New Century AIM VCT 2 plc

31st December 2016

Audited Report and Accounts for the year to 31st December 2016

Financial Summary

	Year ended 31 December 2016	Year ended 31 December 2015
Revenue 'return' per share (pence) for the year	(0.02)	0.13
Total 'return' per share (pence) for the year	(0.58)	5.40
Proposed dividends per share (pence)	3.00	1.75
Net asset value per share (pence)	60.90	63.24
Cumulative value of shareholder investment (net asset value plus cumulative dividends per share) (pence)	68.16	68.75
Shareholders' funds (£'000)	2,805	2,913

Chairman's Statement

In the twelve months to 31st December 2016, the net asset value (NAV) of your fund fell by 3.7% to 60.90 based on bid prices. The net asset value plus cumulative dividends fell from 68.75p to 68.16p being a decline of 0.86%. It did however experience a recovery in the second half of the year with an increase of 6.84% from the interims in June. The FTSE AIM Allshare index increased by 14.21% in the year.

The second half improvement has carried on with the NAV as at 16th March 2017 being 69.96p which is an increase of 11.33% from the NAV at the start of the year. The FTSE AIM Allshare index has increased by 8.86% over the same period. This NAV is based on mid market prices, the industry standard, in line with those that are reported to the Market at the end of each month, whereas in our annual report we quote the NAV as based on bid prices a statutory requirement.

During the year your Board sent out a document to shareholders requesting their views on what they wanted from their fund in the future. The overwhelming majority, over 85% of those that responded, voted for the fund to continue with an increased emphasis on paying dividends. Dividends paid by your fund to shareholders are free of tax. Therefore it is the Boards intention to propose a dividend for the year of 3 pence per share representing at the mid price on the 15th March 2017 a yield of 5.5%.

The level of qualifying investments at 79% is still comfortably above the 70% required level.

We are seeing more new qualifying issues currently, but we continue to take a cautious approach. We remain cautiously optimistic about the year ahead although we do not know what reaction the Market will take or indeed the Companies we have invested in will experience now that the Government has officially triggered the Countries intention to leave the EU.

Geoffrey Gamble

24th April 2017

Details of Directors

Michael Barnard (Aged 66)

Michael has been employed in stockbroking since 1971. In 1974 he became a Member of the Stock Exchange. During his career his duties have spanned investment advising, investment research, dealing and company management. In 1988 he started his own stockbroking company, MD Barnard & Company Ltd. Based in Laindon, Essex, it has offices in London, Wells, Exeter and Colchester. Since 1995, he has been either managing or advising unit trust, private client and pension company portfolios with a total value of approximately £115 million.

Geoffrey Gamble (Aged 58)

Geoffrey started his career with National Westminster Bank plc. He joined Publishing Holdings plc in 1984 and became a director in 1986. He took part in an MBO in 1988, backed by Schroder Ventures (now Permira) to form Charterhouse Communications Group Ltd and was instrumental in the satisfactory venture capital exit from that company and its flotation on AIM in 1996. He became managing director of Charterhouse Communications plc in 1999.

Peter William Riley (Aged 72)

Peter qualified as a solicitor in 1969 and in that year became partner of Mitchells, Solicitors. In 1977, he became a partner in his present solicitor practice, Daybells, where he specialises in property law with an emphasis on large commercial properties.

Ian Cameron-Mowat (Aged 66)

Ian has a BSc 1st degree in electronics and was involved in the early development of computers at Burroughs Machines. He is currently a consultant radiologist to a NHS Trust.

Management and Administration

Registered Office	4^{th} Floor, 50 Mark Lane London EC3R 7QR
Company Secretary	Tricor Secretaries Limited 4^{th} Floor, 50 Mark Lane London EC3R 7QR
Registrar	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Solicitors	Dundas & Wilson 5th Floor, Northwest Wing Bush House Aldwych London WC2B 4EZ
Investment Manager and Broker	MD Barnard & Company Ltd 17-21 New Century Road Laindon, Essex SS15 6AG
Auditor & VCT Status Adviser	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

Directors

Geoffrey Gamble (Chairman)
Michael David Barnard
Peter William Riley
Ian Cameron-Mowat

All directors are non-executive.

Audit Committee:

Geoffrey Gamble (Chairman)
Peter William Riley
Ian Cameron-Mowat

Strategic Report

Activities and status

The principal activity of the company during the year was the making of long-term equity and loan investments in unquoted and AIM traded companies in the United Kingdom. The company has been listed on the London Stock Exchange since 4 April 2007 and has been granted approval by the Inland Revenue as a Venture Capital Trust. The Chairman's Statement on page 2 and the Investment Manager's Review below give a review of developments during the year and of future prospects.

The directors have managed the affairs of the company with the intention that it will qualify for approval by the Inland Revenue as a Venture Capital Trust for the purposes of Section 842AA of the Income and Corporation Taxes Act 1988 ('the Act'). The directors consider that the company was not at any time up to the date of this report a close company within the meaning of Section 414 of the Act.

Investment Manager's Review

Political events such as the EU referendum and the American elections, where in both cases the eventual outcome surprised many commentators, led to a decline of 3.7% in the net asset value of the portfolio. However we are encouraged by the recovery of 6.84% in the second half of the year and by the continued 11.3% increase in the current year based on a net asset value of 69.96p as at 16th March 2017. The nature of the VCT primarily being invested in smaller UK companies, it lagged behind the AIM index which gained 14.21% in the period as the Index has exposure to the mining and oil sector, and which also benefited from the weakness in Sterling.

We made twelve qualifying investments, purchasing shares in Immupharma, Photonstar LED, YU Group, Scancell, Medaphor, Imginatik, Sys Group, LoopUp, Microsaic Systems, Faron, Cloudcall and Creo Medical.

We sold or part sold twelve investments in the period.

The fund did not process a buyback as it has done previously as the Board asked shareholders for their view on what they sought from the fund in the future, and the outcome was increased dividend payments.

Well documented market challenges persist, however although we may experience some volatility in the months ahead now that the Country has triggered Article 50 to formalise the process of Britain leaving the EU, we feel well prepared for this and continue to work hard to mitigate against this. Your portfolio holds some well managed investments which we feel offers exciting prospects. We therefore remain cautiously optimistic for the year ahead.

Investment Objective

New Century AIM VCT 2 PLC is a Venture Capital Trust ("VCT") established under the legislation introduced in the Finance Act 1995. The company's principal objectives as set out in the prospectus are to achieve long term capital growth through investment in a diversified portfolio of Qualifying Companies primarily quoted on AIM.

Principal risks and uncertainties

The company invests its funds primarily in unlisted companies and companies traded on AIM, which entail a higher degree of risk than investments in large listed companies. The main risk, therefore, arising from the company's activities is market price risk, representing the uncertain realisable values of the company's investments. Please refer to note 22 to these accounts which gives a detailed review of the company's risk management.

Strategic Report

Environmental matters

Discussion in respect of environmental matters is not considered relevant or material to an understanding of the performance of the company. The company does not consider that Greenhouse Gas Emissions disclosure is relevant to the company on the grounds of immateriality due to it not having its own premises or employees.

Key performance indicators

The financial key performance indicators are set out in the financial summary on page 1.

Michael Barnard

24th April 2017

Investment Portfolio

Security	Cost	Valuation 31/12/2016	% Cost	% Valuation
Qualifying Investments	2,360,778	2,367,059	81.87	83.87
Non-qualifying Investments	425,955	358,371	14.77	12.70
Uninvested funds	96,810	96,810	3.36	3.43
	2,883,543	2,822,240	100.00	100.00
Qualifying Investments				
AIM Quoted				
Marechale Capital plc	83,327	11,344	2.89	0.40
HML Holdings plc	128,891	175,750	4.47	6.22
TP Group plc	160,062	46,746	5.55	1.65
Tristel plc	46,639	171,760	1.62	6.09
Cyanconnode Holdngs plc	204,218	31,198	7.08	1.11
M.Winkworth plc	56,280	68,600	1.95	2.43
Inspired Energy plc	50,462	212,625	1.75	7.53
Microsaic Systems plc	92,002	21,747	3.19	0.77
Venn Life Sciences Holdings plc	155,184	137,959	5.38	4.89
DP Poland plc	25,630	95,200	0.89	3.37
Modern Water plc	50,256	6,000	1.74	0.21
Quixant plc	9,247	68,000	0.32	2.41
Blur Group plc	6,785	585	0.24	0.02
Keywords Studios plc	25,162	104,803	0.87	3.71
Sanderson Group plc	15,204	18,975	0.53	0.67
Cloudbuy plc	41,896	3,083	1.45	0.11
PHSC plc	50,256	30,000	1.74	1.06
EU Supply plc	19,422	9,405	0.67	0.33
Plastics Capital plc	33,168	39,600	1.15	1.40
Sysgroup plc	45,232	39,750	1.57	1.41
Brighton Pier Group plc	35,379	24,200	1.23	0.86
Kalibrate Technologies plc	27,975	24,662	0.97	0.87
Syqic plc	26,546	6,390	0.92	0.23
Martinco plc	50,253	61,000	1.74	2.16
Solid State plc	35,248	63,036	1.22	2.23
Audioboom Group plc	22,615	37,500	0.78	1.33
Scholium Group plc	40,203	13,600	1.39	0.48
Rosslyn Data Technologies plc	23,218	6,300	0.81	0.22
Coral Products plc	25,104	34,225	0.87	1.21
SRT Marine Systems plc	18,093	40,000	0.63	1.42
ULS Technology plc	18,091	43,200	0.63	1.53
Gfinity plc	50,405	38,350	1.75	1.36
Premier Technical Services Group plc	52,420	82,246	1.82	2.91
Angle plc	75,128	55,200	2.61	1.96
Bilby plc	52,465	54,900	1.82	1.95

Investment Portfolio

Security	Cost	Valuation 31/12/2016	% Cost	% Valuation
Qualifying Investments				
AIM Quoted				
Hunters Property plc	50,253	64,000	1.74	2.27
Satellite Solutions Worldwide Group plc	55,027	97,333	1.91	3.45
Tekcapital plc	60,304	99,000	2.09	3.51
Falanx Group Ltd	23,923	11,900	0.83	0.42
Premaitha Health plc	40,204	16,000	1.39	0.57
Photonstar LED Group plc	15,079	7,500	0.52	0.27
Yu Group plc	20,504	36,165	0.71	1.28
Scancell Holdings plc	20,506	17,400	0.71	0.62
Medaphor Group plc	25,129	15,555	0.87	0.55
Imaginatik plc	20,104	16,800	0.70	0.60
Loopup Group plc	20,104	23,600	0.70	0.84
Faron Pharmaceuticals Ltd	20,103	20,800	0.70	0.74
Cloudcall Group plc	20,230	23,100	0.70	0.82
Creo Medical Group plc	37,691	39,967	1.31	1.42
	2,281,627	2,367,059	79.12	83.87
Qualifying Investments				
Unlisted				
Litebulb Group Ltd	51,008	0	1.77	0.00
Outsourcery plc	28,143	0	0.98	0.00
	79,151	0	2.75	0.00
Total qualifying investments	2,360,778	2,367,059	81.87	83.87
Non Qualifying Investments				
AIM Quoted				
Sanderson Group plc	10,398	17,250	0.36	0.61
Rotala plc	27,683	32,200	0.96	1.14
Tristel plc	60	152	0.00	0.01
China Food Co plc	31,547	1,100	1.09	0.04
TLA Worldwide plc	26,975	30,000	0.94	1.06
Mar City plc	10,053	4,500	0.35	0.16
Audioboom Group plc	1,163	250	0.04	0.01
Mountfield Group plc	9,556	6,000	0.33	0.21
Be Heard Group plc	10,040	9,275	0.35	0.33
Oakley Capital Investments plc	10,374	11,372	0.36	0.40
EVR Holdings plc	34,994	120,000	1.21	4.25
Yolo Leisure & Technology plc	12,798	6,375	0.44	0.23
	185,641	238,474	6.43	8.45

Investment Portfolio

Security	Cost	Valuation 31/12/2016	% Cost	% Valuation
UK listed				
Investec plc	169,416	87,863	5.88	3.11
British American Tobacco plc	8,841	18,484	0.31	0.66
Twentyfour Income Fund Ltd	9,852	9,100	0.34	0.32
	188,109	115,447	6.53	4.09
Unlisted Investments				
Merchant House Group Ltd	20,103	3,000	0.70	0.11
Litebulb Group Ltd	21,897	0	0.76	0.00
Sorbic International plc	10,205	1,450	0.35	0.05
	52,205	4,450	1.81	0.16
Total non-qualifying investments	425,955	358,371	14.77	12.70

Top Ten Investments

Security	Cost	Valuation	%
Inspired Energy plc	50,462	212,625	7.53
HML Holdings plc	128,891	175,570	6.22
Tristel plc	46,639	171,760	6.09
Venn Life Sciences Holdings plc	155,184	137,959	4.89
EVR Holdings plc	34,994	120,000	4.25
Keywords Studios plc	25,162	104,803	3.71
Tekcapital plc	60,304	99,000	3.51
Satellite Solutions Worldwide Group plc	55,027	97,333	3.45
DP Poland plc	25,630	95,200	3.37
Investec plc	169,416	87,863	3.11

The investments tabulated above are expressed as a percentage by valuation of the company's investment portfolio including uninvested cash.

Directors' Report

The directors present their report and the audited accounts for the year to 31 December 2016.

Results and dividend

	Year to 31 December 2016 Revenue £'000	Capital £'000	Year to 31 December 2015 Revenue £'000	Capital £'000
(Loss)/Return on ordinary activities after taxation	(1)	(26)	6	269
Appropriated as follows:				
Interim dividend paid				
Revenue – nil p	-	-	-	-
Capital – nil p	-	-	-	-
Final dividend paid in respect of prior year				
Revenue – 0.00p (0.00p) per share	-	-	-	-
Capital – 1.50p (1.25p) per share	-	(81)	-	(77)
Transfers to reserves	(1)	(118)	6	192

Directors

The directors of the company who served throughout the year and their interests in the issued ordinary shares of 10p of the company are as follows:

	Year ended 31 December 2016	Year ended 31 December 2015
Michael David Barnard	362,795	362,795
Geoffrey Gamble	95,723	95,723
Peter William Riley	3,000	3,000
Ian Cameron-Mowat	32,172	67,065

All of the directors' share interests shown above are held beneficially. There have been no changes in the directors' share interests between 31 December 2016 and the date of this report.

Brief biographical notes on the directors are given on page 3. The director, retiring in accordance with the Company's Articles of Association, Michael Barnard, who being eligible will offer himself for re-election at the forthcoming annual general meeting. The directors believe his experience in small companies is a great benefit to the Board and recommend his re-election.

None of the directors has a contract of service with the company and, except as mentioned below under the heading "Management", there were no contracts that subsisted during the year in which a director was materially interested and which was significant in relation to the company's business.

Directors' Report

Management

MD Barnard & Company Ltd has acted as investment manager to the company since inception. The principal terms of the Investment Management Agreement are set out in Note 6 to the Accounts.

VCT status monitoring

The company has engaged UHY Hacker Young LLP to advise it on compliance with the VCT legislation. UHY Hacker Young LLP reviews the company's investment portfolio to monitor ongoing VCT compliance. UHY Hacker Young LLP works closely with the investment manager, but reports directly to the Board of the company.

Substantial shareholdings

The company has been notified, in accordance with Chapter 5 of FCA's Disclosure and Transparency Rules, of the under noted interests as at 31 December 2016 of 3 per cent shareholders and above:

M.D. Barnard	362,795
N. Shanks	315,821
I.A. Houston	200,000
D.M. Trotman	180,000
Platform Securities Nominees	172,065
J.R. Atkinson	152,365
R.S. Like	145,800
A. Lanza	140,955

Acquisition of own shares

During the year the company did not make any acquisition of its own shares.

Structure of the company's capital

The company only has one class of ordinary share and each share has attached to them full voting rights, dividends and capital distribution rights (including on a winding up) and do not confer any rights of redemption.

Appointment of Directors

The Directors are subject to re-election with one third of the Directors being re-elected annually at the AGM.

Creditor payment policy

The company's payment policy is to agree terms of payment before business is transacted and to settle accounts in accordance with those terms. The company's principal expenses such as investment management fees and administration fees are paid quarterly in arrears in accordance with the respective agreements. Accordingly the company had no material trade creditors at the year-end.

Post balance sheet events

Details of the post balance sheet events are set out in note 27.

Directors' Report

Annual general meeting

Notice of the annual general meeting is set out on page 39.

Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young LLP be reappointed as auditors of the Company and that the Directors be authorised to determine their remuneration will be put to the next Annual General Meeting.

Statement of disclosure to auditors

So far as the directors are aware:

1. there is no relevant audit information of which the Company's auditors are unaware; and

2. the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By Order of the Board

Michael Barnard

24th April 2017

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Companies Act 2006. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on Friday 23 June 2017.

Directors' remuneration policy

The company does not have any executive directors and, as permitted under the Listing Rules, has not, therefore, established a remuneration committee. Directors, with the exception of the chairman, do not receive any remuneration or fees.

The directors shall be paid by the company all travel, hotel and other expenses they may incur in attending meetings of the directors or general meetings or otherwise in connection with the discharge of their duties. Any director who, by request of the directors, performs special services may be paid such extra remuneration as the directors may determine.

Directors' remuneration (audited)

None of the Directors received any remuneration from the company during the year under review, with the exception of the chairman, who received a fee of £1,250.

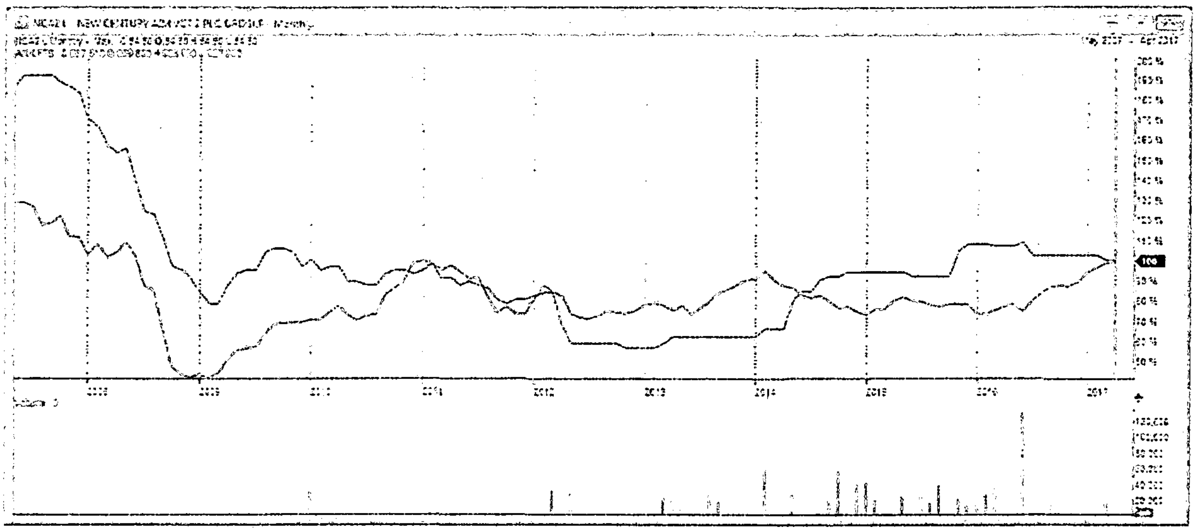
No other emoluments or pension contributions were paid by the company to, or on behalf of, any director. None of the directors has a service contract with the company. It is expected that, with the exception of the chairman, the directors will continue not to receive any remuneration for their services in the forthcoming years.

Performance

The directors consider that the most appropriate measure of the company's performance is its Cumulative Value of Shareholder Investment (net asset value plus cumulative dividends). The company's Cumulative Value of Shareholder Investment at 31 December 2015 and 31 December 2016 is set out in the Financial Summary on page 1.

Directors' Remuneration Report

Total shareholder return



The above graph shows the company's total shareholder return compared to that of the FTSE AIM A Share Index total return for the period since listing on the London Stock Exchange.

By Order of the Board

Michael Barnard **24th April 2017**

Corporate Governance

The directors support the relevant principles of the UK Corporate Governance Code issued in April 2016 by the Financial Reporting Council, being the principles of good governance and the code of best practice as set out in the Main Principles of the Code annexed to the Listing Rules of the Financial Conduct Authority.

The UK Corporate Governance Code is available at the following location:
www.frc.org.uk/corporate/ukcgcode.cfm

Going Concern

Bearing in mind that the assets of the company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, 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 accounts.

The Board

The company is led and controlled by a Board of directors who are all non-executives and who have had relevant experience with quoted companies prior to their appointment. The Chairman is Geoffrey Gamble. Biographical details of all Board members are shown on page 3.

One third of the Directors are subject to re-election at each AGM by rotation.

During the year the following were held:

4 full board meetings	1 Audit Committee meeting
All members attended all meetings with the exception of Mr. Riley on one occasion.	All members attended the meeting with the exception of Mr. Cameron-Mowat.

All directors had relevant experience with quoted companies prior to their appointment and it was therefore not thought necessary to provide further training in respect of their obligations and duties.

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

All directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

The Board believes that it presents a balanced and understandable assessment of the company's position and prospects. The Audit Committee meets at least once a year. Under the chairmanship of a non-executive director, its membership comprises all the non-executive directors with the exception of the representative of the investment manager. During the year the Audit Committee was chaired by Mr Gamble. The Audit Committee reviews the accounts and is reported to by the external auditors. The audit committee did not identify or consider any significant issues relating to the financial statements as substantially all the investments are valued by reference to publicly quoted prices. Further, the Audit Committee keeps under review the cost effectiveness, independence and objectivity of the auditors. A formal statement of independence is received from the external auditors each year. The terms of reference of the audit committee are available for inspection at the company's registered office.

The investment manager is authorised and regulated by the Financial Conduct Authority and the directors have an opportunity to review their own auditors' review of their financial controls.

Relations with shareholders

The Chairman is the company's principal spokesman with investors, fund managers, the press and other interested parties.

Shareholders will have the opportunity to meet the Board at the AGM. The Board is also happy to respond to any written queries made by shareholders during the course of the year, or to meet with major shareholders if so requested.

Corporate Governance

In addition to the formal business of the AGM, representatives of the management team and the Board are available to answer any shareholder queries.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Registrars collate proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the Governance Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The notice of the next AGM and proxy form can be found at the end of these accounts.

Financial Reporting

The directors' statement of responsibilities for preparing the financial statements is set out on page 19, and a statement by the auditors about their reporting responsibilities is set out in the Auditors' Report on page 21.

Internal control

The directors are responsible for the company's system of internal control. Although no system of internal control can provide absolute assurance against material misstatement or loss, the company's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately.

The directors have conducted a review of the effectiveness of the system of internal control for the year covered by the financial statements. This accords with the FRC's guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

Although the Board is ultimately responsible for safeguarding the assets of the company, the Board has delegated, through written agreements, the day-to-day operation of the company to M D Barnard & Co. Limited.

Compliance statement

The Listing Rules require the Board to report on compliance with the Governance Code provisions throughout the accounting year. The Comply or Explain directions of the Governance Code does however acknowledge that some provisions may have less relevance for investment companies. With the exception of the limited items outlined below, the Company has complied throughout the accounting year to 31 December 2016 with the provisions set out in Sections A to E of the Governance Code.

1. The Board has not appointed a nominations committee as they consider the Board to be small and it comprises wholly non-executive directors. Appointments of new directors are dealt with by the full Board.

2. New directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise.

3. Due to the size of the Board and the nature of the company's business, a formal performance evaluation of the Board, its committees, the individual directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise.

4. The company has three independent directors, as defined by the Governance Code issued in April 2016 The board consider that Messrs. Gamble, Riley and Cameron-Mowat are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect the directors' judgement. The Board considers that all directors have sufficient experience to be able to exercise proper judgement within the meaning of the Governance Code.

5. The company does not have a chief executive officer or senior independent director. The Board does not consider this to be necessary for the size of the company.

Corporate Governance

6. The company does not conduct a formal review as to whether there is a need for an internal audit function. The directors do not consider that an internal audit would be an appropriate control for a venture capital trust.

7. The Audit Committee is chaired by Geoffrey Gamble, Chairman of the Board of directors, whom the board regard as independent despite recommendations to the contrary in the Governance Code due to his being Chairman of the Board of directors.

8. The non-executive directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts.

9. The company has no major shareholders so shareholders are not given the opportunity to meet any new non-executive directors at a specific meeting other than the annual general meeting.

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the revenue of the company for that period. In preparing those financial statements, the directors are required to:

-select suitable accounting policies and apply them consistently;

-make judgements and estimates that are reasonable and prudent;

-state whether applicable accounting standards have been followed; and

-prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time the financial position of the company, enabling them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the company's system of internal control, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility statement

The directors confirm that to the best of their knowledge:

1. the financial statements, prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and

2. the Directors' report includes a fair review of the development and performance and position of the company, together with a description of the principal risks and uncertainties that it faces.

By Order of the Board

Michael Barnard 24th April 2017

Independent Auditors' Report to the members of New Century AIM VCT 2 plc

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

We have audited the financial statements of New Century AIM VCT 2 plc for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our assessment of risks of material misstatements
We identified the following risks that we believe have had the greatest impact on our audit strategy and scope:

- The carrying value of the investments and the recognition of realised and unrealised gains and losses. The investment portfolio and associated realised and unrealised gains and losses is the key driver to the financial performance of the company and has the greatest impact on both the income statement and balance sheet.

- Compliance with the VCT rules is necessary to maintain the VCT status and associated tax benefits.

- Management override of controls is considered to be a significant risk for all audit engagements as required by auditing standards.

- Auditing standards require that revenue recognition is considered a significant risk other than in exceptional circumstances.

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

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Independent Auditors' Report to the members of New Century AIM VCT 2 plc

We determined materiality for the financial statements as a whole to be £42,000. In determining this we based our assessment on an average of three key indicators, being the return before tax, the net assets and gross assets of the company. On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, being £31,500.

An overview of the scope of our audit
The approach we took to the assessed risks described above was as follows:

- We tested the value of the year-end investments by reference to market price information at the year-end. The purchase and sale of investments were agreed to contract notes and cash movements on a sample basis. The realised gains and losses on the sale of investments were re-calculated for both the individual transactions on a sample basis and for the total portfolio.

  The movement in unrealised gains was checked for arithmetical accuracy and validated by reviewing the opening costs to prior year balances and purchases on a sample basis.

  The portfolio is maintained by the investment advisor in accordance with the investment management agreement. We agreed the investment portfolio to a signed confirmation provided by the investment advisor detailing each investment, the cost and market price.

- Our work in respect of the compliance with the VCT rules involved testing the eight conditions for maintaining approval as a VCT as set out by HMRC. Each of the conditions was tested in turn in order to assess whether it had been met as at the year-end.

- We have reviewed the transactions in the year for unusual items outside the ordinary course of business and agreed journals raised as relevant to the company's business.

- We tested the investments held in the year on a sample basis and agreed the dividends issued from the investments to revenue recognised in the year.

Scope of the audit of the accounts
A description of the scope of an audit of financial statements is provided on the FRC's web-site at www.frc.org.uk/auditscopeukprivate.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Strategic Report and the Directors' Report for the financial year for which the accounts are prepared is consistent with the financial statements.

Independent Auditors' Report to the members of New Century AIM VCT 2 plc

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the financial statements is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 17, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to the shareholders by the Board on directors' remuneration.

Colin Jones (Senior statutory auditor)
for and on behalf of UHY Hacker Young

25th April 2017

Chartered Accountants
Statutory Auditors

Quadrant House
4 Thomas More Square
London, E1W 1YW

Statement of Comprehensive Income
(incorporating the revenue account)
for the year to 31 December 2016

		Year ended 31 December 2016			Year ended 31 December 2015		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Gains/(losses) on investments							
- realised		-	29	29	-	133	133
- unrealised		-	(34)	(34)	-	160	160
Income	5	50	-	50	52	-	52
Investment management fee	6	(7)	(21)	(28)	(8)	(24)	(32)
Other expenses	7	(44)	-	(44)	(38)	-	(38)
(Loss)/return on ordinary activities before taxation		(1)	(26)	(27)	6	269	275
Tax charge on ordinary activities	9	-	-	-	-	-	-
(Loss)/return on ordinary activities after taxation		(1)	(26)	(27)	6	269	275
(Loss)/return per ordinary share (pence)	11	(0.02)	(0.56)	(0.58)	0.13	5.27	5.40

The notes on pages 27 to 37 form an integral part of these financial statements.

All revenue and capital items in the above statement are from continuing operations in the current year. No operations were acquired or discontinued in the current year. Other than that shown above, the company had no recognised gains or losses. Accordingly, the above represents the total comprehensive income for the year.

Balance Sheet
at 31 December 2016

	Note	As at 31 December 2016 £'000	As at 31 December 2015 £'000
Fixed assets			
Investments	12	2,725	2,878
Current assets			
Debtors	15	97	51
Current liabilities			
Creditors: amounts falling due within one year	16	(17)	(16)
		2,805	2,913
Capital and reserves			
Called up share capital	17	461	461
Share premium		57	57
Capital Redemption Reserve		171	171
Capital reserve - distributable		3,440	-
Capital reserve – realised		(1,725)	(1,054)
Capital reserve – unrealised		(127)	2,668
Revenue reserve		528	610
Total equity shareholders' funds		2,805	2,913
Net asset value per ordinary share	18	61p	63p

The financial statements on pages 23 to 37 were approved by the Board of directors on 24th April 2017 and were signed on its behalf by:

Michael Barnard
Director

The notes on pages 27 to 37 form an integral part of these financial statements.

Company's registered number: 06054576

Statement of Changes in Equity
at 31 December 2016

	Called-up share capital	Share premium account	Capital redemption reserve	Capital distributable	Capital realised	Capital unrealised	Revenue reserve	Total
		£	£	£	£	£	£	£
As at 1 January 2015	512	57	120	-	(800)	2,145	995	3,029
Share buy-back	(51)	-	51	-	-	-	(314)	(314)
Realised gains on disposals	-	-	-	-	133	-	-	133
Unrealised gains	-	-	-	-	-	160	-	160
Transfer of unrealised loss to realised on disposal of investment	-	-	-		(363)	363	-	-
Net revenue before tax	-	-	-	-	-	-	6	6
Capital element of investment management fee	-	-	-	-	(24)	-	-	(24)
Dividends paid	-	-	-	-	-	-	(77)	(77)
At 31 December 2015	461	57	171	-	(1,054)	2,668	610	2,913
As at 1 January 2016	461	57	171	-	(1,054)	2,668	610	2,913
Realised gains on disposals	-	-	-	-	29	-	-	29
Unrealised gains	-	-	-	-	-	(34)	-	(34)
Inter reserve transfer	-	-	-	3,440	(587)	(2,853)	-	-
Transfer of unrealised loss to realised on disposal of investment	-	-	-	-	(92)	92	-	-
Net loss before tax	-	-	-	-	-	-	(1)	(1)
Capital element of investment management fee	-	-	-	-	(21)	-	-	(21)
Dividends paid	-	-	-	-	-	-	(81)	(81)
At 31 December 2016	461	57	171	3,440	(1,725)	(127)	528	2,805

The notes on pages 27 to 37 form an integral part of these financial statements.

Cash Flow Statement
for the year to 31 December 2016

	Note	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Cash flow from operating activities			
Cash outflow from operations	21	(72)	(71)
Net cash outflow from operating activities		(72)	(71)
Cash flows from investing activities			
Interest received		-	1
Investment income		50	51
Net cash from investing activities		50	52
Cash flows from financing activities			
Sale of investments		413	1,120
Purchase of investments		(265)	(683)
Share Capital repurchase		-	(314)
Dividend paid		(81)	(77)
Net cash from financing activities		67	46
Net increase in cash and cash equivalents		46	27
Cash and cash equivalents at the beginning of year		51	24
Cash and cash equivalents at the end of year		97	51

The notes on pages 27 to 37 form an integral part of these financial statements.

Notes to the Financial Statements
for the year to 31 December 2016

1. Company information

New Century AIM VCT 2 PLC is a UK incorporated company whose registered office is:

4th Floor
50 Mark Lane
London EC3R 7QR

New Century AIM VCT 2 PLC is a Venture Capital Trust established under the legislation introduced in the Finance Act 1995. The company's principal objective is to achieve long term capital growth through investment in a diversified portfolio of qualifying companies primarily quoted on AIM.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards and with the Financial Reporting Council's Financial Reporting Standard FRS 102 and with the Statement of Recommended Practice for Investment Companies re-issued by the Association of Investment Companies in November 2014 and updated in January 2017.

Going Concern basis – on the basis that the assets of the company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, 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 accounts.

The financial statements are presented in Sterling.

3. Significant estimates and judgements

As the company's investment holdings, which comprise almost 99% of its total assets, are stated at market value based on the closing prices of the London Stock Exchange, the directors do not believe that there is any inherent uncertainty in their presentation of these amounts, and that in their judgement, market value and fair value may be regarded as identical for the purpose of these accounts.

4. Accounting policies

Investments

Listed or AIM traded investments are stated at market value, which is based upon market bid prices at the balance sheet date. In the event that the shares held by the company are subject to certain restrictions, or the holding is significant in relation to the traded issued share capital of the investee company then the directors may apply a discount to the relevant market price.

Investments in unquoted companies are valued by the directors in accordance with British Venture Capital Association ("BVCA") guidelines.

4. Accounting policies (continued)

Investments (continued)

Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to realised capital reserves. Unrealised surpluses and deficits on the revaluation of investments are taken to unrealised capital reserves. Costs incurred relating to acquisitions and disposals are charged to capital reserves as a deduction from proceeds or an addition to costs.

It is not the company's policy to exercise controlling or significant influence over investee companies, although it may hold a significant interest in some companies. Accordingly, the results of these companies are not incorporated into the revenue account except to the extent of any income earned or received.

Income

Dividend income receivable from quoted securities is recognised on the ex-dividend date. Income from unquoted equity and non-equity securities is recognised on an accruals basis except that a full provision is made until the receipt of the income is certain.

Interest from cash and deposits and fixed returns on debt securities are recognised on an accruals basis.

Expenses

All expenses are accounted for on an accruals basis. One quarter of the investment management fee is charged to the revenue account and the remaining three quarters is charged to capital reserves, net of corporation tax relief, and inclusive of any irrecoverable value added tax. The allocation of the management fee reflects the directors' estimate of the source of the long-term returns in the portfolio from revenue and capital.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

5. Income

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Interest receivable		
- listed fixed interest securities	-	-
- unquoted investment portfolio	-	-
- bank deposits and liquid funds	-	1
	-	1
Other income		
Dividends receivable	50	51
	50	52

6. Investment management fees

	Year ended 31 December 2016		Year ended 31 December 2015	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Investment management fees	7	21	8	24

MD Barnard & Company Limited ("MDB") provides investment management services to the company in respect of the company's portfolio of venture capital investments under an investment management agreement dated 12 March 2007. Michael Barnard who is a non-executive director of the company is the owner and managing director of MDB.

Under the terms of the investment management agreement, MDB is entitled to a fee (exclusive of VAT) equal to 1% per annum of the net assets of the company. The fee is calculated quarterly in arrears based on the net assets at 31 March, 30 June, 30 September and 31 December. During the year ended 31 December 2016, the fee payable to MD Barnard & Company equated to 1% per annum of net assets. No performance fee is payable.

The investment management agreement is for a minimum period of three years from 12 March 2007 terminable by either party at any time thereafter by one year's prior written notice.

Notes to the Financial Statements for the year to 31 December 2016

7. Other expenses

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Administrative and secretarial services	18	15
Auditors' remuneration	10	9
-for tax services	4	2
Regulatory fees	12	12
	44	38

8. Directors' remuneration

The chairman received £1,250 remuneration in the year. No other remuneration has been paid or is payable for the year to 31 December 2016 or in respect of the prior year.

9. *Tax charge on ordinary activities*

	Year ended 31 December 2016		Year ended 31 December 2015	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
United Kingdom tax based on the taxable profit for the year				
- Current year	-	-	-	-
- Prior year	-	-	-	-
	-	-	-	-
Factors affecting tax charge for the year				
(Loss)/return on ordinary activities before taxation	(1)	(27)	6	269
Tax on above at the small company rate of 20% (2015: 20%)	-	(5)	1	54
UK dividends not subject to corporation tax	(10)	-	(10)	-
Non-deductible losses on investment	-	3	-	(58)
Non allowable expenses	-	-	-	-
Unutilised/(utilised) losses	10	2	9	4
Current tax charge for the year	-	-	-	-

The company has unrelieved losses amounting to approximately £641,000 (2015: £568,000) which are available to carry forward for tax purposes which it can set off against future profits. No deferred tax asset has been recognised in respect of these losses in view of the company's history of losses.

Notes to the Financial Statements
for the year to 31 December 2016

10. Dividends

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Capital dividend paid	81	77
	81	77

On 14th April 2017 the directors proposed a dividend in respect of the year ended 31 December 2016 of £138,208.59 representing 3.00p per ordinary share.

11. Loss per ordinary share

The revenue loss, per ordinary share, is based on the net loss on ordinary activities after taxation of £1,077 (2015: £6,460) and on 4,606,953 (2015: 5,090,788) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The total loss per ordinary share is based on a net loss after taxation of £27,027 (2015: net profit £275,050) and on 4,606,953 (2015: 5,090,788) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

12. Fixed asset investments

	As at 31 December 2016 £'000	As at 31 December 2015 £'000
UK listed	115	139
AIM	2,606	2,735
Unlisted	4	4
	2,725	2,878

Movements in investments, including realised and unrealised gains and losses, during the year are summarised as follows:

	Year ended 31 December 2016			
	UK Listed £'000	AIM £'000	Un-listed £'000	Total £'000
At 1 January 2016	139	2,735	4	2,878
Purchases	10	255	-	265
Transfers	-	(17)	17	-
	149	2,973	21	3,143
less: Sales	(38)	(375)	-	(413)
	111	2,598	21	2,730
Realised period gains	5	24	-	29
Unrealised holding losses	(1)	(16)	(17)	(34)
	115	2,606	4	2,725
Cost at 31 December 2016	188	2,467	131	2,786

12. Fixed asset investments (continued)

	Year ended 31 December 2015			
	UK Listed	**AIM**	**Un-listed**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
At 1 January 2015	183	2,836	3	3,022
Purchases	70	613	-	683
	253	3,449	3	3,705
less: Sales	(136)	(984)	-	(1,120)
	117	2,465	3	2,585
Realised period gains	19	114	-	133
Unrealised holding gains	3	156	1	160
	139	2,735	4	2,878
Cost at 31 December 2015	201	2,777	20	2,998

The overall gain on investments for the years shown in the Income Statement is as follows:

	Year ended 31 December 2016 £'000	**Year ended 31 December 2015 £'000**
Net realised gain on disposal	29	133
(Decrease)/Increase in unrealised appreciation	(34)	160
	(5)	293

13. Venture capital investments

A full list of investments held is disclosed under Investment Portfolio.

14. Significant interests

The Company did not hold more than 10% of the allotted equity share capital of any class of any investee company.

Notes to the Financial Statements for the year to 31 December 2016

15. Debtors

	As at 31 December 2016 £'000	As at 31 December 2015 £'000
Uninvested funds with broker: MD Barnard & Co Ltd	97	51

16. Creditors

	As at 31 December 2016 £'000	As at 31 December 2015 £'000
Trade creditors and accruals	17	16
	17	16

17. Share capital

	As at 31 December 2016 £'000	As at 31 December 2015 £'000
Authorised		
25,000,000 ordinary shares of 10p each	2,500	2,500
Allotted, called up and fully paid		
4,606,953 (2015: 4,606,953) ordinary shares of 10p each	461	461

18. Net asset value per share

Net asset value per share is based on net assets at 31 December 2016 of £2,805,735 (31 December 2015 of £2,913,380) and on 4,606,953 ordinary shares (2015: 4,606,953 ordinary shares) in issue at those dates.

19. Performance incentive arrangements

The Investment Manager is not entitled to any performance incentive arrangements.

20. Reserves

Called up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve relates to capital repurchased.

Capital reserve – distributable represents items of a capital nature legally available for distribution

Capital reserve – realised represents surpluses or deficits on the disposal of investments and permanent impairment in the value of investments

Capital reserve – unrealised represents surpluses and deficits on the revaluation of investments

Revenue reserve includes all current and prior period retained profits and losses.

21. Notes to the cash flow statement

Net cash outflow from operating activities

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Operating activity		
(Loss)/Return on ordinary activities	(27)	275
Gains on sale of investments	(29)	(133)
Investment income	(50)	(52)
Unrealised gains on investments	34	(160)
Decrease in creditors	-	(1)
	(72)	(71)

Cash and cash equivalents

Cash and cash equivalents comprise £96,810 (2015: £51,463) of uninvested funds, held in a bank account with the investment manager.

22. Risk management and financial instruments

A statement of the company's principal objectives is given within the Strategic Report on page 6. In order to achieve these objectives the company invests its funds primarily in qualifying holdings in unlisted companies and companies traded on AIM, which by their nature may entail a higher degree of risk than investments in large listed companies. The company has not entered into any derivative transactions, and does not expect to do so in the foreseeable future. As a venture

22. Risk management and financial instruments (continued)

capital trust, the company invests in securities for the long term, and it is the company's policy that no trading in investments or other financial instruments shall be undertaken.

Market price risk

The main risks arising from the company's investing activities are market price risk, representing the uncertain realisable values of the company's investments. The directors aim to limit the risk attaching to the portfolio as a whole by careful selection of investments and by maintaining a wide spread of investments in terms of financing stage, industry sector and geographical location.

The assets of the company are held for the most part as listed investments which carry market risk in the form of a single risk variable - market price movement. The directors do not consider that a risk analysis of that single risk variable will produce any useful information beyond the obvious that downward movement in share prices will result in a downward movement in the share values and vice versa. For this reason, the directors do not consider it appropriate to prepare a sensitivity analysis to market price movement.

Interest rate risk

The company finances its activities through retained profits including realisable capital profits, and through the issue of equity shares. It has not entered into any borrowings. The company's investment portfolio includes investments in interest bearing securities in investee companies and in other fixed interest securities. Details of interest bearing assets are given below under Financial assets.

Liquidity risk

There is liquidity risk associated with unquoted investments, which are not readily realisable.

Credit risk

Credit risk is the risk of a borrower defaulting on either an interest payment or the capital sum of a loan. The company has not made any loans to investee companies.

Currency risk

The company's assets and liabilities are denominated in sterling.

Capital

The company's capital is provided in its entirety by its shareholders in the form of ordinary shares.

The company's purpose and objective is the investment of its capital funds in listed investments, primarily those quoted on the Alternative Investment Market with a view to securing capital appreciation over the long term.

There were no externally imposed capital requirements with which the company had to comply during the year to 31 December 2016.

22. Risk management and financial instruments (continued)

Financial assets

The interest rate profile of the company's financial assets is set out below:

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Fixed rate	3	4
Non-interest bearing	2,722	2,874
	2,725	2,878

Fixed rate assets	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Weighted average interest rate	n/a	n/a
Weighted average years to maturity	n/a	n/a

Non-interest bearing financial assets comprise equity share and non-equity share investments in investee companies, cash held on non-interest bearing deposit and debtors.

Fair values

The unlisted investments of the company are valued by the directors in accordance with the guidelines issued by the British Venture Capital Association, and the carrying values are considered to approximate the fair value of the investments. The fair values have also been determined in line with the fair value hierarchy as set out in FRS 102 11.27.

23. Financial assets and liabilities

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Financial assets measured at fair value	2,725	2,878
Financial assets measured at amortised cost	97	51
Financial liabilities measured at amortised cost	(17)	(16)

24. Related party transactions

New Century AIM VCT 2 plc is managed by M D Barnard & Co. Limited.

Key management personnel are considered to be the directors. Remuneration to directors is disclosed in note 8.

25. Capital commitments

There were no investments which were approved at the year-end but which had not completed.

26. Control

New Century AIM VCT 2 plc is not under the control of any one party or individual.

27. Post balance sheet events

On 14th April 2017 the directors proposed a dividend in respect of the year ended 31 December 2016 of £138,208.59 representing 3.00p per ordinary share.

Shareholder Information
for the year to 31 December 2016

The Company

New Century AIM VCT 2 PLC was incorporated on 16 January 2007. On 4 April 2007, the company obtained a listing on the London Stock Exchange. A total of £5.745 million was raised (before expenses) through an offer for subscription of new ordinary shares at 100p. The company has been approved as a Venture Capital Trust by the Inland Revenue.

The Investment Manager

New Century AIM VCT 2 PLC is managed by M D Barnard & Company Limited, an independent fund management company based in Laindon, Essex. M D Barnard & Company currently manages or advises private client funds and venture capital funds totalling approximately £25 million including New Century AIM VCT 2 PLC.

Venture Capital Trusts

Venture Capital Trusts (VCTs) were introduced in the Finance Act 1995 and are intended to provide a means whereby individual investors can invest in small unquoted trading companies in the UK, with incentives in the form of a number of tax benefits. From 6 April 2005, investors subscribing for new shares in a VCT have been entitled to claim income tax relief of 30% on their investment, irrespective of their marginal tax rate (up to a maximum investment of £200,000 per tax year). The tax relief cannot exceed the amount which reduces an investor's income tax liability to nil. In addition all dividends paid by VCTs are tax free and disposals of VCT shares are not subject to capital gains tax.

New Century AIM VCT 2 plc has been approved as a VCT by HM Revenue and Customs. In order to maintain its approval the company must comply with certain requirements on a continuing basis; in particular, within three years from the date of provisional approval at least 70% by value of the company's investments must comprise "qualifying holdings", of which at least 30% by value must be in eligible ordinary shares. A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted company which is carrying on a qualifying trade and whose gross assets do not exceed £15 million at the time of investment. For the purposes of these criteria, unquoted companies include companies whose shares are traded on the Alternative Investment Market ("AIM").

As with investment trusts, capital gains accruing to VCTs are not chargeable gains for UK Corporation Tax purposes.

Financial calendar

Annual General Meeting	23 June 2017
Interim report for six months to 30 June 2017	August 2017
Preliminary announcement of results for the year to 31 December 2017	April 2018
Annual General Meeting 2018	June 2018

The shares will go ex-dividend on 15 June 2017; the proposed dividend will be paid to shareholders on the share registrar as at 16 June 2017. The dividend will be paid on 14 July 2017.

Share price

The mid-market price of shares in New Century AIM VCT 2 PLC is available daily on the London Stock Exchange website (www.londonstockexchange.com).