

MAVEN INCOME AND GROWTH VCT 2 PLC

Interim Report
For the Six Months Ended 31 July 2016



MAVEN

Corporate Summary

Maven Income and Growth VCT 2 PLC is a venture capital trust (VCT) and its shares are listed on the Premium segment of the Official List and traded on the main market of the London Stock Exchange. It has one class of share and was incorporated on 4 January 2001.

Investment Objective

The Company aims to achieve long term capital appreciation and generate maintainable levels of income for Shareholders.

Continuation Date

The Company's Articles of Association require the Directors to put a proposal for the continuation of the Company, in its then form, to Shareholders at the Company's Annual General Meeting in 2020 and at five yearly intervals thereafter. For such a resolution not to be passed, Shareholders holding at least 25% of the Shares then in issue must vote against the resolution.

Share Dealing

Shares in the Company can be purchased and sold in the market through a stockbroker. For qualifying investors buying shares on the open market:

- dividends are free of income tax;
- no capital gains tax is payable on a disposal of shares;
- there is no minimum holding period;
- the value of shares, and income from them, can fall as well as rise;
- tax regulations and rates of tax may be subject to change;
- VCTs tend to be invested in smaller, unlisted companies with a higher risk profile; and
- the market for VCT shares can be illiquid.

The Broker to the Company is Shore Capital Stockbrokers (020 7647 8132).

Recommendation of Non-mainstream Investment Products

The Company currently conducts its affairs so that the shares issued by it can be recommended by authorised financial advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority (FCA) in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in VCTs and the returns to investors are predominantly based on investments in private companies or publicly quoted securities.

Unsolicited Offers for Shares (Boiler Room Scams)

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradeable, overpriced, high risk or even non-existent securities. Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance. If you receive such a call, you should exercise caution and, based on advice from the FCA, the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FCA register to confirm that the caller is authorised;
- call back using the details on the FCA Register to verify the caller's identity;
- discontinue the call if you are in any doubt about the intentions of the caller, or if calls persist; and
- report any individual or organisation that makes unsolicited calls with an offer to buy or sell shares to the FCA and the City of London Police.

Useful Contact Details:

Action Fraud

Telephone: 0300 123 2040

Website: www.actionfraud.police.uk

FCA

Telephone: 0800 111 6768 (freephone)

E-mail: consumer.queries@fca.org.uk

Website: www.the-fca.org.uk

Register: www.the-fca.org.uk/firms

Scam warning: www.the-fca.org.uk/consumers

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Financial Highlights

Financial History

	31 July 2016	31 January 2016	31 July 2015
Net asset value (NAV)	£20,834,000	£21,770,000	£25,701,000
NAV per Ordinary Share	50.97p	53.00p	62.60p
Dividends paid to date	46.72p	44.47p	32.47p
NAV total return per share ¹	97.69p	97.47p	95.07p
Share price ²	46.25p	48.25p	52.25p
Discount to NAV	9.26%	8.96%	16.53%
Ordinary Shares in issue	40,872,617	41,089,617	41,089,617

¹ Sum of current NAV per share and dividends paid to date (excluding initial tax relief).

² Mid-market price (Source: Bloomberg).

NAV Total Return Performance



The chart shows the NAV total return per share as at 31 January in each year, except 2017 which is at 31 July 2016.

Dividends that have been declared but not yet paid are included in the NAV at the balance sheet date.

Dividends

Year ended 31 January	Payment date	Interim/final	Rate (p)
2002-2012		Total	21.12
2013	9 November 2012	Interim	1.75
	21 June 2013	Final	1.75
2014	1 November 2013	Interim	1.85
	20 June 2014	Final	2.00
2015	31 October 2014	Interim	1.85
	26 June 2015	Final	2.15
2016	30 October 2015	Interim	2.00
	30 October 2015	Special	10.00
	24 June 2016	Final	2.25
Total dividends paid			46.72
2017	28 October 2016	Interim	2.00
Total dividends paid or declared			48.72

Summary of Investment Changes

For the Six Months Ended 31 July 2016

	Valuation 31 January 2016		Net investment/ (disinvestment)	Appreciation/ (depreciation)	Valuation 31 July 2016	
	£'000	%			£'000	£'000
Unlisted investments						
Equities	6,412	29.5	433	222	7,067	33.9
Loan stock	10,157	46.7	28	(53)	10,132	48.6
	16,569	76.2	461	169	17,199	82.5
AIM/ISDX investments						
Equities	114	0.5	(40)	45	119	0.6
Listed investments						
Equities	13	0.1	-	-	13	0.1
UK treasury bills	4,895	22.5	(2,156)	10	2,749	13.2
Total investments	21,591	99.3	(1,735)	224	20,080	96.4
Other net assets	179	0.7	575	-	754	3.6
Net assets	21,770	100.0	(1,160)	224	20,834	100.0

Interim Review

Overview

In the period under review NAV total return increased to 97.69p per share. This is in line with your Company's continuing objective of delivering long term capital appreciation whilst also generating maintainable levels of income for Shareholders.

Your Board and the Manager recognise the importance of dividends to Shareholders and the Directors are pleased to declare an interim dividend of 2.00p per share for the period to 31 July 2016.

The portfolio now extends to 55 private and AIM listed company holdings, many of which are paying a regular yield, offering a combination of capital and revenue returns with the aim of underpinning Shareholder value in the years ahead. During the period under review, Maven was pleased to complete new investments in **The GP Service (UK)** and **Rockar**.

During the reporting period Maven has focused on the practical implementation of the new VCT rules, which were enacted in November 2015 and detailed in the 2016 Annual Report. The revised legislation brings the UK VCT scheme into line with European Union (EU) State Aid Rules for smaller company investment and imposes a number of restrictions on the types of transactions and companies which VCTs are able to invest in. The rules specifically prohibit participation in management buy-outs or acquisitions, and limit the ability to support older companies unless certain criteria are met. Whilst this means that your Company can no longer finance certain transactions, the Manager's investment team has a strong track record of investing development capital in companies which meet the revised VCT qualification criteria.

Dividends

The Board has declared an interim dividend of 2.00p per Ordinary Share, comprising 0.2p of revenue and 1.8p of capital, to be paid on 28 October 2016 to Shareholders on the Register at 30 September 2016. Since the Company's launch, and after receipt of the interim dividend, Shareholders will have received 48.72p per share in tax-free dividends. The effect of paying the dividend will be to reduce the NAV of the Company by the total cost of the distribution.

On 24 August 2015 the Board announced that, under the Terms and Conditions of the Company's Dividend Investment Scheme (DIS), the Directors had resolved that, in light of the investment restrictions proposed in the Government's July 2015 Budget, the DIS was to be suspended with immediate effect. This would allow the Directors and the Manager to review the changes to the VCT legislation and to consider the potential impact of these on the Company's future investment strategy. As a result, until further notice, all future dividends will be paid to Shareholders by either cheque or direct bank transfer using existing mandate instructions.

Portfolio Developments

The private equity portfolio has generally performed well, with positive trading results having led to valuation uplifts for a number of companies operating across a range of sectors. The Board has, however, elected to take provisions against the values of two businesses with an exposure to the oil & gas sector.

Nenplas, a manufacturer and distributor of plastic extrusions for a variety of applications, has continued to perform ahead of plan due to operational efficiencies achieved through the integration of Polyplas, increased sales volumes, lower raw material costs and favourable market conditions, particularly within the leisure and mobile home sectors. The company has repaid all of its senior debt and remains a highly cash generative and valuable portfolio asset.

Cursor Controls, a global leader in the design and niche manufacture of trackball pointing solutions for industrial applications, has performed well since Maven clients invested in July 2015. The business delivered impressive organic growth in the year to 31 December 2015 and is forecast to build on this in the current year. In April 2016 Cursor completed the acquisition of a Belgian distributor, which is expected to be significantly earnings enhancing.

Highlights

NAV total return of 97.69p per share at 31 July 2016, compared to 97.47p at 31 January 2016

NAV at 31 July 2016 of 50.97p per share, after payment of the final dividend of 2.25p per share

Interim dividend declared of 2.00p per share (2015: 2.00p)

Exit from Dantec Hose, generating a total return multiple of 2.1 times cost

New investments completed in The GP Service (UK) and Rockar

Strong pipeline of new rule qualifying private equity investments

The year to 31 December 2015 was another excellent trading period for **John McGavigan**, a manufacturer and supplier of technical plastic components and interior parts for the global automotive industry. The first quarter of 2016 has continued this positive trend, with further organic growth in both China and Scotland enhanced by the benefits of a number of productivity improvement projects. The order book remains strong, providing increased visibility of future revenues for the business.

The UK's largest provider of promotional merchandise, **SPS (EU)**, has experienced excellent growth under private ownership since Maven clients invested in February 2014. Operational improvements have enhanced profitability, whilst organic growth has been supplemented through two complementary acquisitions, High Profile Plastic and TEC, both of which were completed in the year to 31 December 2015. The business is forecasting to deliver further growth in the current financial year and make operational efficiencies, as a result of the implementation of a new enterprise resource planning system.

DPP provides mechanical and electrical maintenance and installation services, mainly to the leisure, hospitality and retail sectors in the south of England and Wales. The company differentiates itself from competitors by employing a large and highly responsive team of skilled engineers. Following the loss of a significant customer in 2014, the company restructured its operations and has now secured a number of new contracts, allowing the business to materially improve its trading performance over the past twelve months.

Maven clients first invested in **Just Trays**, the UK's leading manufacturer of shower trays and related accessories, in June 2014. Subsequently the business has increased its customer base and extended its product range, with a number of innovative new products to be launched in the current financial year. Just Trays repaid its bank debt in full during 2015 and is planning to invest in automation in the coming year, which should help improve the production facility and increase operating margins.

As well as reflecting good trading performance across the portfolio, your Board and the Manager continue to be mindful of the possible effects of the enduring low oil price on those companies that operate in the oil & gas market. The Manager has worked closely with these companies as they have implemented overhead reduction programmes, targeted at reducing the cost base and closing non-core operations with a view to conserving cash and positioning the businesses for recovery. Across the energy services sector, budgets have been set conservatively based on the expectation that the remainder of 2016 will be challenging, with recovery starting to feed through in 2017 as the oil price stabilises and the pent up demand for essential maintenance and repair work is released. In response to these market conditions, the valuations of **Glacier Energy Services** and **HCS Control Systems Group** have been reduced. The Board and the Manager believe that the valuations of the remaining portfolio assets with exposure to the energy services sector remain fair and reasonable and

the exit from **Dantec Hose**, along with a number of other realisations in the previous reporting period, has significantly reduced your Company's exposure to this sector. The remaining assets in this sector are focused on the operational expenditure segment of the industry, rather than being dependent on large capital expenditure programmes or exploration projects.

New Investments

During the period, two new private company assets were added to the portfolio:

- **The GP Service (UK)** is a provider of on-line medical consultation services, delivered through a web-based platform (www.thegpservice.co.uk) and which offers GP

consultations via a video link, with prescriptions issued to a pharmacy of the user's choice. The investment will enable The GP Service to accelerate the roll out of its service across new geographic locations and to develop a range of products and services where there are strong market drivers.

- **Rockar** is an innovative motor retailer with a disruptive technology platform led by a team with extensive experience of the sector. The investment will enable Rockar to enhance its product offering and finance new dealerships in major shopping centres, working in partnership with well-known brands including Jaguar Land Rover and Hyundai. The investment completed in July 2016, with Maven clients investing alongside NVM Private Equity.

The following investments have been completed during the reporting period:

	Date	Sector	Investment cost £'000	Website
Unlisted				
Rockar 2016 Limited (trading as Rockar)	July 2016	Automobiles & parts	483	www.rockar.com
The GP Service (UK) Limited	April 2016	Health	398	www.thegpservice.co.uk
Total unlisted investments			881	
UK treasury bills				
Treasury Bill 12 September 2016	March 2016		2,744	
Total UK treasury bills investments			2,744	
Total investments			3,625	

At the period end, the portfolio stood at 55 unlisted and quoted investments, at a total cost of £16.4 million.

Realisations

In February 2016 your Company realised its investment in **Dantec Hose** through a sale to an overseas trade buyer, achieving a return of 2.1 times cost over the life of the investment. Maven clients funded the management buy-out of Dantec Hose, a manufacturer of flexible composite hoses used by a wide range of industries, in September 2011.

Subsequent to the period end, the Manager has been engaged with several other investee companies and prospective acquirers at various stages of a potential exit process. This realisation activity reflects the increasing maturity of a number of holdings, but it should be noted that there can be no certainty that these discussions will lead to profitable exits.

The table below gives details of all realisations achieved, and deferred considerations received, during the reporting period:

	Year first invested	Complete/ partial exit	Cost of shares disposed of £'000	Value at 31 January 2016 £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) over January 2016 value £'000
Unlisted							
Kelvinlea Limited	2013	Partial	53	53	53	-	-
LCL Hose Limited (trading as Dantec Hose) ¹	2011	Complete	219	325	338	119	13
Llanllyr Water Company Limited	2002	Complete	20	17	20	-	3
Maven Co-invest Exodus Limited Partnership (invested in Six Degrees Group)	2011	Complete	-	-	4	4	4
Westway Services Holdings (2014) Limited	2014	Complete	-	-	5	5	5
Total unlisted disposals			292	395	420	128	25
Quoted							
Software Radio Technology PLC	2005	Complete	6	4	9	3	5
Tangent Communications PLC	2007	Complete	99	9	31	(68)	22
Total quoted disposals			105	13	40	(65)	27
UK treasury bills							
Treasury Bill 14 March 2016	2015	Complete	1,995	1,999	2,000	5	1
Treasury Bill 21 March 2016	2015	Complete	1,448	1,449	1,450	2	1
Treasury Bill 20 June 2016	2015	Complete	1,447	1,447	1,450	3	3
Total UK treasury bills disposals			4,890	4,895	4,900	10	5
Total disposals			5,287	5,303	5,360	73	57

¹Proceeds exclude yield and redemption premiums received, which are disclosed as revenue for financial reporting purposes. The table above includes the redemption of loan notes by a number of investee companies.

Material Developments Since the Period End

No new investments have been made since 31 July 2016. However, given the strength of the current pipeline of investment opportunities, the Manager expects to complete a number of VCT qualifying transactions prior to the year-end. Other than a minor repayment of loan notes by **DPP**, no realisations have taken place subsequent to the period end.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company were set out in full in the Strategic Report contained within the 2016 Annual Report, and are the risks associated with investment in small and medium sized unlisted and AIM/ISDX quoted companies which, by their nature, carry a higher level of risk and are subject to lower liquidity than investments in large quoted companies. The valuation of investee companies may be affected by economic conditions, the credit environment and other risks including legislation, regulation, adherence to VCT qualifying rules and the effectiveness of the internal controls operated by the Company and the Manager. These risks and procedures are reviewed regularly by the Audit and Risk Committee and reported to your Board. The Board has confirmed that all tests, including the criteria for VCT qualifying status, continue to be monitored and met.

Share Buy-backs

Shareholders have given the Board authority to buy back shares for cancellation or to be held in treasury, subject always to such transactions being in the best interests of Shareholders. It is intended that, subject to market conditions, available liquidity and the maintenance of the Company's VCT status, shares will be bought back at prices representing a discount of between 10% and 20% to the prevailing NAV per share. During the period under review 217,000 Shares were bought back at a total cost of £101,000.

Regulatory Developments

As detailed in the 2016 Annual Report, the July 2015 Budget received Royal Assent on 18 November 2015, bringing into statute a number of material changes to the legislation governing the UK VCT scheme, aligning it with EU State Aid Rules for smaller company investment. The new rules impose specific restrictions on the types of transactions and companies which VCTs are able to pursue in order to retain qualifying status. As a further amendment, the March 2016 Budget statement included an announcement that there would be changes to the rules governing non-qualifying investments for VCTs. With effect from 6 April 2016 VCTs are only permitted to make qualifying investments and certain limited investments for liquidity purposes, with other non-qualifying investments prohibited. Given the complexity of the new rules, and in order to ensure ongoing compliance, the Company continues to engage the services of an adviser to assist in interpreting the revised legislation in relation to proposed new transactions.

Since the announcement of the new rules, along with other leading VCT managers, Maven has been engaged in a consultation process led by the industry representative body the Association of Investment Companies (AIC). The AIC has been in discussion with HM Treasury to present the case for permitting an element of replacement capital in certain circumstances in new VCT transactions. This dialogue is ongoing and Shareholders will be kept up to date on any new developments.

On 3 July 2016 the EU's Market Abuse Regulation (MAR) came into force, replacing the Market Abuse Directive (MAD) in the UK, and is now applicable to all UK Listed and AIM quoted companies. The aim of MAR is to enhance market integrity and investor protection and, although on similar lines to MAD, its scope has been expanded to include financial instruments traded on multilateral trading facilities, organised trading facilities and certain 'over-the-counter' activities, and will also introduce new rules on the disclosure of inside information, insider lists and share dealings by persons discharging managerial responsibilities. Maven anticipates that compliance with MAR will not have a significant impact on the activities of its VCT clients, and all relevant policies and procedures have been updated as appropriate.

Outlook

Shareholders will be aware of the result of the Referendum held on 23 June 2016, in which the electorate expressed the wish that the UK should leave the EU. Although the full impact of this decision will become clearer over the coming months, the businesses in which your Company has invested will maintain or adapt their growth strategies as appropriate, with many exporters already seeing a short-term benefit from the devaluation of sterling against several major currencies that has occurred to the date of this report.

The Directors are mindful that the introduction of the revised legislation has imposed a number of restrictions on the types of businesses and transactions in which VCTs can invest. This will require the Manager to focus on the provision of development capital or investing in businesses with growth finance requirements, at the expense of management buy-out or acquisition based transactions which have traditionally offered more predictable returns. Your Board is confident that the experienced investment resource available to the Manager across its national office network remains capable of sourcing high quality opportunities which comply with the amended rules, whilst continuing to meet its rigorous investment quality criteria.

Notwithstanding the impact of recent legislative changes, your Board remains committed to delivering its core objectives of achieving long term capital appreciation and generating maintainable levels of income for Shareholders. The current portfolio of private company holdings offers the ability to maintain a regular yield for your Company and support future Shareholder returns.

On behalf of the Board
Maven Capital Partners UK LLP
Secretary

23 September 2016

Investment Portfolio Summary

As at 31 July 2016

	Valuation £'000	Cost £'000	% of net assets	% of equity held	% of equity held by other clients ¹
Unlisted					
Nenplas Holdings Limited	1,797	525	8.7	6.6	25.9
Torridon (Gibraltar) Limited (formerly Torridon Capital Limited)	1,128	198	5.4	2.2	37.8
Majenta Logistics Limited	750	750	3.6	9.9	39.9
Vectis Technology Limited	750	750	3.6	9.9	39.9
Lemac No. 1 Limited (trading as John McGavigan)	728	376	3.5	4.9	31.9
Martel Instruments Holdings Limited	685	748	3.3	9.1	35.2
Ensco 969 Limited (trading as DPP)	660	674	3.2	2.5	32.0
SPS (EU) Limited	559	364	2.7	3.0	39.5
Onyx Logistics Limited	500	500	2.4	9.9	39.9
Rockar 2016 Limited (trading as Rockar)	483	483	2.3	2.7	11.1
CatTech International Limited	456	323	2.2	3.1	26.9
Glacier Energy Services Holdings Limited	434	434	2.1	1.7	26.0
HCS Control Systems Group Limited	423	423	2.0	3.4	33.1
Lambert Contracts Holdings Limited	408	408	2.0	6.1	58.6
Constant Progress Limited	400	400	1.9	7.8	42.0
Equator Capital Limited	400	400	1.9	7.8	42.0
Toward Technology Limited	400	400	1.9	7.8	42.0
The GP Service (UK) Limited	398	398	1.9	4.9	27.6
JT Holdings (UK) Limited (trading as Just Trays)	392	298	1.9	3.3	26.7
Flow UK Holdings Limited	374	374	1.8	4.5	30.5
Fathom Systems Group Limited	355	355	1.7	4.0	56.0
CB Technology Group Limited	347	347	1.7	7.1	71.9
GEV Holdings Limited	336	336	1.6	2.1	33.9
Maven Capital (Llandudno) LLP	336	336	1.6	-	100.0
Assecurare Limited	300	300	1.4	6.0	43.8
Broadwave Engineering Limited	300	300	1.4	6.0	43.8
Vodat Communications Group Limited	299	298	1.4	3.5	38.3
Castlegate 737 Limited (trading as Cursor Controls)	277	224	1.3	2.3	45.2
R&M Engineering Group Limited	268	357	1.3	4.0	66.6
CHS Engineering Services Limited	249	249	1.2	2.2	21.2
RMEC Group Limited	249	249	1.2	1.6	48.5
Flexlife Group Limited	249	249	1.2	1.0	13.6
Claven Holdings Limited	230	139	1.1	9.5	40.5
Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners)	227	227	1.1	6.5	93.5
Metropol Communications Limited	225	225	1.1	9.9	39.9

Investment Portfolio Summary (continued)

As at 31 July 2016

	Valuation £'000	Cost £'000	% of net assets	% of equity held	% of equity held by other clients ¹
Unlisted (continued)					
TC Communications Holdings Limited	180	309	0.9	2.6	27.4
Attraction World Holdings Limited	153	12	0.7	3.4	35.0
Llanllyr Water Company Limited ²	123	143	0.6	-	-
ISN Solutions Group Limited	115	181	0.6	2.6	52.4
Endura Limited	114	114	0.5	0.3	5.5
Space Student Living Limited	88	-	0.4	7.0	73.1
Lawrence Recycling & Waste Management Limited	52	367	0.2	4.0	58.0
Other unlisted investments	2	973	-		
Total unlisted investments	17,199	15,516	82.5		
Quoted					
Cello Group PLC	51	53	0.3	0.1	0.4
Plastics Capital PLC	27	25	0.1	0.1	1.4
Vianet Group PLC (formerly Brulines Group PLC)	24	31	0.1	0.1	1.4
Work Group PLC	14	251	0.1	1.1	2.0
esure Group PLC	13	-	0.1	-	-
Other quoted investments	3	488	-		
Total quoted investments	132	848	0.7		
UK treasury bills					
Treasury Bill 12 September 2016	2,749	2,744	13.2		
Total UK treasury bills investments	2,749	2,744	13.2		
Total investments	20,080	19,108	96.4		

¹ Other clients of Maven Capital Partners UK LLP.

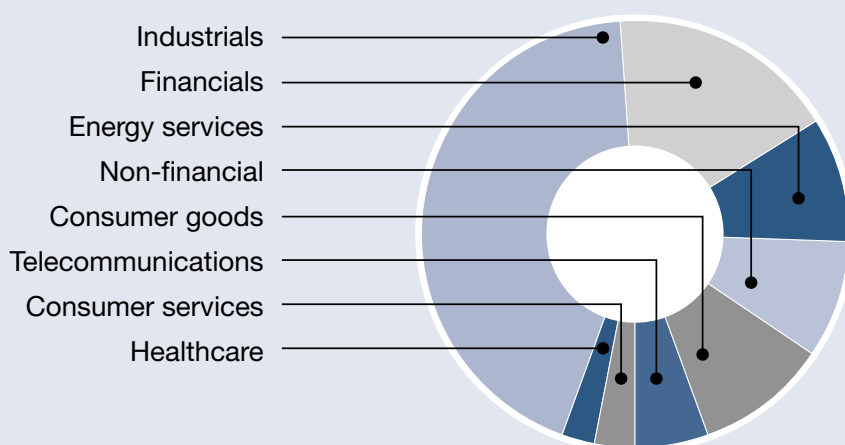
² Secured loan notes in respect of deferred consideration.

Analysis of Unlisted and Quoted Portfolio

As at 31 July 2016

Industry sector	Unlisted valuation £'000	%	Quoted valuation £'000	%	Total valuation £'000	%
Support services	3,012	17.4	16	0.1	3,028	17.5
Construction & building materials	2,204	12.6	-	-	2,204	12.6
Insurance	1,656	9.5	13	0.1	1,669	9.6
Energy services	1,622	9.4	-	-	1,622	9.4
Automobiles & parts	1,211	7.0	-	-	1,211	7.0
Technology	1,150	6.6	-	-	1,150	6.6
Electronic & electrical equipment	1,033	6.0	-	-	1,033	6.0
Speciality & other finance	980	5.7	-	-	980	5.7
Telecommunication services	924	5.3	-	-	924	5.3
Diversified industrials	691	4.0	-	-	691	4.0
Engineering & machinery	577	3.3	-	-	577	3.3
Household goods & textiles	392	2.2	27	0.2	419	2.4
Food producers & processors	400	2.3	-	-	400	2.3
Software & computer services	374	2.2	25	0.1	399	2.3
Health	398	2.3	-	-	398	2.3
Real estate	339	2.0	-	-	339	2.0
Beverages	123	0.7	-	-	123	0.7
General retailers	113	0.7	-	-	113	0.7
Media & entertainment	-	-	51	0.3	51	0.3
Total	17,199	99.2	132	0.8	17,331	100.0

Valuation by Industry Group

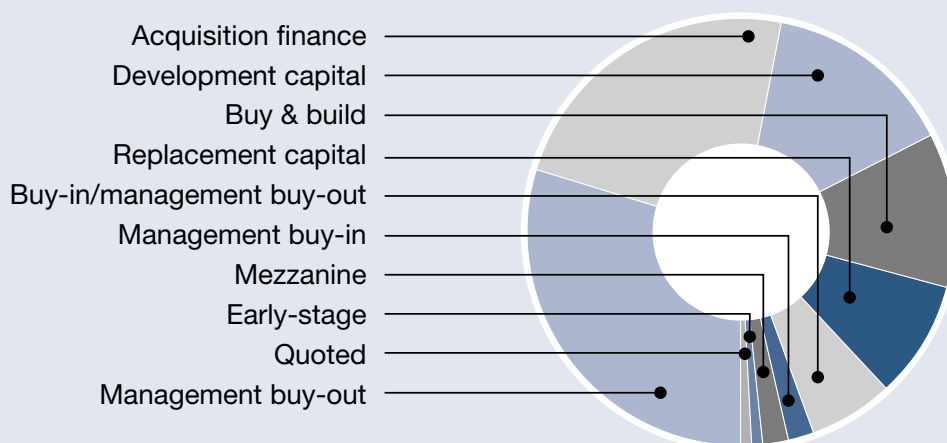


Analysis of Unlisted and Quoted Portfolio (continued)

As at 31 July 2016

Deal type	Number	Valuation £'000	%
Unlisted			
Management buy-out	13	5,177	29.9
Acquisition finance	10	4,028	23.2
Development capital	10	2,503	14.4
Buy & build	2	2,024	11.7
Replacement capital	4	1,556	9.0
Buy-in/management buy-out	3	1,105	6.4
Management buy-in	1	347	2.0
Mezzanine	1	336	1.9
Early-stage	1	123	0.7
Total unlisted	45	17,199	99.2
Quoted	10	132	0.8
Total unlisted and quoted	55	17,331	100.0

Valuation by Deal Type



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Income Statement

For the Six Months Ended 31 July 2016

	Six months ended 31 July 2016 (unaudited)			Six months ended 31 July 2015 (unaudited)			Year ended 31 January 2016 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	-	224	224	-	1,915	1,915	-	3,085	3,085
Income from investments	278	-	278	498	-	498	1,025	-	1,025
Other income	1	-	1	-	-	-	-	-	-
Investment management fees	(29)	(264)	(293)	(60)	(540)	(600)	(116)	(1,041)	(1,157)
Other expenses	(121)	-	(121)	(55)	-	(55)	(188)	-	(188)
Net return on ordinary activities before taxation	129	(40)	89	383	1,375	1,758	721	2,044	2,765
Tax on ordinary activities	(12)	12	-	-	-	-	(119)	119	-
Return attributable to Equity Shareholders	117	(28)	89	383	1,375	1,758	602	2,163	2,765
Earnings per share (pence)	0.29	(0.07)	0.22	1.15	4.11	5.26	1.48	5.33	6.81

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

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

The total column of this statement is the Profit and Loss Account of the Company.

Reconciliation of Movements in Shareholders' Funds

For the Six Months Ended 31 July 2016

	Six months ended 31 July 2016 (unaudited) £'000	Six months ended 31 July 2015 (unaudited) £'000	Year ended 31 January 2016 (audited) £'000
Opening Shareholders' funds	21,770	20,834	20,834
Net return for period	89	1,758	2,765
Net proceeds of share issue	-	3,965	3,966
Net proceeds of DIS issue	-	26	18
Repurchase and cancellation of shares	(101)	-	-
Dividends paid - revenue	(205)	(82)	(411)
Dividends paid - capital	(719)	(800)	(5,402)
Closing Shareholders' funds	20,834	25,701	21,770

The accompanying Notes are an integral part of the Financial Statements.

Balance Sheet

As at 31 July 2016

	31 July 2016 (unaudited) £'000	31 July 2015 (unaudited) £'000	31 January 2016 (audited) £'000
Fixed assets			
Investments at fair value through profit or loss	20,080	24,545	21,591
Current assets			
Debtors	220	307	221
Cash	577	1,293	688
	797	1,600	909
Creditors			
Amounts falling due within one year	(43)	(444)	(730)
Net current assets	754	1,156	179
Net assets	20,834	25,701	21,770
Capital and reserves			
Called up share capital	4,087	4,109	4,109
Share premium account	9,473	9,480	9,473
Capital reserve - realised	(12,194)	(11,769)	(11,296)
Capital reserve - unrealised	972	5,108	821
Special distributable reserve	17,741	17,842	17,842
Capital redemption reserve	317	295	295
Revenue reserve	438	636	526
Net assets attributable to Equity Shareholders	20,834	25,701	21,770
Net asset value per Ordinary Share (pence)	50.97	62.60	53.00

The Financial Statements of Maven Income and Growth VCT 2 PLC, registered number 4135802, were approved and authorised for issue by the Board of Directors on 23 September 2016 and were signed on its behalf by:

John Lawrence MBE
Director

The accompanying Notes are an integral part of the Financial Statements.

Cash Flow Statement

For the Six Months Ended 31 July 2016

	Six months ended 31 July 2016 (unaudited) £'000	Six months ended 31 July 2015 (restated)* (unaudited) £'000	Year ended 31 January 2016 (audited) £'000
Net cash flows from operating activities	(1,098)	(630)	(1,034)
Cash flows from investing activities			
Investment income received	276	473	1,065
Deposit interest received	1	-	-
Purchase of investments	(3,625)	(12,056)	(27,006)
Sale of investments	5,360	9,148	28,244
Net cash flows from investing activities	2,012	(2,435)	2,303
Cash flows from financing activities			
Equity dividends paid	(924)	(882)	(5,813)
Issue of Ordinary Shares	-	3,992	3,984
Repurchase of Ordinary Shares	(101)	-	-
Net cash flows from financing activities	(1,025)	3,110	(1,829)
Net (decrease)/increase in cash	(111)	45	(560)
Cash at beginning of period	688	1,248	1,248
Cash at end of period	577	1,293	688

*The July 2015 cash flow has been restated for the presentational requirements of FRS 102.

The accompanying Notes are an integral part of the Financial Statements.

Notes to the Financial Statements

For the Six Months Ended 31 July 2016

1. Accounting Policies

The financial information for the six months ended 31 July 2016 and the six months ended 31 July 2015 comprises non-statutory accounts within the meaning of S435 of the Companies Act 2006. The financial information contained in this report has been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 31 January 2016, which have been filed at Companies House and which contained an Auditor's Report which was not qualified and did not contain a statement under S498(2) or S498(3) of the Companies Act 2006.

2. Movement in reserves

	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000
At 31 January 2016	9,473	(11,296)	821	17,842	295	526
Gains on sale of investments	-	73	-	-	-	-
Net increase in value of investments	-	-	151	-	-	-
Investment management fees	-	(264)	-	-	-	-
Dividends paid	-	(719)	-	-	-	(205)
Tax effect of capital items	-	12	-	-	-	-
Repurchase and cancellation of shares	-	-	-	(101)	22	-
Net return on ordinary activities after taxation	-	-	-	-	-	117
As at 31 July 2016	9,473	(12,194)	972	17,741	317	438

3. Returns per Ordinary Share

Six months ended
31 July 2016

The returns per share have been based on the following figures:

Weighted average number of Ordinary Shares	41,042,326
Revenue return	£117,000
Capital return	(£28,000)
Total return	£89,000

General Information

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Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- the Financial Statements for the six months ended 31 July 2016 have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland;
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R in relation to the indication of important events during the first six months, and of the principal risks and uncertainties facing the Company during the second six months, of the year ending 31 January 2017; and
- the Interim Management Report includes adequate disclosure of the information required by DTR 4.2.8R in relation to related party transactions and any changes therein.

By order of the Board
Maven Capital Partners UK LLP
Secretary

23 September 2016

Your Notes

Your Notes

Contact Information

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Shareholder Portal: www.capitashareportal.com

Shareholder Helpline: 0333 300 1566
(Lines are open 9.00am until 5.30pm, Monday to Friday, excluding public holidays in England and Wales. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom should be made to +44 208 639 3399 and will be charged at the applicable international rate).

Auditor Deloitte LLP

Bankers J P Morgan Chase Bank

Stockbrokers Shore Capital Stockbrokers Limited
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Authorised and Regulated by The Financial Conduct Authority