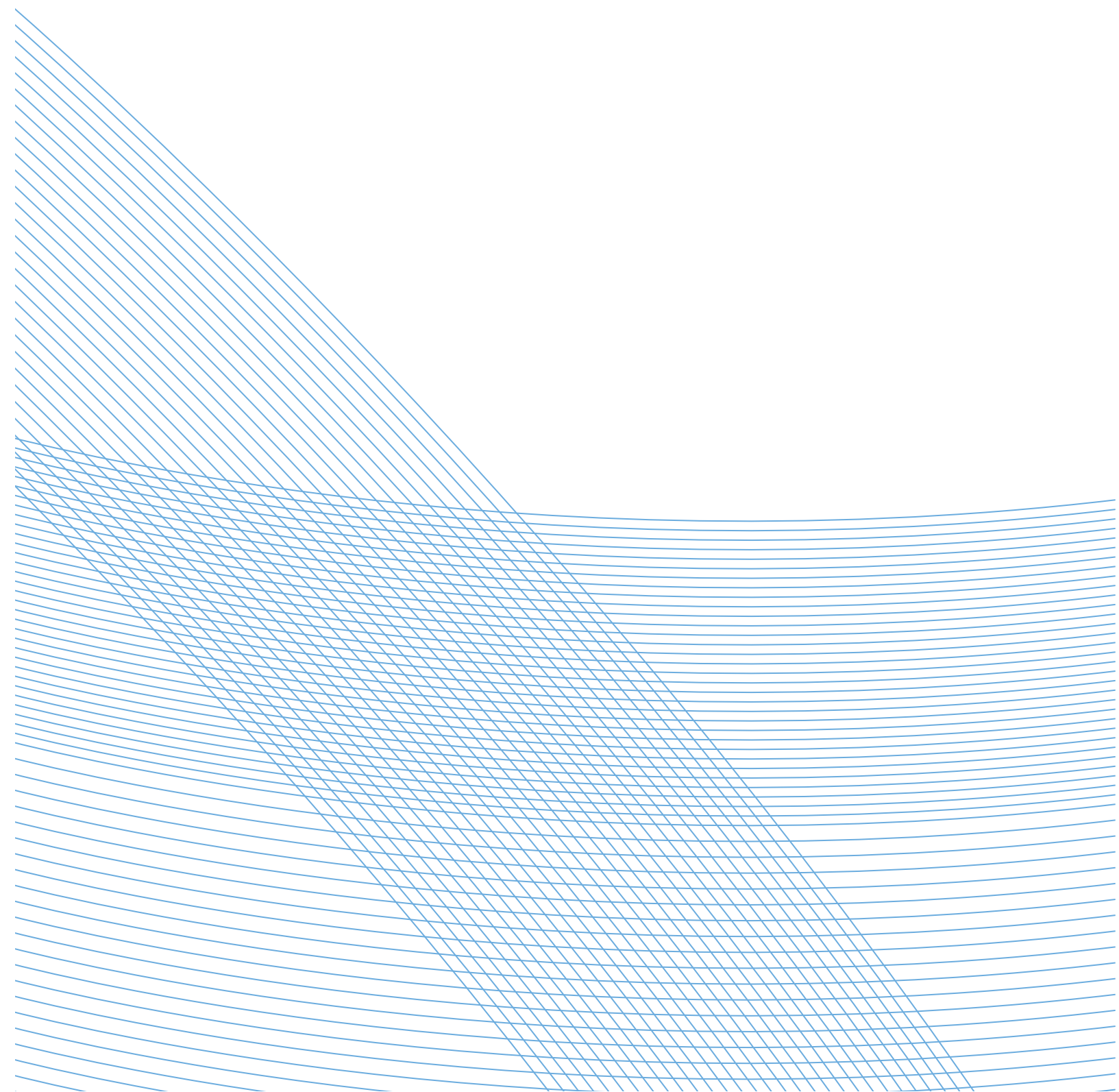


# HARGREAVEHALE AIM VCT 2 plc

Unaudited Interim Results for the six month  
period ending 31 August 2014



# FINANCIAL HIGHLIGHTS

## Ordinary Shares (as at 31 August):

	2014	2013
Net asset value per share	109.05p	98.28p
Cumulative distributions paid per share since launch	35p	29p
Total return per share	144.05p	127.28p
Half Yearly Returns per share:		
Revenue return	(0.50)p	(0.87)p
Capital return	(6.78)p	6.58p
Combined Return	(7.28)p	5.71p
Dividends per share:		
Interim proposed/paid	2p	2p
Performance Benchmark:		
Total Return		
FTSE AIM All-share Index	67%	65%
(results rebased to 100 at 6 April 2007)	152%	134%

### Introduction

In the first half of the financial year the NAV decreased from 120.24 pence to 109.05 pence, a fall of 6% after adding back the 4 pence dividend distributed in July. During the same period the FTSE 100 Index gained 0.2% and the FTSE AIM All fell 12.6%. Whilst the latter index is the only sensible benchmark, it is not wholly comparable as it has a high proportion of large mining and commodities stocks in which a VCT cannot invest.

### Results

At 31 August 2014 the NAV was 109.05 pence which, after adjusting for the dividends paid, gives a total return since inception of 144.05 pence. The loss per ordinary share based on the average number of shares for the six month period was 7.28 pence per share (comprising revenue losses of 0.50 pence and capital losses of 6.78 pence).

### Investments

The Investment Manager, Hargreave Hale Limited, invested a further £1.61 million in 11 qualifying companies during the period. The Fair Value of qualifying investments at 31 August 2014 was £11.02 million invested in 49 AIM companies and 5 unquoted companies (Mexican Grill Ltd, Corfe Energy Ltd, Brigantes Energy Ltd, Nektan and Get Lenses), the balance was held in non-qualifying AIM stocks, Gilts and the Marlborough Special Situations Fund. Complete details of these investments can be found in the Investment Manager's report on page 4.

At 31 August 2014 the VCT was 88.10% invested as measured by HMRC.

### Dividend

A final dividend for the year ended 28 February 2014 of 4 pence was paid on 10 July 2014.

An interim dividend of 2 pence (2013 - 2p) will be paid on 31 October 2014, with an Ex date of 1 October 2014 and record date of 3 October 2014. A final dividend will be considered at the year end.

Provided the underlying investment performance of the fund remains acceptable and the liquidity position allows, it remains our policy to target a 5% distribution yield referenced to the NAV of the Company.

### Buybacks

We have been able to maintain our policy of offering shareholders an efficient exit route through market purchases. 13,838 shares were repurchased during the six month period ending 31 August 2014.

The Board continues to target a discount of 5% for market purchases. It should be emphasised that the target is non-binding and dependent on circumstances including the funds liquidity from time to time and market conditions.

### Issue of Equity

On 1 November 2013 the Directors of Hargreave Hale AIM VCT 1 plc and Hargreave Hale AIM VCT 2 plc announced the launch of a new joint offer for subscription of new shares in both VCT's to raise up to £10 million into each company.

Since its launch on 1 November 2013 and the date of this report the offer has resulted in funds being received of £6.87m by Hargreave Hale AIM VCT 2, and the issue of 6.00 million shares.

The Offer will close on 25 September 2014.

A new joint offer for subscription is expected to launch shortly.

### Outlook

Although the strength of Sterling has adversely affected profitability for a number of our investments, the continued progress of the economy has been reassuring.

At the macro level, we believe the principal concerns for investors lie with the frightening array of geopolitical risks and, as time progresses, domestic political uncertainty. When we come to report on our full year results there will have been a General Election in the UK.

As detailed in the Investment Manager's report our fund remains well invested (measured at 88%) to meet the HMRC qualifying test and yet has 37% by value in non-qualifying assets. This provides considerable flexibility as we develop our investment strategy. In the short term, deal flow appears to be good and overall we remain reasonably positive about prospects.

**Shareholder Communication**

The Company's daily share price can be found on various financial websites under the EPIC code 'HHVT', or on our own dedicated website at [www.hargreave-hale.co.uk/fund-management/venture-capital-trusts/hargreave-hale-aim-vct-2/share-price-and-nav/](http://www.hargreave-hale.co.uk/fund-management/venture-capital-trusts/hargreave-hale-aim-vct-2/share-price-and-nav/)

**David Hurst-Brown**  
**Chairman**

Date: 25 September 2014

## Investment Manager's Report

This report covers the first half of the financial year, 1 March 2014 to 31 August 2014. The manager's report contains references to movements in the Net Asset Value per share (NAV) and Total Return per share (net asset value per share plus distributed dividends per share). Movements in the NAV per share do not necessarily mirror the earnings per share (EPS) reported in the accounts and elsewhere, which convey the profit after tax within the company within the reported period as a function of the weighted average number of shares in issue for the period.

### Market Commentary

The first six months of the financial year have been slightly overshadowed by geopolitical risks in Eastern Europe and the Middle East and, more recently, the Scottish independence referendum. Despite this, we have witnessed a steady improvement in underlying UK and US economic data and sentiment. Europe, our largest trading partner, remains in near recession and continues to flirt with deflation. While the FTSE 100 has ground on to record new highs, the mid and small-cap markets have given back much of the gains made in the early part of 2014. We recorded a slight increase in weaker than anticipated trading through the early summer months, perhaps reflecting slightly tougher conditions in Europe, Asia and the effects of a harsh winter in the US. A stronger Sterling hasn't helped, although we have witnessed a sharp reversal in this trend more recently.

### Performance

In the six months to 31 August 2014, the NAV decreased from 120.24p to 109.05p. 4 pence per share in dividends were paid, giving investors a total return of -7.19 pence per share, which translates to a loss of -6.0%. During the same period, the FTSE 100 gained 0.2% whilst the FTSE AIM All-Share fell 12.6%.

Whilst we wouldn't want to underplay the various macro headwinds, our analysis clearly shows that the biggest contributors to the loss within the period were for stock specific reasons. Growth companies that have missed market expectations have been hit particularly hard, irrespective of their size. And whilst it's been a disappointing six months in terms of NAV progression, the tighter market has seen the balance of powers swing back to investors and away from vendors; important when it comes to maintaining market discipline and establishing realistic valuations for IPOs. Deal flow has remained more than adequate, including a greater incidence of more established companies. The strength of the UK economy and the breadth and depth of oncoming qualifying issuance leaves us confident about the medium-long term outlook.

The qualifying investments made a net contribution of -5.86 pence per share with 16 out of the 54 making gains, 6 marking time and 32 losing ground. Audioboom (+466.7%, +2.72 pence per share), one of our more recent investments, was the top performing qualifying investment. The company's audio content platform aggregates 'spoken word' programming from more than 3000 channels (including BBC, Channel 4, Sky News, CBS, ESPN and LBC) for distribution through embedded audio players on websites, Facebook and Twitter. A new consumer app for mobile devices will be released later this month. Other stocks that made a significant contribution included TrakM8 (+29.3%, +0.79 pence per share), Science in Sports (+57.8%, +0.59 pence per share), Tristel (+107.5%, +0.54 pence per share), Flowgroup (+17.2%, +0.43 pence per share) and Kalibrate (+30.2%, +0.39 pence per share).

The biggest losses within the period came from Wandisco (-68.8%, -1.78 pence per share) and Outsourcery (-81.8%, -1.52 pence per share). Wandisco suffered a dramatic fall in its share price as highly rated tech stocks came under pressure, although in this instance the need for additional funding undermined the share price. There has been no substantial news to suggest the business is in trouble and management continue to be confident of signing additional long term deals. Frustrating as the recent falls have been, the shares still remain 130% higher than our entry price. Outsourcery is another to be hit by Balance Sheet issues, although in this case the problem has been compounded by slower than anticipated customer acquisition, which is primarily driven by their channel partners (such as Vodafone). Whilst the channel partner model gives the company great reach into the market in a cost efficient manner; it also reduces management's ability to control the activity of their sales teams and leaves them at the mercy of large and slow moving large corporate partners.

### Qualifying Investments

We made 11 qualifying investments over the half year, which included one additional investment into an existing qualifying company; one qualifying investment into a company already held in the non-qualifying portfolio; six secondary placings into listed companies and three IPOs.

The company that already featured within the qualifying portfolio was Imaginatik, the innovation management software consultancy firm that raised a further £1.3m of working capital. Synairgen, a respiratory drug development company already held within the non-qualifying portfolio, raised £5.3m to develop new therapeutic programmes in adjacent areas. The qualifying investments in previously listed companies included Audioboom (previously known as One Delta); Verona Pharma, a respiratory disease drug discovery company; Synety, a cloud software and integrated communications provider;

Science in Sports, a sports nutrition company; Mirada, an interactive media company and innovator, and Premaita Health, a development stage diagnostic testing company. The IPO investments were Eagle Eye, a mobile wallet, mobile marketing and m-commerce specialist with strong ties to Tesco; ClearStar, an employee background screening services company, and ULS Technology, a B2B online conveyancing price comparison platform.

We made two partial exits, reducing our investments in Audioboom and Omega Diagnostics.

### **Portfolio Structure**

The VCT is comfortably through the HMRC defined investment test and ended the period at 88.1% invested as measured by the HMRC investment test. By market value, the VCT had a 63.2% weighting to qualifying investments.

The allocation to non-qualifying equity investments increased from 9.4% to 15.3% as we sought to generate a return on the proceeds of the 2013/14 offer through investment in a range of non-qualifying direct equity investments. We also increased the investment in the Marlborough Special Situations Fund, which rose from 8.2% of net assets to 11.8% before falling back to 8.4% as we released funding for the qualifying investment activity. The non-qualifying investments (including the Marlborough Special Situations Fund) registered a small loss within the period, equivalent to -0.28 pence per share. Fixed income as a percentage of the fund fell from 4.2% down to 4.0%. Cash ended the quarter at 9.4%, down from 16.3%.

### **Joint Offer for Subscription of Ordinary Shares**

On 1 November 2013 the Directors of Hargreave Hale AIM VCT 1 plc and Hargreave Hale AIM VCT 2 plc announced the launch of a new joint offer for subscription of new shares in both VCT's to raise up to £10 million into each company.

Since its launch on 1 November 2013 and the date of this report the offer has resulted in funds being received of £6.87m by Hargreave Hale AIM VCT 2, and the issue of 6.00 million shares.

The Offer will close on 25 September 2014.

A new joint offer for subscription is expected to launch shortly.

### **Buybacks**

In total, 13,838 ordinary shares were purchased between 1 March 2014 and 31 August 2014, at a total value of £15,101.

### **Dividends**

A dividend payment of 4 pence per share was made to shareholders on 10 July 2014.

For further information please contact:

Stuart Brookes

Company Secretary

Hargreave Hale AIM VCT2 plc

01253 754740

Date: 25 September 2014

### Income Statement for the six month period to 31 August 2014 (unaudited)

	For the six month period to 31 August 2014 (unaudited)		
	Revenue	Capital	Total
	£000	£000	£000
Realised gains on investments	-	142	142
Unrealised losses on investments	-	(1,103)	(1,103)
Income	65	-	65
	-----	-----	-----
	65	(961)	(896)
Management fee	(32)	(96)	(128)
Other expenses	(110)	-	(110)
	-----	-----	-----
	(142)	(96)	(238)
Loss before taxation	(77)	(1,057)	(1,134)
Taxation	-	-	-
	-----	-----	-----
Loss after taxation	(77)	(1,057)	(1,134)
	-----	-----	-----
Loss per share (Note 2)	(0.50)p	(6.78)p	(7.28)p

The total column of this statement is the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations.

### Income Statement for the six month period to 31 August 2013 (unaudited)

	For the six month period to 31 August 2013 (unaudited)		
	Revenue	Capital	Total
	£000	£000	£000
Realised losses on investments	-	(15)	(15)
Unrealised gains on investments	-	720	720
Income	41	-	41
	-----	-----	-----
	41	705	746
Management fee	(18)	(53)	(71)
Other expenses	(109)	-	(109)
	-----	-----	-----
	(127)	(53)	(180)
(Loss)/Profit before taxation	(86)	652	566
Taxation	-	-	-
	-----	-----	-----
(Loss)/Profit after taxation	(86)	652	566
	-----	-----	-----
(Loss)/Earnings per share (Note 2)	(0.87)p	6.58p	5.71p

The total column of this statement is the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations.

**Balance sheet as at 31 August 2014 (unaudited)**

	31 August 2014 (unaudited) £000	31 August 2013 (unaudited) £000
<b>Fixed assets</b>		
Investments	15,868	9,056
	-----	-----
<b>Current assets</b>		
Prepayments and accrued income	33	27
Cash at bank and on deposit	1,647	990
	-----	-----
	1,680	1,017
<b>Creditors: amounts falling due within one year</b>		
Accruals and deferred income	(113)	(99)
	-----	-----
Net current assets	1,567	918
	-----	-----
Net assets	17,435	9,974
	-----	-----
<b>Capital and Reserves</b>		
Share capital redemption reserve	2	25
Called up share capital	160	101
Capital reserve - realised	(62)	(90)
Capital reserve - unrealised	3,956	2,080
Special reserve	7,503	713
Share Premium	6,721	7,813
Revenue reserve	(845)	(668)
	-----	-----
Equity shareholders' funds	17,435	9,974
	-----	-----
Net asset value per share (Note 4)	109.05p	98.28p



# Cash flow statement for the six month period to 31 August 2014 (unaudited)

	2014 £000	2013 £000
(Loss)/Profit on ordinary activities before taxation	(1,134)	566
Realised (gains)/losses on investments	(142)	15
Unrealised losses/(gains) on investments	1,103	(720)
(Increase) in debtors	(9)	(7)
Increase in creditors	4	9
Net cash (outflow) from operating activities	(178)	(137)
Financial investment:		
Purchase of investments	(4,266)	(2,375)
Sale of investments	1,498	527
Net financial investment	(2,768)	(1,848)
Dividends paid	(634)	(304)
Cash outflow before management of liquid resources	(3,580)	(2,289)
Financing		
Purchase of shares for cancellation	(15)	(218)
Net Proceeds from issue of share capital	2,525	2,159
Net financing	2,510	1,941
Increase in cash	(1,070)	(348)

## Reconciliation of movements in shareholders' funds for the six month period to 31 August 2014 (unaudited)

	Share Capital £000	Capital Redemption Reserve £000	Capital Reserve Realised £000	Capital Reserve Unrealised £000	Special Reserve £000	Share Premium £000	Revenue Reserve £000	Total £000
At beginning of period	139	2	(108)	5,059	8,152	4,217	(768)	16,693
Realised gains on investments	-	-	142	-	-	-	-	142
Unrealised losses on investments	-	-	-	(1,103)	-	-	-	(1,103)
Management fee charged to capital	-	-	(96)	-	-	-	-	(96)
Equity dividends paid	-	-	-	-	(634)	-	-	(634)
Shares repurchased for cancellation *	(0)	0	-	-	(15)	-	-	(15)
Subscription	21	-	-	-	-	2,504	-	2,525
Loss after taxation for the period	-	-	-	-	-	-	(77)	(77)
At end of period	160	2	(62)	3,956	7,503	6,721	(845)	17,435

\* 13,838 shares were bought back in the period with a nominal value of £138.38.

## Reconciliation of movements in shareholders' funds for the six month period to 31 August 2013 (unaudited)

	Share Capital	Capital Redemption Reserve	Capital Reserve Realised	Capital Reserve Unrealised	Special Reserve	Share Premium	Revenue Reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At beginning of period	81	23	(22)	1,360	1,235	5,676	(582)	7,771
Realised losses on investments			(15)					(15)
Unrealised gains on investments				720				720
Management fee charged to capital			(53)					(53)
Equity dividends paid					(304)			(304)
Shares repurchased for cancellation	(2)	2			(218)			(218)
Subscription	22					2,137		2,159
Profit after taxation for the period							(86)	(86)
At end of period	101	25	(90)	2,080	713	7,813	(668)	9,974

## Notes to the interim report

1. The accounts of the company are prepared in accordance with Accounting Standards applicable in the United Kingdom. The accounting policies used in preparing this report are consistent with those to be adopted at the year end. All AIM investments are valued at bid price. Unquoted companies are included at fair value. The Company uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants. The fair value of such assets or liabilities will be reviewed on a 6 monthly basis and more frequently if events occur that could have a material impact on the investment.
2. The loss per ordinary share of 7.28 pence is based on the loss after tax for the period £1,134,065 and the average number of ordinary shares in issue over the period 15,579,666.
3. The results should not be taken as a guide to the results for the financial period ending 28 February 2015.
4. The net asset value per ordinary share at 31 August 2014 of 109.05 pence after deducting the 4 pence dividend paid in July 2014 is based on net assets of £17,435,068 and on 15,988,769 shares, being the number of ordinary shares in issue as at 31 August 2014.
5. The financial information contained in the 31 August 2014 income statement, balance sheet, cash flow statement and reconciliation of movements in shareholders' funds does not constitute full financial statements and has not been audited.

Investment portfolio summary as at 31 August 2014

Qualifying investments	Book Cost £000	Valuation £000	Valuation %
Mexican Grill Ltd (A Preference Shares)	277	594	3.74
TrakM8 Holdings plc	160	545	3.43
Intercede Group plc	91	477	3.01
Audioboom plc	81	456	2.87
Advanced Computer Software Group plc	68	452	2.85
Flowgroup plc	268	429	2.70
Hardide plc	77	408	2.57
Quixant plc	120	378	2.38
Ideagen plc	100	375	2.36
Clearstar Inc	360	347	2.19
Lombard Risk Management plc	92	293	1.85
TLA Worldwide plc	150	289	1.82
Mirada plc	266	261	1.64
Mycelx Technologies Corporation plc	150	257	1.62
AnimalCare Group Ltd	100	255	1.61
Kalibrate Technologies plc	161	255	1.61
Science in Sport plc	160	252	1.59
EKF Diagnostic holdings plc	150	235	1.48
Microsaic Systems plc	173	233	1.47
Sanderson Group plc	200	233	1.47
Plastics Capital plc	202	232	1.46
Reneuron Group plc	179	229	1.44
Lidco Group plc	146	204	1.29
Everyman Media Group plc	172	196	1.24
Omega Diagnostics Group plc	129	193	1.22
Porta Communications plc	200	180	1.13
Electric Word plc	185	179	1.13
Fusionex International plc	69	162	1.02
Tristel plc	80	161	1.01
ULS Technology plc	139	158	1.00
Premaitha Health plc	162	150	0.95
GetLenses plc	132	132	0.83
MartinCo plc	113	131	0.83
Imaginatik plc	150	130	0.82
WANDisco plc	53	123	0.78
Synety Group plc	134	120	0.76
Paragon Entertainment Ltd	200	119	0.75
Belvoir Lettings plc	150	116	0.73
Tangent Communications plc	150	116	0.73
Proxama plc	63	91	0.57
Ilika plc	68	89	0.56
Synairgen plc	90	86	0.54
Nektan Ltd	70	83	0.52
Clean Air Power Ltd	150	80	0.50
Fulcrum Utility Services Ltd	100	80	0.50
Eagle Eye Solutions Ltd	85	75	0.47
Mexican Grill Ltd (Ordinary Shares)	31	66	0.42
Corac Group plc	125	64	0.40
Outsourcery Group Ltd	300	53	0.33
DP Poland plc	77	49	0.31
MoPowered Group plc	150	39	0.25
Sphere Medical Holdings plc	150	37	0.23
Verona Pharma plc	71	36	0.23
Corfe Energy Ltd	25	25	0.16
Brigantes Energy Ltd	25	13	0.08
	-----	-----	-----
Total qualifying investments	7,529	11,021	69.45
	-----	-----	-----

<b>Non-Qualifying investments</b>	<b>Book Cost £000</b>	<b>Valuation £000</b>	<b>Valuation %</b>
UK Treasury Stock 2.5% 2024	121	119	0.75
Total – UK gilts	121	119	0.75
Nationwide Building Society 7.971% 2049	247	256	1.61
Scottish Amicable Finance 8.5% 2049	154	171	1.08
Petrobras International Finance 6.25% 2026	148	157	0.99
Total – UK corporate bonds	549	584	3.68
MFM Special Situations Fund	1,361	1,467	9.25
Total – MFM	1,361	1,467	9.25
Advanced Computer Software Group plc	162	226	1.42
Cohort plc	176	205	1.29
Egdon Resources plc	140	184	1.16
FDM Group Holdings plc	129	162	1.02
FC Fund Managers Ltd	150	150	0.95
Crawshaw Group plc	100	138	0.87
Flowtech Fluidpower plc	100	130	0.82
Regeneris plc	134	130	0.82
Restore plc	72	117	0.74
Horizon Discovery Group plc	124	116	0.73
Vertu Motors plc	76	115	0.72
Boohoo.com plc	125	108	0.68
Abcam plc	99	106	0.67
Hydrodec Group plc	100	96	0.60
Plethora Solutions Holdings plc	93	96	0.60
Daily Mail and General Trust	80	87	0.55
Idox plc	69	87	0.55
Tarsus Group plc	72	67	0.42
Amerisur Resources plc	63	65	0.41
Reneuron Group plc	41	60	0.38
Synairgen plc	52	53	0.33
Eagle Eye Solutions Ltd	44	36	0.23
Telford Homes plc	24	32	0.20
1Spatial plc	33	26	0.16
Genagro Ltd	22	25	0.16
Learning Technologies Group plc	22	20	0.13
Helius Energy plc	20	10	0.06
Westmount Energy Ltd	9	10	0.06
Mycelx Technologies Corporation plc	8	7	0.04
Mexican Grill Ltd (A Preference Shares)	3	5	0.03
TrakM8 Holdings plc	2	2	0.01
Flowgroup plc	1	1	0.01
Fusionex International plc	1	1	0.01
Ideagen plc	1	1	0.01
Microsaic Systems plc	1	1	0.01
Proxima plc	1	1	0.01
TLA Worldwide plc	1	1	0.01
Paragon Entertainment Ltd*	1	0	0.00
WANDisco plc*	1	0	0.00
Total - non-qualifying equities	2,352	2,677	16.87

Total – non-qualifying investments	4,383	4,847	30.55
	-----	-----	-----
Total investments	11,912	15,868	100.00
	-----	-----	-----

\* This is an actual holding of less than £500

The top 10 equity investments are shown below; each is valued by reference to the bid price. Forecasts, where given, are drawn from a combination of broker research and/or Bloomberg consensus forecasts and exclude amortisation, share based payments and exceptional items. The net cash values are drawn from published accounts.

#### Advanced Computer Software Group plc

**113.0p**

Investment date	July 2008	Forecasts for year to	February 2015
Equity held	0.13%	Turnover (£'000)	219,500
Av Purchase Price	38.3p	Profit before tax (£'000)	35,300
Cost (£'000)	230	Estimated Net Cash (£'000)	-37,900
Valuation (£'000)	678		

#### Company Description:

Advanced Computer Software Group PLC provides specialised software and services. The Company's portfolio for the health and care sector includes IT management and analytics systems for out-of-hospital applications covering urgent and unplanned care, district nursing, hospices, residential care homes, telehealth, as well as mobile information systems for community carers.

#### Audioboom plc

**8.5p**

Investment date	March 2014	Forecasts for year to	November 2014
Equity held	1.88%	Turnover (£'000)	0
Purchase Price	1.5p	Profit before tax (£'000)	-2,200
Cost (£'000)	81	Estimated Net Cash (£'000)	3,000
Valuation (£'000)	456		

#### Company Description:

Audioboom Group is a social media based digital audio platform which allows professional and amateur content producers to create and broadcast largely non-musical audio content across multiple global verticals. Audioboom works with some of the biggest names in sports and media, such as: the English Premier League and the BBC.

#### Clearstar Inc

**55.0p**

Investment date	June 2014	Forecasts for year to	December 2014
Equity held	1.74%	Turnover (\$'000)	10,100
Purchase Price	57.0p	Profit before tax (\$'000)	800
Cost (£'000)	360	Estimated Net Cash (\$'000)	12,000
Valuation (£'000)	347		

#### Company Description:

ClearStar is a technology and service provider that supports background screening for companies. The Company provides employment intelligence to its clients through a suite of IT applications for day-to-day use in their recruitment and employment application decisions.

#### Flowgroup plc

**34.0p**

Investment date	September 2012	Forecasts for year to	December 2014
Equity held	0.53%	Turnover (£'000)	33,200
Av. Purchase Price	21.3p	Profit before tax (£'000)	-7,900
Cost (£'000)	269	Estimated Net Cash (£'000)	17,400
Valuation (£'000)	430		

#### Company Description:

Founded in 1997, Flowgroup specialises in developing and commercialising products to meet the need for alternative power generation technologies to increase efficiency and reduce the environmental impact of energy consumption. Through Flow Energy, the company is developing a microCHP boiler for launch into the UK residential market in 2014 and supplying gas and electricity into the UK domestic energy market. Its second subsidiary, Pnu Power, is developing and supplying compressed air back up power systems for use in a range of commercial applications.

**Hardide plc****1.60p**

Investment date	June 2009	Forecasts for year to	September 2014
Equity held	1.91%	Turnover (£'000)	2,800
Purchase Price	0.3p	Profit before tax (£'000)	-300
Cost (£'000)	77	Estimated Net Cash (£'000)	3,000
Valuation (£'000)	408		

**Company Description:**

Hardide manufactures and applies tungsten carbide-based coatings to a wide range of engineering components. The patented technology is proven to offer cost savings through reduced downtime and extended part life. Customers include leading companies operating in oil and gas exploration and production, valve and pump manufacturing, general engineering and aerospace.

**Ideagen plc****33.8p**

Investment date	March 2011	Forecasts for year to	April 2015
Equity held	0.91%	Turnover (£'000)	12,200
Av. Purchase Price	9.0p	Profit before tax (£'000)	3,100
Cost (£'000)	101	Estimated Net Cash (£'000)	4,000
Valuation (£'000)	376		

**Company Description:**

Ideagen is a software development business specialising in Information Management solutions for organisations that generally operate within industries that are subject to regulatory standards. As authors of an excellent portfolio of software products, the group is able to provide complete content lifecycle solutions that enable organisations to meet their regulatory and quality compliance standards, helping them to reduce costs and improve efficiency.

**Intercede Group plc****173.0p**

Investment date	May 2007	Forecasts for year to	March 2015
Equity held	0.57%	Turnover (£'000)	13,000
Purchase Price	33.0p	Profit before tax (£'000)	0
Cost (£'000)	91	Estimated Net Cash (£'000)	7,200
Valuation (£'000)	477		

**Company Description:**

Intercede is the producer of the MyID® Identity and Credential Management System. MyID is the only IDCMS software product that enables organisations to easily and securely manage the identities of people and their associated identity credentials within a single, integrated, workflow driven platform. This includes enabling and managing: secure registration, biometric capture, application vetting and approval through to smart card personalisation, issuance and management

**Mexican Grill Ltd****4400p**

Investment date	October 2009	Forecasts for year to	December 2014
Equity held	4.74%	Turnover (£'000)	15,392
Av. Purchase Price	2059.0p	Profit before tax (£'000)	370
Cost (£'000)	311	Estimated Net Cash (£'000)	-200
Valuation (£'000)	665		

**Company Description:**

Mexican Grill, is a private company that operates 15 fast casual California-Mexican restaurants that provide fresh, made to order cuisine for eat in or take-away, making it amongst the largest chains within its niche. Bar the most recent opening, each of the sites is profitable, most notably Canary Wharf & Westfield Stratford which are generating an annual return on capital in excess of 50%. The company is profitable as a whole and has a strong Balance Sheet.

**Quixant plc****145.0p**

Investment date	May 2013	Forecasts for year to	December 2014
Equity held	0.40%	Turnover (\$'000)	31,500
Purchase Price	46.0p	Profit before tax (\$'000)	7,100
Cost (£'000)	120	Estimated Net Cash (\$'000)	5,100
Valuation (£'000)	378		

**Company Description:**

Founded in 2005, Quixant designs and manufactures complete advanced hardware and software solutions for the pay-for-play gaming and slot machine industry. Quixant's specialised products provide an all-in-one solution, based on PC technology but with additional hardware features and operating software developed specifically to address the requirements of the gaming industry.

**TrakM8 Holdings plc****75p**

Investment date	October 2013	Forecasts for year to	March 2015
Equity held	2.53%	Turnover (£'000)	18,000
Av. Purchase Price	22.0p	Profit before tax (£'000)	1,700
Cost (£'000)	162	Estimated Net Cash (£'000)	600
Valuation (£'000)	547		

**Company Description:**

TrakM8 manufactures and markets vehicle tracking products. The Company's equipment is used to monitor a vehicle's location. The UK Telematics opportunity is quickly maturing and there is now a clear opportunity for high quality suppliers like TrakM8 to take leadership of this fragmented marketplace. A growing force in the global telematics industry, TrakM8 has steadily broadened both its product range and customer base.

Date: 25 September 2014

**For further information please contact:**

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