
HARGREAVE HALE AIM VCT 2 plc

Unaudited Interim Results for the
six month period ending 31 August 2016



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FINANCIAL HIGHLIGHTS

Ordinary Shares (as at 31 August):	31 August 2016	31 August 2015	29 February 2016*
Net asset value per share	104.58p	106.62p	101.18p
Cumulative distributions paid per share since launch	47.00p	41.00p	43.00p
Total return per share	151.58p	147.62p	144.18p
Half Yearly/Annual Returns per share (basic and diluted):			
Revenue return	(0.09)p	(0.52)p	(0.98)p
Capital return	7.04p	0.93p	(2.41)p
Combined return	6.95p	0.41p	(3.39)p
Dividends per share:			
Interim proposed/paid	2.00p	2.00p	2.00p
Final paid	4.00p	4.00p	4.00p
Ongoing expense ratio**	2.09%	2.41%	2.28%
Performance Benchmark:			
FTSE AIM All-share Index (rebased to 100 at 6 April 2007)	68.38	63.49	66.01

* 29 February 2016 financial highlights represent annual results

** Calculated as total expenses (annualised for half yearly results) minus ad hoc legal costs, divided by period end net assets

INVESTMENT OBJECTIVE

The objective of the VCT is to achieve long term capital growth and to maximise tax free distributions to shareholders by investing in a diversified portfolio of small UK companies primarily traded on AIM. At least 70% of the Company's funds must be invested in qualifying holdings within three years of raising the funds. The balance of the Company's funds will be invested in liquid assets (such as gilts, other fixed interest and bank deposits) and non-qualifying equity investments on an opportunistic basis to boost the Company's performance. The Company is managed as a Venture Capital Trust in order that shareholders in the Company may benefit from the tax relief available.

CHAIRMAN'S STATEMENT

INTRODUCTION

In the first half of the financial year the Net Asset Value per share (NAV) increased from 101.18 pence to 104.58 pence equivalent to an increase of 7.3% after adding back the 4 pence dividend distributed in July 2016. During the same period the FTSE 100 Total Return Index gained 14.0% and the FTSE AIM All Share Index gained 15.1%.

VCT REGULATION

In order to comply with EU regulations regarding State Aid, the VCT rules were subject to substantial changes in the budget on 8 July 2015, which came into effect in November 2015. By and large, based on the investments that we made during the last 18 months, we do not think these rules will greatly affect the fund. One change which is certain is that we will no longer be able to invest our non-qualifying monies into AIM listed stocks directly. We will be able to continue to invest via the Marlborough Special Situations Fund and we will be free to invest in companies listed on the main market. Under the new guidelines, gilts would appear not to be an allowable investment; however, we are seeking clarification on this from HMRC.

RESULTS

The gain per share for the six month period was 6.95 pence per share (comprising revenue losses of 0.09 pence and capital gains of 7.04 pence). At 31 August 2016 the total return since inception of the fund was 151.58 pence.

INVESTMENTS

The investment manager, Hargreave Hale Limited, invested a further £2.06 million in eleven qualifying companies during the period. The fair value of qualifying investments at 31 August 2016 was £16.32 million invested in sixty AIM companies and three unquoted companies (Mexican Grill Ltd, Portr Ltd and Laundrapp Ltd). The balance of the funds was held in a mix of cash, fixed income and other non-qualifying equities.

At 31 August 2016 the VCT was 81.4% invested in qualifying companies calculated in accordance with HMRC guidelines.

DIVIDEND

A final dividend for the year ended 29 February 2016 of 4 pence was paid on 20 July 2016.

The Directors continue to maintain a policy of distributing at least 5% of the year end NAV to shareholders. An interim dividend of 2 pence (2015 - 2p) will be paid on 2 December 2016, with an ex-dividend date of 10 November 2016 and a record date of 11 November 2016.

BUYBACKS

We have been able to maintain our policy of offering our shareholders an efficient exit route through the buyback scheme. In total, 197,045 shares were repurchased during the six month period ending 31 August 2016 at a weighted average price of 99.56 pence per share. Since the period end 101,778 shares have been purchased at a cost of £100,825.

The Board continues to target a share price discount of 5% of the NAV per share (as measured against the mid-price) for market purchases. It should be emphasised that this target is non-binding and dependent on circumstances including the Company's liquidity from time to time and market conditions.

ISSUE OF EQUITY

The Directors of the Company announced on 2 December 2015 the launch of a new joint offer for subscription for shares in both Hargreave Hale AIM VCTs to raise up to £15 million in Hargreave Hale AIM VCT 1 plc and up to £10 million in the Company. The offer was approved by shareholders of the Company at a general meeting on 12 January 2016 and is open to both new and existing shareholders. On 6 July 2016, the Directors announced their intention to utilise the over-allotment facility to increase the number of shares available for subscription in the Company by £5 million.

Since its launch, the offer has resulted in gross funds being received of £10.78 million and the issue of 10.15 million new shares in Hargreave Hale AIM VCT 2 plc. The offer will close at 12pm on 16 November 2016 or earlier if the maximum subscription has been reached before then.

ELECTRONIC COMMUNICATIONS

Your Board believes that adopting electronic communications would be beneficial to the Company and its shareholders. The benefits include substantial cost savings and improved timeliness and transparency of communications. The Board intends to seek authority at the Company's next general meeting.

OUTLOOK

The period under review includes the EU Referendum, a time of considerable market volatility. Our portfolio comprises mostly domestic companies that are yet to see as much benefit from sterling's devaluation as the wider market. In these circumstances, we are reasonably pleased with the fund's performance albeit it has lagged the indices. Post Brexit, the economy seems to have performed much better than many had predicted, however, there remains plenty of room for caution with uncertainty around what, in reality, Brexit will mean for the economy and business in the longer term.

SHAREHOLDER COMMUNICATION

The Company's daily share price can be found on various financial websites under the EPIC code 'HHVT'.

DAVID HURST-BROWN

Chairman

Date: 3 November 2016

INVESTMENT MANAGER'S REPORT

This report covers the first half of the financial year, 1 March 2016 to 31 August 2016. 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 earnings 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.

INVESTMENT REPORT

The period under review has been an interesting and at times challenging one for UK equities. March and April were very strong as the mood in global markets dramatically improved after a poor start to the year. This was largely because a number of central banks either intervened or appeared set to intervene in financial markets to ensure stability, with support from a rally in global commodities driven by improving economic data from China. In June, the UK's decision to leave the European Union led to severe volatility in equity markets and we regret to inform that we were not immune to the chaos that followed the vote to leave. The NAV fell 5.3% in June, from 106.00p to 100.35p. Some soothing words from the Bank of England restored much needed stability in the market and allowed the NAV to recover. Investors have since had time to reflect on the potential consequences of our decision to leave the European Union and assess the impact of a weaker currency on the UK economy and foreign denominated earnings. The stock market has been remarkably strong, although the response at the bottom end of the market was more muted initially.

We feel it is too early to know the impact (if any) of Brexit on our portfolio; that seems unlikely to change in the short-term. By and large we have left the portfolio of qualifying and non-qualifying investments untouched. We went into the referendum with 17% cash and continue to maintain a healthy cash balance. While we are cautious of certain sectors, financials and consumer discretionary for example, we continue to find interesting investment opportunities in qualifying companies that we believe can grow regardless of the outcome. To that end, we intend to continue with business as usual while keeping a close eye on events as they unfold and, perhaps, reducing at the margin some of our non-qualifying equity risk.

PERFORMANCE

In the six months to 31 August 2016, the NAV increased from 101.18p to 104.58p. A 4 pence per share dividend was paid, giving investors a total return of 7.40 pence per share, which translates to a gain of 7.3%. During the same period the FTSE AIM All-Share Total Return gained 15.1%, whilst the FTSE 100 gained 11.2% (14.0% on a total return basis).

The qualifying investments made a net contribution of 4.29 pence per share with thirty-six out of the seventy making gains, five unchanged and twenty nine losing ground. The balance was the net of non-qualifying portfolio gains, running costs and investment income.

DP Poland was the top performing qualifying investment (+100.0%, +1.63 pence per share) as the shares responded to a set of strong results in March, an encouraging trading update in July and substantial director's buying. Science in Sport also performed well (+45.8%, +0.63 pence per share) after reporting a strong interim trading update in July. Total sales increased 24%, driven by strong growth in the UK e-commerce platform and the tangible evidence of traction in international markets. Other stocks that made a significant contribution included Surface Transforms (+62.5%, +0.40 pence per share) and Fulcrum Utility (+50.5%, +0.41 pence per share).

The biggest losses within the period came from Eagle Eye (-43.8%, -0.43 pence per share) after they downgraded their 2016 revenue estimates in a June trading update. Other losses came from Learning Technologies Group (-13.9%, -0.38 pence per share), Microsaic (-78.4%, -0.34 pence per share) and Lombard Risk (-33.3%, -0.25 pence per share).

We invested £2.06m into eleven qualifying investments over the period, three further investments into existing qualifying companies (one private company); four IPOs; three secondary placings into listed companies and one additional private investment.

Within the qualifying portfolio we reduced our investments in DP Poland, Imaginatik and Directa Plus. All three companies experienced strong runs in the market. We completely exited Sphere Medical and Nektan following prolonged periods of poor progress. We also exited Tangent Communications through a Management Buyout.

PORTFOLIO STRUCTURE

The VCT is comfortably through the HMRC defined investment test and ended the period at 81.4% invested as measured by the HMRC investment test. By market value, the VCT had a 45.7% weighting to qualifying investments.

The allocation to non-qualifying equity investments increased marginally from 18.4% to 19.0%. We continued to make use of the Marlborough Special Situations Fund as a temporary home for proceeds from fundraising; the allocation marginally decreased from 13.1% to 11.0%. The non-qualifying investments contributed +3.68 pence per share to the overall gains. Fixed income as a percentage of the fund increased from 0.9% to 2.1% and cash fell from 23.4% to 22.7%.

The HMRC investment tests are set out in Chapter 3 of Part 6 Income Tax Act 2007, which should be read in conjunction with this section of the interim management statement. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation of qualifying investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

POST PERIOD END UPDATE

Deal flow has been good since period end and we have made three follow on investments in existing qualifying holdings, one investment in a new listed qualifying company and one investment in an unquoted qualifying company. We also have a number of deals in the pipeline which we expect to complete in the coming weeks.

For further information, please contact:

STUART BROOKES

Company Secretary

Hargreave Hale AIM VCT2 plc

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Date: 3 November 2016

INVESTMENT PORTFOLIO SUMMARY

as at 31 August 2016

Qualifying investments	Book Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Mexican Grill Ltd (A Preference Shares)*	277	1,154	4.16	3.23	Consumer Discretionary
Trakm8 Holdings plc	91	931	3.35	2.61	Information Technology
DP Poland plc	262	872	3.14	2.44	Consumer Discretionary
Learning Technologies Group plc	534	788	2.84	2.21	Information Technology
Ideagen plc	190	743	2.68	2.08	Information Technology
Science in Sport plc	518	673	2.42	1.88	Consumer Discretionary
Quixant plc	120	600	2.16	1.68	Consumer Discretionary
Portr Ltd*	538	538	1.94	1.51	Information Technology
Animalcare Group plc	100	458	1.65	1.28	Health Care
TLA Worldwide plc	150	405	1.46	1.13	Consumer Discretionary
Fulcrum Utility Services Ltd	100	365	1.31	1.02	Utilities
Surface Transforms plc	217	351	1.26	0.98	Industrials
Osirium Technologies plc	301	346	1.25	0.97	Information Technology
Belvoir Lettings plc	335	323	1.16	0.90	Real Estate
Gfinity plc	290	312	1.12	0.87	Information Technology
Laundrapp Ltd*	301	300	1.08	0.84	Information Technology
Loopup Group plc	257	297	1.07	0.83	Information Technology
Intercede Group plc	91	284	1.02	0.79	Information Technology
Hardide plc	76	255	0.92	0.71	Materials
Sanderson Group plc	200	255	0.92	0.71	Information Technology
Tristel plc	79	254	0.92	0.71	Health Care
Premaitha Health plc	330	234	0.84	0.66	Health Care
Angle plc	252	233	0.84	0.65	Health Care
ULS Technology plc	139	229	0.83	0.64	Information Technology
Medaphor Group plc	251	228	0.82	0.64	Consumer Discretionary
Everyman Media Group plc	172	223	0.80	0.62	Consumer Discretionary
Clearstar Inc	360	221	0.80	0.62	Industrials
CentralNic Group plc	207	218	0.79	0.61	Information Technology
Plastics Capital plc	202	216	0.78	0.60	Materials
Reneuron Group plc	262	199	0.72	0.56	Health Care
Eagle Eye Solutions plc	385	192	0.69	0.54	Information Technology
Maxcyte Inc	160	187	0.67	0.52	Health Care
Mirada plc	393	180	0.65	0.50	Information Technology
E G Solutions plc	200	178	0.64	0.50	Information Technology
Electrical Geodesics Inc	145	174	0.63	0.49	Health Care
Lombard Risk Management plc	92	172	0.62	0.48	Information Technology
Directa Plus plc	83	162	0.58	0.45	Materials
Satellite Solutions Worldwide Group plc	103	160	0.58	0.45	Information Technology
APC Technology Group plc	350	149	0.54	0.42	Information Technology
Omega Diagnostics Group plc	129	148	0.53	0.41	Health Care
Kalibrate Technologies plc	161	147	0.53	0.41	Information Technology
EKF Diagnostics Holdings plc	150	145	0.52	0.41	Health Care
Flowgroup plc	268	145	0.52	0.41	Industrials
MartinCo plc	113	141	0.51	0.39	Real Estate
Genedrive plc	140	131	0.47	0.37	Health Care

Qualifying investments (continued)	Book Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Electric Word plc	185	128	0.46	0.36	Consumer Discretionary
Mexican Grill Ltd (Ordinary Shares)*	31	128	0.46	0.36	Consumer Discretionary
Paragon Entertainment Ltd	200	100	0.36	0.28	Industrials
Verona Pharma plc	71	100	0.36	0.28	Health Care
Cloudcall Group plc	234	97	0.35	0.27	Information Technology
Porta Communications plc	200	95	0.34	0.27	Consumer Discretionary
Midatech Pharma plc	150	93	0.34	0.26	Health Care
Audioboom plc	126	87	0.31	0.24	Information Technology
Imaginatik plc	164	85	0.31	0.24	Information Technology
Lidco Group plc	146	84	0.30	0.24	Health Care
Fusionex International plc	69	79	0.28	0.22	Information Technology
Haydale Graphene Industries plc	64	67	0.24	0.19	Materials
Synairgen plc	90	58	0.21	0.16	Health Care
WANDisco plc	53	53	0.19	0.15	Information Technology
TP Group plc	125	50	0.18	0.14	Industrials
Ilika plc	53	49	0.18	0.14	Industrials
Microsaic Systems plc	272	30	0.11	0.08	Information Technology
Mycelx Technologies Corporation plc (D1 shares)	150	13	0.05	0.04	Industrials
Mporium Group plc	150	11	0.04	0.03	Information Technology
<i>Total-qualifying investments</i>	<i>12,607</i>	<i>16,323</i>	<i>58.80</i>	<i>45.68</i>	

Non-Qualifying investments	Book Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
UK Treasury Stock 0.125% 2068	312	449	1.62	1.26	
UK Treasury Stock 2.5% 2024	121	130	0.47	0.36	
<i>Total - UK gilts</i>	<i>433</i>	<i>579</i>	<i>2.09</i>	<i>1.62</i>	
Scottish Amicable 8.5% 2049	154	161	0.58	0.45	
<i>Total - Corporate bonds</i>	<i>154</i>	<i>161</i>	<i>0.58</i>	<i>0.45</i>	
MFM Special Situations Fund *	3,280	3,921	14.13	10.98	
<i>Total - Unit trusts</i>	<i>3,280</i>	<i>3,921</i>	<i>14.13</i>	<i>10.98</i>	
Royal Dutch Shell plc	333	388	1.40	1.09	Energy
Melrose Industries plc	278	368	1.33	1.03	Industrials
BP plc	288	365	1.31	1.02	Energy
Merlin Entertainments plc	332	360	1.30	1.01	Consumer Discretionary
Atkins (WS) plc	304	349	1.26	0.98	Industrials
RPC Group plc	253	322	1.16	0.90	Materials
Cohort plc	176	320	1.15	0.90	Industrials
Crawshaw Group plc	220	314	1.13	0.88	Consumer Staples
Micro Focus International plc	238	314	1.13	0.88	Information Technology
FCFM Group Ltd *	150	283	1.02	0.79	Financials
On the Beach Group plc	357	272	0.98	0.76	Consumer Discretionary
Ladbroke's plc	259	269	0.97	0.75	Consumer Discretionary
Babcock International Group plc	238	261	0.94	0.73	Industrials

Non-Qualifying investments (continued)	Book Cost £000	Valuation £000	Valuation %	Net Assets %	Sector
Just Eat plc	200	243	0.88	0.68	Information Technology
Taylor Wimpey plc	299	234	0.84	0.66	Information Technology
ARM Holdings plc	115	212	0.76	0.59	Information Technology
JD Sports Fashion plc	202	212	0.76	0.59	Consumer Discretionary
Mccarthy and Stone plc	225	193	0.70	0.54	Health Care
Fulcrum Utility Services Ltd	56	178	0.64	0.50	Utilities
Finsbury Food Group plc	70	150	0.54	0.42	Consumer Staples
Learning Technologies Group plc	80	137	0.49	0.38	Information Technology
Egdon Resources plc	140	113	0.41	0.32	Energy
Everyman Media Group plc	85	108	0.39	0.30	Consumer Discretionary
Horizon Discovery Group plc	124	108	0.39	0.30	Health Care
Sportech plc	130	106	0.38	0.30	Consumer Discretionary
Sanne Group plc	73	89	0.32	0.25	Financials
Midatech Pharma plc	134	83	0.30	0.23	Health Care
Flowgroup plc	200	81	0.29	0.23	Industrials
Amerisur Resources plc	167	78	0.28	0.22	Energy
The Fulham Shore plc	38	68	0.24	0.19	Consumer Discretionary
Regent Pacific Group Ltd	93	42	0.15	0.12	Health Care
Reneuron plc	41	41	0.15	0.11	Health Care
Plexus Holdings plc	125	40	0.14	0.11	Energy
Audioboom plc	31	25	0.09	0.07	Information Technology
Eagle Eye Solutions plc	44	24	0.09	0.07	Information Technology
MYCELX Technologies Corporation plc (S+ shares)	170	11	0.04	0.03	Industrials
Mexican Grill Ltd (A Preference Shares)*	3	10	0.04	0.03	Consumer Discretionary
Genagro Ltd*	22	2	0.01	0.01	Industrials
MYCELX Technologies Corporation plc (D1 shares)**	8	0	0.00	0.00	Industrials
<i>Total - non-qualifying equities</i>	<i>6,301</i>	<i>6,773</i>	<i>24.40</i>	<i>18.97</i>	
<i>Total - non-qualifying investments</i>	<i>10,168</i>	<i>11,434</i>	<i>41.20</i>	<i>32.02</i>	
Total investments	22,775	27,757	100.00	77.70	
Cash at bank		8,096		22.66	
Prepayments & Accruals		(129)		(0.36)	
Net Assets		35,724		100.00	

* Unquoted Companies

** Actual holding of less than £500

The majority of investments held within the portfolio are listed and/or headquartered in the UK with the exception of the following:

	Listed	Headquartered	Registered
<i>AIM listed Investments:</i>			
Audioboom plc	UK	UK	Jersey
Clearstar Inc	UK	Cayman Islands	Cayman Islands
Electrical Geodesics Inc	UK	USA	USA
Fulcrum Utility Services Ltd	UK	UK	Cayman Islands
Fusionex International plc	UK	UK	Jersey
Maxcyte Inc	UK	USA	USA
MYCELX Technologies Corporation plc	UK	USA	USA
Paragon Entertainment Ltd	UK	Jersey	Cayman Islands
Royal Dutch Shell plc	UK	Netherlands	UK
Sanne Group plc	UK	Jersey	Jersey
WANDisco plc	UK	UK	Jersey
<i>Unlisted private companies:</i>			
FCFM Group Ltd	–	UK	UK
Genagro Ltd	–	Jersey	Jersey
Laundrapp Ltd	–	UK	UK
Mexican Grill Ltd	–	UK	UK
Portr Ltd	–	UK	UK
<i>Authorised unit trust:</i>			
Marlborough Special Situations Fund	–	UK	UK

TOP TEN INVESTMENTS

as at 31 August 2016 (by market value)

The top 10 equity investments are shown below; each is valued by reference to the bid price, or, in the case of unquoted companies, values are either based on the last arm's length transaction or valuation techniques, such as earnings multiples. 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. Forecasts are in relation to a period end for which the company results are yet to be released. Forecasts are not shown for private companies. The net asset figures are drawn from audited accounts and the net cash values are drawn from published accounts in most cases.

Mexican Grill Ltd			8550.0p
Investment date	October 2009	Results for year to	December 2015
Equity held	4.25%	Turnover (£'000)	21,314
Av Purchase Price	2053.0p	Profit/(loss) before tax (£'000)	16
Cost (£'000)	311	Net Cash (£'000)	(1,307)
Valuation (£'000)	1,292	Net Assets December 2015 (£'000)	4,978
Dividends received in period by the Company	–		

COMPANY DESCRIPTION

Mexican Grill, is a private company that operates 31 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.

Trakm8 Holdings plc			225.0p
Investment date	October 2009	Forecasts for year to	March 2017
Equity held	1.27%	Turnover (£'000)	34,000
Av Purchase Price	22.0p	Profit/(loss) before tax (£'000)	5,900
Cost (£'000)	91	Net Cash (£'000)	(1,090)
Valuation (£'000)	931	Net Assets March 2016 (£'000)	17,074

COMPANY DESCRIPTION

Trakm8 is a telematics company using Big Data analytics to improve driver behaviour. The company designs, develops and manufactures telematics products and solutions. The group also provides vehicle monitoring and tracking services direct to the B2B market. Trakm8's IP owned products and services allow vehicles and drivers to be monitored, allowing organisations to manage deliveries and services, or track stolen vehicles.

Learning Technologies Group plc			31.0p
Investment date	April 2014	Forecasts for year to	December 2016
Equity held	0.61%	Turnover (£'000)	30,000
Av Purchase Price	21.0p	Profit/(loss) before tax (£'000)	6,200
Cost (£'000)	614	Net Cash (£'000)	(9,795)
Valuation (£'000)	925	Net Assets December 2015 (£'000)	25,479

COMPANY DESCRIPTION

Learning Technologies Group provides a comprehensive and integrated range of digital learning technologies and services to corporate and government clients across Europe, the US, Latin America and Asia.

DP Poland plc			52.0p
Investment date	October 2013	Forecasts for year to	December 2016
Equity held	1.29%	Turnover (£'000)	4,500
Av Purchase Price	15.6p	Profit/(loss) before tax (£'000)	(2,200)
Cost (£'000)	262	Net Cash (£'000)	6,855
Valuation (£'000)	872	Net Assets December 2015 (£'000)	9,677

COMPANY DESCRIPTION

DP Poland is a fast food service company. The company operates a sub-franchise of a pizza delivery brand across cities in Poland. It currently operates 29 stores, 16 corporate and 13 sub-franchised.

Ideagen plc			54.0p
Investment date	March 2011	Forecasts for year to	April 2017
Equity held	0.76%	Turnover (£'000)	25,400
Av Purchase Price	13.8p	Profit/(loss) before tax (£'000)	6,700
Cost (£'000)	190	Net Cash (£'000)	6,300
Valuation (£'000)	743	Net Assets April 2016 (£'000)	33,683

COMPANY DESCRIPTION

Ideagen specialises in information management solutions for organisations that operate within industries that are subject to onerous regulatory standards. Using a portfolio of software products, the group provides content lifecycle solutions that enable organisations to meet their regulatory and quality compliance standards, helping them to reduce costs and improve efficiency.

Science in Sport plc			70.0p
Investment date	April 2014	Forecasts for year to	December 2016
Equity held	2.23%	Turnover (£'000)	12,002
Av Purchase Price	53.9p	Profit/(loss) before tax (£'000)	(1,187)
Cost (£'000)	518	Net Cash (£'000)	6,622
Valuation (£'000)	673	Net Assets December 2015 (£'000)	12,016

COMPANY DESCRIPTION:

Science in Sport manufactures and sells sports nutrition products. The company develops and distributes food, nutritional supplements, and beverages formulated to hydrate, energize, recover, and enhance sports performance.

Quixant plc			230.0p
Investment date	May 2013	Forecasts for year to	December 2016
Equity held	0.4%	Turnover (\$'000)	82,500
Av Purchase Price	46.0p	Profit/(loss) before tax (\$'000)	13,000
Cost (£'000)	120	Net Cash (\$'000)	(3,300)
Valuation (£'000)	600	Net Assets December 2015 (\$'000)	25,651

COMPANY DESCRIPTION

Quixant designs and manufactures 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.

Portr Ltd			599.2p
Investment date	July 2015	Results for year to	December 2015
Equity held	3.43%	Turnover (£'000)	26
Av Purchase Price	599.2p	Profit/(loss) before tax (£'000)	(2,200)
Cost (£'000)	538	Net Cash (£'000)	826
Valuation (£'000)	538	Net Assets December 2015 (£'000)	659
Dividends received in period by the Company	–		

COMPANY DESCRIPTION

Under its AirPortr brand, Portr operates a same day luggage transfer service within London and the Home Counties. In its most basic form, the company delivers luggage through a flexible, transparent and cost efficient solution to or from London Airports to your hotel, office or home. Additional functionality will allow users to specify service enhancements such as carousel collection and delivery and off-airport check in solutions.

Animalcare Group plc			252.0p
Investment date	December 2007	Forecasts for year to	June 2017
Equity held	0.86%	Turnover (£'000)	15,100
Av Purchase Price	55.0p	Profit/(loss) before tax (£'000)	3,200
Cost (£'000)	100	Net Cash (£'000)	7,118
Valuation (£'000)	458	Net Assets June 2016 (£'000)	22,515

COMPANY DESCRIPTION

Animalcare is a leading supplier of generic veterinary medicines and animal identification products to companion animal veterinary markets. It develops and sells goods and services to veterinary professionals principally for use in companion animals, operating directly in the UK and through distribution and development partners in key markets in Western Europe. Its principle product lines are licensed veterinary medicines and companion animal identification products and services.

TLA Worldwide plc			54.0p
Investment date	November 2011	Forecasts for year to	December 2016
Equity held	0.52%	Turnover (\$'000)	N/A
Av Purchase Price	20.0p	Profit/(loss) before tax (\$'000)	N/A
Cost (£'000)	150	Net Cash (\$'000)	(25,800)
Valuation (£'000)	405	Net Assets December 2015 (\$'000)	37,181

COMPANY DESCRIPTION

TLA Worldwide is an integrated athlete representation and sports marketing business with a strong focus on the US and Australian markets. It is particularly strong in baseball.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

in respect of the half-yearly financial report

In accordance with Disclosure Transparency Rule (DTR) 4.2.10, David Hurst-Brown (Chairman), Philip Cammerman and Giles Hargreave, the Directors, confirm that to the best of their knowledge:

- The half yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 ("FRS104") issued by the Financial Reporting Council and the half-yearly report includes a fair review of the assets, liabilities, financial position and profit of the Company as at 31 August 2016 as required by DTR 4.2.4;
- The interim management report included within the chairman's statement, investment manager's report, investment portfolio summary and notes to the half yearly report includes a fair review of the information required by the Financial Conduct Authority Disclosure and Transparency Rules, being;
 - an indication of the important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements;
 - a description of the principal risks and uncertainties for the remaining six months of the year; and
 - a description of related party transactions that have taken place in the first six months of the current financial year, that may have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board of Directors

DAVID HURST-BROWN

Chairman

Date: 3 November 2016

CONDENSED INCOME STATEMENT

for the six month period to 31 August 2016 (unaudited)

	For the six month period to 31 August 2016 (unaudited)			For the six month period to 31 August 2015 (unaudited)		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Realised gains on investments	–	228	228	–	906	906
Unrealised gains/(losses) on investments	–	2,328	2,328	–	(527)	(527)
Income	164	–	164	66	–	66
	164	2,556	2,720	66	379	445
Management fee	(60)	(179)	(239)	(50)	(149)	(199)
Other expenses	(134)	–	(134)	(143)	–	(143)
	(194)	(179)	(373)	(193)	(149)	(342)
(Loss)/return on ordinary activities before taxation	(30)	2,377	2,347	(127)	230	103
Taxation	–	–	–	–	–	–
(Loss)/return and total other comprehensive income after taxation attributable to equity shareholders	(30)	2,377	2,347	(127)	230	103
(Loss)/return per share (Note 2) (basic and diluted)	(0.09)p	7.04p	6.95p	(0.52)p	0.93p	0.41p

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. The Company has no recognised gains or losses other than the results for the six month period as set out above. The accompanying notes are an integral part of these financial statements.

CONDENSED INCOME STATEMENT

for the year ended 29 February 2016 (audited)

	For the year to 29 February 2016 (audited)		
	Revenue £000	Capital £000	Total £000
Realised gains on investments	–	1,676	1,676
Unrealised losses on investments	–	(1,976)	(1,976)
Income	146	–	146
	146	(300)	(154)
Management fee	(103)	(308)	(411)
Other expenses	(291)	–	(291)
	(394)	(308)	(702)
(Loss) on ordinary activities before taxation	(248)	(608)	(856)
Taxation	–	–	–
(Loss) and total other comprehensive income after taxation attributable to equity shareholders	(248)	(608)	(856)
(Loss) per share (Note 2) (basic and diluted)	(0.98)p	(2.41)p	(3.39)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. There are no recognised gains or losses other than the loss for the year. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION

as at 31 August 2016 (unaudited)

	31 August 2016 (unaudited) £000	31 August 2015 (unaudited) £000	29 February 2016 (audited) £000
Fixed assets			
Investments at fair value through profit or loss	27,757	21,458	23,031
Current assets			
Prepayments and accrued income	54	16	20
Cash at bank	8,096	5,391	6,994
	8,150	5,407	7,014
Creditors: amounts falling due within one year			
Accruals and deferred income	(183)	(149)	(191)
Net current assets	7,967	5,258	6,823
Total assets less current liabilities	35,724	26,716	29,854
Capital and Reserves			
Called up share capital	342	251	295
Share premium	26,509	16,673	21,484
Capital redemption reserve	9	4	7
Special reserve	3,699	6,011	5,250
Capital reserve - realised	1,416	756	1,367
Capital reserve - unrealised	4,981	4,102	2,653
Revenue reserve	(1,232)	(1,081)	(1,202)
Total shareholders' funds	35,724	26,716	29,854
Net asset value per share (basic and diluted) (Note 4)	104.58p	106.62p	101.18p

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six month period to 31 August 2016 (unaudited)

Ordinary Shares	Called up share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve realised	Capital reserve unrealised	Revenue reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2016	295	21,484	7	5,250	1,367	2,653	(1,202)	29,854
Share buybacks*	(2)	–	2	(198)	–	–	–	(198)
Share issues	49	5,153	–	–	–	–	–	5,202
Issue costs	–	(128)	–	–	–	–	–	(128)
Equity dividends paid	–	–	–	(1,353)	–	–	–	(1,353)
Realised gains on investments	–	–	–	–	228	–	–	228
Unrealised gains on investments	–	–	–	–	–	2,328	–	2,328
Management fee charged to capital	–	–	–	–	(179)	–	–	(179)
Revenue loss after taxation for the period	–	–	–	–	–	–	(30)	(30)
Total profit after taxation	–	–	–	–	49	2,328	(30)	2,347
At 31 August 2016	342	26,509	9	3,699	1,416	4,981	(1,232)	35,724

* 197,045 shares were bought back in the period with a nominal value of £1,970.45.

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 August 2016 were £3.88 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six month period to 31 August 2015 (unaudited)

Ordinary Shares	Called up share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve realised	Capital reserve unrealised	Revenue reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2015	219	13,118	3	7,124	(1)	4,629	(954)	24,138
Share buybacks*	(1)	–	1	(111)	–	–	–	(111)
Share issues	33	3,644	–	–	–	–	–	3,677
Issue costs	–	(89)	–	–	–	–	–	(89)
Equity dividends paid	–	–	–	(1,002)	–	–	–	(1,002)
Realised gains on investments	–	–	–	–	906	–	–	906
Unrealised loss on investments	–	–	–	–	–	(527)	–	(527)
Management fee charged to capital	–	–	–	–	(149)	–	–	(149)
Revenue loss after taxation for the period	–	–	–	–	–	–	(127)	(127)
Total loss after taxation	–	–	–	–	757	(527)	(127)	103
At 31 August 2015	251	16,673	4	6,011	756	4,102	(1,081)	26,716

* 105,941 shares were bought back in the period with a nominal value of £1,059.41.

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 31 August 2015 were £5.69 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the year ended 29 February 2016 (audited)

Ordinary Shares	Called up share capital	Share premium	Capital redemption reserve	Special reserve	Capital reserve realised	Capital reserve unrealised	Revenue reserve	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 March 2015	219	13,118	3	7,124	(1)	4,629	(954)	24,138
Share buybacks*	(4)	–	4	(372)	–	–	–	(372)
Share issues	80	8,536	–	–	–	–	–	8,616
Issue costs	–	(170)	–	–	–	–	–	(170)
Equity dividends paid	–	–	–	(1,502)	–	–	–	(1,502)
Realised gains on investments	–	–	–	–	1,676	–	–	1,676
Unrealised loss on investments	–	–	–	–	–	(1,976)	–	(1,976)
Management fee charged to capital	–	–	–	–	(308)	–	–	(308)
Revenue loss after taxation for the period	–	–	–	–	–	–	(248)	(248)
Total loss after taxation	–	–	–	–	1,368	(1,976)	(248)	(856)
At 29 February 2016	295	21,484	7	5,250	1,367	2,653	(1,202)	29,854

* 366,182 shares were bought back in the period with a nominal value of £3,661.82

Reserves available for distribution are capital reserve realised, special reserve and revenue reserve. Total distributable reserves at 29 February 2016 were £5.42 million. The accompanying notes are an integral part of these financial statements.

CONDENSED STATEMENT OF CASH FLOWS

for the six month period to 31 August 2016 (unaudited)

	31 August 2016 (unaudited) £000	31 August 2015 (unaudited) £000	29 February 2016* (audited) £000
Return/(loss) on ordinary activities before taxation	2,347	103	(856)
Realised (gains) on investments	(228)	(906)	(1,676)
Unrealised (gains)/losses on investments	(2,328)	527	1,976
(Increase)/decrease in debtors	(34)	10	6
Increase/(decrease) in creditors	(8)	8	50
Net cash generated from/(used in) operating activities	(251)	(258)	(500)
Cash flows from investing activities			
Purchase of investments	(7,309)	(5,549)	(11,321)
Disposal of investments	5,139	2,014	5,534
Net cash from investing activities	(2,170)	(3,535)	(5,787)
Cash flows from financing activities			
Proceeds from share issues	5,202	3,677	8,616
Share issue costs	(128)	(89)	(170)
Purchase of own shares for cancellation	(198)	(111)	(372)
Equity dividends paid	(1,353)	(1,002)	(1,502)
Net cash from financing activities	3,523	2,475	6,572
Increase/(decrease) in cash and cash equivalents	1,102	(1,318)	285
Analysis of net funds			
Net cash at beginning of period/year	6,994	6,709	6,709
Net cash inflows/(outflows)	1,102	(1,318)	285
Net cash at end of period/year	8,096	5,391	6,994

* 29 February 2016 cash flow represents annual results

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

EXPLANATORY NOTES

for the six month period to 31 August 2016 (unaudited)

1. ACCOUNTING POLICIES

Basis of preparation

The Company has prepared its half-yearly financial results for the six month period ending 31 August 2016 in accordance with Financial Reporting Standard 104 (FRS 104) and the Statement of Recommended Practice for “Financial Statements of Investment Trust Companies and Venture Capital Trusts” (the SORP).

The same accounting policies and methods of computation are followed in the half-yearly financial results as compared with the most recent annual financial statements.

Investments

Listed investments and investments traded on AIM are stated at closing bid market prices. Investments are recognised and derecognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are measured initially at fair value.

Investments will be managed and their performance evaluated on a fair value basis in accordance with a documented investment strategy and information about them is provided internally on that basis to the Board. Accordingly, as prescribed by FRS 102 s.11 and s.12, the investments are designated as fair value through profit or loss. Subsequent to initial recognition, listed investments are valued using bid market prices as required for level (a) investments under FRS 102.

Unit Trust investments, classified as level (b) investments, are valued at the price of the most recent transaction. Unquoted investments, classified as level (c) investments, are valued in accordance with European Private Equity and Venture Capital Association Reporting Guidelines.

Gains and losses arising from changes in fair value (realised and unrealised) are included in the net profit or loss for the period as a capital item in the income statement and are ultimately recognised in the unrealised capital reserve or realised capital reserve (as appropriate).

Financial Instruments – fair value measurement hierarchy

FRS 102 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement.

The fair value hierarchy has the following levels:

Level	Methodology
(a)	The best evidence of fair value is a quoted price for an identical asset in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the current bid price.
(b)	When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the entity can demonstrate that the last transaction price is not a good estimate of fair value (e.g. because it reflects the amount that an entity would receive or pay in a forced transaction, involuntary liquidation or distress sale), that price is adjusted.
(c)	If the market for the asset is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, an entity estimates the fair value by using a valuation technique. The objective of using a valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

	Level (a) Investments £'000	Level (b) Investments £'000	Level (c) Investments £'000	Total Investments £'000
Six months ended 31 August 2016 (unaudited)	21,421	3,921	2,415	27,757
Year ended 29 February 2016 (audited)	17,155	3,899	1,977	23,031
Six months ended 31 August 2015 (unaudited)	16,665	2,653	2,140	21,458

Recognition of impairment and realised losses

If an investment has been impaired such that there is no realistic expectation that there will be a full return from the investment, the loss is treated as a permanent impairment and is recognised as a realised loss in the financial statements.

Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price in an active market wherever possible. Where no such active market exists for the particular asset or liability, 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.

Key judgements and estimates

The preparation of the financial statements requires the Board to make judgements and estimates that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Key estimation uncertainties mainly relate to the fair valuation of unquoted investments, which are based on historical experience and other factors that are considered reasonable including the transfer price of the most recent transaction on an arm's length basis. The estimates are under continuous review with particular attention paid to the carrying value of the investments. The process of estimation is also affected by the determination of the fair value hierarchy.

Income

Equity dividends are taken into account on the ex-dividend date, net of any associated tax credit. Fixed returns on non-equity shares and debt securities are recognised on a time apportionment basis so as to reflect the effective yield, provided there is no reasonable doubt that payment will be received in due course. All other income, including deposit interest receivable, is recognised on an accruals basis. All revenue and capital items in the unaudited income statement derive from continuing operations. There are no other items of comprehensive income other than those disclosed in the unaudited income statement.

Expenditure

All expenditure is accounted for on an accruals basis. 75% of investment management fees are allocated to the capital reserve realised and 25% to the revenue account in line with the Board's expected long term split of investment returns in the form of capital gains to the capital column of the income statement. All other expenditure is charged to the revenue account.

Capital Reserves

Realised profits and losses on the disposal of investments, losses realised on investments considered to be permanently impaired and 75% of investment management fees are accounted for in the capital reserve realised.

Increases and decreases in the valuation of investments held at the period end are accounted for in the capital reserve unrealised.

Operating Segments

There is considered to be one operating segment as reported to the chief operating decision maker being investment in equity and debt securities.

Taxation

The tax effect of expenditure is allocated between capital and revenue on the same basis as the particular item to which it relates, using the Company's effective rate of tax for the period. Any liability to corporation tax is based on net revenue for the period.

Dividends

Only dividends paid during the period are deducted from revenue or capital reserves. Dividends which are declared subsequent to the balance sheet date will not be shown as a liability in the balance sheet.

Summary of dividends paid in the six months to 31 August 2016 and the financial year ending 29 February 2016 are detailed below:

	Six months ended 31 August 2016 (unaudited) £'000	Year ended 29 February 2016 (audited) £'000
Final capital dividend of 4 pence per share for the year ended 28 February 2015 paid on 28 August 2015	–	1,002
Interim capital dividend of 2 pence per share for the half year ended 31 August 2015 paid on 11 December 2015	–	500
Final capital dividend of 4 pence per share for the year ended 29 February 2016 paid on 20 July 2016	1,353	–
Total	1,353	1,502

Functional Currency

In accordance with FRS 102 the Company is required to nominate a functional currency, being the currency in which the Company predominantly operates. The Board has determined that sterling is the Company's functional currency. Sterling is also the currency in which these accounts are presented.

Repurchase of shares to hold in Treasury

The cost of repurchasing shares into treasury, including the related stamp duty and transaction costs is charged to capital reserves and dealt with in the reconciliation of movements in shareholder's funds. Share repurchase transactions are accounted for on a trade date basis. Where shares held in treasury are subsequently cancelled, the nominal value of those shares is transferred out of share capital and into capital redemption reserve.

Should shares held in treasury be reissued, the sale proceeds will be treated as a realised profit up to the amount of the purchase price of those shares and will be transferred to capital reserves. The excess of the sale proceeds over the purchase price will be transferred to share premium.

Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at the 31 August 2016.

CAPITAL STRUCTURE

Share Capital

Ordinary shares are classed as equity. The ordinary shares in issue have a nominal value of one pence and carry one vote each.

Reserves

A description of each of the reserves follows:

Share Premium

This reserve represents the difference between the issue price of shares and the nominal value of shares at the date of issue, net of related issue costs.

Capital Redemption Reserve

This reserve is used for the cancellation of shares bought back under the buyback facility.

Special Reserve

Distributable reserve used to pay dividends and re-purchase shares under the buyback facility.

Capital Reserve Realised

Gains and losses on realisation of investments.

Capital Reserve Unrealised

Unrealised gains and losses on investments.

Revenue Reserve

Net revenue profits and losses of the Company.

2. EARNINGS PER SHARE (BASIC AND DILUTED)

The gain per ordinary share of 6.95 pence at 31 August 2016 (31 August 2015: gain 0.41 pence and 29 February 2016: loss 3.39 pence) is based on the profit after tax for the period of £2,347,000 (31 August 2015: profit £102,694 and 29 February 2016: loss £855,742) and the weighted average number of ordinary shares in issue over the period of 33,764,458 (31 August 2015: of 24,771,103 and 29 February 2016: 25,200,417).

3. CAUTIONARY STATEMENT

The results should not be taken as a guide to the results for the financial period ending 28 February 2017. This report may contain forward looking statements with regards to the financial condition and results of the Company, which are made in the light of current economic and business circumstances. Nothing in this report should be considered as a profit forecast.

4. NET ASSET VALUE PER SHARE

The net asset value per ordinary share at 31 August 2016 of 104.58 pence (31 August 2015: 106.62 pence and 29 February 2016: 101.18 pence) after deducting the 4.00 pence dividend paid in August 2015 is based on net assets of £35,723,815 (31 August 2015: £26,716,143 and 29 February 2016: £29,854,033) and on 34,159,249 shares (31 August 2015: 25,058,142 shares and 29 February 2016: 29,507,084 shares), being the number of ordinary shares in issue as at 31 August 2016.

5. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information contained in the 31 August 2016 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.

6. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company relate to the Company's investment activities and include regulatory risk, investment risk and discount volatility. Other risks faced by the Company include market risk, currency risk, interest rate risk, liquidity risk and credit risk. These risks and the way in which they are managed are described in more detail in the Company's annual report and accounts for the year ended 29 February 2016. The Company's principal risks and uncertainties have not changed materially since the date of that report.

7. TRANSACTIONS IN SHARES

Buybacks

In total, the Company repurchased 197,045 shares during the six month period ending 31 August 2016 at a total cost of £197,668

Share Issues

In total, the Company issued 4,849,210 new shares during the six month period ending 31 August 2016 raising net proceeds of £5,074,419.

8. RELATED PARTY TRANSACTIONS

Giles Hargreave, a director of the Company, is the chairman of Hargreave Hale Limited and has an interest in excess of 7% in that company. As such, Hargreave Hale Limited is considered to be a related party to the Company. Hargreave Hale Limited acts as investment manager, administrator, custodian and provides one non-executive director and the company secretary to the Company. All of the functions performed by Hargreave Hale Limited are segregated by department and location and are independent of each other.

Hargreave Hale Limited in its capacity as investment manager of the fund receives annual fees of 1.5% per annum of the net assets of the Company, calculated and payable quarterly in arrears. Fees for the half-year are £238,524 (2015: £198,739). In relation to the other support functions described above, Hargreave Hale Limited also provides administration services, custody services, company secretarial services and one non-executive director and receive fees of £40,000 per half-year (2015: £38,500) in relation to these services. Of those fees, £137,010 (2015: £105,240) was still owed at the half-year end.

Hargreave Hale Limited has agreed to indemnify the Company against annual running costs (such costs excluding VAT, any performance incentive fee and any trail commissions the payment of which is the responsibility of the Company) exceeding 3.5% of its net assets. No fees were waived by Hargreave Hale in the first half of the financial year under the indemnity.

During the half year, the Company issued 4,849,210 ordinary shares (nominal value £48,492) in a joint offer for subscription which resulted in gross funds being received of £5,201,811. As marketing adviser and receiving agent to the Company, and in return for covering the costs of the joint offer, Hargreave Hale Limited was entitled to 3.5% of the gross proceeds (£182,063), often referred to as the 'premium'. From this, Hargreave Hale Limited paid for the allotment of additional shares to investors with a value of £54,672 and introducer commission of £675, resulting in net fees payable to Hargreave Hale of £126,716.

9. GOING CONCERN

After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

10. POST BALANCE SHEET EVENTS

There are no post balance sheet events to disclose.

COMPANY INFORMATION

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COMPANY REGISTRATION NUMBER

05941261 in England and Wales



HARGREAVE HALE AIM VCT 2 PLC
(INCORPORATED IN ENGLAND AND WALES
UNDER THE COMPANIES ACT 1985
WITH REGISTERED NUMBER 05941261)