The matrix is prepared, in conjunction with the Board and Company Secretary, by the Investment Adviser, is updated frequently and is used to assess all the operational, performance and other risks that might impact the Company. The matrix also provides detail as to how these risks are potentially mitigated by the Board or third-party service provider controls.

Schedule of principal risks
The other principal risks faced by the VCT, along with the steps taken to mitigate these risks, are shown in the table below. The changes in the factors impacting the risks attributable are discussed below.

The Board identified principal risks relating to Investment performance and Operational – portfolio level. As part of the Company's Managed Wind Down, the wind and remaining solar assets were sold in February and June 2026 respectively. Accordingly, these risks are no longer considered a principal risk at the date of the sale of the remaining solar assets. Post 22 June 2026, the Board continues to monitor residual risks listed in below table, Principal risk column:

Principal Risk	Context	Specific risks	Possible impact	Mitigation
Investment Performance	Until 22 June 2026, the VCT held investments in unquoted UK businesses mainly in the renewable energy sector. As part of the Managed Wind Down, the VCT's wind assets were sold on 23 February 2026 and the remaining solar assets on 22 June 2026.	Poor investment decisions or strategy or poor monitoring, management and realisation of investments. Adverse weather conditions, low inflation rates and/or low power prices resulting in below forecast investment returns.	Reduction in the NAV of the VCT and the inability of the VCT to pay dividends.	The Investment Adviser has significant experience in the renewable energy sector. The Investment Adviser also actively manages the portfolio, engaging reputable and experienced Operations and Maintenance (O&M) contractors. The assets have limited exposure to power prices, due to the use of the Feed in Tariff (FiT) regime. The Company notes the consultation issued on 31 October 2025 by the Department for Energy Security & Net Zero on changes to inflation indexation in the Renewables Obligation scheme. The consultation resulted in FiT rates being increased by CPI instead of by the higher RPI annually on 1 April, applied as of 1 April 2026. The Board regularly reviews the performance of the portfolio, alongside the Board of the sister company. The CPI Inflation rate for March 2026 was 3.3%. The Bank of England's long-term inflation target is 2% per year measured by the CPI. Higher inflation, whilst of concern from the point of view of the wider UK and global economy, is positive for the owners of subsidised UK renewable assets. Although most costs also rise in line with inflation, as does the cost of servicing the debt facility, the net benefit of increased inflation is positive since it increases the inflation linked revenues more than it increases the costs. The debt facility was transferred as part of the sale of the remaining assets on 22 June 2026.

Principal Risk	Context	Specific risks	Possible impact	Mitigation
Loss of VCT status	The VCT must maintain continued compliance with the VCT Regulations, which prescribe a number of tests and conditions.	Breach of any of the rules could result in the loss of VCT status.	The loss of VCT status would result in dividends becoming taxable and new Shareholders losing their initial tax relief.	The VCT Qualification is actively monitored by the Investment Adviser and the Administrator, who liaise with the designated VCT Status Adviser. The VCT Status Adviser also produces twice yearly reports for the Board. With no new or follow-on investments having been made, the Company's qualifying ratio fell below 80% on 9 September 2025. To avoid a technical breach, the Company applied to HMRC which granted a dispensation whilst the Company progressed the ongoing sales processes of the small wind and remaining solar assets. The Company's 80% qualifying holding test restored following the sale of wind assets on 23 February 2026 and was met at period end 31 March 2026. The qualifying investment test has dropped below the required % of qualifying investments following the sale of remaining solar assets on 22 June 2026. Currently, HMRC dispensation is in place to 1 September 2026, but it is anticipated that the qualifying investment test will restore following a dividend payment on 21 August 2026 (as announced on 23 July 2026). The Company anticipates entering members' voluntary liquidation on 2 September 2026. The Investment Adviser is aware of the dates of the latest fundraisings, and that the five-year minimum holding period finished in October 2023. The Investment Adviser has also prepared detailed forecasts relating to the wind up of the VCTs, which takes this into account.
Legislative	In recent years, the changes to VCT Regulations have narrowed the breadth of permitted investments. VCTs were established to encourage private individuals to invest in early- stage companies that are considered to be risky and have limited funding options. The state provides these investors with tax relief.	A change in government policy could result in a cessation of tax reliefs or reduction of the amount of tax relief available to investors which would make them less attractive to investors.	The loss of VCT status would result in dividends becoming taxable and new Shareholders losing their initial tax relief.	Both the Investment Adviser and the Administrator closely monitor developments and attend AIC conferences. The VCT Status Adviser also has significant experience in this field and works closely with HMRC. Further commentary on VCT Status is provided on page 14. The Investment Adviser engages with HMT and industry representative bodies to demonstrate the cost benefit of VCTs to the economy in terms of employment generation and taxation revenue. The VCT Income tax relief was reduced from 30% to 20% with effect from 6 April 2026.

Principal Risk	Context	Specific risks	Possible impact	Mitigation
Regulatory and compliance	As a listed entity, the VCT is subject to the UK Listing Rules and related regulations.	Any breaches of relevant regulations could result in suspension of trading in the VCT's shares or financial penalties.	Reduction in the NAV of the VCT due to financial penalties and a suspension of trading in its shares, also leading to loss of VCT status.	The VCT Secretary and Administrator have a long history of acting for VCTs. The Board, Investment Adviser and Administrator also employ the services of reputable lawyers, auditors, and other advisers to ensure continued compliance with its regulatory obligations.
Operational – VCT level	The VCT relies on the Investment Adviser, Administrator and other third parties to provide many of its services at the VCT level. As part of the Managed Wind Down, the VCT's wind assets were sold on 23 February 2026 and the remaining solar assets on 22 June 2026.	Inferior provision of these services thereby leading to inadequate systems and controls or inefficient management of the VCT's assets and its reporting requirements. Service providers, predominantly the Registrar, hold Shareholders' personal data and there is a risk of an external shock (natural disaster or terrorist attack) or a cyber-attack on a provider.	Errors in Shareholder records, incorrect mailings, misuse of data, non-compliance with key legislation, loss of assets, breach of legal duties and inadequate financial reporting.	The VCT, the Investment Adviser and the Administrator engage experienced and reputable service providers, the performance of which was reviewed on an annual basis. The Directors and the Investment Adviser regularly review the service providers, including their internal controls and the procedures and policies they have in place for preventing cyber attacks.
Operational – portfolio level	At the portfolio level, the VCT uses third party O&M contractors managing the various sites. As part of the Managed Wind Down, the VCT's wind assets were sold on 23 February 2026 and the remaining solar assets on 22 June 2026.	Inferior provision of these services, thereby leading to inadequate systems and controls or inefficient management of the VCT's assets. Maintenance and repairs not carried out in a timely manner.	Poor investment performance due to assets being offline and non-revenue generating.	The VCT, the Investment Adviser and the Administrator engaged experienced and reputable service providers, the performance of which was reviewed on an ongoing basis up to the assets were sold. At the portfolio level, technical reviews and studies are conducted on the assets as appropriate. Repair and reconfiguration work was carried out up to the assets were sold.
Economic, political and other external factors	The VCT's investments are heavily exposed to the Feed in Tariff (FiT) regime. Events such as the Russian Federation's invasion of Ukraine, conflict in the Middle East, the US/Israeli intervention in Iran, economic recession, increasing interest rates and inflation.	Retrospective changes to the regimes. Changes in energy prices and inflation. An increase in inflation results in higher interest charges for the debt facility.	A significant negative impact on performance in respect of regime changes, low inflation and energy prices can reduce portfolio revenue.	The Investment Adviser and Board members closely monitor policy and geo-political developments. However, the UK Government has a general policy of not introducing retrospective legislation. CPI Inflation rate for March 2026 was 3.3%. The Bank of England's long-term inflation target is 2% per year measured by the CPI. Lower inflation reduces the increase of interest charges for the debt facility. The debt facility was transferred as part of the sale of the remaining assets on 22 June 2026. Lower energy prices and lower inflation reduces portfolio performance as returns are directly linked to both factors. The VCT's wind assets were sold on 23 February 2026 and the remaining solar assets on 22 June 2026.

Principal Risk	Context	Specific risks	Possible impact	Mitigation
(Retroactive) change to Energy Market regulation and policies	The VCT operates within the UK Energy market which is governed by UK regulation and could be subject to change. As part of the Managed Wind Down, the VCT's wind assets were sold on 23 February 2026 and the remaining solar assets on 22 June 2026.	The current or future UK Government may decide that subsidies provided to renewable energy generation assets in the form of feed-in-tariffs (FiTs) pose too big a burden on electricity consumers and reduce or even eliminate them retroactively. Similarly, other measures that achieve a similar effect such as special taxes, a cap on applicable inflation rates, limits on generated KWhs that earn FITs.	A significant negative impact of the renewable energy generation assets revenue reducing the cash availability of the VCT. The EGL was introduced from 1 January 2023 and legislated for in Part 5 of Finance Act (Number 2) 2023. The levy is legislated to remain in force until 31 March 2028.	The Investment Adviser continuously monitors the regulatory landscape in the UK. If an action that retroactively targets these subsides it would join forces with other owners of these assets and vigorously challenge such retroactive law changes in the courts. All of the sites owned by the VCTs up to their sale were fully-accredited which means that there was no risk of an individual asset losing its subsidy. The previous government introduced the EGL from 1 January 2023 to tax exceptional profits up to 31 March 2028. The EGL does not impact the VCT's portfolio given its smaller size, but any potential acquirer may subsequently incur this levy. The Company notes the consultation issued on 31 October 2025 by the Department for Energy Security & Net Zero on changes to inflation indexation in the Renewables Obligation scheme. The consultation resulted in FiT rates being increased by CPI instead of by the higher RPI annually on 1 April, applied as of 1 April 2026.

Principal risks since inception to 13 July 2021

The principal financial risks faced by the VCT, which include interest rate, market price, investment valuation, credit and liquidity risks, are summarised within Note 17 to the financial statements.

Other principal risks faced by the VCT have been assessed by the Board and grouped into the key categories outlined below:

- underperformance*;
- loss of VCT status;
- VCT Regulations;
- regulatory and compliance;
- operational VCT level;
- operational portfolio level*;
- economic, political and other external factors; and
- government intervention in the renewables market.

* principal risks until the sale of the underlying assets on 22 June 2026 as part of the Managed Wind Down.

Principal risks 13 July 2021 to 31 March 2026

In approving a new Investment Policy for the Company, a number of risks which are material and currently known to the Company have been disclosed. Additional risks and uncertainties not currently known to the Company, or that the Company deems immaterial, may also have an adverse effect on the Company.

At the period end 31 March 2026, the Board identified execution risk relating to the proposed sale of its remaining solar assets, including the risk that the sale may not complete or may complete on less favourable terms. Following the period end, the sale completed on 22 June 2026. Accordingly, this is no longer considered a principal risk at the date of approval of these financial statements. The Board continues to monitor residual risks relating to the sale of remaining solar assets e.g. escrow account and VCT status, as applicable.

The main risks identified as part of the new Investment Policy of the Company are:

Risk identified	Context	Mitigation
Asset diversification	In a Managed Wind Down, the investment portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.	None identified.
Ownership	All of the VCT's main solar assets are owned 50:50 between the VCT and VCT1 and there are no rights attached to such ownership that would allow one company to force the other to sell its share in each asset.	The VCTs will sell their shares in each asset simultaneously, so that no VCT holds more than 50% of the underlying assets.
Volatility in NAV and/or share price	The VCT might experience increased volatility in its Net Asset Value and/or its share price as a result of possible changes to the Portfolio structure following the adoption of the new Investment Policy.	None identified.
Sale of assets	The VCT's assets may not be realised at their carrying value, and it is possible that the VCT may not be able to realise some assets at any value. The VCT's assets' fair value is linked to estimates and assumptions about a variety of matters, including macroeconomic considerations, which assumptions may prove to be incorrect and which are subject to change. A material change of governmental, economic, fiscal, monetary or political policy, may result in a reduction in the value of the VCT's assets on sale.	The 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. Please see page 4 of the Chairman's Statement for further detail on the sale of wind and remaining solar assets concluded in February 2026 and June 2026 respectively.
Sale of assets	Sales commissions, liquidation costs, taxes and other costs associated with the realisation of the VCT's assets together with the usual operating costs of the VCT will reduce the cash available for distribution to the Shareholders.	The Investment Adviser prepares detailed cash flow forecasts which are presented to the Board quarterly. The forecasts include the additional costs incurred and expected to be incurred during the Managed Wind Down of the VCT.
Sale of assets	A sale of the VCT's assets may prove materially more complex than anticipated, and the distribution of proceeds to Shareholders may be delayed by a number of factors, including, without limitation, the ability of a liquidator to make distributions to Shareholders.	The Board engaged several experts in this field, to mitigate the possibility of an extended handover period. The sale of wind and remaining solar assets concluded in February and June 2026 respectively, it has been the Directors consistent intention to ensure that the sale value obtained was ultimately in Shareholders' interests.

Viability statement

In accordance with Provisions 33 and 36 of the 2019 AIC Code of Corporate Governance, the Directors have conducted a robust assessment of the potential strategic decisions facing the VCT that would threaten its future solvency or liquidity, how these strategic decisions are being managed and how they are being mitigated.

Following the results of the continuation vote at the 2021 AGM and with the Shareholders' subsequent approval of the Managed Wind Down of the Company at the 2021 General Meeting (13 July 2021), the VCTs commenced the sale of assets process, with sale completions in April 2023 and February 2026. The Company's remaining solar assets were sold on 22 June 2026. The sale proceeds have been received. Both the Managed Wind Down process and the sales of the Company's assets, completed post period end, were considered by the Board as part of their assessment.

The Company's VCT qualifying ratio fell below 80% on 9 September 2025 following the dissolution of Rezatec in September 2024 and the lapse of the 12-month disregard period. To avoid a technical breach, the Company applied to HMRC for a dispensation whilst the Company progressed the ongoing sales processes of the small wind and remaining solar assets. The Company's qualifying investment test was temporarily restored following the sale of the small wind assets in February 2026 and is deemed to be met at 31 March 2026. The qualifying investment test has dropped below the required percentage of qualifying investments following the sale of remaining solar assets on 22 June 2026. Currently, HMRC dispensation is in place to 1 September 2026, but it is anticipated that the qualifying investment test will restore following a dividend payment on 21 August 2026 (as announced on 23 July 2026). The Company anticipates entering members' voluntary liquidation on 2 September 2026.

The Board considers that the VCT remains viable up until the point at which the voluntary liquidation will complete.

In making this assessment as at 31 March 2026, the Boards have taken the following scenarios into consideration:

- → scenario 1: Sale of all VCTs investments followed by VCTs entering voluntary liquidation by September 2026;
- → scenario 2: No sale of VCTs investments and the VCTs entering voluntary liquidation by September 2026;

For each scenario mitigating factors are in place.

The Board noted that the assets owned by the Company at 31 March 2026, the remaining solar assets had sufficient cash reserves at the SPV level available to be paid up to the VCT through dividends up to the transaction completion date, 22 June 2026, to cover debt, running and sale of assets costs. Post completion, the sale proceeds provide sufficient cash to cover the completion sale costs, the projected VCT's running and MVL costs, with a contingency for overspend and/or unknown expenses, up to the VCTs dissolvement.

The Directors started the process of preparing for the entry into members' voluntary liquidation during the 18-month ended 31 March 2026, the preparation of the MVL has been further progressed following the completion of sale of the Company's remaining assets.

The Directors believe that the VCT is well placed to manage its potential strategic decisions successfully. Based on the results, the Board confirms that, taking into account the VCT's current position and subject to the potential strategic decisions faced by the business, the VCT will be able to meet its liabilities under the scenarios presented as they fall due until the point at which the voluntary liquidation completes.

In reaching this conclusion, the Board acknowledges the completion of the sale of the Company's remaining assets on 22 June 2026 and the Company's current intention to enter members' voluntary liquidation on 2 September 2026 in line with scenario 1 as outlined above.

Directors' remuneration

It is a requirement under the Companies Act 2006 for Shareholders to vote on the Directors' remuneration every three financial years, or sooner if the VCT wants to make changes to the policy. The Directors' remuneration policy, last approved at the Annual General Meeting on 27 April 2023 is set out on page 31.

Annual running costs cap

The annual running costs of the VCT are subject to a cap of the lower of £625,000 or 5.0% of average net asset value. For the 18-month period ended 31 March 2026, these caps were recalculated and adjusted to £937,500 and £698,000 (5% of average net asset value), respectively. During the 18-month period, the running costs came to £653,000 (total expenses of £1,495,000 less one-off expenditure), being 4.68% of average net asset value (2024: £506,000 being total expenses of £727,000 less one-off expenditure, which is less than the applicable cap of £625,000.). Therefore the cap has not been breached.

Performance Incentive

The structure of the 'A' Shares, whereby Management owns one third of the 'A' Shares in issue (known as the "Management 'A' Shares"), acts as a Performance Incentive mechanism. The allocation to the 'A' shares of any revenue or capital dividends declared by the VCT, will be increased if, at the end of each year, the hurdle is met, which is illustrated below:

i) Shareholders who invested under the offer for subscription receive dividends in excess of 5.0p per Ordinary Share in any one financial period; and

ii) one Ordinary Share and one 'A' Share has a combined net asset value of at least 100.0p.

The Performance Incentive is calculated each year and is not based on cumulative dividends paid.

A summary of how proceeds are allocated between Shareholders and Management, before and after the hurdle is met, and as dividends per Ordinary Share increase is as follows:

Hurdle criteria:			
Annual dividend per Ordinary Share	0-5p	5-10p	>10p
Combined NAV Hurdle	N/A	>100p	>100p
Allocation:			
Shareholders	99.97%	80%	70%
Management	0.03%	20%	30%

As the NAV as at 31 March 2026 was below 100p, the NAV hurdle for the period was not met and no dividend in respect of the 'A' Shares was paid during the period , therefore there was no Performance Incentive paid.

VCT status

The VCT has reappointed Philip Hare & Associates LLP (Philip Hare) to advise it on compliance with VCT requirements, including evaluation of investment opportunities as appropriate and regular review of the portfolio. Although Philip Hare works closely with the Investment Adviser, they report directly to the Board.

Compliance with the VCT regulations for the period under review is summarised as follows:

	Position at the period ended 31 March 2026
1. To ensure that the VCT's income in the period has been derived wholly or mainly (70% plus) from shares or securities;	100.0%
2. To ensure that the VCT has not retained more than 15% of its income from shares and securities; – see note below*	39.3%
3. To ensure that the VCT has not made a prohibited payment to Shareholders derived from an issue of shares since 6 April 2014;	Complied
4. To ensure that at least 80% by value of the VCT's investments has been represented throughout the period by shares or securities comprised in qualifying holdings of the VCT;	82.6%
5. To ensure that at least 70% by value of the VCT's qualifying holdings has been represented throughout the period by holdings of eligible shares (disregarding investments made prior to 6 April 2018 from funds raised before 6 April 2011);	100.0%
6. To ensure that, of funds raised on or after 1 October 2018, at least 30% has been invested in qualifying holdings by the anniversary of the end of the accounting period in which the shares were issued.	Complied
7. To ensure that no holding in any company has at any time in the period represented more than 15% by value of the VCT's investments at the time of investment;	Complied
8. To ensure that the VCT's ordinary capital has throughout the period been listed on a regulated market;	Complied
9. To ensure that the VCT has not made an investment in a company which causes it to receive more than the permitted investment from State Aid sources;	Complied
10. To ensure that since 17 November 2015, the VCT has not made an investment in a company which exceeds the maximum permitted age requirement;	Complied
11. To ensure that since 17 November 2015, funds invested by the VCT in another company have not been used to make a prohibited acquisition; and	Complied
12. To ensure that since 6 April 2016, the VCT has not made a prohibited non-qualifying investment.	Complied

* The VCT has extended its accounting period, so that the current period is 18 months to 31 March 2026. For tax purposes, this is split into two periods, the first being the 12 months to 30 September 2025, and then a short period ending 31 March 2026. The income test applies to each of those two periods separately and has been met. Including the Treasury shares, the VCT does not have positive distributable reserves, and so is unable to pay a dividend. As such the requirement not to retain more than 15% of income from shares and securities is deemed to be met.

The Directors, with the help of the Investment Adviser, monitor and ensure the investee companies have less than £5mn state backed financing in a 12-month period listed in order to remain compliant with the VCT regulations.

Share Buybacks

The Board has decided that the VCT will not be buying in Shares for the foreseeable future as the VCT needs to conserve such cash as it generates for the Managed Wind Down of the VCT and the payment of dividends.

Future prospects

The Board's assessment of the outlook and future strategy of the VCT are set out in the Chairman's Statement and Investment Adviser's Report.

Sustainable Investing

The Sustainable Investing report forms part of the Strategic Report.

Introduction
Following Shareholder approval of the VCTs revised investment policy in July 2021, the Company has implemented a realisation strategy which was completed in late June 2026 with the sale of the remaining solar assets.

The VCT seeks to conduct its affairs responsibly and Gresham House, the Investment Adviser, was encouraged to consider environmental, social and community issues for the Company's investments, where appropriate. The Board continued to monitor the Investment Adviser's progress in these areas up to the sale of the remaining solar assets on 22 June 2026.

The Board is conscious of its potential impact on the environment as well as its social and corporate governance responsibilities. The Investment Adviser has presented its Environmental, Social and Governance (ESG) strategy to the Board.

Prior to the Company's Managed Wind Down, the VCT has demonstrated clear consideration of environmental characteristics by having invested in technologies that contribute to climate change mitigation by supporting a decarbonisation of the energy system in the UK and a net zero economy underpinned by cheap clean electricity.

Sustainable Investing at Gresham House
The Investment Adviser is committed to sustainable investment as an integral part of its business strategy. Since 2021, Gresham House has enhanced its approach to sustainability by setting an ambition to "be the manager of choice for sustainable investment client solutions" outlined in the company wide GH30 targets.

Policies and processes
Gresham House publishes a Sustainable Investing Policy along with asset specific policies, including the Energy Transition Sustainable Investment Policy, which covers Gresham House's sustainable investment commitments, how the investment processes meet these commitments and the application of the Sustainable Investment Framework.

The Sustainable Investment Team assesses adherence to the commitments in the Sustainable Investment Policies on an annual basis.

Sustainability Executive Committee
The Investment Adviser's Sustainability Executive Committee (Sustainability ExCo) is chaired by the Director of Sustainable Investment and requires representation from across the business including from the Group Management Committee and sustainability leads from each division. The Sustainability ExCo ensures priority areas of sustainability related risks and opportunities are managed.

Risk and Compliance: Embedding ESG factors
As the assets within the VCTs are all well-established, the assessment of ESG is applied as part of our asset management activities. All Operations & Maintenance providers are required to report on various ESG factors, including Health & Safety and Environmental risks or incidents. Any significant incidents must be reported to us within 24 hours. Furthermore, they are also expected to be proactive and to make recommendations for improvements.

The team continues to work to expand the ESG key performance indicators (KPIs) measured, reported, and monitored by the Energy Transition division for all assets under management, including the VCTs. This reflects increased investor and regulatory demand for ESG data and the Investment Adviser's ambitions to enhance ESG data and transparency. It is anticipated that the expanded ESG data will be used by investment teams and asset management teams to increase their understanding of the operational ESG performance of assets under management and to identify any material ESG risks. It is expected that the asset management team will aim to improve ESG metrics over time, as feasible within the context of the existing fund mandate. The Company's realisation strategy implemented as part of its Managed Wind Down completed in late June 2026 with the sale of the remaining solar assets following the sale of the wind assets in February 2026.

Asset operation
Gresham House aimed to operate the VCTs solar and wind assets with minimal disruption to local communities and the environment. Operational contractors are subject to ongoing review and the requirement to manage material ESG risks is included in contract terms.

Supply Chain
Gresham House has both a Supply Chain Policy and a Supplier Code of Conduct for energy transition activities to ensure that suppliers are held to a high standard. The Supply Chain Policy covers material ESG topics and places obligations on suppliers (including contractors) to ensure their own compliance, as well as the compliance of their subcontractors, with the Policy. It also requires suppliers to monitor and report any non-compliance to the Investment Adviser.

Climate Change & Pollution

The VCTs' investment strategy materially contributes to the UK's net-zero Strategy and ambition to decarbonise the energy system. Based on the 26,071,081kWh electricity generated by the renewable assets in the portfolio of VCT1 and the VCT, it is estimated that the fund avoided 11,686 tonnes[1] of CO_2 and powered c. 9,656 homes[2] during the 18-month period ended 31 March 2026.

Greenhouse Gas (GHG) Emissions. Emissions can be broken down into three categories by the Greenhouse Gas Protocol:

- → Scope 1: all direct emissions from the activities of the VCT or under its control.
- → Scope 2: indirect emissions from electricity purchased and used by the VCT
- → Scope 3: all other indirect emissions from activities of the VCT. This includes water consumption, waste disposal, and third-party fuel use.

To measure the financed carbon emissions of VCT1 and the VCT in the year 2025, the Investment Advisor used the operational activities at each site, including water consumption, waste production, and vehicle fuel consumption. These inputs were recorded throughout the 12-month period and converted to tCO_2e using UK government conversion factors.

An attribution factor consistent with the Partnership for Carbon Accounting Financials (PCAF) methodology was applied to allocate each fund's proportional share of operational emissions.

Table 1: Carbon footprint of each VCT in 2025.

	VCT1	VCT2
Scope 1 (tCO_2e)	61.9	61.9
Scope 2 (tCO_2e)	30.9	30.9
Scope 3 (tCO_2e)	27.5	27.5
Economic Carbon Intensity (Scope 1 + 2) tCO_2e/ £m	10.6	10.6
Revenue Carbon Intensity (Scope 1 + 2) tCO_2e/ £m	29.3	29.3

Gresham House conducted its carbon foot printing for the calendar year (1 January 2025 – 31 December 2025) so the value reported corresponds to the emissions produced in this 12-month period, rather than the VCT's 18-month reporting period (1 October 2024 to 31 March 2026).

Natural Capital

The Investment Adviser continued to manage the Company's wind (sold in February 2026) and remaining solar assets (sold in February 2026) in line with the biodiversity commitments and habitat management plans instigated as part of project development and approvals up to the date they were sold.

Director's Duties

Directors must consider the long-term, and as part of the Managed Wind Down in the shorter-term, consequences of any decision they make. They must also consider the interests of the various stakeholders of the VCT, the impact the VCT has on the environment and community and operate in a manner which maintains the VCT's reputation for having high standards of business conduct and fair treatment between Shareholders.

Fulfilling this duty naturally supports the VCT in its Investment Objective to maximise tax-free capital gains and income to Shareholders and helps ensure that all decisions are made in a responsible and sustainable way. In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, and the AIC Code, the information overleaf explains how the Directors have individually and collectively discharged their duties under section 172 of the Companies Act 2006.

[1] 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.

[2] Assuming an "all non-renewable fuels" emissions statistic of 448tCO_2/GWh of electricity supplied, DESNZ statistics July 2025, Digest of UK Energy Statistics, Table 5.14 ("Estimated carbon dioxide intensity of 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.

Section 172

The Section 172 statement forms part of the Strategic Report.

The Directors consider that in conducting the business of the VCT over the course of the financial period they have complied with Section 172(1) of the Companies Act 2006 (the Act) by fulfilling their duty to promote the success of the VCT and to act in the way they consider, in good faith, would be most likely to promote the success of the VCT for the benefit of its members as a whole, whilst also considering the broad range of stakeholders who interact with and are impacted by the VCT's business, especially with regard to major decisions.

Role of the Board

The Board, which comprised of three Non-Executive Directors during the financial period with a broad range of skills and experience, retains responsibility for taking all decisions relating to the VCT's principal objectives, corporate governance and strategy, and for monitoring the performance of the VCT's service providers.

The Board aims to ensure that the VCT operates in a transparent culture where all parties are able to contribute to the decisions made and challenge where necessary with the overall aim of achieving the expectations of Shareholders and other stakeholders alike.

In discharging their section 172 duties the Directors have regard to the likely consequences of any decisions during the Managed Wind Down process; the need to foster the VCT's business relationships with suppliers, customers and others; the impact of the VCT's operations on the community and environment; the desirability of the VCT maintaining a reputation for high standards of business conduct and the need to act fairly as between members of the VCT.

The Board works very closely with the Investment Adviser and Company Secretary to ensure there is visibility and openness in how the affairs of the VCT are being conducted. The VCT co-owns all its assets with Gresham House Renewable Energy VCT 1 plc (VCT 1).

The VCT is an investment vehicle, externally managed, has no employees, and is overseen by a Non-Executive board of Directors. As such the Board considers its stakeholders to be the Shareholders, the service providers, including the Investment Adviser, and regulatory bodies.

Following the adoption of the new Investment Policy from 13 July 2021, the VCT's principal objective is to manage the Company with the intention of realising all remaining assets in the portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner.

Key Stakeholders

Shareholders

The Board engages with the VCT's Shareholders in a variety of ways, including annual and half-yearly reports and accounts, an AGM and information provided on the Investment Adviser's website as well as ad hoc communications with Shareholders.

The Registrar is available to help Shareholders to manage their shareholding.

The Board communicates with its Shareholders through the publication of Annual and Half-Year reports which are available on the VCT's website (https://greshamhouse.com/real-assets) and sent to Shareholders.

The Board is also happy to respond to any written queries made by Shareholders during the course of the period, or to meet with major Shareholders if so requested. In addition to the formal business of the AGM, representatives of the Investment Adviser and the Board are available to answer any questions a Shareholder may have. During the period the Board engaged with Shareholders on multiple matters, including updates on continuing discussions with potential purchasers of the remaining solar and wind assets. Details of these matters are included in the Chairman's Statement.

Investment Adviser

The Board has delegated authority for day-to-day management of the VCT to the Investment Adviser. The Board then engages with the Investment Adviser in setting, approving and overseeing the execution of the business strategy and related policies. The Investment Adviser attends Valuation Forums, Board meetings and Audit Committee meetings to update the Directors on the performance of the portfolio. At every quarterly Board meeting a review of financial and operational performance, as well as legal and regulatory compliance, is undertaken. Since the General Meeting held on 13 July 2021, the Managed Wind Down of the Company has been reviewed at each quarterly Board meeting and at ad hoc board meetings being held as and when required.

The Board also reviews other areas over the course of the financial period including the VCT's business strategy, key risks, stakeholder-related matters, diversity and inclusion, environmental matters, corporate responsibility and governance, compliance and legal matters.

The Investment Adviser's performance is critical for the VCT to successfully deliver its investment strategy and meet its objectives.

Service Providers
The VCT has a limited pool of service providers which include the Investment Adviser, the Administrator, the Registrar, the Legal Advisers, the Auditor, the Tax Adviser and the VCT Status Advisers.

These service providers are fundamental to ensuring that as a business the VCT meets the high standards of conduct that the Board sets. The Board meets at least annually to review the performance of the key service providers and receives reports from them at Board and Committee meetings.

The Board has regular contact with the two main service providers (the Investment Adviser and Administrator) through quarterly board meetings, with the Chairman and Audit Chairman meeting these providers more regularly. The Audit Committee also reviews the controls of the VCT's service providers on an annual basis to ensure that they are performing their responsibilities in line with Board expectations and providing value for money.

Regulators/Government
The Board regularly considers how it meets regulatory and statutory obligations and follows voluntary and best-practice guidance, including how any governance decisions it makes impact its stakeholders both in the shorter and in the longer-term.

The VCT engages an external adviser to report half-yearly on its compliance with the VCT rules and a Company Secretary report is tabled quarterly at board meetings.

ESG
Details on ESG are included in the Sustainable Investing section on page 24.

Key Board decisions and specific examples of Stakeholder consideration during the period
The Board is fully engaged in both oversight and the general strategic direction of the VCT. During the period, the Board's main strategic discussions focused around the below items.

Managed Wind Down process
Following the General Meeting held on 13 July 2021, the Shareholders resolved to approve the Managed Wind Down of the Company and associated amendments to the Company's Investment Policy. Under the Managed Wind Down process, the Company has continued to be managed with the intention of realising all assets in its Portfolio in a prudent manner consistent with the principles of good investment management and with a view achieving fair value for the Company's assets and subsequently returning cash to Shareholders in an orderly manner.

To that effect, the Board's strategic discussions have centred on the sale of the full remaining portfolio of solar and wind assets. Particular oversight and direction from the Board has been provided with regard to ongoing discussions with potential purchasers of the solar and wind assets and resolution of any commercial, strategic, macroeconomic or regulatory reform issues that might hinder or delay completion of any sale. On 6 March 2026, the Company confirmed that it had completed the sale of around 200 wind turbines on 23 February 2026. On 23 June 2026, the Company announced the completion of the sale of the Company's remaining solar assets to a UK entity managed by True Green Capital Management LLC.

Time has also been spent by the Board in considering the impact of both the portfolio sale and the dissolution of Rezatec and bio-bean on compliance with the 80% qualifying holdings requirement that applies to the Company as a VCT. The Company's qualifying ratio fell below 80% on 9 September 2025 and, as a result, the Board with the Investment Adviser and the VCT status adviser applied to HMRC for dispensation to continue to operate as a VCT. This dispensation was granted on a rolling basis by HMRC whilst efforts to sell the remaining assets continued and in the meantime the Board, with input from relevant service providers, commenced the planning of the Company's eventual entry into voluntary liquidation. The Board also held discussions with potential liquidators with a view to an appointment to oversee the process and selected Azets Holdings Limited as its preferred candidate. With the VCT's final assets sold in June 2026, the voluntary liquidation process can be initiated.

Throughout the period, the Board has also considered how to maximise dividend returns to Shareholders whilst taking into account the Company's expected cash requirements and the potential timeline for and impact of the sale of investment assets in accordance with Shareholder wishes. Following completion of the sale of assets process in June 2026, the Board declared a dividend of 17.0 pence per Ordinary share and £nil per 'A' Share on 23 July 2026.

By order of the Board

Christian Yates
Chairman

30 July 2026

Report of the Directors

The Directors present the fifteenth Annual Report and Accounts of the VCT for the financial period ended 31 March 2026.

The Corporate Governance Report on pages 34 to 37 forms part of this report.

Share capital

At the period end, the VCT had in issue 26,133,036 Ordinary Shares and 39,463,845 'A' Shares. There are no other share classes in issue.

All shares have voting rights; each Ordinary Share has 1,000 votes and each 'A' Share has one vote. Where there is a resolution in respect of a variation of the rights of 'A' Shareholders or a Takeover Offer, the voting rights of the 'A' Shares rank pari-passu with those of Ordinary Shares.

Pursuant to the articles and subject to a special resolution, the VCT is able to make market purchases of its own shares, up to a maximum number of shares equivalent to a set percentage of the total number of each class of issued shares from time to time. No such resolution was passed at the Company's 2025 Annual General Meeting.

Substantial interests

As at 31 March 2026, and the date of this report, the VCT had not been notified of any beneficial interest exceeding 3% of the issued share capital.

Results

Period ended 31 March 2026	£'000	Pence per Ord Share	Pence per 'A' Share
Loss for the period	3,930	15.0	–

No dividend was paid during the financial period to 31 March 2026.

Directors

The Directors of the VCT during the period and their beneficial interests in the issued Ordinary Shares and 'A' Shares at 31 March 2026 and at the date of this report are detailed on page 33 of the Remuneration Report.

Biographical details of the Directors, all of whom are Non-Executive, can be found on page 3.

It is the Board's policy that Directors do not have service contracts, but each Director is provided with a letter of appointment. The Directors' letters of appointment are terminable on three months' notice by either side. They are available on request at the Company's registered office during business hours.

The Articles of Association require that each Director retires by rotation every three years and being eligible, offer themselves for re-election. Accordingly, Matthew Evans stood for re-election in 2023 and Christian Yates and Andrew Donovan stood for re-election in 2024.

The Directors' appointment dates and the date of their last election are shown below:

Director	Date of original appointment	Most recent date of re-election
Christian Yates (Chairman)	28/09/2010	19/03/2024
Matthew Evans	31/01/2017	27/04/2023
Andrew Donovan	07/12/2020	19/03/2024

The Directors believe that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company and the sector in which it operates to enable it to provide effective strategic leadership and proper guidance of the Company.

The Board confirms that, following the evaluation process set out in the Corporate Governance Statement on page 35, the performance of the Directors is, and continues to be, effective and demonstrates commitment to the role.

Each Director is required to devote such time to the affairs of the VCT as the Board reasonably requires.

Annual General Meeting
The Company anticipates entering members voluntary liquidation by September 2026 and therefore has not scheduled a fifteenth Annual General Meeting. Details of the General Meeting to be held to formally put the Company into members voluntary liquidation will be circulated in due course.

Auditor
The Independent Auditor's Report can be found on pages 38 to 43. At the 2025 AGM, the Shareholders approved the re-appointment of BDO LLP as the auditor.

Going concern
The Directors' assessment of the Company as a going concern is included in the Corporate Governance statement on page 36.

Directors' responsibilities
The Directors are responsible for preparing the Strategic Report, the Report of the Directors, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring that the Annual Report includes information required by the UK Listing Rules of the Financial Conduct Authority.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law), including Financial Reporting Standard 102, the financial reporting standard applicable in the UK and Republic of Ireland (FRS 102). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the VCT and of the profit or loss of the VCT for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the VCT will continue in business. As stated in Note 1, the Directors do not consider the VCT to be a going concern and have prepared the financial statements on a basis other than that of a going concern since 30 September 2021.

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

In addition, each of the Directors considers that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the VCT's position and performance, business model and strategy.

Directors' statement pursuant to the disclosure and transparency rules
Each of the Directors, whose names and functions are listed on page 3, confirms that, to the best of each person's knowledge:

- the financial statements, which have been prepared in accordance with UK Generally Accepted Accounting Practice and the 2014 Statement of Recommended Practice (updated in July 2022 (SORP)), 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' give a true and fair view of the assets, liabilities, financial position and profit or loss of the VCT; and
- that the management report, comprising the Chairman's Statement, Investment Adviser's Report, Review of Investments, Strategic Report, and Report of the Directors includes a fair review of the development and performance of the business and the position of the VCT together with a description of the principal risks and uncertainties that it faces.

Insurance cover
Directors' and Officers' liability insurance cover is held by the VCT in respect of the Directors.

Website publication
The Directors are responsible for ensuring the Annual Report and the Financial Statements are made available on a website. Financial statements are published on the website of the Investment Adviser (https://greshamhouse.com/real-assets) in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Corporate governance
The VCT's Corporate Governance statement and compliance with, and departures from the 2019 AIC Code of Corporate Governance, which has been endorsed by the Financial Reporting Council (www.frc.org.uk), is shown on page 37.

Other matters
The likely future developments in the business of the Company including the Managed Wind Down and ongoing sale of assets process are set out in the Chairman's Statement (pages 4 to 5) and in the Investment Adviser's Report (pages 6 to 8).

Information in respect of risk management has been disclosed within the Strategic Report on page 15.

Information in respect of greenhouse emissions which is normally disclosed within the Report of the Directors has been disclosed within the Sustainable Investing report part of the Strategic Report on page 25.

During the period, the VCT did not have any employees (2024: nil) and therefore there is no comparison data available for the change in Directors' remuneration to average change in employee remuneration.

Events after the end of the reporting period
The Company's remaining solar assets were sold on 22 June 2026.

The VCT has not paid a dividend between the period end and 30 July 2026. The Company declared a dividend of 17.0 pence per Ordinary share and £nil per 'A' Share on 23 July 2026, due to be paid on 21 August 2026.

Statement as to disclosure of information to the auditor
The Directors in office at the date of the report have confirmed, as far as they are aware, that there is no relevant audit information of which the Auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the Auditor.

For and on behalf of the Board

Christian Yates
Chairman

30 July 2026

Directors' Remuneration Report

Annual statement of the remuneration committee
The Remuneration Committee consists of each of the VCT Directors. The Remuneration Committee assists the Board to fulfil its responsibility to Shareholders to ensure that the remuneration policy and practices of the VCT reward the Directors fairly and responsibly, with a clear link to corporate and individual performance and having regard to statutory and regulatory requirements. The Remuneration Committee meets as and when required to review the levels of Directors' remuneration. The Committee is also responsible for considering the need to appoint external remuneration consultants.

Following a review of the remuneration during the financial year 2023/24 by the Remuneration Committee, the Board approved a 6% increase in the Directors' remuneration. These increases took effect from 1 October 2024. Following a further review in September 2025, the Board also approved a further 4.5% increase in Directors remuneration with effect from 1 October 2025. The changes to the Directors' remuneration are outlined in this report.

Details of the specific levels of remuneration to each Director as well as the fee increases are outlined in the report.

Report on Remuneration Policy
Below is the VCT's remuneration policy. This policy applies from 27 April 2023. Shareholders must vote on the remuneration policy every three financial years, or sooner, if the VCT wants to make changes to the policy. The policy was last approved by Shareholders at the 2023 AGM. There are currently no planned changes to the remuneration policy and the Company expects to enter members voluntary liquidation prior to being required to hold its 2026 AGM and re-table the policy for Shareholder approval.

The VCT's policy on Directors' remuneration is to seek to remunerate Board members at a level appropriate for the time commitment required and degree of responsibility involved and to ensure that such remuneration is in line with general market rates. Non-Executive Directors will not be entitled to any performance related pay or incentive.

Directors' remuneration is also subject to the VCT's Articles of Association which provide that:

(i) The aggregate fees will not exceed £100,000 per annum (excluding any Performance Incentive fees to which the Directors may be entitled from time to time)*; and

(ii) The Directors shall be entitled to be repaid all reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

* As highlighted above, the Non-Executive Directors are not currently entitled to any performance related pay or incentives under the Company's adopted remuneration policy.

Agreement for services
Information in respect of the Directors' agreements has been disclosed within the Report of the Directors on page 28.

Performance incentive
The structure of 'A' Shares, whereby Management (being staff of the Investment Adviser) owns one third of the 'A' Shares in issue (known as the "Management 'A' Shares"), enables a payment, by way of a distribution of income, of the Performance Incentive to the Management Team. The performance incentive structure of 'A' shares is detailed on page 22 of the Strategic Report.

The NAV hurdle was not met for the financial period end 31 March 2026 and no dividend was paid in respect of the 'A' shares during the period, therefore there was no Performance Incentive.

Annual Report on remuneration
The Board has prepared this report in accordance with the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410) and the Companies Act 2006.

Under the requirements of Section 497 of the Companies Act 2006, the VCT's Auditor is required to audit certain disclosures contained within this report. These disclosures have been highlighted and the audit opinion thereon is contained within the Auditor's Report on pages 38 to 43.

Directors' remuneration (audited)
Directors' remuneration for the VCT for the period under review is shown in the table below.

The basic fees of the Directors with effect from 1 October 2024 to 30 September 2025 were £31,264 for the Chairman, £28,315 for the Audit Committee Chairman and £25,366 for the other Non-Executive Director. The basic fees of the Directors with effect from 1 October 2025 to 31 March 2026 were £32,671 for the Chairman, £29,589 for the Audit Committee Chairman and £26,507 for the other Non-Executive Director.

Effective 1 October 2024, an increase of 6% was applied to Director fees. Effective 1 October 2025, an additional increase of 4.5% was applied to Director fees. This increase is within the limit set by the Remuneration Policy. Both changes are shown in the table below:

	Current Annual Fee £	18 months ended 31 March 2026 £	Additional Special Payment for the period end 31 March 2026 £	Total Period ended 31 March 2026 fee £	Year ended 30 September 2024 fee £	Additional Special Payment for the year end 30 September 2024 £	Total Year ended 30 September 2024 fee £
Christian Yates	32,671	47,600	5,000	52,600	29,494	N/A	29,494
Andrew Donovan	29,589	43,109	5,000	48,109	26,712	N/A	26,712
Matthew Evans	26,507	38,619	5,000	43,619	23,930	N/A	23,930
Totals	**88,767**	**129,327**	**15,000**	**144,327**	**80,136**	**0**	**80,136**

The additional special payment of £5,000 for each Director during the 18 months ended 31 March 2026 was approved in recognition of the additional work connected with the sale of assets. No other emoluments, pension contributions or life assurance contributions were paid by the VCT to, or on behalf of, any Director. The VCT does not have any share options in place.

During March 2026, the Board approved payments of £7,500 (excluding VAT) to both Andrew Donovan and Christian Yates for their additional advisory work on the Company's sale of assets process from December 2025 to March 2026. These payments were made to Donovan Capital Advisory Limited (an entity controlled by Andrew Donovan) and New Radiation (2008) LLP (an entity controlled by Christian Yates) respectively. As at 31 March 2026, £0 remained outstanding. Directly equivalent advisory fees of £7,500 (excluding VAT) were also paid to both Donovan Capital Advisory Limited and New Radiation (2008) LLP by Gresham House Renewable Energy VCT 1 Plc for equivalent advisory services provided by Andrew Donovan and Christian Yates to VCT 1 during the same period. As at 31 March 2026, £0 remained outstanding.

No increase in Director fees has been proposed for the year commencing 1 April 2026.

Annual Percentage Change in Directors' Remuneration

The following table sets out the annual percentage change in Directors' fees for the period up to 31 March 2026(1):

	% change for the 18-month period to 31 March 2026	% change for the year to 30 September 2024	% change for the year to 30 September 2023	% change for the year to 30 September 2022	% change for the year to 30 September 2021
Christian Yates	10.8(6)	6	5(5)	0	6(4)
Matthew Evans	10.8(6)	6	5	0	7.5
Andrew Donovan	10.8(6)	6	5	0(4)	N/A(3)(4)
Giles Clark(2)	N/A	N/A	N/A	0(4)	6.7(3)(4)

(1) Disclosed percentage changes in the table above reflect changes in base underlying annual fees paid to Directors, and do not incorporate additional ad hoc special payments made for additional work or oversight conducted during any financial period (these special payments are disclosed below).

(2) Effective 30 September 2022, Giles Clark resigned from the Board and was appointed as a new Non-Executive Director of VCT1.

(3) Andrew Donovan was appointed as a Director on 7 December 2020. Giles Clark was the Chair of the Audit Committee until 10 May 2021, stepping away from the position to manage the sales process, and Andrew Donovan was then appointed as the Chair of the Audit Committee with effect from 11 May 2021. Annual fees were paid on a *pro rata* basis, with an additional annual fee of £2,500 paid to the Chair of the Audit Committee.

(4) During the financial year to 30 September 2021, in recognition of the increased oversight responsibilities, the Remuneration Committee approved additional special payments to the Chairman, Chair of the Audit Committee and Giles Clark (as the previous Chair of the Audit Committee), calculated at 25% of their annual fee. The additional special payments were split into two payment tranches. The first tranche was paid during the financial year to 30 September 2021 for additional oversight responsibilities relating to the 2021 financial year and the second tranche was paid in October 2021 for additional oversight responsibilities relating to the 2022 financial year.

(5) During the year to 30 September 2023, in recognition of increased oversight responsibilities in relation to the completion of the sale of certain solar assets in April 2023, the Remuneration Committee approved an additional special payment of £7,500 to the Chairman. This additional payment was paid on 16 May 2023.

(6) In March 2025, in recognition of the additional work undertaken to progress the sale of the Company's remaining assets over the 18-month period ending 28 February 2025, the Board agreed to approve an additional special payment of £5,000 to each Director. This additional fee was paid in March 2025.

Directors' Shareholding (Audited)
The Directors of the VCT during the period and their beneficial interests in the issued Ordinary Shares and 'A' Shares at 31 March 2026 and at the date of this report were as follows:

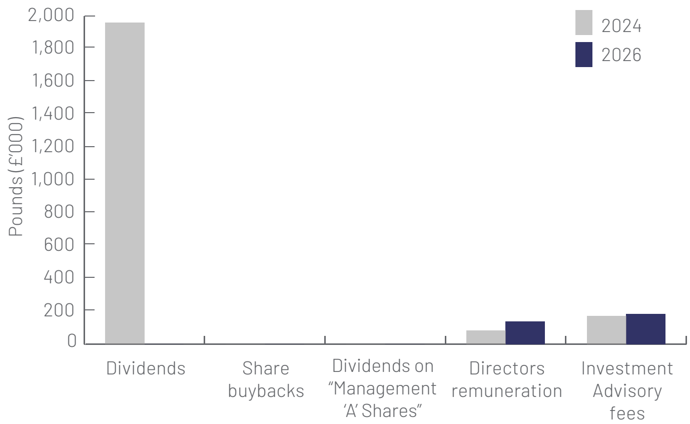
Directors		At the date of this report	At 31 March 2026	At 30 September 2024
Christian Yates	Ord	27,789	27,789	27,789
	'A'	2,624,185	2,624,185	2,624,185
Matthew Evans	Ord	–	–	–
	'A'	–	–	–
Andrew Donovan	Ord	–	–	–
	'A'	–	–	–

Statement of voting at AGM
Remuneration report
At the AGM on 19 March 2025, the votes in respect of the resolution to approve the Director's Remuneration Report were as follows:

In favour	1,345,954,036 votes (75.04%)
Against	447,666,219 votes (24.96%)
Withheld	0 votes

Remuneration policy
At the 2023 AGM, when the remuneration policy was last put to a Shareholder vote, 99.85% voted for the resolution, showing significant Shareholder support.

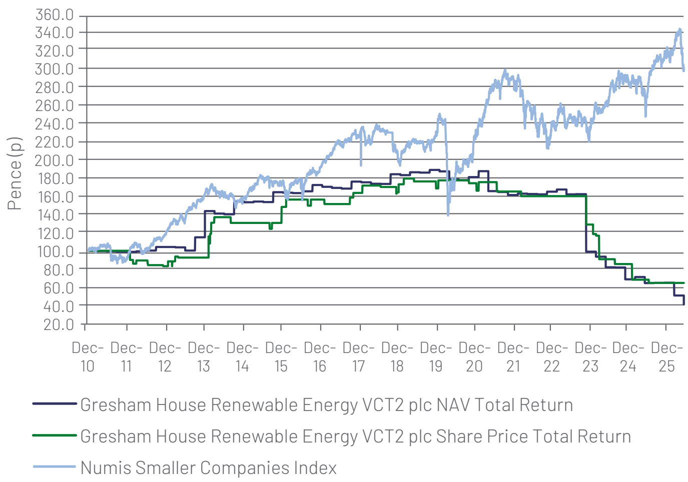
Relative importance of spend on pay
The difference in actual spend between 31 March 2026 and 30 September 2024 on Directors' remuneration in comparison to distributions (dividends and share buybacks) and other significant spending are set out in the chart below.



Noted: 2024 relates to the 12-month period 1 October 2023 to 30 September 2024, 2026 relates to the 18 month period 1 October 2024 to 31 March 2026.

2026/27 Remuneration
The remuneration levels for the forthcoming year for the Directors of the VCT are shown in the above table on page 32.

Performance graph
The graph below represents the VCT's performance over the reporting periods since the VCT's Ordinary Shares and 'A' Shares were first listed on the London Stock Exchange and shows share price total return and net asset value total return performance on a dividends reinvested basis. All returns are rebased to 100 at 10 January 2011, being the date the VCT's shares were listed.



The Numis Smaller Companies Index has been chosen as a comparison as it is a publicly available broad equity index which focuses on smaller companies and is therefore more relevant than most other publicly available indices.

Matthew Evans
Remuneration Committee Chairman

30 July 2026

Corporate Governance

The Board of Gresham House Renewable Energy VCT 2 plc has considered the Principles and Provisions of the 2019 AIC Code of Corporate Governance (the AIC Code). The AIC Code addresses the Principles and Provisions set out in the 2018 UK Corporate Governance Code (the UK Code), as well as setting out additional Provisions on issues that are of specific relevance to Gresham House Renewable Energy VCT 2 plc. In performing this exercise, the Board has also given consideration to the updated editions (2024) of the AIC Code and the UK Code (that are applicable to accounting periods beginning on or after 1 January 2025).

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders.

Compliance with the Principles and Provisions of the AIC Code by the VCT is detailed on page 37.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Board

The VCT has a Board comprising three Non-Executive Directors, chaired by Christian Yates. Andrew Donovan is independent from the Investment Adviser. Matthew Evans is not considered independent as he is a Designated Member of CH1 Investment Partners LLP, which receives trail commission from the Investment Adviser. Christian Yates was independent on appointment, however, he is no longer considered independent as he has been on the Board for over 9 years. The VCT has not appointed a Senior Independent Director. Biographical details of all Board members (including significant other commitments of the Chairman) are shown on page 3.

Full Board meetings take place quarterly and the Board meets or communicates more regularly to address specific issues. The Board has a formal schedule of matters specifically reserved for its decision which includes but is not limited to: considering recommendations from the Investment Adviser; making decisions concerning the acquisition or disposal of investments; and reviewing, annually, the terms of engagement of all third party advisers (including the Investment Adviser and Administrator).

The Board has also established procedures whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice at the VCT's expense.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary facilitates the Board's access to full information on the VCT's assets and liabilities and other relevant information requested by the Chairman in advance of each Board meeting.

The Board has decided that the VCT will not be buying shares for the foreseeable future as the VCT wishes to conserve such cash as it generates for the Managed Wind Down of the VCT and the potential payment of dividends.

The capital structure of the VCT is disclosed in Note 18 to the financial statements.

During the period under review, all the Directors of the VCT were Non-Executive and served on each committee of the Board. Andrew Donovan is the Chairman of the Audit Committee and Matthew Evans is the Chairman of the Remuneration and Nomination Committees. The Audit Committee normally meets four times yearly, and the Remuneration and Nomination Committees normally meet once each year. The Board has delegated a number of areas of responsibility to its committees and each committee has defined terms of reference and duties.

Audit committee

The Audit Committee is responsible for reviewing the half-year and annual accounts before they are presented to the Board, the terms of appointment of the Auditor, together with their remuneration, as well as a full review of the effectiveness of the VCT's internal control and risk management systems.

In particular, the Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Adviser, for presentation within the half-year and annual accounts.

The Committee also takes into consideration comments on matters regarding valuation, revenue recognition and disclosures arising from the Report to the Audit Committee as part of the finalisation process for the annual accounts.

The Committee is also responsible for reviewing the going concern assessment and viability statement including consideration of all reasonably available information about the future financial prospects of the VCT, the possible outcomes of events and changes in conditions and realistic possible responses to such events and conditions.

The Audit Committee met five times during the period. The Committee reviewed the internal financial controls and concluded that they were appropriate.

As the VCT has no staff, other than the Directors, there are no procedures in place in respect of whistle blowing. The Audit Committee understands that the Investment Adviser and Administrator have whistle blowing procedures in place.

External auditor

The Audit Committee reviews and agrees the audit strategy paper, presented by the Auditor in advance of the audit, which sets out the key risk areas to be covered during the audit and confirms their status on independence.

The Committee also confirms that the main areas of risk for the period under review are the carrying value of investments, management override of controls and the potential for fraud in relation to revenue recognition. The Company faces ongoing liquidity and solvency risks after the period under review, in anticipation of the Company's need to enter voluntary liquidation following the sale of the remaining assets in June 2026.

Under the Competition and Markets Authority regulations and subject to transitional provisions, there is a requirement that an audit tender process be carried out every ten years and mandatory rotation at least every twenty years. The VCT undertook an audit tender in respect of the audit required for the year ended 30 September 2021 and, following a competitive tender process in early 2021, BDO was re-appointed.

Under the FRC's Revised Ethical Standard (2024), there is a requirement for the key audit partner to cease their participation in the statutory audit not later than five years from the date of their appointment. In order to comply with the independence rules of the FRC's Revised Ethical Standard and safeguard the quality of the audit, a new audit partner was appointed by BDO to oversee the audit for the year ended 30 September 2024. The same audit partner remains appointed to oversee the audit for the 18 month period ended 31 March 2026.

Board and Committee Meetings
The following table sets out the Directors' attendance at the Board and Committee meetings during the financial period:

	Quarterly Board meetings attended	Adhoc Board meetings attended	Audit Committee meetings attended	Nomination Committee meetings attended	Remuneration Committee meetings attended
	(5 held)	**(16 held)**	**(5 held)**	**(1 held)**	**(1 held)**
Christian Yates	5	15	5	1	1
Andrew Donovan	5	16	5	1	1
Matthew Evans	4	8	4	1	1

The Directors attended a number of ad hoc board meetings, mainly to discuss the Managed Wind Down of the VCT and the sale of the remaining assets held by the Company.

Remuneration Committee
The Committee meets as and when required to review the levels of Directors' remuneration. The Committee is also responsible for considering the need to appoint external remuneration consultants.

Details of the specific levels of remuneration to each Director are set out in the Directors' Remuneration Report on page 32.

Financial Reporting
The Directors' responsibilities statement for preparing the accounts is set out in the Report of the Directors on page 29 and a statement by the Auditor about their reporting responsibilities is set out in the Independent Auditor's report on pages 38 to 43.

Nomination Committee
The Nomination Committee's primary function is to make recommendations to the Board on all new appointments and also to advise generally on issues relating to Board composition and balance. The Committee meets as and when appropriate. Before any appointment is made by the Board, the Committee shall evaluate the balance of skills, knowledge, and experience, and consider candidates on merit, against objective criteria, and with due regard for the benefits of diversity on the Board. Diversity includes and makes good use of differences in knowledge and understanding of relevant diverse geographies, peoples and their backgrounds including race or ethnic origin, sexual orientation, gender, age, disability, or religion.

During the period, the Committee carried out a rigorous internal board evaluation during which it assessed the effectiveness of the Board and its committees. The Committee found that the Board was functioning well and had maintained a strong degree of oversight of the Managed Wind Down, and it was further confirmed that all Directors contributed to the discussions at meetings. A number of topics were raised and discussed and overall, the Board and its committees were found to be performing satisfactorily.

Diversity
The Board currently comprises of three Non-Executive Directors, all of which are male. Summary biographical details of the Directors, including their relevant experience, are set out on page 3. The Company has no employees, with day-to-day executive management functions carried out by the Investment Adviser.

The Board notes the FCA UK Listing Rules requirements (UKLR 6.6.6(9), (10)) which set out targets for board diversity as follows:

- At least 40% of board members to be women;
- At least one senior board position (Chair, chief executive officer (CEO), Senior Independent Director or chief financial officer (CFO)) to be held by a woman; and
- At least one individual on the board to be from a minority ethnic background, defined to include those from an ethnic background and/or an ethnic group, other than a white ethnic group, as specified in categories recommended by the Office for National Statistics.

As an externally managed Venture Capital Trust, there is no CEO or CFO. Due to the size of the Board and the nature of the VCT's business, a Senior Independent Director has not been appointed. However, the Board considers the Chair of the Company and Chair of any of the Company's Committees to be senior positions in the Company. The below table sets out the constitution of the Company's Board against these targets. The data was collected on a self-identifying basis.

The Board considers that three Non-Executive Directors are sufficient given the current size of the Company. The Board notes that, as of 31 March 2026 and at the time of signing these financial statements, it did not meet the first or second target on gender diversity. The Board did not meet the third target on ethnic diversity. Whilst the Board gives due regard to the benefits of diversity and the diversity targets set out in the UKLR, no further appointments are anticipated as the Company has entered the Managed Wind Down process and will enter voluntary liquidation in due course.

Board Diversity as at 31 March 2026

Gender	Number of Board members	Percentage of the Board	Number of senior positions on the Board
Men	3	100%	4
Women	0	0%	0
Prefer not to say	0	0%	0

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions on the Board
White British or other White (including minority-white groups)	3	100%	4
Other ethnic group	0	0	0
Prefer not to say	0	0	0

Relations with Shareholders
Shareholders have historically had the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by Shareholders, or to meet with major Shareholders if so requested.

The terms of reference of the Committees and the conditions of appointment of Non-Executive Directors are available to Shareholders on request.

Internal Control
The Directors are fully informed of the internal control framework established by the Investment Adviser and the Administrator to provide reasonable assurance on the effectiveness of internal financial control.

The Board is responsible for ensuring that the procedures to be followed by the advisers and themselves are in place, and they review the effectiveness of the internal controls, based on the report from the Audit Committee, on an annual basis to ensure that the controls remain relevant and were in operation throughout the period.

The Board also reviews the perceived risks faced by the VCT in line with relevant guidance on an annual basis and implements additional controls as appropriate.

The Board also considered the requirement for an internal audit function and considered that this was not necessary as the internal controls and risk management in place were adequate and effective.

Although the Board is ultimately responsible for safeguarding the assets of the VCT, the Board has delegated, through written agreements, the day-to-day operation of the VCT (including the Financial Reporting Process) to the following advisers:

Investment Adviser
Gresham House Asset Management Limited

Administrator and Company Secretary
JTC (UK) Limited

Anti-bribery policy
In order to ensure compliance with the UK Bribery Act 2010, the Directors confirm that the VCT has zero tolerance towards bribery and a commitment to carry out business openly, honestly and fairly.

Going concern
In assessing the VCT as a going concern, the Directors have considered the forecasts which reflect the proposed strategy for portfolio investments and the result of the continuation votes at the AGM and General Meeting held on 22 March 2021 and 13 July 2021 respectively. At the meeting on 13 July 2021, the proposed special resolution was approved by Shareholders. 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.

The VCT pursued its investment objective by effecting an orderly realisation of its assets in a manner that sought to achieve a balance between maximising the value received from those assets and making timely returns of capital to Shareholders. This process included sales of individual assets or running of the portfolio in accordance with the existing scope of the assets, or a combination of both. The VCTs commenced the sale of assets process in 2021, with sale completions in April 2023 and February 2026. The sale of assets process completed in late June 2026 with the sale of remaining solar assets.

As a result of the assets disposals in late June 2026, the Directors do not consider that the company has the ability to continue trading. Accordingly, the Directors have concluded that the going concern basis of accounting is not appropriate. The financial statements have therefore been prepared on a basis other than going concern. Under this basis, assets and liabilities have been stated at amounts expected to be realised or settled, having regard to the post balance sheet disposal of the company's assets.

The Directors consider that this basis of preparation provides a more appropriate presentation of the company's financial position at the balance sheet date.

Since the start of the Managed Wind Down in July 2021, the going concern basis of accounting in preparing the financial statements was no longer considered to be appropriate. On this basis, the VCT's financial statements have been prepared 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. No additional adjustments in the financial period ended 31 March 2026 have been required to the financial statements as a result of them being prepared on a basis other than going concern.

Subject to Shareholders approval, the VCT anticipates entering members' voluntary liquidation on 2 September 2026.

Share capital

The VCT has two classes of share capital: Ordinary Shares and 'A' Shares. The rights and obligations attached to those shares, including the power of the VCT to buy back shares and details of any significant shareholdings, are set out on page 28 of the Report of the Directors.

Compliance statement

The UK Listing Rules require the Board to report on compliance with the AIC Code provisions throughout the accounting period. With the exception of the limited items outlined below, the VCT has complied throughout the accounting period ended 31 March 2026 with the provisions set out in Section 5 to 9 of the AIC Code.

a) The VCT has no major Shareholders, so Shareholders are not given the opportunity to meet any new Non-Executive Directors at a specific meeting other than the AGM. (5.2.3)

b) Due to the size of the Board and the nature of the VCT's business, a Senior Independent Director has not been appointed. (6.2.14)

c) Due to the size of the Board and the nature of the VCT's business, the Board considers it appropriate for the entire Board to fulfil the role of the nomination and remuneration committees. (7.2.22, 9.2.37)

d) Due to the size of the VCT, the Board thought it would be unnecessarily burdensome to establish a separate management engagement committee to review the performance of the Investment Adviser. (6.2.17, 7.2.26)

e) Due to the size of the Board and the nature of the VCT's business, the Board considers it appropriate for the entire Board, including the Chairman, to fulfil the role of the audit committee. (8.2.29)

f) The Directors are not subject to annual re-election but must be re-elected every three years. At the next Annual General Meeting following a Director's first appointment such Director shall retire from office and be eligible for election. A Director may then retire at any Annual Meeting following the Annual General Meeting at which they last retired and were re-elected provided that they must retire from office at or before the third Annual General Meeting following the Annual General Meeting at which they last retired and were re-elected. (7.2.23)

By order of the Board

JTC (UK) Limited
Company Secretary
Company Number: 0430176

Registered office:
The Scalpel, 18th Floor
52 Lime Street
London EC3M 7AF

30 July 2026

Independent Auditor's Report

Independent auditor's report to the members of Gresham House Renewable Energy VCT 2 PLC

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2026 and of its loss and cash flows for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Gresham House Renewable Energy VCT 2 Plc (the 'Company') for the period ended 31 March 2026 which comprise of the following:

- Income Statement
- Balance sheet
- Statement of changes in equity
- Cash flow statement
- Notes 1 to 24 to the financial statements
- A summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

Independence
We remain independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Emphasis of matter – financial statements prepared on a basis other than going concern
We draw attention to Note 1 to the financial statements which explains that the Directors intend to liquidate the Company. Therefore, the Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1. No adjustments were required to the financial statements as a result of preparing them on a basis other than going concern. Our opinion is not modified in respect of this matter.

Overview

		31 March 2026 (£'000)	30 September 2024 (£'000)
Key audit matters	Valuation of unquoted investments	10,167	14,074
Materiality	*Company financial statements as a whole* £119,000 (2024: £198,000) based on 2% (2024: 2%) of Net assets		

An overview of the scope of our audit

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

Key audit matters

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

Key audit matter		**How the scope of our audit responded to the risk**
Valuation of unquoted investments The Company's accounting policies are set out in Note 2, including details of the judgements applied in the application of those policies. Information regarding the valuation of investments, including the basis of valuation and the carrying values attributed to investments, is disclosed in Note 10.	The Company entered into a non-binding agreement with a potential buyer in relation to the sale of the VCTs remaining solar assets, which materialised post period-end. There is risk that investment balance is not reflective of fair value including errors arising from application of the contractual disposal agreement. We have noted that the unquoted investments are the most significant balance on the financial statements and underpin the principal activity of the Company. There is also an inherent risk of management override arising from the unquoted investment valuations being prepared by the Investment Manager, who is remunerated based on the net asset value of the company. For these reasons we considered the valuation of unquoted investments to be a key audit matter.	We performed the following procedures on 100% of the unquoted investments: → We obtained an understanding of the Company's process for determining the fair value of unquoted investments and assessed the design and implementation of the investment valuation processes and controls. This included evidencing management's oversight of the valuation process through the Audit Committee and the Valuation Committee; → Considered the appropriateness of the overall fair value and valuation movement in the income statement; → Challenged whether the valuation methodology applied was appropriate under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and applicable accounting standards; → Obtained and reviewed the sale and purchase agreement. Agreed the key terms and consideration, and traced the sale proceeds received subsequent to year end to the bank statements and other supporting documentation. → Assessed whether the disclosures appropriately reflect and describe the key assumptions and factors considered in determining the investment valuation, including the use of the post year-end sale price as supporting evidence. Key observations → Based on the procedures performed we consider the investment valuations to be reasonable.

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

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

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

	Company financial statements	
	31 March 2026	**30 September 2024**
Materiality	£119,000	£198,000
Basis for determining materiality	2% of Net assets	2% of Net assets
Rationale for the benchmark applied	As the Company is in managed wind-down and its principal objective is the realisation of investments and return of capital to shareholders, net assets have been selected as the most appropriate benchmark for materiality. We consider net assets to be the metric of greatest relevance to users of the financial statements in assessing the Company's financial position and the recoverability of shareholder value.	
Performance materiality	£89,000	£149,000
Basis for determining performance materiality	75% of Materiality	75% of Materiality
Rationale for the percentage applied for performance materiality	The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	

Specific Materiality
We determined that for Revenue, a misstatement of less than materiality for the financial statements as a whole, could influence users of the financial statements. The company's objective is to achieve a balance between maximising the value received from the remaining assets in the portfolio and making timely returns of capital to Shareholders through dividends. Therefore on-going costs and revenue returns are important to the users of the Financial Statements, despite being considerably smaller in magnitude. Given that the VCT receives dividend income from its underlying investee companies, we consider it appropriate to apply a specific materiality. As a result, we determined a specific materiality of £22,000 (2024: £34,000) for those items impacting revenue return, based on 2% (2024: 2%) of Income.

Reporting threshold
We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £5,000 (2024: £9,900) and for those items impacting Revenue £1,000 (2024: £2,000). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

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

We have nothing to report in this regard.

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

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

Going concern and longer-term viability	→ The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 29; → The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 22; and → The Directors' statement on whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities set out on page 22.
Other Code provisions	→ Directors' statement on fair, balanced and understandable set out on page 29; → Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 16; → The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 34; and → The section describing the work of the audit committee set out on page 34.

Other Companies Act 2006 reporting

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

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: → the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and → the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: → adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or → the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or → certain disclosures of Directors' remuneration specified by law are not made; or → we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

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

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

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

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

Non-compliance with laws and regulations
Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance including the Audit Committee; and
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be the Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") and updated in 2022 with consequential amendments and the applicable financial reporting framework. We also considered the Company's qualification as a VCT under UK tax legislation.

Our procedures in respect of the above included:

- Enquires of management whether there were any litigations and claims;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Assess VCT compliance during the period and as at period end and reviewing their calculations to check that the Company was meeting its requirements to retain VCT status; and
- Reviewing minutes of meetings of those charged with governance throughout the period for instances of non-compliance with laws and regulations.

Fraud
We assessed the susceptibility of the financial statements to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance including the Audit Committee regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
    - Detecting and responding to the risks of fraud; and
    - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud; and
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;

Based on our risk assessment, we considered the areas most susceptible to fraud to be the valuation of unquoted investments, management override of controls, and revenue recognition of dividend income.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Reviewing if any journals have been posted in the process of preparation of the financial statements on the basis of supporting documentation and understanding of the business.; and
- Reviewed underlying investee companies' accounts and assessed whether sufficient reserves are available to support dividends paid.

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

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

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

Other matters which we are required to address

We were appointed by Board of Directors to audit the financial statements for the period ended 30 September 2011.

Our total uninterrupted period of engagement is 15 years, covering the periods ended 30 September 2011 to 31 March 2026.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

In due course, as required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.15R – 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Daniel Quiligotti
(Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
London, UK

30 July 2026

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

Income Statement

For the 18-month period ended 31 March 2026

		18-month period ended 31 March 2026			Year ended 30 September 2024		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income	3	1,115	–	1,115	1,695	–	1,695
Loss on investments	10	–	(3,551)	(3,551)	–	(3,552)	(3,552)
		1,115	(3,551)	(2,435)	1,695	(3,552)	(1,857)
Investment advisory fees	4	(139)	(46)	(186)	(129)	(43)	(172)
Other expenses	5	(597)	(712)	(1,309)	(382)	(174)	(555)
		(736)	(758)	(1,495)	(511)	(217)	(727)
Profit/(loss) on ordinary activities before tax		379	(4,309)	(3,930)	1,184	(3,769)	(2,584)
Tax on total comprehensive Income/(loss) and ordinary activities	7	–	–	–	–	–	–
Profit/(loss) for the period/year and total comprehensive income/(loss)		379	(4,309)	(3,930)	1,184	(3,769)	(2,584)
Basic and diluted earnings/(loss) per share:							
Ordinary Share	9	1.4p	(16.4p)	(15.0p)	4.5p	(14.4p)	(9.9p)
'A' Share	9	–	–	–	–	–	–

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).

Other than revaluation movements arising on investments held at fair value through the profit or loss, there were no differences between the return/loss as stated above and at historical cost.

The accompanying notes form an integral part of these financial statements.

Balance Sheet

As at 31 March 2026

	Note	31 March 2026		30 September 2024	
		£'000	£'000	£'000	£'000
Current assets					
Investments	10	10,167		14,074	
Costs incurred on sale of VCT's assets	11	–		305	
Debtors	12	11		51	
Cash at bank and in hand		55		1	
		10,233		14,431	
Creditors	13	(4,221)		(4,489)	
Net current assets			6,012		9,942
Net assets			6,012		9,942
Capital and reserves					
Called up Ordinary Share capital	14	29		29	
Called up 'A' Share capital	14	42		42	
Treasury Shares	15	(3,404)		(3,404)	
Special reserve	15	8,736		8,736	
Revaluation reserve	15	6,956		9,830	
Capital reserve – realised	15	(6,753)		(5,318)	
Revenue reserve	15	406		27	
Total Shareholders' funds			6,012		9,942
Basic and diluted net asset value per share					
Ordinary Share	16		22.9p		37.9p
'A' Share	16		0.1p		0.1p

The financial statements of Gresham House Renewable Energy VCT 2 plc on pages 44 to 61 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: 30 July 2026

The accompanying Notes form an integral part of these financial statements.

Statement of Changes in Equity

For the 18-month period ended 31 March 2026

	Called up share capital £'000	Treasury Shares £'000	Special Reserve £'000	Revaluation reserve £'000	Capital reserve realised £'000	Revenue reserve £'000	Total £'000
At 30 September 2023	71	(3,403)	9,713	11,546	(3,265)	(176)	14,486
Total comprehensive loss	–	–	–	(1,717)	(2,052)	1,184	(2,584)
Dividend paid	–	–	(980)	–	–	(980)	(1,960)
At 30 September 2024	71	(3,404)	8,736	9,830	(5,318)	27	9,942
Total comprehensive loss	–	–	–	(2,874)	(1,432)	379	(3,930)
Dividend paid	–	–	–	–	–	–	–
At 31 March 2026	71	(3,404)	8,736	6,956	(6,753)	406	6,012

The accompanying notes form an integral part of these financial statements.

Cash Flow Statement

For the 18-month period ended 31 March 2026

	Note	18-month period ended 31 March 2026 £'000	Year ended 30 September 2024 £'000
Cash flows from operating activities			
Loss for the period/year		(3,930)	(2,584)
Loss on investments	10	3,551	3,552
Cost incurred on sale of VCT's assets write off		711	98
Dividend income		(1,094)	(1,667)
Interest income		(21)	(28)
(Increase)/decrease in debtors		(2)	1
Decrease)/increase in creditors		(396)	608
Net cash outflow from operating activities		(1,181)	(20)
Cash flows from investing activities			
Net proceeds from sale of investments/loan note redemptions	10	356	338
Cost incurred on sale of VCT's assets		(279)	(84)
Interest received		64	56
Dividend income received		1,094	1,667
Net cash inflow from investing activities		1,235	1,977
Net cash inflow before financing activities		54	1,957
Cash flows from financing activities			
Dividend paid		–	(1,960)
Net cash outflow from financing activities		–	(1,960)
Net increase/(decrease) in cash		54	(3)
Cash and cash equivalents at start of period/year		1	4
Cash and cash equivalents at end of period/year		55	1
Cash and cash equivalents comprise			
Cash at bank and in hand		55	1
Total cash and cash equivalents		55	1

The accompanying notes form an integral part of these financial statements.

Notes to the Accounts

For the 18-month period ended 31 March 2026

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.

Basis other than going concern

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 realizing the sale or monetization 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. On 23 June 2026, the completion of the sale of the remaining solar assets was announced. Following this disposal, the Company's has ceased, or is expected to cease, its principal trading activities. It is the Board's intention to distribute the sale proceeds (net of remaining or anticipated costs) to Shareholders through a dividend or capital distribution followed by the Company's proposed entry into members' voluntary liquidation, currently anticipated to take place on 2 September 2026.

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 audited financial results covering the 18 months to 31 March 2026 as a result of them being prepared on a basis other than going concern.

Investments held at fair value through profit or loss are held as current assets.

2. Accounting policies

Basis of accounting

The VCT has prepared its financial statements under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies (AIC) in November 2014 and revised in July 2022 (SORP) as well as the Companies Act 2006.

The VCT extended its current financial period from 12 months to 18 months, ending on 31 March 2026. Consequently, the current financial statements cover the 18-month period from 01 October 2024 to 31 March 2026, whereas the comparative figures cover the 12-month period ended 30 September 2024. Due to the unequal length of these periods, the amounts presented in the Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and related notes are not entirely comparable.

The VCT implements new Financial Reporting Standards (FRS) issued by the Financial Reporting Council when they become effective. No new FRS were implemented during the year.

The financial statements are presented in Sterling (£) as this is the VCT's functional currency.

Presentation of income statement

In order to better reflect the activities of a Venture Capital Trust and in accordance with the SORP, supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net revenue is the measure the Directors believe appropriate in assessing the VCT's compliance with certain requirements set out in Part 6 of the Income Tax Act 2007.

Investments

All investments are designated as "fair value through profit or loss" assets due to investments being managed and performance evaluated on a fair value basis. A financial asset is designated within this category if it is both acquired and managed on a fair value basis, in accordance with the VCT's documented investment policy. The fair value of an investment upon acquisition is deemed to be cost. Thereafter investments are measured at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV) together with FRS 102 sections 11 and 12.

2. Accounting policies (continued)

For unquoted investments and subsequent to acquisition, fair value is established by using the IPEV guidelines.

Based on the ongoing sales process, a fair market view based upon the offer price has been used as a primary valuation approach in the 18-month financial period ended 31 March 2026. Further details are contained in Note 10.

Effective 1 January 2019, the IPEV guidelines to establish fair value were updated whereby the cost or price of a recent investment are no longer considered valid valuation methodologies for establishing the fair value of an investment. The VCT along with its Investment Adviser may, under orderly market conditions, deem the cost or recent price paid for an investment as an appropriate fair value for an investment at the time of acquisition but subsequent to recognition must reconsider the assigned fair value based on up-to-date market conditions and performance of the underlying investee company in order to assign a fair value in line with the IPEV guidelines.

The methodology applied takes account of the nature, facts and circumstances of the individual investment and uses reasonable data, market inputs, assumptions and estimates in order to ascertain fair value.

Gains and losses arising from changes in fair value are included in the Income Statement for the year as a capital item and transaction costs on acquisition or disposal of the investment are expensed. Where an investee company has gone into receivership or liquidation, or administration (where there is little likelihood of recovery), the loss on the investment, although not physically disposed of, is treated as being realised.

The investee companies held by the VCT are treated as a portfolio of investments and are therefore measured at fair value in accordance with section 9 of FRS 102. The results of these companies are not incorporated into the Income Statement except to the extent of any income accrued. This is in accordance with the SORP and FRS 102 sections 14 and 15 that does not require portfolio investments, where the interest held is greater than 20%, to be accounted for using the equity method of accounting.

Income

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

Interest income is accrued on a time apportionment basis, by reference to the principal sum outstanding and at the effective interest rate applicable and only where there is reasonable certainty of collection in the foreseeable future.

Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Income Statement, all expenses have been presented as revenue items except as follows:

- Expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment; and
- Expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. The VCT has adopted a policy of charging 75% of the investment advisory fees to the revenue account and 25% to the capital account to reflect the Board's estimated split of investment returns which will be achieved by the VCT over its lifetime.

Taxation

The tax effects on different items in the Income Statement are allocated between capital and revenue on the same basis as the particular item to which they relate, using the Company's effective rate of tax for the accounting period.

Due to the VCT's status as a Venture Capital Trust and the continued intention to meet the conditions required to comply with Part 6 of the Income Tax Act 2007, no provision for taxation is required in respect of any realised or unrealised appreciation of the VCT's investments which arises.

Deferred taxation, which is not discounted, is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts.

Other debtors, other creditors and loan notes

Other debtors (including accrued income), other creditors and loan notes (other than those held as part of the investment portfolio as set out in Note 10) are initially recognised at transaction price or fair value, as appropriate, and are subsequently measured at amortised cost using the effective interest method, less any impairment where applicable.

3. Income

	18-month period ended 31 March 2026 £'000	Year ended 30 September 2024 £'000
Income from investments		
Dividend income	1,094	1,667
Loan stock interest	21	28
	1,115	1,695

4. Investment advisory fees

The investment advisory fees for the 18-month period ended 31 March 2026, which were charged quarterly in advance to the VCT, were based on 1.15% of the net assets as at the previous quarter end. Based on each quarter's final NAV, as and when available, the quarter's investment advisory fees previously charged are adjusted.

	18-month period ended 31 March 2026			Year ended 30 September 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment advisory fees	139	46	186	129	43	172

5. Other expenses

	18-month period ended 31 March 2026			Year ended 30 September 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Administration services	191	–	191	132	–	132
Directors' remuneration	139	–	139	85	–	85
Social security costs	20	–	20	3	–	3
Auditor's remuneration for audit	60	–	60	49	–	49
Legal and professional fees	126	712	838	47	174	221
Other	61	–	61	65	–	65
	597	712	1,309	382	174	555

The annual running costs of the VCT are subject to a cap of the lower of £625,000 or 5.0% of average net asset value. For the 18-month period ended 31 March 2026, these caps were recalculated and adjusted to £937,500 and £698,000 (5% of average net asset value), respectively. During the 18-month period, the running costs came to £653,000 (total expenses of £1,495,000 less one-off expenditure), being 4.68% of average net asset value (2024: £506,000 being total expenses of £727,000 less one-off expenditure, which is less than the applicable cap of £625,000.). Therefore the cap has not been breached.

6. Directors' remuneration

Details of remuneration (excluding employer's NIC) are given in the audited part of the Directors' Remuneration Report on page 32.

The VCT had no employees during the year. Costs in respect of the Directors are referred to in Note 5 above. No other emoluments or pension contributions were paid by the VCT to, or on behalf of, any Director.

7. Tax on ordinary activities

	18-month period ended 31 March 2026 £'000	Year ended 30 September 2024 £'000
(a) Tax charge for the year		
UK corporation tax at 25%	–	–
Charge for the year	–	–
(b) Factors affecting tax charge for the year		
Loss on ordinary activities before taxation	(3,930)	(2,584)
(Tax credit)/tax calculated on loss on ordinary activities before taxation at the applicable rate of 25%	(983)	(646)
Effects of:		
UK dividend income	(274)	(417)
Losses on investments	888	888
Excess management expenses on which deferred tax not recognised	369	175
Total tax charge	–	–

Excess management fees, which are available to be carried forward and set off against future taxable income, amounted to £6,429,000 (2024: £4,953,000). The associated deferred tax asset of £1,607,000 (2024: £1,238,000) has not been recognised due to the fact that it is unlikely that the excess management fees will be set off against future taxable profits in the foreseeable future as the Directors intend to liquidate the VCT.

8. Dividends

	18-month period ended 31 March 2026			Year ended 30 September 2024		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Paid						
2023 Interim Ordinary – 7.5p	–	–	–	980	980	1,960
	–	–	–	980	980	1,960

The interim Ordinary 7.5p dividend was paid on 21 December 2023 to Shareholders on the register as at 1 December 2023.

A dividend arising from the proceeds of the sale of 17.0p per Ordinary share was announced on 23 July 2026 for Shareholders on the register on 23 July 2026 for payment on 21 August 2026. No amount is payable to 'A' Shares on 21 August 2026.

9. Basic and diluted earnings per share

		Weighted average number of shares in issue	Revenue Profit £'000	Pence per share	Capital loss £'000	Pence per share	Net (loss)/ profit £'000	Pence per share
18-month period ended 31 March 2026	Ordinary Shares	26,133,036	379	1.4	(4,309)	(16.5)	(3,930)	(15.0)
	'A' Shares	39,463,845	–	–	–	–	–	–
Year ended 30 September 2024	Ordinary Shares	26,133,036	1,184	4.5	(3,769)	(14.4)	(2,584)	(9.9)
	'A' Shares	39,463,845	–	–	–	–	–	–

As the VCT has not issued any convertible securities or share options, there is no dilutive effect on earnings per Ordinary Share or 'A' Share. The earnings per share disclosed therefore represents both the basic and diluted return per Ordinary Share or 'A' Share.

10. Investments

	31 March 2026 Unquoted investments £'000	30 September 2024 Unquoted Investments £'000
Opening cost at start of the period/year	8,580	8,918
Permanent impairment in cost of investments	(3,530)	(1,695)
Accumulated net unrealised gains at start of the period/year	9,024	10,740
Opening fair value at start of the period/year	14,074	17,963
Movement in the period/year:		
Disposals at cost	(391)	(338)
Permanent impairment in cost of investments	(642)	(1,835)
Net unrealised losses in the income statement	(2,874)	(1,717)
Closing fair value at period/year end	14,074	14,074
Closing cost at period/year end	8,189	8,580
Permanent impairment in cost of investments as at period/year end	(4,172)	(3,530)
Accumulated net unrealised gains at period/year end	6,150	9,024
Closing fair value at period/year end	10,167	14,074

In February 2026, four VCT portfolio investments, small wind assets, were sold by the VCT for proceeds of £25,000 and Shareholder loans totalling £331,000 were repaid. The realised loss on the sold small wind assets was £34,000. This loss, reduced by a small wind assets valuation movement at 31 March 2025 of £642,000, as well as unrealised losses in the 18 month period ended 31 March 2026 on the remaining portfolio of £2.9mn, equals losses on investments' of £3.6mn per the Income Statement.

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 2026				30 September 2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Unquoted loan notes	–	–	–	–	–	–	330	330
Unquoted equity	–	–	10,167	10,167	–	–	13,744	13,744
	–	–	10,167	10,167	–	–	14,074	14,074

During the 18-month period ended 31 March 2026 and year ended 30 September 2024 there were no transfers between levels.

10. Investments (continued)

A reconciliation of fair value for Level 3 financial instruments held at the year-end is shown below:

	Unquoted loan notes £'000	Unquoted equity £'000	Total £'000
Balance at 30 September 2024	330	13,744	14,074
Movement in the income statement			
Unrealised losses in the income statement	–	(2,874)	(2,874)
Permanent impairment in cost of investments	–	(642)	(642)
Redemption of loan notes/cost of disposal	(330)	(61)	(391)
Balance at 31 March 2026	–	10,167	10,167

FRS 102 sections 11 and 12 require disclosure to be made of the possible effect of changing one or more of the inputs to reasonable possible alternative assumptions where this would result in a significant change in the fair value of the Level 3 investments.

The Board believes that valuing the investments as at 31 March 2026 based on the offer price from the sales process of the remaining solar assets ongoing at period end is the most appropriate valuation method. The remaining solar assets namely Lunar 2 Limited, Lunar 1 Limited, New Energy Era Limited, Vicarage Solar Limited and Lunar 3 Limited were sold on 22 June 2026. The period-end valuation reflects the remaining solar assets sales proceeds received in late June 2026.

11. Costs incurred on sale of VCT's assets

Since the commencement of the Managed Wind Down in July 2021, the VCT has capitalised professional fees that are directly attributable to the sale of assets. During the 18-month period ended 31 March 2026, a further £406,000 was capitalised. The total of £711,000, comprising the aggerated amounts capitalised in previous year(s) and current period, was expensed in the current period as the related sales processes were no longer ongoing at period end and is included in Note 5.

	31 March 2026 £'000	30 September 2024 £'000
Cost incurred on sale of VCT's assets	–	305
	–	305

12. Debtors

	2026 £'000	2024 £'000
Prepayments and accrued income	11	51
	11	51

13. Creditors: amounts falling due within one year

	31 March 2026 £'000	30 September 2024 £'000
Other loans	3,842	4,293
Taxation and social security	19	3
Accruals and deferred income	357	172
Creditors	3	21
	4,221	4,489

The balance of other loans is made up of amounts borrowed from the underlying portfolio companies. All loans are interest free. These loans were cleared on 22 June 2026 as part of the sale of the remaining assets. Other loans falling due within one year are as follows:

Investee company	Drawdown date	Repayment date	31 March 2026 £'000	30 September 2024 £'000
Minsmere Power Limited	13 January 2020	^	–	50
			–	50
Lunar 2 Limited	12 February 2018	^	768	768
	17 December 2019	^	1,581	1,581
	13 January 2020	^	474	474
			2,823	2,823
			2,823	2,873
Minsmere Power Limited	22 December 2020	^^	–	25
	30 June 2021	^^	–	27
	6 June 2022	^^	–	13
			–	65
HRE Willow Limited	22 December 2020	^^	–	228
	16 March 2021	^^	–	64
	6 June 2022	^^	–	44
			–	336
Lunar 2 Limited	23 December 2020	^^	152	152
	8 February 2023	^^	134	134
	27 February 2023	^^	89	89
	31 March 2023	^^	40	40
			604	604
			1,019	1,019
			3,842	1,420
Amounts repayable within one year			3,842	4,293

^ The lender may demand full repayment of all amounts outstanding at any time after 5 years and 1 day from the date of the initial drawdown of the loan. The loans are interest free.

^^ The VCT and the indicated SPV's (the 'lender') entered into loan agreements whereby the lender may, at any time, without having to provide any reason, by one or several demands require immediate repayment of all or any part of the Loan and all or any accrued interest thereon. The loans are interest free.

14. Called up share capital

	31 March 2026 £'000	30 September 2024 £'000
Allotted, called up and fully-paid:		
26,133,036 (2024: 26,133,036) Ordinary Shares of 0.1p each	29	29
39,463,845 (2024: 39,463,845) 'A' Shares of 0.1p each	42	42
	71	71

The VCT's capital is managed in accordance with its investment policy as shown in the Strategic Report on pages 14 to 15, in pursuit of its principal investment objectives. There has been no significant change in the objectives, policies or processes for managing capital from the previous period.

The VCT has the authority to buy back shares as described in the Report of the Directors. During the 18-month period ended 31 March 2026 the VCT did not repurchase any Ordinary Shares or 'A' Shares.

During the 18-month period ended 31 March 2026 the VCT issued no Ordinary Shares or 'A' shares.

The holders of Ordinary Shares and 'A' Shares shall have rights as regards to dividends and any other distributions or a return of capital (otherwise than on a market purchase by the VCT of any of its shares) which shall be applied on the following basis:

1) unless and until Ordinary Shareholders receive a dividend of at least 5.0p per Ordinary Share, and one Ordinary Share and one 'A' Share has a combined net asset value of 100p (the Hurdle), distributions will be made as to 99.9% to Ordinary Shares and 0.1% to 'A' Shares;

2) after (and to the extent that) the Hurdle has been met, and subject to point 3 below, the balance of such amounts shall be applied as to 40% to Ordinary Shares and 60% to 'A' Shares; and

3) any amount of a dividend which, but for the entitlement of 'A' Shares pursuant to point 2 above, would have been in excess of 10p per Ordinary Share in any year shall be applied as to 10% to Ordinary Shares and 90% to 'A' Shares.

If, on the date on which a dividend is to be declared on the Ordinary Shares, the amount of any dividend which would have been payable to the 'A' Shares (the "A' Dividend Amount'), together with any previous amounts which were not paid as a result of this clause (the "A' Share Entitlement'), would together:

a) in aggregate be less than £5,000; or

b) be less than an amount being equivalent to 0.25p per 'A' Share

then the 'A' Dividend amount shall not be declared and paid but shall be aggregated with any 'A' Share Entitlement and retained by the VCT until either threshold is reached. No interest shall accrue on any 'A' Share Entitlement.

The VCT does not have any explicit externally imposed capital requirements.

15. Reserves

	31 March 2026 £'000	30 September 2024 £'000
Treasury shares	(3,404)	(3,404)
Special reserve	8,736	8,736
Revaluation reserve	6,956	9,830
Capital reserve – realised	(6,753)	(5,318)
Revenue reserve	406	27
	5,941	9,871

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 purpose of dividend payments to Shareholders. At 31 March 2026, distributable reserves were £(1.0mn)(2024: £3.4mn).

Treasury shares
This reserve represents the aggregate consideration paid for the Shares repurchased by the VCT.

Revaluation reserve
Increases and decreases in the valuation of investments held at the year-end against cost are included in this reserve.

Capital reserve – realised
The following are disclosed in this reserve:

- gains and losses compared to cost on the realisation of investments; and
- expenses, together with the related taxation effect, charged in accordance with the above accounting policies.

Revenue reserve
This reserve accounts for movements from the revenue column of the Income Statement and other non-capital realised movements.

16. Basic and diluted net asset value per share

	Shares in issue		Net asset value			
	31 March 2026	30 September 2024	31 March 2026		30 September 2024	
			Pence per share	£'000	Pence per share	£'000
Ordinary Shares	26,133,036	26,133,036	22.9	5,985	37.9	9,903
'A' Shares	39,463,845	39,463,845	0.1	39	0.1	39
Total			23.0p	6,024	38.0p	9,942

The Directors allocate the assets and liabilities of the VCT between the Ordinary Shares and 'A' Shares such that each share class has sufficient net assets to represent its dividend and return of capital rights as described in Note 14.

As the VCT has not issued any convertible shares or share options, there is no dilutive effect on net asset value per Ordinary Share or per 'A' Share. The NAV per share disclosed therefore represents both the basic and diluted net asset value per Ordinary Share and per 'A' Share.

17. Financial instruments

The VCT held the following categories of financial instruments at the balance sheet date:

	31 March 2026		30 September 2024	
	Cost £'000	**Value £'000**	**Cost £'000**	**Value £'000**
Assets at fair value through profit or loss	8,189	10,167	8,580	14,074
Other financial liabilities	(368)	(368)	(145)	(145)
Cash at bank	55	55	1	1
Other loans	(3,842)	(3,842)	(4,293)	(4,293)
Total	4,043	6,012	4,143	9,637

The VCT's financial instruments comprise investments held at fair value through profit or loss, being equity and loan stock investments in unquoted companies, other loans and receivables consisting of short-term debtors, cash deposits and financial liabilities being creditors arising from its operations. Other loans are borrowed from the VCT's underlying portfolio companies. Other financial liabilities and assets include operational debtors and prepaid expenses and short-term creditors which are measured at amortised cost. The main purpose of these financial instruments is to generate cashflow and revenue and capital appreciation for the VCT's operations. The VCT does not use any derivatives.

The fair value of investments is determined using the detailed accounting policy as shown in Note 2. The composition of the investments is set out in Note 10.

The VCT's investment activities expose the VCT to a number of risks associated with financial instruments and the sectors in which the VCT invests. The principal financial risks arising from the VCT's operations are:

- market risks;
- credit risk; and
- liquidity risk.

The Board regularly reviews these risks and the policies in place for managing them. There have been no significant changes to the nature of the risks that the VCT was expected to be exposed to over the 18-month period ended 31 March 2026 and there have also been no significant changes to the policies for managing those risks during the period.

The risk management policies used by the VCT in respect of the principal financial risks and a review of the financial instruments held at the 18 month period-end are provided below:

Market risks

As a Venture Capital Trust, the VCT is exposed to investment risks in the form of potential losses and gains that may arise on the investments it holds in accordance with its investment policy and since 13 July 2021, with reference to the New Investment Policy. The management of these investment risks is a fundamental part of investment activities undertaken by the Investment Adviser and overseen by the Board. The Adviser monitors investments through regular contact with management of investee companies, regular review of management accounts and other financial information and attendance at investee company board meetings. This enables the Adviser to manage the investment risk in respect of individual investments. Investment risk is also mitigated by holding a diversified portfolio spread across various operating sites across several asset classes. During the Managed Wind Down, the investment portfolio will be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.

The key investment risks to which the VCT is exposed are:

- investment price risk; and
- interest rate risk.

17. Financial instruments (continued)

Investment price risk

The VCT's investments which comprise of both equity and debt financial instruments in unquoted investments are concentrated in renewable energy projects with predetermined expected returns. Consequently, the investment price risk arises from uncertainty about the future prices and valuations of financial instruments held in accordance with the VCT's investment objectives which can be influenced by many macro factors such as changes in interest rates, electricity power prices and movements in inflation. It represents the potential loss that the VCT might suffer through changes in the fair value of unquoted investments that it holds.

At 31 March 2026, the unquoted portfolio was valued at £10.2mn (30 September 2024: £14.1mn). The Board believes that valuing the investments as at 31 March 2026 based on the offer price from the sales process of the remaining solar assets ongoing at period end is the most appropriate valuation method. The remaining solar assets namely Lunar 2 Limited, Lunar 1 Limited, New Energy Era Limited, Vicarage Solar Limited and Lunar 3 Limited were sold on 22 June 2026. The period-end valuation reflects the remaining solar assets sales proceeds received in late June 2026. The Board considered the sale to be in the best interest of Shareholders in the context of the planned Managed Wind Down of the Company.

Interest rate risk

The VCT accepts exposure to interest rate risk on floating-rate financial assets through the effect of changes in prevailing interest rates. Where investments in loan stock attract interest, this is predominately charged at fixed rates. A summary of the interest rate profile of the VCT's investments is shown below.

There are three categories in respect of interest which are attributable to the financial instruments held by the VCT as follows:

→ "Fixed rate" assets represent investments with predetermined yield targets and comprise certain loan note investments and preference shares; and

→ "No interest rate" assets do not attract interest and comprise equity investments, certain loan note investments, loans and receivables.

	Average interest rate	Average period until maturity	31 March 2026 £'000	30 September 2024 £'000
Fixed rate*	8%	N/A	–	330
No interest rate	–	–	6,012	9,307
			6,012	9,637

• Shareholders loans to three small wind investments namely Tumblewind Limited, Minsmere Power Limited and Small Wind Generation Limited were repaid and terminated on sale of small wind assets on 23 February 2026.

The VCT monitors the level of income received from fixed and floating rate assets and, if appropriate, may adjust the allocation between the categories, in particular, should this be required to ensure compliance with the VCT regulations.

It is estimated that an increase of 1% in interest rates would have increased loss before tax for the year by £55 (2024: £9). The Bank of England ('BoE') base rate was 5.00% at the beginning of the 18-month period. As at 31 March 2026, the BoE base rate was 3.75%, having decreased from 4.00% on 18 December 2025. Any potential change in the base rate, at the current level, would have an immaterial impact on the net assets and total return of the VCT.

17. Financial instruments (continued)

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment to the VCT made under that instrument. The VCT is exposed to credit risk through its holdings of loan stock in investee companies, cash deposits and debtors. Credit risk relating to loan stock in investee companies is considered to be part of market risk as the performance of the underlying SPVs impacts the carrying values.

The VCT's financial assets that are exposed to credit risk are summarised as follows:

	31 March 2026 £'000	30 September 2024 £'000
Investments in loan stocks*	–	330
Cash and cash equivalents	55	1
Interest, dividends, and other receivables	–	43
	55	374

* Shareholders loans to three small wind investments namely Tumblewind Limited, Minsmere Power Limited and Small Wind Generation Limited were repaid and terminated on sale of small wind assets on 23 February 2026.

The Investment Adviser manages credit risk in respect of loan stock with a similar approach as described under "Market risks". Similarly, the management of credit risk associated with interest, dividends and other receivables is covered within the investment advisory procedures. The level of security is a key means of managing credit risk. Additionally, the risk is mitigated by the security of the assets in the underlying investee companies.

Cash is held by the Royal Bank of Scotland plc which is an investment grade rated financial institution. Consequently, the Directors consider that the credit risk associated with cash deposits is low.

There have been no changes in fair value during the 18-month period ended 31 March 2026 that are directly attributable to changes in credit risk. Any balances that are past due are disclosed further under liquidity risk.

Liquidity risk

Liquidity risk is the risk that the VCT encounters difficulties in meeting obligations associated with its financial liabilities. Liquidity risk may also arise from either the inability to sell financial instruments when required at their fair values or from the inability to generate cash inflows as required.

The VCT's creditors at 18-month period ended 31 March 2026 were £379,000 (30 September 2024: £196,000) of which £188,000 (30 September 2024: £67,300) related to the Costs incurred on sale of VCT's assets. The VCTs has short-term loans (see Note 13 for an analysis of the repayment terms) from small wind investments namely HRE Willow Limited and Minsmere Power Limited were repaid during the 18- month period ended 31 March 2026. The VCTs short-term loans from Lunar 2 Limited amount to £3,842,000 at 31 March 2026 (30 September 2024: £4,293,000 short and long-term loans). As part of the sale of remaining solar assets announced on 23 June 2026, VCTs loans to Lunar 2 Limited were cleared and the costs sale of assets were paid from the sale proceeds. The sale proceeds received in late June 2026 are deemed sufficient to cover the future VCT operating expenses and the estimated costs of liquidation, together with a contingency for any overspend of forecasted costs and/or any unknown costs prior to the Company being dissolved. For these reasons the Board believes that the VCTs exposure to liquidity risk is low.

The VCT's liquidity risk was managed by the Investment Adviser for the 18-month period ended 31 March 2026, by moving cash from the SPVs to the VCT, up to the sale of remaining assets announced on 23 June 2026 in line with guidance agreed with the Board and with Board reviews at regular intervals. The one investment left, bio-bean Limited, is in administration and will be dissolved.

17. Financial instruments (continued)

The following table analyses the VCT's loan payables by contractual maturity date:

As at 31 March 2026	Due in less than 1 year £'000	Due between 1 year and 5 years £'000	Due after 5 years £'000	Total £'000
Loans payable to investee companies*	3,842	–	–	3,842
	3,842	–	–	3,842

* Loans paid post-period end as part of the sale of remaining solar assets announced on 23 June 2026.

As at 30 September 2024	Due in less than 1 year £'000	Due between 1 year and 5 years £'000	Due after 5 years £'000	Total £'000
Loans payable to investee companies	4,293	–	–	4,293
	4,293	–	–	4,293

Although the VCT's investments are not held to meet the VCT's liquidity requirements, the table below shows an analysis of the assets, highlighting the length of time that it could take the VCT to realise its assets if it were required to do so.

Following the sale of the small wind assets on 23 February 2026, the performing loan stock was fully paid. The carrying value of loan stock investments held at fair value through the profit and loss account at 31 March 2026 was £nil: As at 31 March 2026

As at 31 March 2026	Not later than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 5 years £'000	More than 5 years £'000	Total £'000
Fully performing loan stock	–	–	–	–	–	–
	–	–	–	–	–	–

As at 30 September 2024	Not later than 1 year £'000	Between 1 and 2 years £'000	Between 2 and 3 years £'000	Between 3 and 5 years £'000	More than 5 years £'000	Total £'000
Fully performing loan stock	330	–	–	–	–	–
	330	–	–	–	–	–

18. Capital management

The VCT's objectives when managing capital are to safeguard the VCT's ability to provide returns for Shareholders by allocating its capital to assets commensurately with the level of risk.

By its nature, the VCT has an amount of capital, at least 80% (as measured under the tax legislation; and for the VCT, effective 1 October 2019) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed. The VCT accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the VCT may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity.

As the Investment Policy implies, the Board would consider levels of gearing. As at 31 March 2026, the VCT had loans from investee companies of £3,842,000 (30 September 2024: £4,293,000). It regards the net assets of the VCT as the VCT's capital, as the level of liabilities are small and the management of them is not directly related to managing the return to Shareholders. There has been no change in this approach from the previous period.

As part of the sale of the remaining solar assets on 22 June 2026, the VCTs loans of £3,842,000 were cleared.

19. Contingencies, guarantees and financial commitments

At 31 March 2026, the VCT had no contingencies or guarantees. During the 18-month period ended 31 March 2026, the VCT had financial commitments in respect of the Managed Wind Down process. Considering the completion of the sale of remaining assets on 22 June 2026, the financial commitments at 31 March 2026 were £186,000 (30 September 2024: £255,000).

Previously declared unpaid dividends to the value of £124,301 remain unclaimed and therefore unpaid for which a receivable has not been recognised as 12 years have not lapsed since the date of their declaration.

20. Controlling party and related party transactions

In the opinion of the Directors there is no immediate or ultimate controlling party. For total Directors' remuneration during the 18-month period ended 31 March 2026, please refer to Note 5 as well as the Directors' Remuneration Report on pages 31 to 33.

During the 18-month period, the VCT incurred advisory fee transactions with entities controlled by Directors of the VCT. These transactions are detailed below:

→ Donovan Capital Advisory Limited: An entity controlled by Andrew Donovan. During the period, advisory fees totalling £9,000 were paid to Donovan Capital Advisory Limited. As at 31 March 2026, £0 remained outstanding.

→ New Radiation (2008) LLP: An entity controlled by Christian Yates. During the period, advisory fees totalling £9,000 were paid to New Radiation (2008) LLP. As at 31 March 2026, £0 remained outstanding.

21. Significant interests

The details of all shareholdings in the remaining companies where the VCT's holding, as at 31 March 2026, represents more than 20% of the nominal value of any class of shares issued by the portfolio company are disclosed in the Review of Investments on pages 9 to 13.

22. Net debt reconciliation

	1 October 2024 £'000	Non cash flows £'000	Cash flows £'000	31 March 2026 £'000
Cash at bank and in hand	1	–	54	55
Other loans	4,293	–	(451)	3,842

23. Events after the end of the reporting period

On 23 June 2026, the sale of the Company's remaining solar assets, co-owned with VCT1, was announced. The five ground-mounted solar investments, namely Lunar 2 Limited, Lunar 1 Limited, New Energy Era Limited, Vicarage Solar Limited and Lunar 3 Limited, were sold for a total consideration of approximately £20mn across both VCTs. Following the repayment of certain outstanding loan balances, this equates to net proceeds of approximately £6.3mn for VCT2. The costs incurred on the sale of remaining solar assets after 31 March 2026 payable post completion amount to approximately £0.4mn per VCT.

Following this disposal, the Company has ceased, its principal trading activities. The disposal has been treated as a non-adjusting event after the reporting date except to the extent that it provides evidence of the recoverable amount of assets held at the balance sheet date.

The Directors have considered the impact of the disposal on the carrying value of assets and the appropriateness of the going concern basis of preparation. As a result of the sale and the Company's expected cessation of trade, the financial statements have not been prepared on a going concern basis.

A dividend arising from the proceeds of the sale of 17.0p per Ordinary share was announced on 23 July 2026 for Shareholders on the register on 23 July 2026 for payment on 21 August 2026. No amount is payable to 'A' Shares on 21 August 2026.

Company Information

Registered number
07378395

Directors
Christian Yates (Chairman)
Matthew Evans
Andrew Donovan

Company Secretary and Registered Office
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