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## MAVEN INCOME AND GROWTH VCT 2 PLC

Interim Report  
For the Six Months Ended 31 July 2017

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# CORPORATE SUMMARY

Maven Income and Growth VCT 2 PLC (the Company) 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. The Company 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 thereafter, at five yearly intervals. 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](http://www.actionfraud.police.uk)

FCA

Telephone: 0800 111 6768 (freephone)

E-mail: [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

Website: [www.fca.org.uk](http://www.fca.org.uk)

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# FINANCIAL HIGHLIGHTS

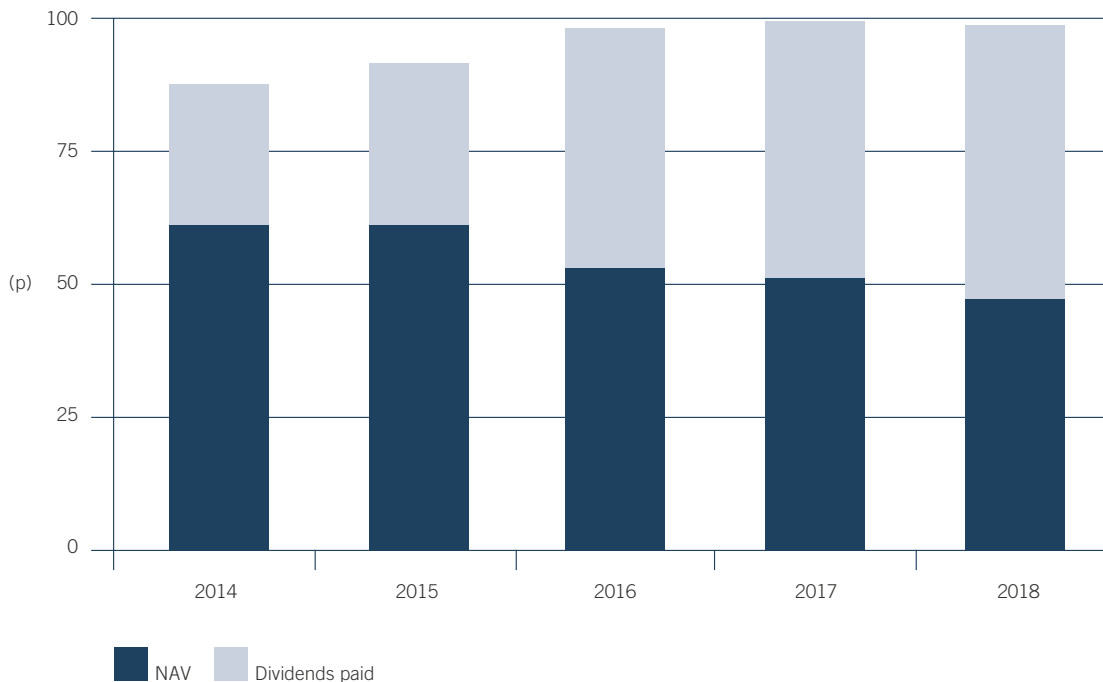
## Financial History

	31 July 2017	31 January 2017	31 July 2016
Net asset value (NAV)	£19,124,000	£20,502,000	£20,834,000
NAV per Ordinary Share	47.12p	50.52p	50.97p
Dividends paid to date	50.97p	48.72p	46.72p
<b>NAV total return per share<sup>1</sup></b>	<b>98.09p</b>	<b>99.24p</b>	<b>97.69p</b>
Share price <sup>2</sup>	43.50p	44.00p	46.25p
Discount to NAV	7.68%	12.91%	9.26%
Ordinary Shares in issue	40,584,617	40,584,617	40,872,617

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

<sup>2</sup> Closing mid-market price (Source: London Stock Exchange).

## NAV Total Return Performance



The chart shows the NAV total return per share as at 31 January in each year, except 2018 which is at 31 July 2017. Dividends that have been declared but not yet paid are included in the NAV at the balance sheet date.

**Dividends**

<b>Year ended 31 January</b>	<b>Payment date</b>	<b>Interim/final</b>	<b>Rate (p)</b>
2002-2013		Total	24.62
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
2017	28 October 2016	Interim	2.00
	23 June 2017	Final	2.25
<b>Total dividends paid</b>			<b>50.97</b>
2018	15 September 2017	Interim	3.41
<b>Total dividends paid or declared</b>			<b>54.38</b>

# SUMMARY OF INVESTMENT CHANGES

For the Six Months Ended 31 July 2017

	Valuation 31 January 2017		Net investment/ (disinvestment)	Appreciation/ (depreciation)	Valuation 31 July 2017	
	£'000	%	£'000	£'000	£'000	%
<b>Unlisted investments</b>						
Equities	6,893	33.6	89	(76)	6,906	36.1
Loan stock	9,032	44.1	(540)	(422)	8,070	42.2
	<b>15,925</b>	<b>77.7</b>	<b>(451)</b>	<b>(498)</b>	<b>14,976</b>	<b>78.3</b>
<b>AIM/NEX investments</b>						
Equities	113	0.6	-	15	128	0.7
<b>Listed investments</b>						
Equities	10	-	-	5	15	0.1
Investment trusts	1,063	5.2	-	88	1,151	6.0
<b>Total investments</b>	<b>17,111</b>	<b>83.5</b>	<b>(451)</b>	<b>(390)</b>	<b>16,270</b>	<b>85.1</b>
Other net assets	3,391	16.5	(537)	-	2,854	14.9
<b>Net assets</b>	<b>20,502</b>	<b>100.0</b>	<b>(988)</b>	<b>(390)</b>	<b>19,124</b>	<b>100.0</b>

# INTERIM REVIEW



**Bill Nixon**  
Managing Partner  
Maven Capital Partners UK LLP

## Overview

**During the reporting period, your Company completed four new VCT qualifying investments in private companies operating across a range of diverse sectors, and a further new investment was completed after the period end. The majority of the businesses in the investee portfolio have continued to trade well. The NAV total return was 98.09p per share at the period end.**

**The Directors and the Manager recognise the importance of tax-free distributions to Shareholders and the Board was pleased to declare an enhanced interim dividend of 3.41p per share.**

In the first half of the financial year, Maven continued to focus on sourcing attractive qualifying investment opportunities that meet the requirements of the revised VCT legislation, details of which were provided in the 2017 Annual Report. Since the introduction of the new VCT rules in 2015, Maven has provided development capital to eleven qualifying private companies, demonstrating its flexible approach and ability to adapt to the requirements of the revised legislation. It has, however, become apparent that transactions are taking considerably longer to complete, due primarily to the requirement to secure Advance Assurance tax clearance from HM Revenue & Customs (HMRC) for each new investment.

Given the complexity of the new rules, Maven maintains a cautious approach and continues to work closely with a specialist VCT adviser engaged by the Company to assist with the VCT tax clearance process, only completing investments once Advance Assurance has been secured. The investment team continues to progress all other aspects of live transactions in order to facilitate a swift completion once approval is granted. There are a number of active transactions that are well-progressed and it is anticipated that there will be a good rate of new investment activity through the second half of the financial year.

## Dividends

As highlighted by the Board in the 2017 Annual Report, Shareholders should be aware that the move to support younger and earlier stage businesses may result in less predictable capital gains and income flows, with the result that the quantum and timing of future dividend payments is likely to be subject to variation. Due to a number of recent profitable realisations, and in order to ensure your Company's ongoing compliance with the VCT regulations, the Board considered it appropriate to declare the early payment of an enhanced interim dividend.

The Board has, therefore, declared an interim capital dividend in respect of the year ending 31 January 2018, of 3.41p per Ordinary Share, which was paid on 15 September 2017 to Shareholders on the register at close of business on 25 August 2017. Since the Company's launch, and after receipt of the interim dividend, Shareholders will have received 54.38p 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.

Whilst decisions on future distributions will take into consideration the availability of surplus revenue, the adequacy of reserves, the proceeds from any further realisations and the VCT qualifying levels of the portfolio, it is the Board's intention to maintain distributions for the full year at a similar level to that of the year ended 31 January 2017, although this will be kept under close review.



## HIGHLIGHTS

NAV total return of 98.09p per share at 31 July 2017, compared to 99.24p at 31 January 2017

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NAV at 31 July 2017 of 47.12p per share after payment of the final dividend of 2.25p per share

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Enhanced interim dividend of 3.41p per share paid on 15 September 2017

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Four new VCT qualifying private company holdings added to the portfolio, with a further one completed post the period end

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Large pipeline of VCT qualifying investments, with a number in advanced process

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### Portfolio Developments

The portfolio of private company holdings has generally performed well, resulting in the valuations of a number of investee companies being increased. It is reassuring to note that, despite the political and economic uncertainty resulting from the General Election and the UK's intended exit from the European Union (EU), there is, to date, no discernible impact to report, aside from the short-term benefit that a number of exporters experienced following the devaluation of Sterling in June 2016.

**Cursor Controls**, a global leader in the design and niche manufacture of trackballs for cursor movement used in industrial applications, has performed well since Maven clients invested in July 2015. The business continues to deliver good levels of organic growth and performance was further enhanced by the acquisition, in April 2016, of NSI, a Belgian based distributor of trackballs and other associated products. The acquisition formed part of Maven's investment proposal and is expected to be significantly earnings enhancing, with a number of commercial and operational synergies identified to help drive the growth and profitability of the enlarged group. The management team is encouraged by the integration process to date, with NSI trading to plan and the core Cursor business continuing to deliver organic growth.

Manufacturer and supplier of technical plastic components and interior parts for the global automotive industry, **John McGavigan**, continues to exceed expectations. The year to 31 December 2016 saw a significant increase in profitability across its operations in China and Scotland, which was achieved through top line growth enhanced by the benefits of a number of productivity improvement projects implemented earlier in the year. This strong momentum has continued in the current year, with the company continuing to grow and exceed budget. The order book remains strong, with a number of significant contracts secured in recent months, increasing future visibility for the business. Given the growth achieved and forecast projections, the management team has decided to move its Chinese premises in anticipation of capacity constraints in the region, and work is progressing to advance this.

Maven clients invested in **Attraction World**, a leading provider of worldwide theme park and attraction tickets in 2010, supporting the incumbent executive team through a management buy-out. Since investment, Attraction World has made steady progress, and the core business continues to perform well. In March 2016, the business enhanced its operating platform through the complementary acquisition of Day Out With The Kids ([www.dayoutwiththekids.co.uk](http://www.dayoutwiththekids.co.uk)), an e-commerce site that focuses on UK attraction information. The development of the new acquisition is progressing to plan and the management team believes that it will prove to be a valuable addition to the business.

The UK's largest provider of promotional merchandise, **SPS (EU)**, has achieved excellent growth under private equity ownership since Maven clients invested in February 2014. Operational improvements have enhanced profitability following the successful implementation of a new enterprise resource planning system. The complementary acquisitions of HPP and TEC, completed during the year to 31 December 2015, have been integrated successfully within the group and are both delivering a positive profit contribution. The company has invested in sales resource to help penetrate the European market, and this region is starting to contribute significantly to group performance. The balance sheet remains healthy and the business continues to reduce its core term debt.

**DPP** provides mechanical and electrical maintenance and installation services mainly to the leisure, hospitality and retail sectors in the south of England and in Wales. The company differentiates itself by operating through an employed and managed team of engineers, as opposed to engaging with a network of subcontractors. The business has made considerable progress over the past twelve months by enhancing operational procedures and reducing costs, which has led to a significant improvement in profitability. A number of new contracts were secured during the year and the outlook is positive, which is highly encouraging given the challenges experienced during 2014 when DPP lost a key customer.

During the period, the valuation of the investment in **Torridon (Gibraltar)** was protectively reduced to reflect recent circumstances at one of its trading subsidiaries and **CHS Engineering Services** was placed into administration. In addition, in light of current trading, selective valuation provisions were taken across a small number of other portfolio companies.

The Manager maintains a close working relationship with investee companies operating within the oil & gas sector and it is encouraging to report that the majority of these assets are seeing early signs of improving market conditions which, after three years of steady decline, appear to have stabilised. Following extensive cost cutting, the Maven portfolio companies are operating with lean structures and have limited or no external debt. As such, they are relatively well positioned to benefit from a market recovery. The majority of Maven's investee companies in this sector are focused on operational expenditure, particularly related to health and safety. Although budgets have been set conservatively, there is evidence of growing confidence with order books and workshops recording higher activity levels. The Board will continue to monitor the performance of investee companies in this sector, maintaining a conservative approach to valuations until there is evidence of a sustained recovery.

The recent new investments in private equity investment trusts and real estate investment trusts have performed well over the period, generating valuable capital growth and income through dividend payments to your Company. The Board and the Manager are encouraged by this contribution and believe that these investments will provide a steady and reliable source of income. This is particularly important in light of the restrictions introduced in the March 2016 Budget Statement, which prevent VCTs from investing in traditional instruments such as treasury bills or other government securities for liquidity management purposes.

The Board and the Manager remain highly cognisant of the importance of maintaining an effective liquidity management policy and will continue to consider a range of other permitted income generating investment options.

### New Investments

During the period, your Company provided development capital to four private companies:

- **ebb3** is a technology company that develops mobile workspace solutions, addressing the need for seamless and secure access to apps, files and services on any device, in any location. The technology is specifically targeted at high-end 3D computer graphics users within the automotive (Formula 1), construction, oil & gas and education sectors, where there is a requirement for data-intensive applications that can service geographically dispersed, multi-disciplinary teams. ebb3 has high profile partnership agreements with providers such as Cisco, NetApp and NVidia, and the investment will enable the business to pursue its growth strategy in this niche part of the growing supercomputing market.

- **Horizon Cremation** plans to develop and operate a portfolio of next generation crematoria across the UK, where existing facilities are either under-invested or in short supply. Horizon is seeking to build contemporary facilities that are environmentally and technologically advanced, offering enhanced professional service and care levels for families. The investment will provide capital to source and secure development sites, whilst supporting the operational expenditure and overheads of Horizon's first crematorium in North Ayrshire, Scotland, where construction commenced in May 2017.
- **ITS Technology** is a leading alternative network provider that owns and maintains fibre networks, providing faster and more reliable broadband connectivity, and related services, to customers, particularly in areas that are not well serviced by the existing infrastructure. The business currently has twelve fibre broadband networks in operation, with a further five under construction. The investment will help to fund growth within the existing networks, build a stable recurring revenue base and also support expansion through the addition of new networks.
- **Contego Fraud Solutions** is a provider of complex, multi-source compliance and fraud detection software for public and private sector clients including property, banking and financial services companies. The application performs a vast number of screening, verification and vetting assessments including Know Your Customer and Anti-Money Laundering, to fulfil both real-time customer on-boarding and on-going monitoring of regulatory requirements. The investment will support the continued growth of the business, facilitating the hiring of additional sales resources, further product development and expansion into new markets.

The following investments have been completed during the reporting period:

	Date	Sector	Investment cost £'000	Website
<b>Unlisted</b>				
Contego Fraud Solutions Limited	July 2017	Software & computer services	199	www.contego.com
ebb3 Limited	May 2017	Software & computer services	133	www.ebb3.com
Horizon Cremation Limited	May 2017	Support services	292	www.horizoncremation.co.uk
ITS Technology Group Limited	June 2017	Telecommunication services	298	www.itstechnologygroup.com
<b>Total unlisted</b>			<b>922</b>	
<b>Total investments</b>			<b>922</b>	

At the period end, the portfolio stood at 65 unlisted and quoted investments, at a total cost of £16.26 million.

### Realisations

During the period, further recovery proceeds were released for **Cyclotech** and **Space Student Living**.

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 2017 £'000	Sales proceeds £'000	Realised gain/(loss) £'000	Gain/(loss) over 31 January 2017 value £'000
<b>Unlisted</b>							
Constant Progress Limited	2015	Complete	400	400	400	-	-
Cyclotech Limited	2007	Complete	-	-	35	35	35
Equator Capital Limited	2015	Complete	400	400	400	-	-
Llanllyr Water Company Limited	2002	Complete	123	105	94	(29)	(11)
Space Student Living Limited	2011	Partial	-	44	44	44	-
Toward Technology Limited	2015	Complete	400	400	400	-	-
<b>Total unlisted</b>			<b>1,323</b>	<b>1,349</b>	<b>1,373</b>	<b>50</b>	<b>24</b>
<b>Total disposals</b>			<b>1,323</b>	<b>1,349</b>	<b>1,373</b>	<b>50</b>	<b>24</b>

As at the date of this report, the Manager is engaged with several investee companies and prospective acquirers at various stages of the negotiation process, although there can be no certainty that these discussions will result in profitable sales.

## Material Developments Since the Period End

Since 31 July 2017, one new private company asset has been added to the portfolio.

**ADC Biotechnology** is a developer of a proprietary Lock-Release technology, for the efficient development and manufacture of the Antibody Drug Conjugates (ADC) group of cancer therapies. ADCs, also known as ‘magic bullets’, combine the unique targeting capabilities of antibodies with the cancer-killing ability of cytotoxic drugs, thereby targeting cancer cells whilst minimising damage to healthy cells and tissue, and with the potential for reduced side effects. Maven VCT clients have invested alongside existing shareholders to support an experienced management team as it seeks to progress the drug development platform in this high growth sector of oncology therapeutics.

## Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company were set out in full in the Strategic Report contained within the 2017 Annual Report, and are the risks associated with investment in small and medium sized unlisted and AIM/NEX 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 Committees 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 continue to be bought back at prices representing a discount of between 10% and 20% of the prevailing NAV per share.

## Regulatory Developments

The Chancellor's March 2017 Budget Statement did not introduce any further amendments to the legislation governing VCTs, but reiterated the announcements made in the 2016 Autumn Statement. The most noteworthy of these was that the Government will no longer be initiating a review into the provision to allow replacement capital in certain new VCT transactions, suggesting that this may be reviewed at some point in the future. Whilst the Board and the Manager were disappointed by this announcement, as the ability to include replacement capital was viewed as an important capability under the new rules, it does not impact the Company's investment strategy, which has already adapted to meet the requirements of the new rules.

In addition, in response to the increased volume of VCT applications submitted and the resultant delays experienced in obtaining clearance for proposed investments, a consultation was launched into the options to streamline the Advance Assurance service provided by HMRC. The summary responses of this consultation were released in late March 2017 and a further detailed report and analysis is expected in due course.

## Outlook

The Manager is encouraged by the performance achieved during the reporting period. Notwithstanding the pressures of the uncertain economic and political backdrop referred to above, the portfolio of investee companies has generally continued to trade well, with no discernible impact on performance as a consequence of the uncertainty. This demonstrates the strength and breadth of the underlying portfolio and its ability to continue to generate positive returns for Shareholders.

Whilst it is early days for a number of the new investee companies, initial indications suggest that they are performing to plan and should, over time, represent valuable additions to the portfolio. During the period, Maven extended its nationwide presence through the opening of four new offices, expanding its network to ten locations across the UK. This regional approach ensures that the investment team is well positioned to access potential investment opportunities through their local network of contacts. Maven's geographic presence is delivering a strong pipeline of prospective new investments and, based on current momentum, it is anticipated that the rate of investment in the remainder of the financial year will be at a higher level compared to previous periods, subject to securing Advance Assurance from HMRC on a case by case basis.

**On behalf of the Board**  
**Maven Capital Partners UK LLP**  
**Secretary**

**29 September 2017**

# INVESTMENT PORTFOLIO SUMMARY

As at 31 July 2017

	Valuation £'000	Cost £'000	% of net assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted</b>					
Lemac No. 1 Limited (trading as John McGavigan)	1,179	376	6.1	4.9	31.9
Torridon (Gibraltar) Limited	1,101	198	5.7	2.2	37.8
SPS (EU) Limited	788	364	4.1	3.0	39.5
Majenta Logistics Limited	750	750	3.8	9.9	39.9
Vectis Technology Limited	750	750	3.8	9.9	39.9
Martel Instruments Holdings Limited	685	748	3.6	9.1	35.2
Ensco 969 Limited (trading as DPP)	653	584	3.4	2.5	32.0
CatTech International Limited	507	323	2.7	3.1	26.9
Onyx Logistics Limited	500	500	2.6	9.9	39.9
Rockar 2016 Limited (trading as Rockar)	483	483	2.5	2.7	11.1
Glacier Energy Services Holdings Limited	434	434	2.3	1.7	26.0
Vodat Communications Group Limited	413	298	2.2	3.5	38.3
The GP Service (UK) Limited	398	398	2.1	4.9	27.6
JT Holdings (UK) Limited (trading as Just Trays)	392	298	2.1	3.3	26.7
Flow UK Holdings Limited	374	374	2.0	4.5	30.5
Castlegate 737 Limited (trading as Cursor Controls)	370	224	1.9	2.3	45.2
Fathom Systems Group Limited	355	355	1.9	4.0	56.0
CB Technology Group Limited	347	347	1.8	7.1	71.9
GEV Holdings Limited	336	336	1.8	2.1	33.9
HCS Control Systems Group Limited	305	423	1.6	3.4	33.1
ITS Technology Group Limited	298	298	1.6	2.9	19.2
QikServe Limited	298	298	1.6	3.0	17.0
Horizon Cremation Limited	292	292	1.5	9.8	74.0
R&M Engineering Group Limited	268	357	1.4	4.0	66.6
Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners)	261	227	1.4	5.0	95.0
RMEC Group Limited	249	249	1.3	1.6	48.5
Metropol Communications Limited	225	225	1.2	9.9	39.9
Chic Lifestyle Limited (trading as Chic Retreats)	224	224	1.2	6.7	40.1
Attraction World Holdings Limited	220	12	1.2	3.4	35.0
Whiterock Group Limited	209	209	1.1	4.5	20.5
Contego Fraud Solutions Limited	199	199	1.0		
Flexlife Group Limited	182	249	1.0	1.0	13.6
TC Communications Holdings Limited	180	309	0.9	2.6	27.4
Lambert Contracts Holdings Limited	145	408	0.8	6.1	58.6
ebb3 Limited	133	133	0.7		
ISN Solutions Group Limited	115	181	0.6	2.6	52.4
Endura Limited	114	114	0.6	0.3	5.5

# INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 31 July 2017

	Valuation £'000	Cost £'000	% of net assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted (continued)</b>					
Growth Capital Ventures Limited	100	100	0.5	2.8	19.9
Lawrence Recycling & Waste Management Limited	52	367	0.3	4.0	58.0
Claven Holdings Limited	46	139	0.2	9.5	40.5
Other unlisted investments	46	1,219	0.2		
<b>Total unlisted investments</b>	<b>14,976</b>	<b>14,372</b>	<b>78.3</b>		
<b>Quoted</b>					
Cello Group PLC	65	53	0.4	0.1	0.4
Plastics Capital PLC	29	25	0.2	0.1	1.3
Vianet Group PLC (formerly Brulines Group PLC)	25	31	0.1	0.1	1.4
esure Group PLC	15	-	0.1	-	-
Gordon Dadds Group PLC (formerly Work Group PLC)	9	251	-	1.1	2.0
Other quoted investments	-	488	-		
<b>Total quoted investments</b>	<b>143</b>	<b>848</b>	<b>0.8</b>		
<b>Private equity investment trusts</b>					
Princess Private Equity Holding Limited	124	98	0.6	-	0.1
F&C Private Equity Investment Trust PLC	121	103	0.6	0.1	0.3
HgCapital Trust PLC	120	100	0.6	-	0.1
Apax Global Alpha Limited	116	99	0.6	-	0.1
Standard Life Private Equity Trust PLC	52	43	0.4	-	-
<b>Total private equity investment trusts</b>	<b>533</b>	<b>443</b>	<b>2.8</b>		
<b>Real estate investment trusts</b>					
Schroder REIT Limited	107	99	0.6	-	0.2
Custodian REIT PLC	106	99	0.6	-	0.2
Target Healthcare REIT Limited	105	98	0.5	-	0.2
Standard Life Investment Property Income Trust Limited	104	99	0.5	-	0.2
British Land Company PLC	101	99	0.5	-	-
Regional REIT Limited	95	99	0.5	-	0.2
<b>Total real estate investment trusts</b>	<b>618</b>	<b>593</b>	<b>3.2</b>		
<b>Total investments</b>	<b>16,270</b>	<b>16,256</b>	<b>85.1</b>		

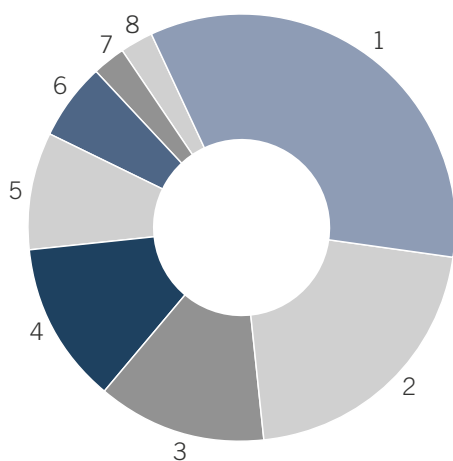
<sup>1</sup> Other clients of Maven Capital Partners UK LLP.

# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO

As at 31 July 2017

Industry sector	Unlisted valuation £'000	%	Quoted valuation £'000	%	Total valuation £'000	%
Support services	3,352	20.7	9	-	3,361	20.7
Automobiles & parts	1,662	10.2	-	-	1,662	10.2
Energy services	1,437	8.8	-	-	1,437	8.8
Insurance	1,363	8.4	15	0.1	1,378	8.5
Technology	1,257	7.7	-	-	1,257	7.7
Investment companies	100	0.6	1,151	7.1	1,251	7.7
Electronic & electrical equipment	1,033	6.3	-	-	1,033	6.3
Telecommunication services	936	5.8	-	-	936	5.8
Speciality & other finance	796	4.9	-	-	796	4.9
Software & computer services	706	4.3	25	0.2	731	4.5
Diversified industrials	691	4.2	-	-	691	4.2
Household goods & textiles	392	2.4	29	0.2	421	2.6
Health	398	2.4	-	-	398	2.4
Engineering & machinery	370	2.3	-	-	370	2.3
Leisure & hotels	224	1.4	-	-	224	1.4
Construction & building materials	145	0.9	-	-	145	0.9
General retailers	114	0.7	-	-	114	0.7
Media & entertainment	-	-	65	0.4	65	0.4
<b>Total</b>	<b>14,976</b>	<b>92.0</b>	<b>1,294</b>	<b>8.0</b>	<b>16,270</b>	<b>100.0</b>

## Valuation by Industry Group



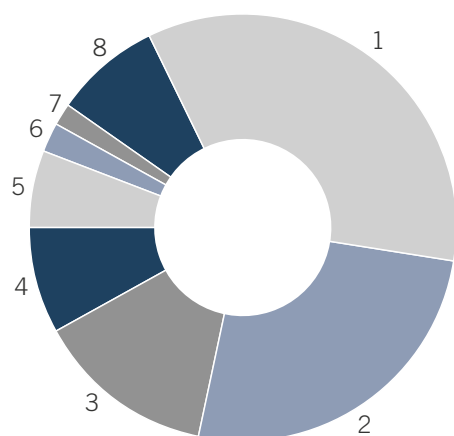
1. Industrials
2. Financials
3. Consumer goods
4. Non-financial
5. Energy services
6. Telecommunications
7. Consumer services
8. Health

# ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO (CONTINUED)

As at 31 July 2017

Deal type	Number	Valuation £'000	%
<b>Unlisted</b>			
Management buy-out	13	5,661	34.7
Development capital	18	4,207	25.9
Acquisition finance	4	2,225	13.7
Replacement capital	4	1,287	7.9
Buy-in/management buy-out	3	988	6.1
Management buy-in	1	347	2.1
Buy & build	1	261	1.6
<b>Total unlisted</b>	<b>44</b>	<b>14,976</b>	<b>92.0</b>
<b>Quoted</b>			
Listed	11	1,151	7.1
AIM/NEX	10	143	0.9
<b>Total quoted</b>	<b>21</b>	<b>1,294</b>	<b>8.0</b>
<b>Total unlisted and quoted</b>	<b>65</b>	<b>16,270</b>	<b>100.0</b>

Valuation by Deal Type



1. Management buy-out
2. Development capital
3. Acquisition finance
4. Replacement capital
5. Buy-in/management buy-out
6. Management buy-in
7. Buy & build
8. Quoted



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## INCOME STATEMENT

For the Six Months Ended 31 July 2017

	Six months ended 31 July 2017 (unaudited)			Six months ended 31 July 2016 (unaudited)			Year ended 31 January 2017 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	-	(390)	(390)	-	224	224	-	1,070	1,070
Income from investments	284	-	284	278	-	278	627	-	627
Other income	4	-	4	1	-	1	4	-	4
Investment management fees	(26)	(229)	(255)	(29)	(264)	(293)	(70)	(632)	(702)
Other expenses	(108)	-	(108)	(121)	-	(121)	(302)	-	(302)
<b>Net return on ordinary activities before taxation</b>	<b>154</b>	<b>(619)</b>	<b>(465)</b>	<b>129</b>	<b>(40)</b>	<b>89</b>	<b>259</b>	<b>438</b>	<b>697</b>
Tax on ordinary activities	(11)	11	-	(12)	12	-	(51)	51	-
<b>Return attributable to Equity Shareholders</b>	<b>143</b>	<b>(608)</b>	<b>(465)</b>	<b>117</b>	<b>(28)</b>	<b>89</b>	<b>208</b>	<b>489</b>	<b>697</b>
<b>Earnings per share (pence)</b>	<b>0.35</b>	<b>(1.50)</b>	<b>(1.15)</b>	<b>0.29</b>	<b>(0.07)</b>	<b>0.22</b>	<b>0.51</b>	<b>1.19</b>	<b>1.70</b>

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 one reportable segment, the results of which are set out in the Income Statement and Balance Sheet. The Company derives its income from investments made in shares, securities and bank deposits.

There are no potentially dilutive capital instruments in issue and, therefore, no diluted returns per share figures are relevant. The basic and diluted earnings per share are, therefore, identical.

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

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

## STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 31 July 2017

	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>Six months ended 31 July 2017</b>								
<b>At 31 January 2017</b>	<b>4,058</b>	<b>9,473</b>	<b>(11,894)</b>	<b>454</b>	<b>17,618</b>	<b>346</b>	<b>447</b>	<b>20,502</b>
Net return	-	-	(168)	(440)	-	-	143	(465)
Dividends paid	-	-	(832)	-	-	-	(81)	(913)
Repurchase and cancellation of shares	-	-	-	-	-	-	-	-
<b>At 31 July 2017</b>	<b>4,058</b>	<b>9,473</b>	<b>(12,894)</b>	<b>14</b>	<b>17,618</b>	<b>346</b>	<b>509</b>	<b>19,124</b>

	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>Six months ended 31 July 2016</b>								
<b>At 31 January 2016</b>	<b>4,109</b>	<b>9,473</b>	<b>(11,296)</b>	<b>821</b>	<b>17,842</b>	<b>295</b>	<b>526</b>	<b>21,770</b>
Net return	-	-	(179)	151	-	-	117	89
Dividends paid	-	-	(719)	-	-	-	(205)	(924)
Repurchase and cancellation of shares	(22)	-	-	-	(101)	22	-	(101)
<b>At 31 July 2016</b>	<b>4,087</b>	<b>9,473</b>	<b>(12,194)</b>	<b>972</b>	<b>17,741</b>	<b>317</b>	<b>438</b>	<b>20,834</b>

	Share capital £'000	Share premium account £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Special distributable reserve £'000	Capital redemption reserve £'000	Revenue reserve £'000	Total £'000
<b>Year ended 31 January 2017</b>								
<b>At 31 January 2016</b>	<b>4,109</b>	<b>9,473</b>	<b>(11,296)</b>	<b>821</b>	<b>17,842</b>	<b>295</b>	<b>526</b>	<b>21,770</b>
Net return	-	-	856	(367)	-	-	208	697
Dividends paid	-	-	(1,454)	-	-	-	(287)	(1,741)
Repurchase and cancellation of shares	(51)	-	-	-	(224)	51	-	(224)
<b>At 31 January 2017</b>	<b>4,058</b>	<b>9,473</b>	<b>(11,894)</b>	<b>454</b>	<b>17,618</b>	<b>346</b>	<b>447</b>	<b>20,502</b>

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

## BALANCE SHEET

As at 31 July 2017

	31 July 2017 (unaudited) £'000	31 July 2016 (unaudited) £'000	31 January 2017 (audited) £'000
<b>Fixed assets</b>			
Investments at fair value through profit or loss	16,270	20,080	17,111
<b>Current assets</b>			
Debtors	248	220	273
Cash	2,623	577	3,334
	<b>2,871</b>	<b>797</b>	<b>3,607</b>
<b>Creditors</b>			
Amounts falling due within one year	(17)	(43)	(216)
<b>Net current assets</b>	<b>2,854</b>	<b>754</b>	<b>3,391</b>
<b>Net assets</b>	<b>19,124</b>	<b>20,834</b>	<b>20,502</b>
<b>Capital and reserves</b>			
Called up share capital	4,058	4,087	4,058
Share premium account	9,473	9,473	9,473
Capital reserve - realised	(12,894)	(12,194)	(11,894)
Capital reserve - unrealised	14	972	454
Special distributable reserve	17,618	17,741	17,618
Capital redemption reserve	346	317	346
Revenue reserve	509	438	447
<b>Net assets attributable to Equity Shareholders</b>	<b>19,124</b>	<b>20,834</b>	<b>20,502</b>
<b>Net asset value per Ordinary Share (pence)</b>	<b>47.12</b>	<b>50.97</b>	<b>50.52</b>

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 29 September 2017 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 2017

	Six months ended 31 July 2017 (unaudited) £'000	Six months ended 31 July 2016 (unaudited) £'000	Year ended 31 January 2017 (audited) £'000
<b>Net cash flows from operating activities</b>	<b>(569)</b>	<b>(1,098)</b>	<b>(1,516)</b>
<b>Cash flows from investing activities</b>			
Investment income received	268	276	621
Deposit interest received	4	1	4
Purchase of investments	(922)	(3,625)	(5,492)
Sale of investments	1,421	5,360	10,994
<b>Net cash flows from investing activities</b>	<b>771</b>	<b>2,012</b>	<b>6,127</b>
<b>Cash flows from financing activities</b>			
Equity dividends paid	(913)	(924)	(1,741)
Repurchase of Ordinary Shares	-	(101)	(224)
<b>Net cash flows from financing activities</b>	<b>(913)</b>	<b>(1,025)</b>	<b>(1,965)</b>
<b>Net (decrease)/increase in cash</b>	<b>(711)</b>	<b>(111)</b>	<b>2,646</b>
<b>Cash at beginning of period</b>	<b>3,334</b>	<b>688</b>	<b>688</b>
<b>Cash at end of period</b>	<b>2,623</b>	<b>577</b>	<b>3,334</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting Policies

The financial information for the six months ended 31 July 2017 and the six months ended 31 July 2016 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 2017, 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. Reserves

#### Share premium account

The share premium account represents the premium above nominal value received by the Company on issuing shares net of issue costs.

#### Capital reserves

Gains or losses on investments realised in the year that have been recognised in the Income Statement are transferred to the capital reserve realised account on disposal. Furthermore, any prior unrealised gains or losses on such investments are transferred from the capital reserve unrealised account to the capital reserve realised account on disposal.

Increases and decreases in the fair value of investments are recognised in the Income Statement and are then transferred to the capital reserve unrealised account. The capital reserve realised account also represents capital dividends, capital investment management fees and the tax effect of capital items.

#### Special distributable reserve

The total cost to the Company of the repurchase and cancellation of shares is represented in the special distributable reserve account.

#### Capital redemption reserve

The nominal value of shares repurchased and cancelled is represented in the capital redemption reserve.

#### Revenue reserve

The revenue reserve represents accumulated profits retained by the Company that have not been distributed to Shareholders as a dividend.

3. Returns per Ordinary Share	Six months ended 31 July 2017
<i>The returns per share have been based on the following figures:</i>	
Weighted average number of Ordinary Shares	40,584,617
Revenue return	£143,000
Capital return	(£608,000)
<b>Total return</b>	<b>(£465,000)</b>

# 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 2017 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 2018; 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**

**29 September 2017**



# YOUR NOTES

# YOUR NOTES

# CONTACT INFORMATION

<b>Directors</b>	John Lawrence MBE (Chairman) The Hon Robert Kissin Peter Linthwaite Bill Nixon
<b>Manager and Secretary</b>	Maven Capital Partners UK LLP Kintyre House 205 West George Street Glasgow G2 2LW Telephone: 0141 306 7400 E-mail: <a href="mailto:enquiries@mavencp.com">enquiries@mavencp.com</a>
<b>Registered Office</b>	Fifth Floor 1-2 Royal Exchange Buildings London EC3V 3LF
<b>Registered in England and Wales</b>	Company Registration Number: 4135802
<b>Website</b>	<a href="http://www.mavencp.com/migvct2">www.mavencp.com/migvct2</a>
<b>Registrars</b>	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU  Website: <a href="http://www.capitaassetservices.com">www.capitaassetservices.com</a>  Shareholder Portal: <a href="http://www.signalshares.com">www.signalshares.com</a>  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 rates used for 01 and 02 UK geographic numbers and will vary by provider. Calls outside the United Kingdom should be made to +44 371 664 0300 and will be charged at the applicable international rate).
<b>Auditor</b>	Deloitte LLP
<b>Bankers</b>	J P Morgan Chase Bank
<b>Stockbrokers</b>	Shore Capital Stockbrokers Limited 020 7647 8132
<b>VCT Adviser</b>	Philip Hare & Associates LLP

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**Maven Capital Partners UK LLP**

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205 West George Street  
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Authorised and Regulated by  
The Financial Conduct Authority

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