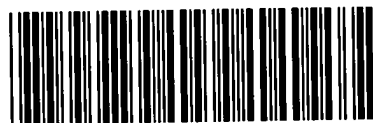


MAVEN

MAVEN INCOME AND GROWTH VCT 2 PLC

Annual Report
For the Year Ended 31 January 2018

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COMPANIES HOUSE

The Company

Maven Income and Growth VCT 2 PLC (the Company) is a public limited company limited by shares. It was incorporated in England and Wales on 4 January 2001 with company registration number 4135802. Its registered office is at Fifth Floor, 1-2 Royal Exchange Buildings, London EC3V 3LF.

The Company is a venture capital trust (VCT) and its shares are listed on the premium segment of the official list and traded on the main market of the London Stock Exchange.

Management

The Company is a small registered, internally managed alternative investment fund under the Alternative Investment Fund Managers Directive (AIFMD).

Investment Objective

The Company aims to achieve long-term capital appreciation and generate income for Shareholders.

Continuation Date

The Articles of Association (Articles) require the Directors to put a proposal for the continuation of the Company, in its then form, to Shareholders at the Company's Annual General Meeting to be held in 2020.

Share Dealing

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

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

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



Recommendation of Non-mainstream Investment Products

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

Unsolicited Offers for Shares (Boiler Room Scams)

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradeable, overpriced, high risk or even non-existent securities.

Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance.

If you receive such a call, you should exercise caution and, based on advice from the FCA, the following precautions are suggested:

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

Useful contact details:

ACTION FRAUD

Telephone: 0300 123 2040

Website: www.actionfraud.police.uk

FCA

Telephone: 0800 111 6768 (freephone)

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

Website: www.fca.org.uk

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Shareholders' Calendar

Annual General Meeting
(AGM) *13 June 2018*

Dividend Schedule

First interim dividend

Rate *3.41p*
XD date *24 August 2017*
Record date *25 August 2017*
Payment date *15 September 2017*

Second interim dividend

Rate *2.70p*
XD date *4 January 2018*
Record date *5 January 2018*
Payment date *26 January 2018*

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FINANCIAL HIGHLIGHTS

Financial History

| | 31 January 2018 | 31 January 2017 | 31 January 2016 |
|---|--------------------|--------------------|--------------------|
| Net asset value (NAV) | £16,321,000 | £20,502,000 | £21,770,000 |
| NAV per Ordinary Share | 40.47p | 50.52p | 52.98p |
| Dividends per Ordinary Share for year | 6.11p | 4.25p | 14.25p |
| Dividends per Ordinary Share to date* | 57.08p | 48.72p | 44.47p |
| NAV total return per Ordinary Share¹* | 97.55p | 99.24p | 97.45p |
| Share price ² | 37.30p | 44.00p | 48.25p |
| Discount to NAV* | 7.83% | 12.91% | 8.93% |
| Annual yield ³ * | 16.38% | 9.66% | 29.53% |
| Ordinary Shares in issue | 40,334,617 | 40,584,617 | 41,089,617 |

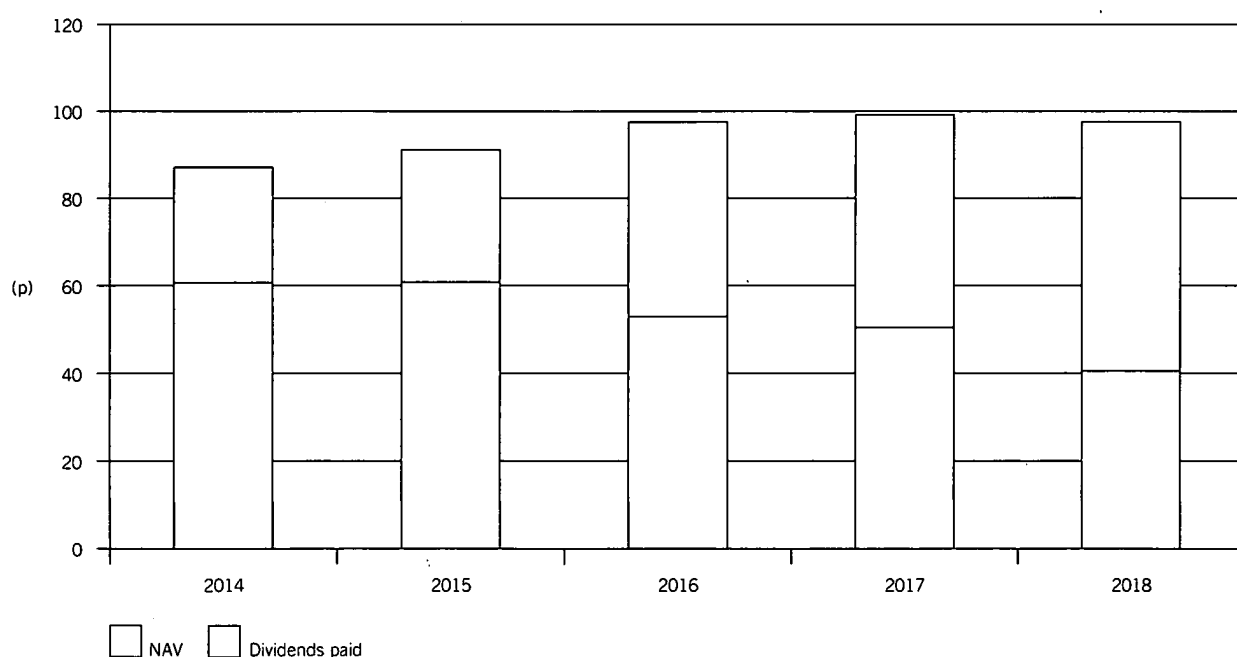
¹ Sum of current NAV per Ordinary Share and dividends paid to date (excluding initial tax relief).

² Closing mid-market price (Source: London Stock Exchange).

³ Based on dividends paid for the year and share price at year end.

*Definitions of these Alternative Performance Measures (APMs) can be found in the Glossary on page 78.

NAV Total Return Performance



The above chart shows the NAV total return per Ordinary Share as at 31 January in each year.

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

The policy for valuing investments is disclosed in Note 1 to the Financial Statements.

Dividends

| Year ended 31 January | Payment date | Interim/final | Rate (p) |
|------------------------------|---------------------|----------------------|-----------------|
| 2002-2013 | | Total | 24.62 |
| 2014 | 1 November 2013 | Interim | 1.85 |
| | 20 June 2014 | Final | 2.00 |
| 2015 | 31 October 2014 | Interim | 1.85 |
| | 26 June 2015 | Final | 2.15 |
| 2016 | 30 October 2015 | Interim | 2.00 |
| | 30 October 2015 | Special | 10.00 |
| | 24 June 2016 | Final | 2.25 |
| 2017 | 28 October 2016 | Interim | 2.00 |
| | 23 June 2017 | Final | 2.25 |
| 2018 | 15 September 2017 | First interim | 3.41 |
| | 26 January 2018 | Second interim | 2.70 |
| Total dividends paid | | | 57.08 |

YOUR BOARD

The Board of four Directors, all of whom are non-executive and the majority of whom are considered by the Board to be independent of the Manager, supervises the management of Maven Income and Growth VCT 2 PLC and looks after the interests of its Shareholders. The Board is responsible for setting and monitoring the Company's strategy and the biographies set out below indicate the Directors' range of investment, commercial and professional experience. Further details are provided in the Directors' Report and in the Statement of Corporate Governance.

John Lawrence MBE
Chairman
and Independent
Non-executive Director

Relevant experience and other directorships: John is a former chairman of Formation Group PLC and a former director of W H Ireland Group plc, a company admitted to AIM in 2000. He formed JEL Energy Conservation Services Limited in 1975, which was sold to Thorn EMI. Since 1993, he has been an investor and non-executive chairman or director of a number of public and private companies (including a number of venture capital backed buy-out companies), assisting the management teams to develop strategy and growth. In 1984 John was awarded an MBE for services to industry.

Length of service: He was appointed as a Director on 11 January 2001 and as Chairman on 17 June 2015.

Last re-elected to the Board: 15 June 2016

Committee membership: Audit, Management Engagement (Chairman), Nomination, Remuneration and Risk.

Employment by the Manager: None

Shared directorships with other Directors: None

Shareholding in Company: 10,155 Ordinary Shares

The Hon Robert Kissin
Independent
Non-executive Director

Relevant experience and other directorships: Robert established Lewis & Peat Merchant Bank Limited in 1973 and subsequently, as a director of Guinness Peat Group Limited, was responsible for international projects and finance in the Middle East and Far East. Having been appointed chairman of Lewis & Peat Inc. in 1981, he was responsible for the Guinness Peat Group's US trading activities and, since 1990, has been involved in a number of energy related projects in America and Central Asia.

Length of service: He was appointed as a Director on 1 September 2004.

Last re-elected to the Board: 14 June 2017

Committee membership: Audit, Management Engagement, Nomination (Chairman), Remuneration (Chairman) and Risk.

Employment by the Manager: None

Shared directorships with other Directors: None

Shareholding in Company: 10,000 Ordinary Shares

Peter Linthwaite
Independent
Non-executive Director

Relevant experience and other directorships: Peter oversees the portfolio of private equity fund investments of The Royal London Mutual Insurance Society Limited. He has over 25 years of private equity experience and was chief executive of the British Private Equity and Venture Capital Association (BVCA) from 2005 to 2007.

Length of service: He was appointed as a Director on 16 September 2015.

Elected to the Board: 15 June 2016

Committee membership: Audit (Chairman), Management Engagement, Nomination, Remuneration and Risk (Chairman).

Employment by the Manager: None

Shared directorships with other Directors: None

Shareholding in Company: 5,000 Ordinary Shares

Bill Nixon
Non-executive Director

Relevant experience and other directorships: Bill is managing partner of Maven Capital Partners UK LLP (Maven) and has over 35 years' experience in banking and private equity. He is a Fellow of the Chartered Institute of Bankers in Scotland and obtained an MBA from Strathclyde University in 1996. In the 1990s, Bill was head of the private equity business at Clydesdale Bank plc, a subsidiary of National Australia Bank, before joining Aberdeen Asset Management plc (Aberdeen) in 1999. In 2004 he was appointed as principal fund manager to all Aberdeen managed VCTs. In 2009 Bill and his senior colleagues led a management buy-out from Aberdeen to form Maven. He is also a director of Maven Income and Growth VCTs 3, 4 and 6.

Length of service: He served as an Alternate Director from 1 November 2005 and was appointed as a Director on 16 July 2008.

Last re-elected to the Board: 14 June 2017

Committee membership: None

Employment by the Manager: Since 1999 (1999 - 2009 with Aberdeen)

Shared directorships with other Directors: None

Shareholding in Company: 321,585 Ordinary Shares

CHAIRMAN'S STATEMENT

HIGHLIGHTS FOR THE YEAR

NAV total return at the year
end of 97.55p per share
(2017: 99.24p)

NAV at year end of 40.47p
per share (2017: 50.52p),
after payment of dividends
totalling 8.36p per share
during the year

Annual dividends 6.11p
per share (2017: 4.25p)

Eight new VCT qualifying
investments completed

Profitable exits achieved
from SPS (EU) and
John McGavigan

On behalf of your Board, I am pleased to announce the results for the year to 31 January 2018. During the reporting period considerable progress has been achieved in the construction of the long term portfolio, with the addition of eight new VCT qualifying investments in companies operating across a wide range of high growth industries and sectors. In addition, a number of profitable exits were completed from some of the more mature investee companies. However, one of the larger portfolio company holdings suffered a write-down in value, which impacted upon the financial performance for the full year.

The annual dividend was 6.11p per share, representing a yield of 16.38%, based on the share price at the year end. This enhanced level of distributions reflects a number of profitable realisations, and was also required in order to ensure your Company's ongoing compliance with the VCT legislation. Whilst this level of annual distributions is not expected to be maintained, your Board remains committed to making distributions when realisations are achieved and to paying regular tax-free income to Shareholders.

During the year, your Company has made encouraging progress against a backdrop of economic uncertainty, largely related to the ongoing negotiations regarding the UK's intended withdrawal from the European Union (EU), and an evolving regulatory environment. Over the past few years, the framework under which VCTs operate has become increasingly complex, with further new legislation announced in the 2017 Autumn Budget Statement. However, your Board believes that the Manager has the depth of experience and breadth of skill to ensure that your Company continues to respond appropriately and remains well positioned to deliver future growth.

The majority of the companies in the investee portfolio have continued to trade in line with plan throughout the year and the continued progress achieved by a number of established private company holdings has enabled the valuations of certain assets to be increased. The Board is encouraged to note that after a number of years of exceptionally challenging market conditions, the portfolio companies with exposure to the oil & gas services sector are seeing an improvement in trading, with financial performance showing an increase over the comparative period in the prior year. The valuations of a number of these assets had previously been reduced in response to market conditions, and the conservative valuation of these holdings will be maintained until there is evidence of a sustained market recovery. Elsewhere in the portfolio, there are a small number of investments that are operating behind plan, or where a market adjustment has impacted upon performance and, as a result, the valuations of these assets have been reduced. A detailed analysis of portfolio developments can be found in the Investment Manager's Review on pages 18 to 23 of this Annual Report. The impact of these on the overall financial performance of the Company is summarised in the Directors' Report on page 33.

It is pleasing to report on the addition of eight carefully selected growth oriented companies to the portfolio during the reporting period. The pipeline of new opportunities remains strong and is supported by the Manager's expanded nationwide office network, which is delivering a regular supply of prospective investments. The Board is, however, aware of the challenges that VCT managers are facing with regard to securing Advance Assurance from HM Revenue & Customs (HMRC) for new investments, and notes that this has resulted in a number of potential transactions being lost during the year. The Directors welcomed the announcement in the 2017 Autumn Budget Statement that the Advanced Assurance process will be revised, as this should markedly improve the timescales for transaction approval.

Given the maturing profile of a number of assets in the portfolio, there has been significant sale and realisation activity during the year. Most notably, in December 2017, exits were achieved from **SPS (EU)**, the UK's largest provider of promotional merchandise and **John McGavigan**, a manufacturer and supplier of plastic components for the global automotive industry, delivering total returns over the life of the investments of 2.5 times and 4.2 times cost respectively. The Board is aware that discussions are progressing regarding further potential exits from a number of the more mature holdings in the portfolio, although there can be no certainty that these will lead to profitable realisations.

In light of the evolving legislative environment for VCTs, the Directors believe it is important that Shareholders are aware of the longer term implications arising from the Finance (No. 2) Act 2015 and the further amendments in the Finance Act 2018. The changes to the VCT rules that were enacted in November 2015 specifically prohibit participation in management buy-outs or acquisition based transactions. They also restrict the ability of VCTs to support older companies, including existing portfolio holdings, unless certain conditions are met. As a result, VCT managers are required to focus on the provision of development capital to younger or earlier stage companies which, given their inherent lack of maturity, have a different risk profile. In addition, transaction structures are now required to contain a greater proportion of equity, where previously higher levels of interest bearing debt was permitted. As the portfolio evolves, and a greater proportion of holdings are invested in earlier stage companies, there is likely to be an impact on income levels. This could result in dividend payments being subject to variation in terms of quantum and timing, and may ultimately be driven by realisation activity, and the requirement to comply with the VCT rules. The Board and the Manager will ensure that this transition is managed carefully in line with your Company's investment objective.

Regulatory Developments

During the summer of 2017, the Patient Capital Review was formally extended to consider the effectiveness and value for money provided by the VCT and Enterprise Investment Scheme sector. The Manager contributed to this consultation on behalf of its VCT clients and it was widely anticipated that, as a result of this review, the 2017 Autumn Budget Statement would include a number of amendments.

The Directors were encouraged that the measures announced in the 2017 Autumn Budget Statement were intended to preserve the attractive fundamentals of the VCT scheme, which continues to provide a valuable bridge between private capital and the UK SME sector. The availability of long-term patient capital, in line with Government objectives at what is an increasingly important time for the UK economy, gives comfort to small businesses and ensures that entrepreneurial companies can continue to access equity finance, and allows investors to benefit from their success.

Whilst there were no changes to tax reliefs, or the minimum holding period for these reliefs, and VCT dividends will maintain their tax-free status, a number of less favourable changes were announced, some of which had been anticipated. As expected, the focus is to continue to move towards supporting higher risk investments, and includes the introduction of a 'risk to capital' based test, certain sector exclusions and measures designed to assist the financing of knowledge-intensive companies. The percentage of funds that a VCT must hold in qualifying investments will increase from 70% to 80% from 6 April 2019, with a shorter time period for the investment of newly raised funds. In order to assist with this requirement, the add-back period on sales will be increased from six to twelve months.

The Autumn Budget Statement also announced that HMRC anticipates being able to improve its approval process for Advance Assurance clearance during the early part of 2018. This is a welcome development as it should help the rate of new investment and allow VCT managers to continue to build their portfolios without unnecessary delay, whilst complying with the qualifying requirements. The Finance Act 2018 received Royal Assent in March 2018 and the Board and the Manager will continue to consider the implications and take these developments into account when planning future strategy.

In January 2018 two major new pieces of legislation were introduced; the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation and the Second Markets in Financial Instruments Directive (MiFID II), which came into force on 1 and 3 January 2018 respectively. PRIIPs requires a Key Information Document (KID) to be published by the Company; the form and content of the KID is strictly prescribed and includes specific information on investment risks, performance and costs, which must be provided to all potential investors to enable them to compare the performance of different VCTs. With regard to MiFID II, the main practical change for investment companies is the requirement for the Manager to report all transactions in quoted shares, including share buy-backs as well as those in underlying investments, to the Financial Conduct Authority to assist in its continued efforts to combat market abuse.

The General Data Protection Regulation comes into force on 25 May 2018, replacing the Data Protection Act 1998. This regulation enforces the principle of 'privacy by design and by default' and enshrines new rights for individuals, including the right to be forgotten and to data portability. The Manager is working with the third parties that process Shareholders' personal data to ensure that their rights under the new regulation are respected.

Dividends

As previously highlighted, the Directors considered it necessary to distribute an enhanced level of interim dividends during the financial year. This was a result of a build-up of distributable reserves, including the proceeds from recent profitable realisations, and the requirement to ensure ongoing compliance with the VCT regulations.

The first interim dividend in respect of the year ended 31 January 2018, of 3.41p per Ordinary Share and comprising capital only, was paid on 15 September 2017 to Shareholders on the register at close of business on 25 August 2017. The second interim dividend of 2.70p per Ordinary Share, comprising 0.70p of revenue and 2.0p of capital, was paid on 26 January 2018 to Shareholders on the register at close of business on 5 January 2018. No final dividend is proposed and, therefore, total distributions for the financial year were 6.11p per Ordinary Share, representing a yield of 16.38% based on the year-end closing mid-market price of 37.30p. The effect of paying dividends is to reduce the NAV of the Company by the total cost of the distribution.

Since the Company's launch, and after receipt of the two interim dividends noted above, Shareholders will have received 57.08p per share in tax-free dividends. Decisions on future distributions will take into consideration the availability of surplus revenue, the adequacy of reserves, the proceeds from any further realisations and the VCT qualifying levels of the portfolio, all of which are kept under close review by the Board and the Manager.

Share Buy-backs

Shareholders should be aware that the Board's primary objective is for the Company to retain sufficient liquid assets for making investments in line with its stated policy and for the continued payment of dividends. However, the Directors also acknowledge the need to maintain an orderly market in the Company's shares and have delegated authority to the Manager to buy back shares in the market for cancellation or to be held in treasury, subject always to such transactions being in the best interests of Shareholders.

It is intended that, subject to market conditions, available liquidity and the maintenance of the Company's VCT status, shares will be bought back at prices representing a discount of 10% to 20% of the prevailing NAV per share.

Strategy


The Directors are monitoring the strategic options for your Company in light of the recent regulatory changes, the Company's increased rate of distribution, and the resultant impact on NAV. This strategic review remains at an early stage and the Board will ensure Shareholders are updated fully on any developments in due course.

Annual General Meeting (AGM)

As Shareholders are aware, AGMs have been held in Glasgow and London in alternate years in order to allow a wide range of Shareholders the opportunity to meet the Directors and the Manager. The 2018 AGM will be held in the Glasgow office of Maven Capital Partners UK LLP on 13 June 2018, and the Notice of Annual General Meeting can be found on pages 72 to 76 of this Annual Report.

The Future

The portfolio is currently transitioning from a concentration in more established companies completed prior to the VCT rule changes in 2015, towards a focus on younger companies that are active in emerging industries and offer higher growth and return potential. This hybrid portfolio offers investors a blended exposure to a wide range of assets with different income and capital return potential. The over-riding objective is to continue to increase the portfolio in size and breadth in order to deliver consistently positive returns, and at the same time ensure the payment of regular dividends to Shareholders.



John Lawrence MBE
Chairman

11 May 2018

SUMMARY OF INVESTMENT CHANGES

For the Year Ended 31 January 2018

| | Valuation 31 January 2017 | | Net investment/ (disinvestment) | Appreciation/ (depreciation) | Valuation 31 January 2018 | |
|-----------------------------|------------------------------|--------------|------------------------------------|---------------------------------|------------------------------|--------------|
| | £'000 | % | £'000 | £'000 | £'000 | % |
| Unlisted investments | | | | | | |
| Equities | 6,893 | 33.6 | (1,606) | (139) | 5,148 | 31.5 |
| Loan stock | 9,032 | 44.1 | (2,541) | (670) | 5,821 | 35.7 |
| | 15,925 | 77.7 | (4,147) | (809) | 10,969 | 67.2 |
| AIM/NEX investments | | | | | | |
| Equities | 113 | 0.6 | - | 29 | 142 | 0.9 |
| Listed investments | | | | | | |
| Equities | 10 | - | - | 2 | 12 | 0.1 |
| Investment trusts | 1,063 | 5.2 | - | 90 | 1,153 | 7.1 |
| Total investments | 17,111 | 83.5 | (4,147) | (688) | 12,276 | 75.3 |
| Other net assets | 3,391 | 16.5 | 654 | - | 4,045 | 24.7 |
| Net assets | 20,502 | 100.0 | (3,493) | (688) | 16,321 | 100.0 |

BUSINESS REPORT

This Business Report is intended to provide an overview of the strategy and business model of the Company as well as the key measures used by the Directors in overseeing its management. The Company is a venture capital trust, which invests in accordance with the investment objective set out below.

Investment Objective

Under an investment policy approved by the Directors, the Company aims to achieve long-term capital appreciation and generate income for Shareholders.

Business Model and Investment Policy

Under an investment policy approved by the Directors, the Company intends to achieve its objective by:

- investing the majority of its funds in a diversified portfolio of shares and securities in smaller, unquoted UK companies and AIM/NEX quoted companies which meet the criteria for VCT qualifying investments and have strong growth potential;
- investing no more than £1 million in any company in one year and no more than 15% of the Company's assets by cost in one business at any time; and
- borrowing up to 15% of net asset value, if required and only on a selective basis, in pursuit of its investment strategy.

Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company are as follows:

Investment Risk

Many of the Company's investments are in small and medium sized unquoted UK companies and AIM/NEX quoted companies which, by their nature, carry a higher level of risk and lower liquidity than investments in large quoted companies. The Board aims to limit the risk attaching to the investment portfolio as a whole by ensuring that a robust and structured selection, monitoring and realisation process is applied. The Board reviews the investment portfolio with the Manager on a regular basis.

The Company manages and minimises investment risk by:

- diversifying across a large number of companies;
- diversifying across a range of economic sectors;
- actively and closely monitoring the progress of investee companies;
- co-investing with other clients of the Manager;
- ensuring valuations of underlying investments are made accurately and fairly (see Notes to the Financial Statements 1(e) and 1(f) for further detail);
- taking steps to ensure that share price discount is managed appropriately; and
- choosing and appointing an FCA authorised investment manager with the appropriate skills, experience and resources to achieve the investment objectives above, with ongoing monitoring to ensure the Manager is performing in line with expectations.

Financial and Liquidity Risk

As most of the investments require a mid to long-term commitment and are relatively illiquid, the Company retains a portion of the portfolio in cash or listed investments in order to finance any new unquoted investment opportunities. The Company has only limited direct exposure to currency risk and does not enter into any derivative transactions.

Economic Risk

The valuation of investment companies may be affected by underlying economic conditions such as fluctuating interest rates and the availability of bank finance.

The economic and market environment is kept under constant review and the investment strategy of the Company adapted so far as is possible to mitigate emerging risks.

Credit Risk

The Company may hold financial instruments and cash deposits and is dependent on counterparties discharging their agreed responsibilities. The Directors consider the creditworthiness of the counterparties to such instruments and seek to ensure that there is no undue concentration of exposure to any one party.

Internal Control Risk

The Board reviews regularly the system of internal controls, both financial and non-financial, operated by the Company, the Manager and other key third party outsourcers such as the Custodian, Company Secretary and Registrar. These include controls designed to ensure that the Company's assets are safeguarded, that all records are complete and accurate and that the third parties have adequate controls in relation to the prevention of data protection and cyber security failings.

VCT Qualifying Status Risk

The Company operates in a complex regulatory environment and faces a number of related risks, including:

- becoming subject to capital gains tax on the sale of its investments as a result of a breach of Section 274 of the Income Tax Act 2007;
- loss of VCT status and consequent loss of tax reliefs available to Shareholders as a result of a breach of the VCT Regulations;
- loss of VCT status and reputational damage as a result of serious breach of other regulations such as the FCA Listing Rules and the Companies Act 2006; and
- increased investment restrictions resulting from the EU State Aid Rules, incorporated by the Finance (No. 2) Act 2015 and the Finance Act 2018.

The Board works closely with the Manager to ensure compliance with all applicable and upcoming legislation, such that VCT qualifying status is maintained. Further information on the management of this risk is detailed under other headings in this Business Report.

Legislative and Regulatory Risk

In order to maintain its approval as a VCT, the Company is required to comply with current VCT legislation in the UK as well as the EU State Aid Rules. Changes in the future to either legislation could have an adverse impact on Shareholder investment returns whilst maintaining the Company's VCT status. The Board and the Manager continue to make representations where appropriate, either directly or through relevant industry bodies such as the BVCA.

The Board has retained Philip Hare & Associates LLP as VCT Adviser to the Company.

Breaches of other regulations including, but not limited to, the Companies Act 2006, the FCA Listing Rules, the FCA Disclosure Guidance and Transparency Rules or the Alternative Investment Fund Managers Directive (AIFMD), could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers to the Company could also lead to reputational damage or loss.

The AIFMD, which regulates the management of alternative investment funds, including VCTs, introduced a new authorisation and supervisory regime for all investment companies in the EU. The Company is approved by the FCA as an internally managed small registered UK AIFM under the AIFMD.

The Company is also required to comply with tax legislation under the Foreign Account Tax Compliance Act and the Common Reporting Standard. The Company has appointed Link Asset Services to act on its behalf to report annually to HMRC and ensure compliance with this legislation.

Political Risk

In a referendum held on 23 June 2016, the UK voted to leave the EU (a process informally known as Brexit). The formal process of implementing this decision exists in Article 50 of the Lisbon Treaty, which was invoked on 29 March 2017. The full political, economic and legal consequences of the referendum vote are not yet known. It is possible that investments in the UK may be more difficult to value and assess for suitability of risk, harder to buy or sell, and may be subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of uncertainty as the UK seeks to negotiate its exit from the EU. The UK's laws and regulations concerning funds may, in future, diverge from those of the EU. This could lead to changes in the operation of the Company, the rights of investors, or the territories in which the shares of the Company may be promoted and sold.

On a regular basis, the Board reviews the political situation, together with any associated changes to the economic, regulatory and legislative environment in order to ensure that any risks arising are mitigated as effectively as possible.

An explanation of certain economic and financial risks and how they are managed is also contained in Note 16 to the Financial Statements.

Statement of Compliance with Investment Policy

The Company is adhering to its stated investment policy and managing the risks arising from it. This can be seen in various tables and charts throughout this Annual Report, and from information provided in the Chairman's Statement and in the Investment Manager's Review. A review of the Company's business, its position as at 31 January 2018 and its performance during the year then ended is included in the Chairman's Statement, which also includes an overview of the Company's strategy and business model.

The management of the investment portfolio has been delegated to Maven Capital Partners UK LLP (Maven), which also provides company secretarial, administrative and financial management services to the Company. The Board is satisfied with the depth and breadth of the Manager's resources and its network of offices, which originate new deals and enable it to monitor the geographically widespread portfolio of companies effectively.

The Investment Portfolio Summary on pages 30 and 31 discloses the investments in the portfolio and the degree of co-investment with other clients of the Manager. The tabular analysis of the unlisted and quoted portfolio on pages 16 and 17 show that the portfolio is diversified across a variety of industry sectors and deal types. The level of VCT qualifying investment is monitored by the Manager on a daily basis and reported to the Risk Committee quarterly, or as otherwise required.

Key Performance Indicators

At each Board Meeting the Directors consider a number of APMs to assess the Company's success in achieving its investment objective. These APMs are key performance indicators that enable Shareholders and prospective investors to gain an understanding of its business, and are as follows:

- NAV total return;
- cumulative dividends paid;
- share price discount to NAV;
- investment income; and
- operational expenses.

The NAV total return is a measure of the Shareholder value that includes current NAV per share and total dividends paid to date. Cumulative dividends paid is the total amount of both capital and income distributions paid since the launch of the Company. The Directors seek to pay dividends to comply with the VCT rules, taking account of the level of distributable reserves, profitable realisations in each accounting period and the Company's future cash flow projections. The share price discount to NAV is the percentage by which the mid-market price of an investment is lower than its net asset value per share.

A historical record of some of these measures is shown in the Financial Highlights on pages 5 and 6, and changes in the profile of the portfolio are reflected in the Summary of Investment Changes on page 12. Definitions of the APMs can be found in the Glossary on page 78.

The Board reviews the Company's investment income and operational expenses on a quarterly basis as the Directors consider that both of these elements are important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on page 62.

There is no meaningful VCT index against which to compare the financial performance of the Company but, for reporting to the Board and Shareholders, the Manager uses comparisons with appropriate indices and the Company's peer group. The Directors also consider non-financial performance measures such as the flow of investment proposals and the Company's ranking within the VCT sector by independent analysts.

Consideration is also given to economic, regulatory and political trends and features that may impact on the Company's future development and performance.

Valuation Process

Investments held by Maven Income and Growth VCT 2 PLC in unquoted companies are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments quoted or traded on a recognised stock exchange are valued at their bid prices.

Share Buy-backs

At the forthcoming AGM, the Board will seek the necessary Shareholder authority to continue to conduct a share buy-back programme under appropriate circumstances.

Employee, Environmental and Human Rights Policy

The Company has no direct employee or environmental responsibilities, nor is it responsible for the emission of greenhouse gases. However, the Directors will consider economic, regulatory and political trends and features that may impact on the Company's future development and performance. The Board's principal responsibility to Shareholders is to ensure that the investment portfolio is managed and invested properly.

The management of the portfolio is undertaken by the Manager through members of its portfolio management team. The Manager engages with the Company's underlying investee companies in relation to their corporate governance practices and in developing their policies on social, community and environmental matters and further information may be found in the Statement of Corporate Governance. In light of the nature of the Company's business, there are no relevant human rights issues and, therefore, the Company does not have a human rights policy.

Independent Auditor

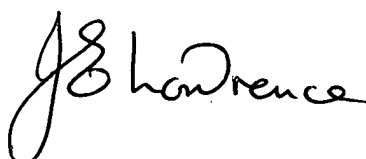
The Company's Independent Auditor is required to report if there are any material inconsistencies between the content of the Strategic Report and the Financial Statements. The Independent Auditor's Report can be found on pages 49 to 54.

Future Strategy

The Board and the Manager intend to maintain the policies set out above for the year ending 31 January 2019, as it is believed that these are in the best interests of Shareholders.

Approval

This Business Report, and the Strategic Report as a whole, was approved by the Board of Directors and signed on its behalf by:



John Lawrence MBE
Director

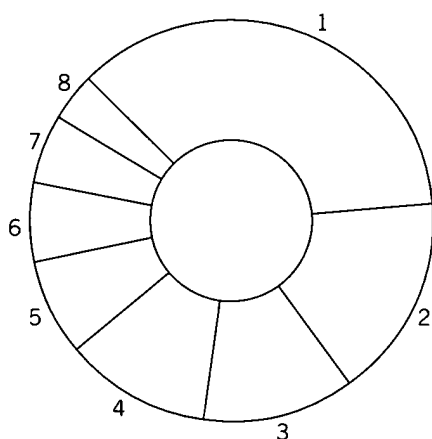
11 May 2018

ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO

As at 31 January 2018

| Industry sector | Unlisted valuation £'000 | % | Quoted valuation £'000 | % | Total valuation £'000 | % |
|-----------------------------------|--------------------------------|-------------|------------------------------|-------------|-----------------------------|--------------|
| Support services | 2,215 | 18.1 | 16 | 0.1 | 2,231 | 18.2 |
| Energy services | 1,419 | 11.7 | - | - | 1,419 | 11.7 |
| Investment companies | 100 | 0.8 | 1,153 | 9.4 | 1,253 | 10.2 |
| Electronic & electrical equipment | 1,016 | 8.3 | - | - | 1,016 | 8.3 |
| Software & computer services | 979 | 8.0 | 33 | 0.3 | 1,012 | 8.3 |
| Telecommunication services | 760 | 6.2 | - | - | 760 | 6.2 |
| Insurance | 730 | 5.9 | 12 | 0.1 | 742 | 6.0 |
| Diversified industrials | 691 | 5.6 | - | - | 691 | 5.6 |
| Automobiles & parts | 551 | 4.5 | - | - | 551 | 4.5 |
| Technology | 507 | 4.1 | - | - | 507 | 4.1 |
| Household goods & textiles | 392 | 3.2 | 31 | 0.2 | 423 | 3.4 |
| Health | 398 | 3.2 | - | - | 398 | 3.2 |
| Engineering & machinery | 370 | 3.0 | - | - | 370 | 3.0 |
| Pharmaceuticals & biotechnology | 298 | 2.4 | - | - | 298 | 2.4 |
| Leisure & hotels | 224 | 1.8 | - | - | 224 | 1.8 |
| General retailers | 171 | 1.4 | - | - | 171 | 1.4 |
| Construction & building materials | 148 | 1.2 | - | - | 148 | 1.2 |
| Media & entertainment | - | - | 62 | 0.5 | 62 | 0.5 |
| Total | 10,969 | 89.4 | 1,307 | 10.6 | 12,276 | 100.0 |

Valuation by Industry Group



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

ANALYSIS OF UNLISTED AND QUOTED PORTFOLIO (CONTINUED)

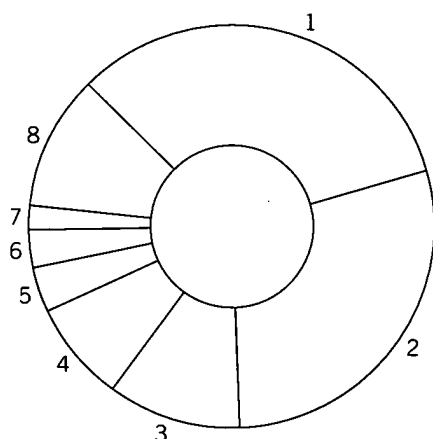
As at 31 January 2018

| Deal type | Number | Valuation £'000 | % |
|---|-----------|--------------------|--------------|
| Unlisted | | | |
| Management buy-out | 12 | 4,079 | 33.2 |
| Development capital - post November 2015 ¹ | 14 | 3,548 | 28.9 |
| Replacement capital | 4 | 1,294 | 10.6 |
| Buy-in/management buy-out | 3 | 988 | 8.1 |
| Buy & build | 1 | 455 | 3.7 |
| Management buy-in | 1 | 347 | 2.8 |
| Development capital - pre November 2015 ¹ | 7 | 258 | 2.1 |
| Total unlisted | 42 | 10,969 | 89.4 |
| Quoted | | | |
| Listed | 11 | 1,153 | 9.3 |
| AIM/NEX | 8 | 154 | 1.3 |
| Total quoted | 19 | 1,307 | 10.6 |
| Total unlisted and quoted | 61 | 12,276 | 100.0 |

Strategic Report

¹ The Finance (No. 2) Act 2015 introduced new qualifying rules governing the types of investments VCTs can make.

Valuation by Deal Type



1. Management buy-out
2. Development capital - post November 2015
3. Replacement capital
4. Buy-in/management buy-out
5. Buy & build
6. Management buy-in
7. Development capital - pre November 2015
8. Quoted

INVESTMENT MANAGER'S REVIEW

HIGHLIGHTS FOR THE YEAR

Eight new VCT qualifying private company holdings added to the portfolio, with a further two completed after the period end

Large pipeline of VCT qualifying investments currently in progress

Realisations of SPS (EU), achieving a total return of 2.5 times cost

Disposal of John McGavigan, for a total return of 4.2 times cost

The year to 31 January 2018 has been an active period for your Company, during which a number of profitable realisations and new investments were completed. It is pleasing to report on the completion to date of ten new VCT qualifying investments in companies operating across a wide range of sectors, with a strong pipeline of further transactions in process, or under consideration. In addition, several profitable realisations were achieved, most notably the exits from SPS (EU) and John McGavigan, which delivered returns in excess of carrying value reflecting the underlying quality of these assets. However, Torridon (Gibraltar) encountered issues with a key subsidiary, and the value of this holding was reduced commensurately, which constrained NAV total return for the full year period.

During the financial year, eight carefully selected qualifying growth businesses were added to the portfolio. In May 2017, your Company provided development capital to **Horizon Cremation**, a developer of next generation crematoria, and **ebb3**, a provider of 3D mobile workspace solutions targeted at high-end computer graphics users. In June and July 2017, investments were completed in leading alternative network provider **ITS Technology**, and in **NorthRow**, a developer of multi-source compliance and fraud detection software. In September 2017, your Company invested in **ADC Biotechnology**, a manufacturer of oncology therapies and **Cognitive Geology**, a petroleum geoscience software company. In December 2017 investments were completed in **Curo Compensation**, a software provider with an integrated financial compensation solution and **eSafe Global**, a provider of an on-line monitoring software and services for the education sector.

Whilst the VCT rules now require managers to focus on the provision of development capital, or growth finance, to younger and earlier stage companies, Maven remains committed to maintaining a policy of investing in companies that can demonstrate a disruptive business model capable of scalable growth, and also has a preference for supporting proven entrepreneurs, where a team or individual has a successful track record of achievement in a previous business. Since enactment of the revised rules in November 2015, Maven has successfully adapted its business model to meet the new requirements. This has included expanding the investment team through the addition of a number of deal executives with experience of investing in earlier stage companies and extending the regional presence by the opening of five new offices. This enhanced UK wide footprint will provide a strong foundation for future growth, as new investment opportunities are sourced across the key regions, often ahead of competitors as a consequence of that local resource and associated relationships.

Given the complexities of the VCT rules, the Manager continues to work closely with a VCT adviser, appointed by the Company, to assist in the process for securing Advance Assurance from HMRC for new investments. During the financial year, this process became extremely protracted, with a number of opportunities lost due to slow response times. However, it is pleasing to note that, more recently, there has been a notable improvement in response times from HMRC in line with the stated commitment announced in the 2017 Autumn Budget Statement.

During the period under review, the Maven investment team has worked closely with those portfolio companies that have been engaged in an exit process, helping management teams to develop strategies which will optimise value on a sale, and identify possible buyers willing to pay a premium or strategic price for the business. In December 2017, exits were achieved from the holdings in **SPS (EU)** and **John McGavigan** which delivered total return multiples of 2.5 times and 4.2 times respectively. There remains further interest in your Company's assets from a range of trade and private equity acquirers, in the UK and from overseas. However, there can be no guarantee that these discussions will lead to profitable realisations.

Portfolio Developments

The private equity portfolio has, in the main, performed well, despite the economic uncertainty resulting from the ongoing negotiations regarding the UK's departure from the EU. While the situation remains fluid, with the full impact still largely unknown, it is reassuring to note that there are no material issues to highlight as at the date of this Annual Report. The longer term potential impact remains important to the future growth of all investee companies and the Manager will continue to monitor the situation closely.

As a result of positive trading, valuations have been increased for a number of the investments in established companies. These companies operate across a diverse range of sectors and the positive performance achieved reflects the quality and resilience of these assets.

Maven clients invested in **Attraction World**, a leading provider of worldwide theme park and attraction tickets, in 2010 to support the incumbent executive team through a management buy-out. Since investment, the company has made steady progress and the core business continues to trade well, with performance in the current year benefiting from the devaluation of Sterling. The ongoing development of *Day Out With The Kids* (www.dayoutwiththekids.co.uk), an e-commerce site focused on UK attraction information, is encouraging, with significant progress made since it was acquired in March 2016. This supports the management team's view that, once fully established, this platform will prove to be a valuable addition to the business.

The investment in **Cursor Controls**, a global leader in the design and manufacture of specialist trackballs, track pads and keyboards for use in the health, defence, marine and other specialist sectors, continues to make good progress. The integration of NSI, a distributor and low volume manufacturer acquired in April 2016, is now complete and the continental base is making a positive contribution to the group. Further commercial and operational synergies have been identified to help drive growth and profitability of the enlarged group. The balance sheet remains strong and the business continues to pay down its term debt.

Good progress continues to be achieved by **DPP**, a supplier of mechanical and electrical maintenance and installation services for the leisure, hospitality and retail sectors in the south of England and Wales. Over the past twelve months, operational procedures have been further improved, which has led to a meaningful enhancement in profitability. The business has also secured a number of new contracts and the outlook for the forthcoming year is positive. DPP has no external bank debt and the cash position is secure.

Since Maven clients investment in 2014 **Endura**, a leading designer and manufacturer of high performance cycle clothing and accessories, has delivered a steady performance. The company, which focusses on the mid to premium end of the cycle apparel market, sells its products in over thirty countries worldwide and has the support of a number of world class sponsors. Following high profile acquisition activity in the sector, an offer for the business was received from a trade purchaser prior to the year end. The transaction was managed by the lead investor Penta Capital and completed in February 2018, delivering a money multiple return of 1.56 times over the life of the investment.

Vodat Communications Group supplies data networks, IP telephony, wi-fi solutions and fixed line connectivity to retail customers, with a solid customer base including Fat Face, Beaverbrooks and Welcome Break. Maven clients supported the management buyout in 2012 and, since investment, the business has achieved positive growth and added a number of new customer contracts. During the period, Vodat completed the complementary acquisition of Axonex, a provider of specialist IT solutions, services and support specialising in unified communications, data centre, security and network infrastructure. The acquisition has created a number of cross selling opportunities to help deliver further growth for the enlarged group.

A number of the investments that qualify under the new VCT rules have now been in the portfolio for over a year and, although it is early days for these growth businesses, initial indications suggest that the majority are trading to plan and achieving their milestone targets in line with, or close to, the original investment case. Given the stage of development of these companies, it is likely that some will require additional funding in the near term to help accelerate growth. This was anticipated at the time of investment and was reflected in the reduced unit size committed by your Company. The Manager will apply the same investment appraisal process to any follow-on requirements, only providing additional funding where commercial progress has been achieved or where there is a specific market opportunity to capitalise on. In terms of valuation, all new development capital investments are being held at cost until there is demonstrable evidence of further progress.

Shareholders will be aware of the challenging market conditions that have impacted the oil & gas sector for the past three years. Maven's portfolio companies were swift to act in the face of the deteriorating economic environment and implemented cost cutting and restructuring measures across the board. As a result of this proactive approach, the portfolio assets are now operating with lean structures and limited or no external debt. Although company budgets were set conservatively, at the start of their respective financial years, there is evidence of a sustained improvement in performance and growing confidence across the industry. As at the date of this Annual Report, the companies in Maven's portfolio with exposure to the sector are all showing an upturn in profitability over the prior year. The Board and the Manager will continue to monitor this performance and, when appropriate, may revisit some of the provisions applied in previous periods, to reflect the improving outlook.

As well as reflecting the good trading performance, your Board has also reduced the valuations of a small number of holdings. It is disappointing to report that the valuation of the investment in **Torridon (Gibraltar)** was reduced to reflect circumstances at a key trading subsidiary, Elite Insurance, where advisers were appointed to sell the business during the period. That formal sale process attracted a number of high value premium offers, in excess of the previous carrying value applied by your Company. However, Elite subsequently experienced challenge from its local regulator over its reserving policy in relation to several lines of insurance. Despite following the advice of its consulting actuaries, and applying an internationally recognised approach to reserving, Elite was forced into run-off which had a meaningful impact on its value. In January 2018, Elite was sold to a trade consolidator, delivering a surplus to cost but for a consideration that required a provision against the previous carrying value of the parent company. In addition, **CHS Engineering Services** was placed into administration after encountering contract delays and cash flow difficulties and a full provision was made against **Claven** following a sustained period of underperformance.

The investments in private equity investment trusts and real estate investment trusts have continued to perform well over the period. This is particularly important in light of the restrictions introduced in the March 2016 Budget Statement, which prevent investing in traditional instruments such as treasury bills or other government securities for liquidity management purposes.

New Investments

During the year, your Company provided development capital to eight new private companies operating across a range of sectors:

- **ADC Biotechnology** is a developer of a proprietary lock-release technology for the efficient development and manufacture of the Antibody Drug Conjugates (ADC) group of cancer therapies. ADCs, also known as 'magic bullets', combine the unique targeting capabilities of antibodies with the cancer-killing ability of cytotoxic drugs, thereby targeting cancer cells whilst minimising damage to healthy cells and tissue, and with the potential for reduced side effects. Maven VCT clients invested alongside existing shareholders to support an experienced management team as it develops the drug development platform in this high growth sector of oncology therapeutics.
- **Cognitive Geology** is a petroleum geoscience software company that recently launched Hutton, its first advanced geological data analysis tool. The product uses patented technology that emulates the behaviour of an experienced geologist while utilising modern computing capabilities. The funding will be used to support the rollout of the new tool, further product development and commercialisation of the pipeline of 3rd generation geoscience software applications. These are designed to help geologists find, appraise and develop conventional and unconventional oil & gas reserves both onshore and offshore, in this strongly growing market.
- **NorthRow** is a provider of complex, multi-source compliance and fraud detection software for public and private sector clients, including property, banking and financial services companies. The application performs a vast number of screening, verification and vetting assessments, including Know Your Customer and Anti-Money Laundering, to fulfil both real-time customer on-boarding and on-going monitoring of regulatory requirements. The investment will support the continued growth of the business, facilitating the hiring of additional sales resources, further product development and expansion into new markets.
- **Curo Compensation** is a developer and provider of a specialist software solution that manages the annual financial compensation cycle for mid-market corporate clients and reduces the complexity of manual processes. The platform provides an integrated solution encompassing budget allocations, eligibility criteria, bonus entitlement and salary benchmarking data, which can then be applied to salary awards, bonuses payments and long term incentive plan allocations. The technology is applicable to any sector, but existing clients are focused mainly on the legal and financial services sectors. The funding will be used to support the sales & marketing function to further develop the platform.
- **ebb3** is a technology company that develops mobile workspace solutions, addressing the need for secure access to apps, files and services on any device, in any location. The technology is specifically targeted at high-end 3D computer graphics users within the automotive (Formula 1), construction, oil & gas and education sectors, where there is a requirement for data-intensive applications that can service geographically dispersed, multi-disciplinary teams. ebb3 has high profile partnership agreements with providers such as Cisco, NetApp and NVidia, and the investment will enable the business to pursue its growth strategy in this niche part of the growing supercomputing market.
- **eSafe Global** is a provider of on-line monitoring software and services for the education sector, designed to safeguard school and college pupils from inappropriate on-line content, cyber bullying and other risks young people are exposed to. Maven has known the eSafe team since 2015 and has developed an in-depth knowledge of the business. The funding will be used to support the organic growth of the business and to further enhance its technology and intellectual property.

- Horizon Cremation** plans to develop and operate a portfolio of next generation crematoria across the UK, where existing facilities are either under-invested or in short supply. Horizon is seeking to build facilities that are environmentally and technologically advanced, offering enhanced levels of care for families. The investment will provide capital to source and secure development sites, whilst supporting the operational expenditure and overheads of Horizon's first crematorium in North Ayrshire, Scotland. Construction commenced in May 2017 and final preparations are being made ahead of the planned opening in May 2018.
- ITS Technology** is a leading alternative network provider that owns and maintains fibre networks, providing faster and more reliable broadband connectivity, and related services, to customers, particularly in areas that are not well serviced by the existing infrastructure. The business currently has twelve fibre broadband networks in operation, with a further five under construction. The investment will help to fund growth within the existing networks, build a stable recurring revenue base and also support expansion through the addition of new networks.

The following investments have been completed during the period:

| | Date | Sector | Investment cost £'000 | Website |
|---|----------------|---------------------------------|--------------------------|----------------------------|
| Unlisted | | | | |
| ADC Biotechnology Limited | September 2017 | Pharmaceuticals & biotechnology | 298 | www.adcbio.com |
| Cognitive Geology Limited | September 2017 | Software & computer services | 129 | www.cognitivegeology.com |
| NorthRow Limited | July 2017 | Software & computer services | 199 | www.contego.com |
| Curo Compensation Limited | December 2017 | Software & computer services | 124 | www.curocomp.com |
| ebb3 Limited | May 2017 | Software & computer services | 133 | www.ebb3.com |
| eSafe Global Limited | December 2017 | Software & computer services | 149 | www.esafeglobal.com |
| Horizon Cremation Limited | May 2017 | Support services | 437 | www.horizoncremation.co.uk |
| ITS Technology Group Limited | June 2017 | Telecommunication services | 299 | www.itstechnologygroup.com |
| Rockar 2016 Limited (trading as Rockar) | December 2017 | Technology | 69 | www.rockar.com |
| Total unlisted | | | 1,837 | |
| | | | | |
| Total investments | | | 1,837 | |

Your Company has co-invested in some or all of the above transactions with Maven Income and Growth VCT, Maven Income and Growth VCT 3, Maven Income and Growth VCT 4, Maven Income and Growth VCT 5 and Maven Income and Growth VCT 6. At the period end, the portfolio stood at 61 unlisted and quoted investments, at a total cost of £13.65 million.

Realisations

A number of profitable realisations were achieved during the period. In December 2017, the holding in **SPS (EU)** was exited for a total return of 2.5 times cost, over the life of the investment. Maven clients first invested in SPS (EU) in February 2014, supporting the management buy-out from 4Imprint plc. Since investment the business has successfully acquired and integrated two complementary businesses, implemented a valuable enterprise resource planning system and scaled the business internationally particularly in Europe. SPS (EU) was sold to PF Concept International, the European subsidiary of US based consolidator PF Concept Group, which will enable the acquirer to expand its product offering throughout Europe and to strengthen its UK market position.

Also in December, the holding in **John McGavigan** was realised for a total return of 4.2 times cost over the life of the investment. Maven clients first invested in John McGavigan in 2010, providing development capital to support the company's

expansion plans, which included establishing a manufacturing facility in China to capitalise on the strong level of growth forecast in its domestic automotive market. Since investment, the business has experienced consistently good levels of growth, particularly in China, and, in light of this performance, the decision was taken to significantly expand the local presence. The VCT qualifying criteria prohibited Maven client VCTs from supporting this growth and a secondary buy-out was completed at a premium to carrying value.

Following an offer from a trade consolidator the holding in **Flexlife** was sold in October 2017 for a total consideration of close to cost, including all yield and a deferred element.

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

The table below gives details of all realisations during the reporting period:

| | Year first invested | Complete/partial exit | Cost of shares disposed of £'000 | Value at 31 January 2017 £'000 | Sales proceeds £'000 | Realised gain/(loss) £'000 | Gain/(loss) over 31 January 2017 value £'000 |
|--|---------------------|-----------------------|----------------------------------|--------------------------------|----------------------|----------------------------|--|
| Unlisted | | | | | | | |
| Constant Progress Limited | 2015 | Complete | 400 | 400 | 400 | - | - |
| Cyclotech Limited | 2007 | Complete | - | - | 35 | 35 | 35 |
| Equator Capital Limited | 2015 | Complete | 400 | 400 | 400 | - | - |
| FLXG Scotland Limited (formerly Flexlife Group Limited) | 2010 | Partial | 95 | 77 | 95 | - | 18 |
| Lemac No. 1 Limited (trading as John McGavigan) ¹ | 2010 | Complete | 376 | 1,179 | 1,328 | 952 | 149 |
| Llanllyr Water Company Limited | 2002 | Complete | 123 | 105 | 94 | (29) | (11) |
| Majenta Logistics Limited | 2015 | Complete | 750 | 750 | 750 | - | - |
| Metropol Communications Limited | 2015 | Complete | 225 | 225 | 225 | - | - |
| Onyx Logistics Limited | 2015 | Complete | 500 | 500 | 500 | - | - |
| Space Student Living Limited | 2011 | Partial | - | 44 | 44 | 44 | - |
| SPS (EU) Holdings Limited ¹ | 2014 | Complete | 364 | 788 | 765 | 401 | (23) |
| Torridon (Gibraltar) Limited ¹ | 2010 | Partial | 198 | 218 | 198 | - | (20) |
| Toward Technology Limited | 2015 | Complete | 400 | 400 | 400 | - | - |
| Vectis Technology Limited | 2015 | Complete | 750 | 750 | 750 | - | - |
| Total unlisted | | | 4,581 | 5,836 | 5,984 | 1,403 | 148 |
| Total disposals | | | 4,581 | 5,836 | 5,984 | 1,403 | 148 |

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

Two AIM quoted companies were struck off the Register of Companies during the year, resulting in a total realised loss of £266,000 (cost £266,000). This had no effect on the NAV of the Company as full provisions had been made against the value of the holdings in an earlier period.

Material Developments Since the Period End

Since 31 January 2018, two new private company assets have been added to the portfolio.

- **WaterBear Education** is an early stage business with a detailed plan to establish a private music college specialising in offering university accredited undergraduate and post-graduate courses for the creative arts, primarily catering for musicians, singers, songwriters and those wishing to gain a detailed and well-rounded music industry education. The business is led by a high calibre management team with extensive experience of both the industry and music education, having previously founded the British and Irish Modern Music Institute, which has grown to be a market leader in the sector. The investment will be used to establish and launch the college with Bachelor of Arts and Master of Arts university accredited courses available for student intake from September 2018.
- **Lending Works** is the provider of a peer-to-peer (P2P) platform that matches private and institutional lenders to individual borrowers. The company is well regarded by customers and partners as a responsible and ethical P2P market leader, being the first major P2P platform to be fully authorised by the FCA and the first to be authorised to provide an ISA offering. The business was established in 2012 and, since then, Lending Works has grown to become the 3rd largest P2P consumer lender in the UK. The investment by Maven VCT clients will enable the company to accelerate future growth.

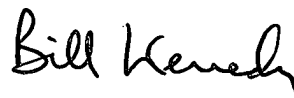
In February 2018, the holding in **Endura** was exited for a total return of 1.56 times cost, over the life of the investment. Maven clients first invested in Endura in 2014, as part of a syndicate led by Penta Capital and the sale to UK-based Pentland Group, which has a stable of global sports, outdoor and fashion brands including Berghaus, Canterbury, Speedo and Ellesse, represents an excellent strategic fit for Endura and will enable it to continue to expand its global brand and presence.

Outlook

During the year, your Company achieved a number of exits, which permitted a higher level of Shareholder distributions. Although the profile of realisations can be unpredictable, the Board and the Manager are committed to making payments to Shareholders when profitable realisations occur. The continued development of an enlarged and less concentrated portfolio is actively underway, and this process has been assisted by the disposal, or revaluation, of several large holdings during the year. The pipeline of new investment opportunities is strong, with a number of transactions due to complete early in the new financial year, and this will allow the Manager to continue to deliver your Company's investment strategy.

The enlarged Maven network of eleven regional offices allows access to some of the best transactions available across the UK. This is a key differentiator in the continued development of a diversified and broadly based investee company portfolio, that will ensure compliance with the VCT rules and, at the same time, drive Shareholder returns. Despite the uncertainty associated the UK's intended withdrawal from the EU, the level of innovation and commercial excellence in the UK remains positive. Maven remains focussed on identifying and capturing some of the best high growth smaller companies across the country, in order to continue to generate Shareholder value.

MAVEN CAPITAL PARTNERS UK LLP



AUTHORISED SIGNATORY.....

Maven Capital Partners UK LLP
Manager

11 May 2018

LARGEST INVESTMENTS BY VALUATION

As at 31 January 2018

www.martelinstruments.com

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6

| Martel Instruments Holdings Limited | | Durham |
|-------------------------------------|--------------|--------------|
| Cost (£'000) | | 748 |
| Valuation (£'000) | | 669 |
| Basis of valuation | | Earnings |
| Equity held | | 9.1% |
| Income received (£'000) | | 185 |
| First invested | | January 2007 |
| Year ended | | 31 December |
| | 2016 (£'000) | 2015 (£'000) |
| Sales | 3,101 | 2,485 |
| EDITDA ¹ | 744 | 312 |
| Net assets/(liabilities) | (2,740) | (2,490) |

Martel is one of the leading UK manufacturers of custom built compact printer and display units, with a global customer base across a range of industries including automotive, medical, transport and retail. The business differentiates itself from other printer suppliers by offering a complete design and build service for low volume/high customisation printer solutions. Martel offers in-house software and tooling design expertise, as well as injection moulding and surface mount capabilities.

www.dpp.ltd.uk

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6
Maven Investor Partners

| Ensco 969 Limited (trading as DPP) | | Southampton |
|------------------------------------|--------------|--------------|
| Cost (£'000) | | 584 |
| Valuation (£'000) | | 660 |
| Basis of valuation | | Earnings |
| Equity held | | 2.5% |
| Income received (£'000) | | 190 |
| First invested | | March 2013 |
| Year ended | | 31 October |
| | 2017 (£'000) | 2016 (£'000) |
| Sales | 10,402 | 9,289 |
| EBITDA ¹ | 1,310 | 796 |
| Net assets | 2,355 | 2,090 |

DPP provides planned and reactive maintenance to the leisure, hospitality and retail sectors in the South of England and Wales. The business has grown from being a heating contractor into a service provider across the mechanical, electrical, HVAC and ventilation sectors, providing maintenance services under medium term contracts alongside project work for minor and major refurbishment programmes.

| Rockar 2016 Limited (trading as Rockar) | | Hull |
|--|--|--------------|
| Cost (£'000) | | 551 |
| Valuation (£'000) | | 551 |
| Basis of valuation | | Cost |
| Equity held | | 3.0% |
| Income received (£'000) | | Nil |
| First invested | | July 2016 |
| Year ended | | 31 December |
| | | 2016 (£'000) |
| Sales | | 15,936 |
| EBITDA ¹ | | (1,397) |
| Net assets | | 1,855 |

Rockar was established in 2012 with the aim of revolutionising the retail car buying market. The business model is a disruptive retail proposition, which gives customers access to all the services of a traditional dealership on-line, or at one of Rockar's digital stores in high footfall shopping centres. The stores have created a convenient place for customers to view cars at their leisure without the pressure to buy. Rockar has also developed its Buy-Button solution, which helps car manufacturers digitalise their traditional route to market and enables consumers to complete the purchase on-line, including options for part-exchange and finance.

www.rockar.com

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6

| CatTech International Limited | | Scunthorpe |
|--------------------------------------|--------------|--------------|
| Cost (£'000) | | 323 |
| Valuation (£'000) | | 507 |
| Basis of valuation | | Earnings |
| Equity held | | 3.1% |
| Income received (£'000) | | 183 |
| First invested | | March 2012 |
| Year ended | | 31 December |
| | 2016 (£'000) | 2015 (£'000) |
| Sales | 9,489 | 6,416 |
| EBITDA ¹ | 1,838 | 40 |
| Net assets | 721 | (898) |

CatTech provides niche industrial services to oil refineries and petrochemical plants across the major international markets, with offices in the UK, China, Singapore and Thailand. The business has developed a range of proprietary products for servicing essential equipment and improving catalyst handling. CatTech operates in a sector where the ability to maintain operational efficiency is critical, with an increasing focus on health and safety, and only a limited number of specialists worldwide have the skilled personnel and equipment to undertake catalyst handling projects.

www.cat-tech.com

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6
Maven Investor Partners

www.vodat-int.com

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6
Maven Investor Partners

| Vodat Communications Group Limited | | Stockport |
|---|--------------|--------------|
| Cost (£'000) | | 298 |
| Valuation (£'000) | | 462 |
| Basis of valuation | | Earnings |
| Equity held | | 2.2% |
| Income received (£'000) | | 139 |
| First invested | | March 2012 |
| Year ended | | 31 March |
| | 2017 (£'000) | 2016 (£'000) |
| Sales | 8,850 | 8,500 |
| EBITDA ¹ | 710 | 657 |
| Net assets | 1,673 | 1,759 |

Vodat provides managed network and communications solutions to business customers, with a particular focus on the UK retail sector. The business offers a range of products and services, including secure real-time data networks, telephone and VOIP services, card payment solutions, mobile marketing campaigns, wi-fi and disaster recovery services. Vodat's products enable retailers to reduce costs, boost store productivity and increase sales. The business provides services to over 7,000 retail sites, with an established customer base that includes Fat Face, Beaverbrooks, Oasis, Poundland, Warehouse and Welcome Break.

www.grpgroup.co.uk

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6
Maven Investor Partners

| Maven Co-invest Endeavour Limited Partnership (trading as Global Risk Partners) | | London |
|---|--------------|---------------|
| Cost (£'000) | | 227 |
| Valuation (£'000) | | 455 |
| Basis of valuation | | Earnings |
| Equity held | | 4.4% |
| Income received (£'000) | | 13 |
| First invested | | November 2013 |
| Year ended | | 31 March |
| | 2017 (£'000) | 2016 (£'000) |
| Sales | 41,191 | 17,062 |
| EBITDA ¹ | 894 | (3,882) |
| Net assets | 93,210 | 34,345 |

Global Risk Partners is a buy-and-build acquisition vehicle targeting the global specialty insurance and reinsurance markets. The business was set up by a highly experienced management team including chairman Peter Cullum, the founder of insurance broker Towergate which became the UK's largest independently owned insurance broker, with a turnover of £400 million. GRP focuses on the Lloyd's market, with the aim of acquiring a broad mix of accredited brokers and managing general agents in order to offer an unrivalled concentration of specialist underwriting expertise and knowledge. Lloyd's is the acknowledged global centre for specialty insurance and reinsurance of risk, writing gross annual premiums of £25 billion.

| Horizon Cremation Limited | | Ashford |
|---|--|----------|
| Cost (£'000) | | 437 |
| Valuation (£'000) | | 437 |
| Basis of valuation | | Cost |
| Equity held | | 2.4% |
| Income received (£'000) | | Nil |
| First invested | | May 2017 |
| Year ended | | - |
| This company has not yet produced its first report and accounts | | |
| | | |
| | | |
| | | |

www.horizoncremation.co.uk

Horizon is a developer and operator of purpose built crematoria that are technologically advanced, meet the latest environmental regulations, and offer enhanced levels of care for families when support is most needed. The company is embarking on an ambitious growth strategy in a sector that is experiencing increased demand for next generation local crematoria, reflecting demographic changes and the increasing popularity of cremation over burial. Its first facility, in North Ayrshire, is expected to be operational in May 2018, and the management team has identified a number of additional sites across the UK.

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6

| Glacier Energy Services Holdings Limited | | Aberdeen |
|---|--------------|--------------|
| Cost (£'000) | | 434 |
| Valuation (£'000) | | 434 |
| Basis of valuation | | Earnings |
| Equity held | | 1.7% |
| Income received (£'000) | | 93 |
| First invested | | March 2011 |
| Year ended | | 31 March |
| | 2017 (£'000) | 2016 (£'000) |
| Sales | 20,198 | 22,692 |
| EBITDA ¹ | 1,202 | 1,109 |
| Net assets | (7,535) | (3,824) |

www.glacier.co.uk

Glacier provides specialist services for energy infrastructure including on-site machining; well overlay for pressure control equipment; non-destructive testing; and heat transfer equipment repair and refurbishment. Glacier has a strong international presence in key energy markets, including the North Sea, the Middle East and West Africa, and focuses on developing products in the areas of production and processing equipment, intervention and pipeline components.

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6
Maven Investor Partners

www.thegpsservice.co.uk

Other Maven clients invested:

Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6

| The GP Service (UK) Limited | | London |
|---|--|------------|
| Cost (£'000) | | 398 |
| Valuation (£'000) | | 398 |
| Basis of valuation | | Cost |
| Equity held | | 4.9% |
| Income received (£'000) | | 24 |
| First invested | | April 2016 |
| Year ended | | - |
| This company produces abbreviated accounts as permitted under the Companies Act 2006 relating to small companies. | | |
| | | |
| | | |

The GP Service provides on-line services for general medical consultations and prescriptions in a rapidly emerging sector in the UK, driven by an increase in average waiting times for GP appointments as well as surgery opening times being unsuitable for busy lifestyles. The web-based platform is already fully operational, with GP consultations being delivered via live video link, and prescriptions issued directly to a pharmacy. GPS is led by experienced entrepreneur Atul Devani as executive chairman. Atul was the founder of United Clearing, which listed on AIM in 2004 before being sold in 2006 for £25 million. He then served as CEO of BSG's wireless division prior to its trade sale to Syniverse Technologies for \$290 million.

www.just-trays.com

Other Maven clients invested:

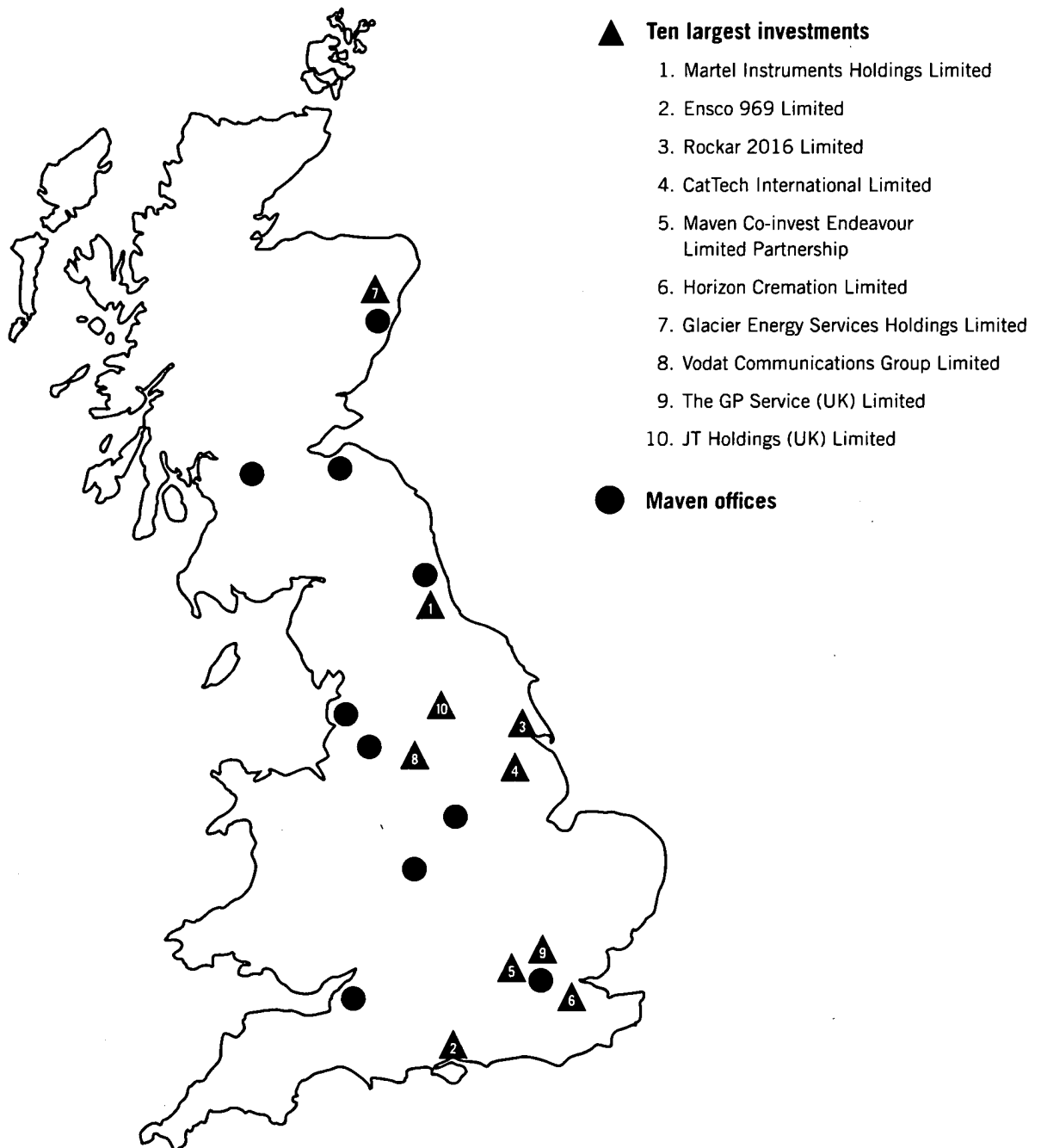
Maven Income and Growth VCT
Maven Income and Growth VCT 3
Maven Income and Growth VCT 4
Maven Income and Growth VCT 5
Maven Income and Growth VCT 6

| JT Holdings (UK) Limited (trading as Just Trays) | | Leeds |
|---|--------------|--------------|
| Cost (£'000) | | 298 |
| Valuation (£'000) | | 392 |
| Basis of valuation | | Earnings |
| Equity held | | 3.3% |
| Income received (£'000) | | 55 |
| First invested | | June 2014 |
| Year ended | | 31 October |
| | 2016 (£'000) | 2015 (£'000) |
| Sales | 12,919 | 11,587 |
| EBITDA ¹ | 1,334 | 1,019 |
| Net liabilities | 3,523 | 3,238 |

Just Trays is the UK's leading manufacturer of shower trays and related accessories, with product design, development and production undertaken at its main facility in Leeds. The business sells its range of products direct to trade partners in the construction and housing market and has a reputation in the sector for the quality of its products, innovative design and customer service, with high levels of customer loyalty for the JT brand.

¹ Earnings before interest, tax, depreciation and amortisation.

NATIONAL PRESENCE | REGIONAL FOCUS



INVESTMENT PORTFOLIO SUMMARY

As at 31 January 2018

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients ¹ |
|---|--------------------|---------------|----------------------|---------------------|---|
| Unlisted | | | | | |
| Martel Instruments Holdings Limited | 669 | 748 | 4.1 | 9.1 | 35.2 |
| Ensco 969 Limited (trading as DPP) | 660 | 584 | 4.0 | 2.5 | 32.0 |
| Rockar 2016 Limited (trading as Rockar) | 551 | 551 | 3.4 | 3.0 | 12.6 |
| CatTech International Limited | 507 | 323 | 3.1 | 3.1 | 26.9 |
| Vodat Communications Group Limited | 462 | 298 | 2.8 | 2.2 | 24.6 |
| Maven Co-invest Endeavour Limited Partnership (invested in Global Risk Partners) | 455 | 227 | 2.8 | 4.4 | 95.6 |
| Horizon Cremation Limited | 437 | 437 | 2.7 | 2.4 | 19.8 |
| Glacier Energy Services Holdings Limited | 434 | 434 | 2.7 | 1.7 | 26.0 |
| The GP Service (UK) Limited | 398 | 398 | 2.4 | 4.9 | 27.6 |
| JT Holdings (UK) Limited (trading as Just Trays) | 392 | 298 | 2.4 | 3.3 | 26.7 |
| Flow UK Holdings Limited | 374 | 374 | 2.3 | 4.5 | 30.5 |
| Castlegate 737 Limited (trading as Cursor Controls) | 370 | 224 | 2.3 | 2.3 | 45.2 |
| Fathom Systems Group Limited | 355 | 355 | 2.2 | 4.0 | 56.0 |
| CB Technology Group Limited | 347 | 347 | 2.1 | 7.1 | 71.9 |
| GEV Holdings Limited | 336 | 336 | 2.1 | 2.1 | 33.9 |
| HCS Control Systems Group Limited | 305 | 423 | 1.9 | 3.4 | 33.1 |
| ITS Technology Group Limited | 299 | 299 | 1.8 | 2.6 | 25.6 |
| ADC Biotechnology Limited | 298 | 298 | 1.8 | 2.4 | 13.9 |
| QikServe Limited | 298 | 298 | 1.8 | 3.0 | 17.0 |
| Torridon (Gibraltar) Limited | 275 | - | 1.7 | 2.2 | 37.8 |
| R&M Engineering Group Limited | 268 | 357 | 1.6 | 4.0 | 66.6 |
| RMEC Group Limited | 249 | 249 | 1.5 | 1.6 | 48.5 |
| Chic Lifestyle Limited (trading as Chic Retreats) | 224 | 224 | 1.4 | 6.7 | 40.1 |
| Attraction World Holdings Limited | 220 | 12 | 1.3 | 3.4 | 35.0 |
| Whiterock Group Limited | 209 | 209 | 1.3 | 4.5 | 20.5 |
| NorthRow Limited | 199 | 199 | 1.2 | 1.7 | 13.9 |
| TC Communications Holdings Limited | 180 | 309 | 1.1 | 2.6 | 27.4 |
| Endura Limited | 171 | 114 | 1.1 | 0.3 | 5.5 |
| eSafe Global Limited | 149 | 149 | 0.9 | 2.9 | 29.2 |
| Lambert Contracts Holdings Limited | 145 | 408 | 0.9 | 6.1 | 58.6 |
| ebb3 Limited | 133 | 133 | 0.8 | 3.1 | 21.4 |
| Cognitive Geology Limited | 129 | 129 | 0.8 | 1.6 | 10.8 |
| Curo Compensation Limited | 124 | 124 | 0.8 | 1.6 | 13.8 |
| ISN Solutions Group Limited | 115 | 181 | 0.7 | 2.6 | 52.4 |
| Growth Capital Ventures Limited | 100 | 100 | 0.6 | 2.8 | 27.8 |
| Lawrence Recycling & Waste Management Limited | 52 | 367 | 0.3 | 4.0 | 58.0 |
| FLXG Scotland Limited (formerly Flexlife Group Limited) | 34 | 154 | 0.2 | 7.0 | 73.1 |
| Other unlisted investments | 46 | 1,359 | 0.3 | | |
| Total unlisted | 10,969 | 12,029 | 67.2 | | |

INVESTMENT PORTFOLIO SUMMARY (CONTINUED)

As at 31 January 2018

| Investment | Valuation £'000 | Cost £'000 | % of total assets | % of equity held | % of equity held by other clients ¹ |
|--|--------------------|---------------|----------------------|---------------------|---|
| Quoted | | | | | |
| Cello Group PLC | 62 | 53 | 0.4 | 0.1 | 0.4 |
| Vianet Group PLC (formerly Brulines Group PLC) | 32 | 31 | 0.2 | 0.1 | 1.4 |
| Plastics Capital PLC | 31 | 25 | 0.2 | 0.1 | 1.3 |
| Gordon Dadds Group PLC (formerly Work Group PLC) | 16 | 251 | 0.1 | - | 0.1 |
| esure Group PLC | 12 | - | 0.1 | - | - |
| Other quoted investments | 1 | 222 | - | - | - |
| Total quoted | 154 | 582 | 1.0 | | |
| Private equity investment trusts | | | | | |
| HgCapital Trust PLC | 124 | 100 | 0.8 | - | 0.1 |
| Princess Private Equity Holding Limited | 120 | 98 | 0.7 | - | 0.1 |
| F&C Private Equity Trust PLC | 116 | 103 | 0.7 | 0.1 | 0.3 |
| Apax Global Alpha Limited | 110 | 99 | 0.6 | - | 0.1 |
| Standard Life Private Equity Trust PLC | 57 | 43 | 0.4 | - | - |
| Total private equity investment trusts | 527 | 443 | 3.2 | | |
| Real estate investment trusts | | | | | |
| British Land Company PLC | 110 | 99 | 0.7 | - | - |
| Custodian REIT PLC | 109 | 99 | 0.7 | - | 0.2 |
| Schroder REIT Limited | 109 | 99 | 0.7 | - | 0.2 |
| Standard Life Investment Property Income Trust Limited | 106 | 99 | 0.7 | - | 0.2 |
| Target Healthcare REIT Limited | 99 | 98 | 0.6 | - | 0.2 |
| Regional REIT Limited | 93 | 99 | 0.5 | - | 0.2 |
| Total real estate investment trusts | 626 | 593 | 3.9 | | |
| Total investments | 12,276 | 13,647 | 75.3 | | |

¹ Other clients of Maven Capital Partners UK LLP.

GOVERNANCE REPORT

| | |
|---|----|
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DIRECTORS' REPORT

The Directors submit their Annual Report together with the Financial Statements of the Company for the year ended 31 January 2018. A summary of the financial results for the year can be found in the Financial Highlights on pages 5 and 6. The investment objective, business model and investment policy are set out in the Strategic Report on page 13 and the Board's dividend strategy is summarised in the Chairman's Statement on pages 9 to 11.

During the year, the net return on ordinary activities before taxation was a loss of £699,000 (2017: gain of £697,000); losses on investment were £688,000 (2017: gain of £1,070,000) and earnings per share were a deficit of 1.73p (2017: gain of 1.70p).

Principal Activity and Status

The Company's affairs have been conducted, and will continue to be conducted, in a manner to satisfy the conditions to enable it to continue to obtain approval as a venture capital trust under Section 274 of the Income Tax Act 2007.

The Company's Ordinary Shares are listed on the Premium segment of the Official List and traded in the main market of the London Stock Exchange. Further details are provided in the Corporate Summary.

Regulatory Status

The Company is a small registered, internally managed alternative investment fund under the AIFMD. As a venture capital trust pursuant to Section 274 of the Income Tax Act 2007, the rules of the FCA in relation to non-mainstream investment products do not apply to the Company.

Going Concern

The Company's business activities, together with the factors likely to affect its future development and performance, are set out in this Directors' Report. The financial position of the Company is described in the Chairman's Statement within the Strategic Report. In addition, Note 16 to the Financial Statements includes: the Company's objectives, policies and processes for managing its financial risks; details of its financial instruments; and its exposures to market price risk, interest rate risk, liquidity risk, credit risk and price risk sensitivity. The Directors believe that the Company is well placed to manage its business risks.

Following a detailed review, the Directors have a reasonable expectation that the Company has adequate financial resources to enable it to continue in operational existence for the foreseeable future and, accordingly, they have continued to adopt the going concern basis when preparing the Annual Report and Financial Statements.

Viability Statement

In accordance with Provision C.2.2 of the UK Corporate Governance Code published in April 2016, the Board has assessed the Company's prospects for the five year period to 31 January 2023. This period has been considered appropriate for a VCT business when considering the principal risks facing the Company.

In making this statement, the Board carried out a robust assessment of the principal business risks facing the Company as set out in the Business Report, including those that might threaten its business model, future performance, solvency, or degree of liquidity (particularly within the unquoted portfolio). The Board also considered the Company's ability to raise new funds and invest those proceeds. Its assessment took account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact of the underlying risks, including the Manager adapting its investment process to take account of the more restrictive VCT rules. The Board's review has considered the principal risks, including compliance with the new VCT rules, which were identified by the Manager. The Board concentrated its efforts on the major factors that affect the economic, regulatory and political environment,

including the EU State Aid Rules. The Board has also considered the Company's cash flow projections and underlying assumptions from the five years to 31 January 2023, and considers them to be realistic and fair.

Based on the Company's processes for monitoring income and expenses, share price discount and its ongoing review of the investment objective and policy, asset allocation, sector weightings and portfolio risk profile, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five years ending 31 January 2023.

Financial Instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations, including accrued income and purchases and sales awaiting settlement. The main risks that the Company faces arising from its financial instruments are disclosed in Note 16 to the Financial Statements.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Corporate Governance

The Statement of Corporate Governance, which supports this Directors' Report, is shown on pages 41 to 44.

The Directors' interests in the share capital of the Company are as follows:

| | 31 January 2018 Ordinary Shares of 10p each | 31 January 2017 Ordinary Shares of 10p each |
|------------------------------|--|--|
| John Lawrence MBE (Chairman) | 10,155 | 10,155 |
| The Hon Robert Kissin | 10,000 | 10,000 |
| Peter Linthwaite | 5,000 | 5,000 |
| Bill Nixon | 321,585 | 321,585 |

All of the interests shown above are beneficial and, as at 9 May 2018, being the latest practicable date prior to the publication of this Annual Report, there had been no changes to the above share interests since the end of the Company's financial year.

Conflicts of Interest

Each Director has a statutory duty to avoid a situation where he has, or could have, a direct or indirect interest which conflicts, or may conflict with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised by the Board in accordance with the Company's Articles and this includes any co-investment made by the Directors in entities in which the Company also has an interest.

The Board has an approved protocol for identifying and dealing with conflicts and has resolved to conduct a regular review of actual or possible conflicts. No new material conflicts or potential conflicts were identified during the year.

Substantial Interests

At 31 January 2018, the only Shareholders known to the Company to be directly or indirectly interested in 3.0% or more of its issued Ordinary Share capital were as follows:

| | Number of Ordinary Shares held | % of issued share capital |
|---|-----------------------------------|------------------------------|
| Hargreaves Lansdown Nominees Limited | 2,572,425 | 6.38 |

At 9 May 2018, the Shareholders known to be directly or indirectly interested in 3.0% or more of the Company's issued Ordinary Share capital were as follows:

| | Number of Ordinary Shares held | % of issued share capital |
|---|-----------------------------------|------------------------------|
| Hargreaves Lansdown Nominees Limited | 2,607,233 | 6.46 |

Directors

Biographies of the Directors who held office during the year end up to the date of signing this Annual Report are shown in the Your Board section of this Annual Report along with their interests in the shares of the Company, which are also shown below.

In accordance with the Articles, Directors must offer themselves for re-election at least once every three years and, accordingly, John Lawrence will retire by rotation at the AGM and, being eligible, offers himself for re-election. In accordance with corporate governance best practice, Bill Nixon retires at the AGM, and, being eligible, offers himself for annual re-election.

The Board confirms that, following a formal process of evaluation, the performance of each of the Directors seeking re-election continues to be effective and demonstrates commitment to the role. The Board, therefore, believes that it is in the best interests of Shareholders that each of the Directors wishing to retain office is re-elected, and Resolutions to this effect will be proposed at the AGM. Bill Nixon is managing partner of Maven Capital Partners UK LLP, which is entitled to receive investment management and secretarial fees, which are disclosed in Notes 3 and 4 to the Financial Statements respectively. No Director has a service contract with the Company and no other contract or arrangement significant to the Company's business, and in which any of the Directors is interested, has subsisted during the year.

Manager and Secretary

Maven Capital Partners UK LLP (Maven) acted as Manager and Secretary to the Company during the year ended 31 January 2018 and the investment management, performance and secretarial fees are disclosed in Notes 3 and 4 to the Financial Statements respectively.

The principal terms of the Management and Administration Deed agreed with Maven are as follows:

Termination provisions

The investment management agreement is terminable, by either party, on the expiry of one year's notice. In the event that the Company terminates the Manager's appointment, the Manager is entitled to an amount equivalent to twelve months' fees. Furthermore, the Company may terminate the agreement without compensation due if:

- a receiver, liquidator or administrator of the Manager is appointed;
- the Manager commits any material breach of the provisions of the agreement; or
- the Manager ceases to be authorised to carry out Investment Business.

Management and administration fees

For the year ending 31 January 2019, investment management, performance and secretarial fees payable to Maven will be calculated and charged on the following basis:

- an investment management fee of 2.5% (2018: 2.5%) per annum of the gross assets of the Company at the previous quarter end, which is chargeable 10% to revenue and 90% against realised capital reserves;
- in addition to the investment management fee stated above, the Company will be required to pay to the Manager a performance fee equivalent to 20% (2018: 20%) of the increase in NAV over each year to 31 January, adjusted to take into account the effects of distributions made during the period;
- a secretarial fee of £69,000 per annum (2018: £69,000), which is adjusted annually to reflect movement in the Retail Price Index and is chargeable 100% to revenue; and
- the investment management fee referred to above will be reduced to the extent that the annual total expenses of the Company, excluding any performance related fees, exceeds 4.1% of its NAV at the year end.

Independent from the above arrangements, the sum of £16,000 (2018: £16,000) plus VAT per annum will be paid to the Manager in respect of Bill Nixon's role as a Director of the Company. Maven may also receive, from investee companies, fees in relation to arranging transactions, monitoring of business progress and for providing non-executive directors for their boards.

In addition, in order to ensure that the Manager's staff are appropriately incentivised in relation to the management of the portfolio, a co-investment scheme allows individuals to participate in new investments in portfolio companies alongside the Company. All such investments are made through a nominee and under terms agreed by the Board. The terms of the scheme ensure that all investments are made on identical terms to those of the Company and that no selection of investments will be allowed.

Total investment by participants in the co-investment scheme is set at 5% of the aggregate amount of ordinary shares subscribed for, except where the only securities to be acquired by the Company are ordinary shares or are securities quoted on AIM or NEX, in which case the co-investment percentage will be 1.5%. Any dilution of the Company's interests is, therefore, minimal and the Directors believe that the scheme provides a useful incentive which closely aligns the interests of key individuals within the Manager's staff with those of the Shareholders.

In light of investment performance achieved by the Manager, together with the standard of company secretarial and administrative services provided, the Board considers that the continued appointment of the Manager and Secretary on the stated terms is in the best interests of the Company and its Shareholders.

It should be noted that, as at 9 May 2018, Maven, Bill Nixon and certain of the Manager's other executives held, in aggregate, 1,142,841 of the Company's Ordinary Shares, representing 2.83% of the issued capital as at that date.

Independent Auditor

It is recommended that the Company's Independent Auditor, Deloitte LLP (Deloitte), should continue in office and Resolution 5 to propose its reappointment will be proposed at the 2018 AGM, along with Resolution 6, to authorise the Directors to fix its remuneration. Non-audit fees for tax compliance services amounting to £5,000 (including VAT) were paid to Deloitte during the year under review (2017: £5,000). The Directors have received confirmation from the Auditor that it remains independent and objective. The Directors have also reviewed the Auditor's procedures in connection with the provision of non-audit services and remain satisfied that objectivity and independence are being safeguarded by Deloitte.

Directors' Disclosure of Information to the Auditor

As far as the Directors who held office at the date of approval of this Annual Report are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditor is unaware, and each of the Directors has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Purchase of Ordinary Shares

During the year ended 31 January 2018, the Company bought back 250,000 of its own Ordinary Shares for cancellation (2017: 505,000), representing 0.62% of the Ordinary Shares in issue as at 5 May 2017, being the last practicable date prior to publication of the previous Annual Report.

A Special Resolution, numbered 9 in the Notice of Annual General Meeting, will be put to Shareholders at the 2018 AGM for their approval to renew the Company's authority to purchase in the market a maximum of 6,046,159 Ordinary Shares (14.99% of the shares in issue at 9 May 2018). This authority shall expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

Purchases of shares will be made within guidelines established from time to time by the Board, but only if it is considered that such purchases would be to the advantage of the Company and its Shareholders when taken as a whole. Purchases will be made in the market at prices below the prevailing NAV per share. Under the Listing Rules of the FCA, the maximum price that may be paid on the exercise of this authority must not exceed 105% of the average of the mid-market quotations for the shares over the five business days immediately preceding the date of purchase. The minimum price that may be paid is 10p per share. In making purchases, the Company will deal only with member firms of the London Stock Exchange. Any shares which are purchased will be cancelled. The Board intends to use this authority to continue its buy-back policy.

Purchases of shares by the Company will be made from distributable reserves and will normally be paid out of cash balances held by the Company from time to time. As any purchases will be made at a discount to NAV at the time of purchase, the NAV of the remaining Ordinary Shares in issue should increase as a result of any such purchase. Shares will not be purchased by the Company in the period from the end of the Company's relevant financial period up to and including the earlier of an announcement of all price sensitive information in respect of the relevant period or the release of the full results.

Issue of New Ordinary Shares

During the year under review no new Ordinary Shares were issued and allotted (2017: nil). An Ordinary Resolution, numbered 7 in the Notice of Annual General Meeting, will be put to Shareholders at the 2018 AGM for their approval for the Company to issue up to an aggregate nominal amount of £403,346 (equivalent to 4,033,460 Ordinary Shares or 10% of the total issued share capital at 9 May 2018).

Issues of new Ordinary Shares may only be made at, or at a premium to, NAV per share, thus ensuring existing investors will not be financially disadvantaged by such issues. The proceeds of any issue may be used to purchase the Company's shares in the market or to fund further investments in accordance with the Company's investment policy. This authority shall expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

When shares are to be allotted for cash, Section 561(1) of the Companies Act 2006 provides that existing Shareholders have pre-emption rights and that the new shares are offered first to such Shareholders in proportion to their existing shareholdings. However, Shareholders can, by special resolution, authorise the Directors to allot shares otherwise than by a pro rata issue to existing Shareholders. A Special Resolution, numbered 8 in the Notice of Annual General Meeting, will, if passed, give the Directors power to allot Ordinary Shares up to an aggregate nominal amount of £403,346 (equivalent to 4,033,460 Ordinary Shares or 10% of the total issued share capital at 9 May 2018) as if Section 561(1) does not apply. This is the same amount of share capital that the Directors are seeking the authority to allot pursuant to Resolution 7. This authority shall expire either on the date of the AGM in 2019 or after a period of 15 months from the passing of the Resolution, whichever is the first to occur.

Share Capital and Voting Rights

As at 31 January 2018, the Company's share capital amounted to 40,334,617 Ordinary Shares of 10p each and there were also 40,334,617 Ordinary Shares in issue as at 9 May 2018. Further details are included in Note 12 to the Financial Statements.

Related Party Transactions

Other than those set out in this Directors' Report, there are no further related party transactions that require to be disclosed.

Post Balance Sheet Events

Other than those referred to above and in the Strategic Report, there have been no events since 31 January 2018 that require disclosure.

Future Developments

An indication of the Company's future developments can be found in the Chairman's Statement on page 11 and in the Investment Manager's Review on page 23, which highlight the commitment of the Board and the Manager to providing returns to Shareholders and delivering the Company's investment strategy.

AGM and Directors' Recommendation

The AGM will be held on 13 June 2018, and the Notice of Annual General Meeting is on pages 72 to 76 of this Annual Report. The Notice of Annual General Meeting also contains a Resolution that seeks authority for the Directors to convene a general meeting, other than an annual general meeting, on not less than fourteen days' clear notice, although it is anticipated that such authority would only be exercised under exceptional circumstances.

The Board encourages Shareholders to vote at the AGM and votes can be submitted by hard copy proxy form, via CREST or electronically using the Registrar's Share Portal Service at www.signalshares.com. Please refer to the notes to the Notice of Annual General Meeting on pages 74 to 76 of this Annual Report.

The Directors consider that all of the Resolutions to be put to the AGM are in the best interests of the Company and its Shareholders as a whole. Your Board will be voting in favour of them and I am in full agreement with this recommendation.

SECRETARY



AUTHORISED SIGNATORY

By order of the Board
Maven Capital Partners UK LLP
Secretary

11 May 2018

DIRECTORS' REMUNERATION REPORT

Statement by the Remuneration Committee

This report has been prepared in accordance with the requirements of Section 421 of the Companies Act 2006 and the Enterprise and Regulatory Reform Act 2013. An Ordinary Resolution for the approval of this Report will be put to the Members of the Company at the forthcoming AGM. The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report on pages 49 to 54.

The Directors have established a Remuneration Committee comprising the full Board, with The Hon Robert Kissin as its Chairman. As all of the Directors are non-executive, the Principles of the UK Code on Corporate Governance in respect of executive directors' remuneration do not apply.

At 31 January 2018, and at the date of the signing of this Annual Report, the Company had four non-executive Directors and their biographies are shown in the Your Board section of this Annual Report. The names of the Directors who served during the year, together with the fees paid during that period, are shown in the table on page 39.

The dates of appointment of the Directors in office as at 31 January 2018 and the dates on which they will next be proposed for re-election are as follows:

| | Date of original appointment | Date of previous re-election | Due date for re-election |
|---------------------------------|------------------------------|------------------------------|--------------------------|
| John Lawrence MBE (Chairman) | 11 January 2001 | 15 June 2016 | 13 June 2018 |
| The Hon Robert Kissin | 1 September 2004 | 14 June 2017 | 2020 AGM |
| Peter Linthwaite | 16 September 2015 | 15 June 2016 | 2019 AGM |
| Bill Nixon | 1 November 2005 | 14 June 2017 | 13 June 2018 |

During the year ended 31 January 2018, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, as defined below, the Committee expects, from time to time, to review the fees paid to the directors of other venture capital trust companies.

The previous change to the level of Directors' remuneration was made during the year ended 31 January 2016, when the Remuneration Committee carried out a review of the remuneration policy and of the level of Directors' fees and concluded that, with effect from 1 February 2016, the amounts payable per annum should increase by £1,500 for each Director. It was also agreed that the policy would be to continue to review these rates from time to time and, at a Meeting held during the year ended 31 January 2018, the Remuneration Committee carried out a further review and recommended that the rate of remuneration for each Director should be maintained at its current level.

Remuneration Policy

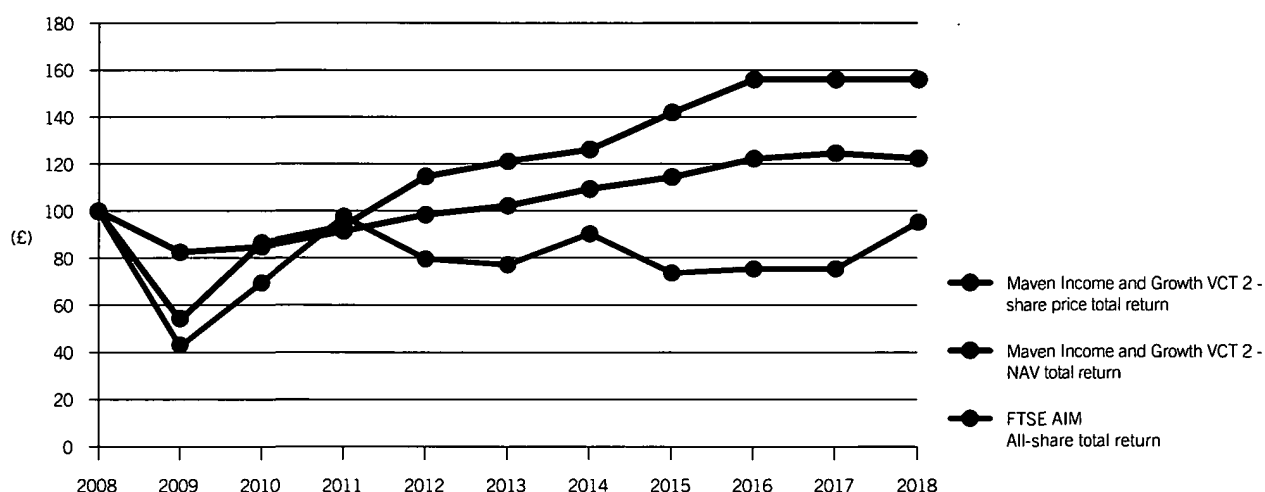
The Company's policy is that the remuneration of the Directors, all of whom are non-executive, should reflect the experience of the Board as a whole and be fair and comparable to that of other venture capital trusts with a similar capital structure and similar investment objectives. Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £100,000 per annum, and the approval of Shareholders in a general meeting would be required to change this limit.

It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. Non-executive Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

Company Performance

The Board is responsible for the Company's investment strategy and performance, although the day to day management of the Company's investment portfolio is delegated to the Manager through the Management and Administration Deed, as referred to in the Directors' Report.

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 31 January 2018, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kind and number as those by reference to which the FTSE AIM All-share index is calculated. This index was chosen for comparison purposes as it is the most relevant to the Company's investment portfolio.



Source: Maven/London Stock Exchange.

Please note that past performance is not necessarily a guide to future performance.

A copy of this Remuneration Policy may be inspected by Members of the Company at its registered office.

It is the Board's intention that the above remuneration policy will be put to a Shareholders' vote at least once every three years and, as a Resolution was last approved at the AGM held in 2017, an Ordinary Resolution for its approval will be proposed at the AGM to be held in 2020.

Directors' and Officers' Liability Insurance

The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

Directors' Interests (audited)

The Directors' interests in the share capital of the Company are shown in the Directors' Report on page 34. There is no requirement for Directors to hold shares in the Company.

Directors' Remuneration (audited)

The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The Directors' fees for the years ended 31 January 2018 and 31 January 2017, and projected fees for the year ending 31 January 2019, respectively are as follows:

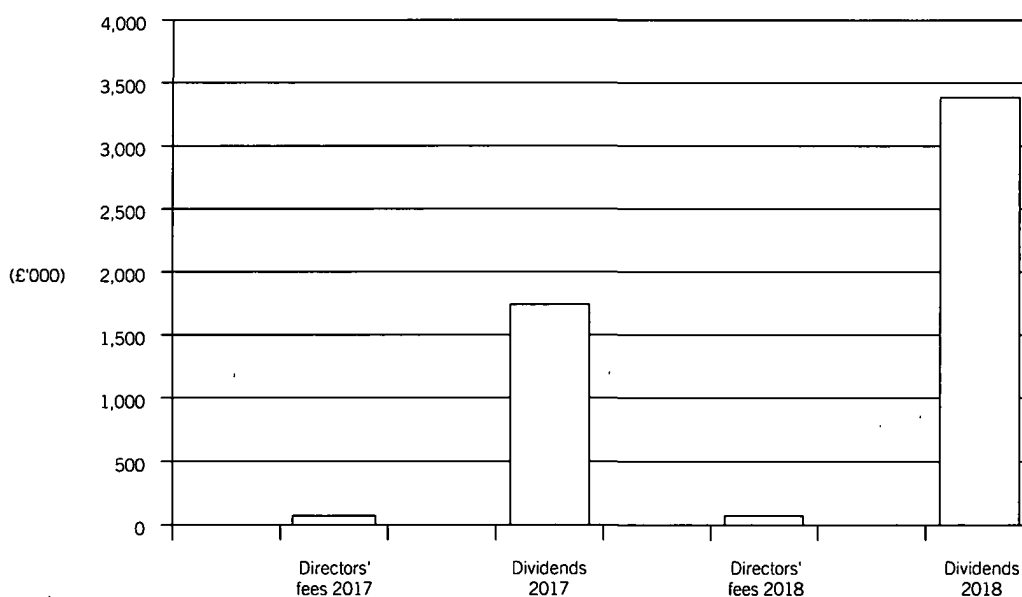
| | Year ending 31 January 2019 £ | Year ended 31 January 2018 £ | Year ended 31 January 2017 £ |
|------------------------------|-------------------------------------|------------------------------------|------------------------------------|
| John Lawrence MBE (Chairman) | 19,400 | 19,400 | 19,400 |
| The Hon Robert Kissin | 16,000 | 16,000 | 16,000 |
| Peter Linthwaite | 16,000 | 16,000 | 16,000 |
| Bill Nixon ¹ | 16,000 | 16,000 | 16,000 |
| Total | 67,400 | 67,400 | 67,400 |

¹ Bill Nixon's remuneration is payable to the Manager and is subject to VAT.

The above amounts exclude any employers' national insurance contributions, if applicable. No other forms of remuneration were received by the Directors and no Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 31 January 2018 (2017: £nil).

Relative Cost of Directors' Remuneration

The chart below shows, for the years ended 31 January 2017 and 31 January 2018, the cost of Directors' fees compared with the level of dividend distribution.



As noted in the Strategic Report, all of the Directors are non-executive and, therefore, the Company does not have a chief executive officer, nor does it have any employees. In the absence of a chief executive officer or employees, there is no related information to disclose.

Directors do not have service contracts, but new Directors are provided with a letter of appointment. Copies of the Directors' letters of appointment will be available for inspection at the AGM. The terms of appointment provide that Directors should retire and be subject to re-election at the first AGM after their appointment. Thereafter, the Company's Articles require all Directors to retire by rotation at least every three years. There is no notice period and no provision for compensation

upon early termination of appointment, save for any arrears of fees which may be due.

During the year ended 31 January 2018, no communication has been received from Shareholders regarding Directors' remuneration. The remuneration policy and the level of fees payable is reviewed annually by the Remuneration Committee and it is intended that the current policy will continue for the year ending 31 January 2019.

Approval

An Ordinary Resolution to approve this Directors' Remuneration Report for the year ended 31 January 2018 will be put to Shareholders at the 2018 AGM. At the AGM held in June 2017, the results in respect of an Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 31 January 2017 were as follows:

| | Percentage of votes cast for | Percentage of votes cast against | Number of votes withheld |
|--------------------------------|---------------------------------|-------------------------------------|-----------------------------|
| Remuneration Report (2017 AGM) | 95.8 | 4.2 | 33,830 |

The Directors' Remuneration Report for the year ended 31 January 2018 was approved by the Board of Directors and signed on its behalf by:



The Hon Robert Kissin
Director

11 May 2018

STATEMENT OF CORPORATE GOVERNANCE

The Company is committed to, and is accountable to the Company's Shareholders for, a high standard of corporate governance. The Board has put in place a framework for corporate governance that it believes is appropriate for a venture capital trust and which enables it to comply with the UK Corporate Governance Code (the Code), published in April 2016. The Code is available from the website of the Financial Reporting Council (FRC) at www.frc.org.uk. This Statement of Corporate Governance supports the Directors' Report.

Application of the Main Principles of the Code

This statement describes how the main principles identified in the Code have been applied by the Company throughout the year, as is required by the Listing Rules of the FCA.

The Board is of the opinion that the Company has complied fully with the main principles identified in the Code, except as set out below:

- provision A2.1 (dual role of the chairman and chief executive);
- provision A4.1 (senior independent director);
- provision B1.1 (tenure of directors); and
- provisions D2.1, 2.2 and 2.4 (remuneration committee).

Other than set out below, the Board considers that these provisions are not relevant to the Company, and has, therefore, not reported further in respect of them.

The Board

The Board currently consists of four male non-executive Directors, the majority of whom are considered to be independent of the Manager. Bill Nixon is not considered to be independent because of his position as managing partner of Maven. The independent non-executive Directors are free of any relationship which could materially interfere with the exercise of their independent judgement. The biographies of the Directors appear in the Your Board section of this Annual Report and indicate their high level and range of investment, industrial, commercial and professional experience.

John Lawrence was independent of the Manager at the time of his appointment as a Director on 11 January 2001 and as Chairman on 17 June 2015 and continues to be so by virtue of his lack of connection with the Manager and the absence of cross-directorships with his fellow Directors.

The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

- the appointment and removal of the Manager and the terms and conditions of any management and administration agreements;
- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company;
- Companies Act requirements such as the approval of the Interim and Annual Financial Statements and the approval and recommendation of interim and final dividends;
- major changes relating to the Company's structure, including share buy-backs and share issues;
- Board appointments and related matters;
- terms of reference and membership of Board Committees; and
- London Stock Exchange, UK Listing Authority and FCA matters, such as approval of all circulars, listing particulars and releases concerning matters decided by the Board.

As required by the Companies Act 2006 and permitted by the Articles, Directors notify the Company of any situation which might give rise to the potential for a conflict of interest, so that the Board may consider and, if appropriate, approve such situations. The potential conflicts of interest for Directors is reviewed regularly by the Board and the Directors notify the Company whenever there is a change in the nature of a registered conflict, or whenever a new conflict situation arises.

Following implementation of the Bribery Act 2010, the Board adopted appropriate procedures.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

The Directors have access to the advice and services of the Secretary through its appointed representatives who are responsible to the Board for:

- ensuring that Board procedures are complied with;
- under the direction of the Chairman, ensuring good information flows within the Board and its Committees; and
- advising on corporate governance matters.

An induction meeting will be arranged by the Secretary on the appointment of any new Director, covering details about the Company, the Manager, legal responsibilities and venture capital industry matters. Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

John Lawrence is Chairman of the Company and of the Management Engagement Committee; The Hon Robert Kissin is Chairman of the Nomination and Remuneration Committees; and Peter Linthwaite is Chairman of the Audit and Risk Committees. The Directors consider that each has the skills and experience relevant to their respective roles.

The Board meets at least four times each year and, between Meetings, maintains regular contact with the Manager.

The primary focus of quarterly Board Meetings is a review of investment performance and related matters including asset allocation, peer group information and industry issues. During the year ended 31 January 2018, the Board held four full Board Meetings and two Board Committee Meetings. In addition, there were four Meetings of the Risk Committee, two Meetings of the Audit Committee and one Meeting each of the Management Engagement, Nomination and Remuneration Committees.

Directors have attended Board and Committee Meetings during the year ended 31 January 2018¹ as follows:

| | Board | Board Committee | Audit Committee | Management Engagement Committee | Nomination Committee | Remuneration Committee | Risk Committee |
|------------------------------|-------|-----------------|-----------------|---------------------------------|----------------------|------------------------|----------------|
| John Lawrence MBE (Chairman) | 4 (4) | 2 (2) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| The Hon Robert Kissin | 4 (4) | 2 (2) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| Peter Linthwaite | 4 (4) | 2 (2) | 1 (1) | 1 (1) | 1 (1) | 1 (1) | 4 (4) |
| Bill Nixon ² | 4 (4) | 2 (2) | - (-) | - (-) | - (-) | - (-) | - (-) |

¹ The number of meetings which the Directors were eligible to attend is in brackets.

² Bill Nixon is not a member of the Audit, Management Engagement, Nomination, Remuneration or Risk Committees.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board Meetings, this consists of a comprehensive set of papers, including the Manager's review and discussion documents regarding specific matters. The Directors make further enquiries when necessary.

The Board and its Committees have undertaken a process for their annual performance evaluation, using questionnaires and discussion to ensure that Directors have devoted sufficient time and contributed adequately to the work of the Board and its Committees. The Chairman is subject to evaluation by his fellow Directors.

Directors' Terms of Appointment

All non-executive Directors are appointed for an initial period of three years, subject to re-election and Companies Act provisions and, in accordance with the Articles, stand for election at the first AGM following their appointment. The Articles state that Directors must offer themselves for re-election at least once every three years. However, Bill Nixon is subject to annual re-election in view of his position as managing partner of Maven.

Policy on Tenure

The Board subscribes to the view that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his ability to act independently and, following formal performance evaluations, believes that each Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. The Company has no executive Directors or employees.

Committees

Each of the Committees has been established with written terms of reference and comprise all of the independent Directors, each of whom is free from any relationship that would interfere with important judgement in carrying out their responsibilities. The terms of reference of the Committees, which are available on request from the Registered Office of the Company, are reviewed and re-assessed for their adequacy at each Meeting.

Audit Committee

The Audit Committee is chaired by Peter Linthwaite. The role and responsibilities of the Committee are detailed in a joint report by the Audit and Risk Committees on pages 46 to 48.

Management Engagement Committee

The Management Engagement Committee, which is chaired by John Lawrence, is responsible for the annual review of the management contract with the Manager, details of which are shown in the Directors' Report. One Meeting was held during the year ended 31 January 2018, at which the Committee recommended the continued appointment of Maven Capital Partners UK LLP as Manager of the Company.

Nomination Committee

The Nomination Committee, which is chaired by The Hon Robert Kissin, held one Meeting during the year ended 31 January 2018. The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- reviewing the composition, skills, knowledge, experience and diversity (including gender diversity) of the Board;
- succession planning;
- the identification and nomination of candidates to fill Board vacancies, as and when they arise, for the approval of the Board;

- the re-appointment of any non-executive Director at the conclusion of their specified term of office;
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles;
- the continuation in office of any Director at any time; and
- the appointment of any Director to another office, such as Chairman of the Audit Committee, other than to the position of Chairman of the Company.

At its Meeting in December 2017, the Nomination Committee recommended the re-election of John Lawrence and Bill Nixon. Accordingly, Resolutions 3 and 4 will be put to the 2018 AGM.

The Committee regularly reviews the composition, experience and commitment of the Directors, particularly in relation to succession planning and recommendations for individual re-election at each AGM. All non-executive Directors are initially appointed until the first AGM following their date of appointment.

The performance of the Board, Committees and individual Directors was evaluated through an assessment process, led by the Chairman and the performance of the Chairman was evaluated by the other Directors. While the Company does not have a formal policy on diversity, Board diversity forms part of the responsibilities of the Committee.

Remuneration Committee

Where a venture capital trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. However, the Company does have a Remuneration Committee, which is chaired by The Hon Robert Kissin. The Committee held one Meeting during the year ended 31 January 2018 to review the policy for, and the level of, Directors' Remuneration.

The level of remuneration of the Directors has been set in order to attract and retain individuals of a calibre appropriate to the future development of the Company. Details of the remuneration of each Director and of the Company's policy on Directors' Remuneration are provided in the Directors' Remuneration Report.

Risk Committee

The Risk Committee is chaired by Peter Linthwaite. The role and responsibilities of the Committee are detailed in a joint Report by the Audit and Risk Committees on pages 46 to 48.

External Agencies

The Board has contractually delegated to external agencies, including the Manager, certain services: the management of the investment portfolio, the custodial services (which include the safeguarding of assets), the registration services and the day to day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers reports from the Manager and other external agencies on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

Corporate Governance, Stewardship and Proxy Voting

The FRC published the UK Stewardship Code (the Stewardship Code) for institutional shareholders in July 2010 and this was revised in September 2012. The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors in the efficient exercise of their governance responsibilities.

The Board is aware of its duty to act in the interests of the Company and the Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of good corporate governance. The Directors, through the Manager, encourages companies in which investments are made to adhere to best practice in the area of corporate governance. The Manager believes that, where practicable, this can be best achieved by entering into a dialogue with investee company management teams to encourage them, where necessary, to improve their governance policies. Therefore, the Board has delegated responsibility for monitoring the activities of portfolio companies to the Manager and has given it discretionary powers to vote in respect of the holdings in the Company's investment portfolio.

Socially Responsible Investment Policy

The Directors and the Manager are aware of their duty to act in the interests of the Company and acknowledge that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. Therefore, the Directors and the Manager take account of the social, environmental and ethical factors that may affect the performance or value of the Company's investments. Maven and the Directors believe that a company run in the long-term interests of its shareholders should manage its relationships with its employees, suppliers and customers and behave responsibly towards the environment and society as a whole.

Communication with Shareholders

The Company places a great deal of importance on communication with its Shareholders, who are all welcome to attend and participate in the AGM. The Notice of Annual General Meeting sets out the business of the AGM and the Resolutions are explained more fully in the Explanatory Notes to the Notice of Annual General Meeting as well as in the Directors' Report and the Directors' Remuneration Report. Separate Resolutions are proposed for each substantive issue and Shareholders have the opportunity to put questions to the Board and the Manager. The results of proxy voting are relayed to Shareholders after the Resolutions have been voted on by a show of hands. Nominated persons, often the beneficial owners of shares held for them by nominee companies, may attend Shareholder Meetings and are invited to contact the registered Shareholder, normally a nominee company, in the first instance in order to be nominated to attend the Meeting and to vote in respect of the shares held for them. In general, a venture capital trust has few major shareholders.


As recommended under the Code, the Annual Report is normally published at least twenty business days before the AGM. Annual and Interim Reports and Financial Statements are distributed to Shareholders and other parties who have an interest in the Company's performance.

Shareholders and potential investors may obtain up-to-date information on the Company through the Manager and the Secretary, and the Company responds to letters from Shareholders on a wide range of issues. In order to ensure that the Directors develop an understanding of the views of Shareholders, correspondence between Shareholders and the Manager or the Chairman is copied to the Board. The Company's web pages are hosted on the Manager's website, and can be visited at www.mavencp.com/migvct2 from where Annual and Interim Reports, Stock Exchange Announcements and other information can be viewed, printed or downloaded. Further information about the Manager can be obtained from www.mavencp.com.

Accountability and Audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 45; and the Statement of Going Concern and the Viability Statement are included in the Directors' Report on pages 33 and 34. The independent Auditor's Report is on pages 49 to 54.

MAVEN CAPITAL PARTNERS UK LLP,
SECRETARY



AUTHORISED SIGNATORY

By order of the Board
Maven Capital Partners UK LLP
Secretary

11 May 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report, Directors' Remuneration Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the net return of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report (including a report on remuneration policy) and Corporate Governance Statement that comply with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's webpages, which are hosted on the Manager's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

The Directors are also responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position and performance, business model and strategy.

Responsibility Statement of the Directors in Respect of the Annual Report and Financial Statements

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

- the Financial Statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as at 31 January 2018 and for the year to that date;
- the Directors' Report includes a fair review of the development and performance of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Company's position and performance, business model and strategy.

SECRETARY



AUTHORISED SIGNATORY
By order of the Board
Maven Capital Partners UK LLP
Secretary

11 May 2018

REPORT OF THE AUDIT AND RISK COMMITTEES

The Audit Committee and the Risk Committee are both chaired by Peter Linthwaite and comprise all independent Directors.

Audit Committee

The Board is satisfied that at least one member of the Audit Committee has recent and relevant financial experience, and that the Audit Committee, as a whole, has competence relevant to the sector in which the Company operates.

The principal responsibilities of the Audit Committee include:

- the integrity of the Interim and Annual Reports and Financial Statements and reviewing any significant financial reporting judgements contained therein;
- the review of the terms of appointment of the Auditor, together with their remuneration, including any non-audit services provided by the Auditor;
- the review of the scope and results of the audit and the independence and objectivity of the Auditor;
- the review of the Auditor's Board Report and any required response;
- meetings with representatives of the Manager;
- the review of the custody arrangements in place to confirm ownership of investments;
- providing advice on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy; and
- making appropriate recommendations to the Board.

Activities of the Audit Committee

The Committee met twice during the year under review, in March and September 2017, and at each Meeting considered the key risks detailed below and in the Business Report, and the corresponding internal control and risk reports provided by the Manager which included the Company's risk management framework. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the Auditor and that the Auditor had not identified any significant issues in its audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

At its meeting in March 2017, the Committee reviewed the draft Annual Report and Financial Statements for the year ended 31 January 2017, along with the amount of the final dividend for the year then ended.

At its meeting in September 2017, the Committee reviewed the Half Yearly Report for the six months ended 31 July 2017 and also considered the performance, tenure and independence of Deloitte LLP (Deloitte) as Auditor. The Committee concluded that it was satisfied with the performance of Deloitte and recommended its continued appointment.

Subsequent to the year end, the Committee also considered the draft Annual Report and Financial Statements for the year ended 31 January 2018 and provided advice to the Board that it considered that the Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provided the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

It is recognised that the portfolio forms a significant element of the Company's assets and that there are different risks associated with listed and unlisted investments. The primary risk that requires the particular attention of the Committee is that unlisted investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 60 and 61. In accordance with that policy, unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors. Investments listed on a recognised stock exchange are valued at their bid market price.

The Audit Committee has considered the assumptions and judgements in relation to the valuation of each quoted and unquoted investment and is satisfied that they are appropriate.

The basis of valuation across the portfolio as at 31 January 2018 was as follows:

| Investment | % of net assets by value | Valuation basis |
|--------------------------|--------------------------|-----------------------------------|
| Listed investment trusts | 7.1 | Bid price ¹ |
| Listed equities | 0.1 | Bid price ¹ |
| AIM/NEX quoted | 0.9 | Bid price ¹ |
| Unlisted | 67.2 | Directors' valuation ² |
| Total investment | 75.3 | |

¹ London Stock Exchange closing market quote.

² Directors' valuation represents an independent third party valuation of either: (i) an earnings multiple basis; (ii) cost; or (iii) a provision against cost where there may be a diminution in value due to a company's underperformance. Where an earnings multiple or cost is not appropriate, or other overriding factors apply, a discounted cash flow or net asset value basis may be applied.

The Committee recommended the investment valuations, representing 75.3% of net assets as at 31 January 2018, to the main Board for approval. In addition, the revenue generated from dividend income and loan stock interest has been considered by the Board on a quarterly basis and the Directors are satisfied that the levels of income recognised are in line with revenue estimates.

As part of its annual review of audit services, the Committee considers the performance, cost effectiveness and general relationship with the Auditor. In addition, the Committee reviews the independence and objectivity of the external auditor. The Company first appointed Deloitte for the year ended 31 January 2008 and, following an audit tender process completed during the year ended 31 January 2017, they were re-appointed as Auditor for the year then ended.

The Independent Auditor's Report is on pages 49 to 54 and it should be noted that Deloitte rotates the Senior Statutory Auditor responsible for the audit every five years. The Senior Statutory Auditor was last changed after the conclusion of the audit for the year ended 31 January 2012 and, therefore, rotation has taken place during the year under review.

Details of the amounts paid to the Auditor during the year for audit and other services are set out in Note 4 to the Financial Statements.

Key elements of these reviews include: discussions with the Manager regarding the audit service provided; separate meetings with the Auditor; consideration of the completeness and accuracy of the Deloitte LLP reporting and a review of the relationship the Independent Auditor has with the Manager.

The Company has in place a policy governing and controlling the provision of non-audit services by the external Auditor, so as to safeguard their independence and objectivity.

The Directors concur with the Auditor's confirmation to the Committee that the amounts paid to the Auditor in respect of non-audit services were inconsequential to the Financial Statements and did not impact on their independence.

Shareholders are asked to approve the re-appointment, and the Directors' authority to fix the remuneration, of the Auditor at each AGM. Any non-audit work, other than interim reviews, requires the specific approval of the Audit Committee in each case. Non-audit work, where independence may be compromised or conflicts arise, is prohibited. There are no contractual obligations which restrict the Committee's choice of Auditor. The Committee has concluded that Deloitte is independent of the Company and recommended that a Resolution for the re-appointment of Deloitte as independent Auditor should be put to the 2018 AGM.

The Audit Committee's performance evaluation is carried out by the Directors as part of the Board evaluation review.

Activities of the Risk Committee

The Risk Committee held four meetings during the year under review. The responsibilities of the Committee are:

- to review the adequacy and effectiveness of the Manager's internal financial controls, internal control and risk management systems and procedures in the context of the Company's overall risk management system;
- to consider and approve the remit of the Manager's internal controls function and be satisfied that it has adequate resources and appropriate access to information to enable

it to perform its role effectively and in accordance with the relevant professional standards;

- to identify, measure, manage and monitor the risks to the Company as recommended by the AIFMD including, but not limited, to the investment portfolio, credit, counterparty, liquidity, market and operational risk;
- to review quarterly reports from the Manager's internal control function (or, if the circumstances require it, on an ad hoc basis);
- to review the arrangements for, and effectiveness of, the monitoring of risk parameters;
- to ensure appropriate, documented and regularly updated due diligence processes are implemented when appointing and reviewing service providers, including reviewing the main contracts entered into by the Company for such services;
- to ensure that the risk profile of the Company corresponds to the size, portfolio structure, investment strategies and objectives of the Company;
- to report to the Board on its conclusions and to make recommendations in respect of any matters within its remit including proposals for improvement in, or changes to, the systems, processes and procedures that are in place;
- to review and approve the statements to be included in the Annual Report concerning risk management;
- to review and monitor the Manager's responsiveness to the findings and recommendations of its internal control function;
- to meet with representatives of the Manager's internal control function at least once each year, to discuss any issues arising; and
- to allow direct access to representatives of the Manager's internal control function.

The Committee will review the Terms of Reference at least once each year.

Internal Control and Risk Management

The Board of Directors of Maven Income and Growth VCT 2 PLC has overall responsibility for the Company's system of internal control and for reviewing its effectiveness, and has considered the requirement for an internal audit function as recommended by Code provision 3.6. However, as the Directors have delegated the investment management, company secretarial and administrative functions of the Company to the Manager, the Board considers that it is appropriate for the Company's internal controls to be monitored by the Manager, rather than by the Company itself.

The Directors have confirmed that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company, which has been in place up to the date of approval of this Annual Report. The process is reviewed regularly by the Board and accords with internal control guidance issued by the FRC.

The Board reviews the effectiveness of the system of internal control at least once each year and, in particular, the process for identifying and evaluating the significant risks affecting the Company and the policies and procedures by which these risks are managed.

The Directors have delegated the management of the Company's assets to the Manager and this embraces implementation of the system of internal control, including financial, operational and compliance controls, and the risk

management framework and internal control systems are monitored and supported by the compliance function of the Manager, which undertakes periodic examination of business processes, including compliance with the terms of the Management and Administration Deed, and ensures that recommendations to improve controls are implemented.

Risks are identified through the risk management framework by each function within the Manager's activities. Risk is considered in the context of the guidance issued by the FRC and includes financial, regulatory, market, operational and reputational risk. This helps the Manager's risk model identify those functions most appropriate for review. Any errors or weaknesses identified are reported to the Company and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The key components designed to provide effective internal control for the year under review, and up to the date of this report, are:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Manager have agreed clearly defined investment criteria, specific levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are submitted regularly to the Board;
- the Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- the compliance director of the Manager continually reviews the Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations;
- the Committee carries out a quarterly assessment of internal controls by considering reports from the Manager including its internal control and compliance functions, and taking account of events since the relevant period end; and
- the compliance function of the Manager reports annually to the Risk Committee and has direct access to the Directors at any time.

The internal control systems are intended to meet the Company's particular needs and the risks to which it is exposed. Accordingly, these systems are designed to manage, rather than eliminate, the risk of failure to achieve business goals and, by their nature, can provide reasonable, but not absolute, assurance against material misstatement or loss.

Assessment of Risks

In terms of the assessment of the key risks facing the Company, it is recognised that the investment portfolio forms a significant element of its assets. The recognition, ownership and valuation of the investment portfolio is therefore an area of particular attention for the Committee. Specifically, the risk is that investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of investments as set out in Note 1(e) to the Financial Statements on pages 60 and 61.

As revenue generated from dividend income and loan stock interest is the major source of revenue and a significant item in the Income Statement, another key risk relates to the recognition of investment income and, specifically, that the Company does not recognise income in line with its stated policy. The maintenance of VCT status is another key risk that the Company has to consider and the approach to address each of these key risks is set out below.

Valuation, Existence and Ownership of the Investment Portfolio

The Company uses the services of an independent Custodian (JP Morgan Chase Bank) to hold the quoted investment assets of the Company. An annual internal control report is received from the Custodian which provides details of the Custodian's control environment. The investment portfolio is reconciled regularly by the Manager and the reconciliation is also reviewed by the Independent Auditor. The portfolio is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are considered at the quarterly meetings of the Board. The portfolio is also audited annually by the Independent Auditor.

The valuation of investments is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(e) to the Financial Statements on pages 60 and 61. Unlisted investments are valued by the Manager and are subject to scrutiny and approval by the Directors. Investments listed on a recognised stock exchange are valued at their bid market price.

The Committee considered and challenged the assumptions and significant judgements in relation to the valuation of each quoted and unquoted investment and was satisfied that they were appropriate. The Committee was also satisfied that there were no issues associated with the existence and ownership of the investments which required to be addressed.

Revenue Recognition

The recognition of dividend income and loan stock interest is undertaken in accordance with accounting policy Note 1(b) to the Financial Statements on page 60. Management accounts are reviewed by the Board on a quarterly basis and discussion takes place with the Manager at the quarterly Board Meetings regarding the revenue generated from dividend income and loan stock. The Committee is satisfied that the levels of income recognised are in line with revenue estimates and that there were no issues associated with revenue recognition which required to be addressed.

Maintenance of VCT Status

Compliance with the VCT regulations is monitored continually by the Manager and is reviewed by the Committee on a quarterly basis. The Committee concluded that there were no issues associated with the maintenance of VCT status that required to be addressed.

The principal risks and uncertainties faced by the Company, and the Board's strategy for managing these, are also covered in the Business Report on pages 13 and 14.



Peter Linthwaite
Director

11 May 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAVEN INCOME AND GROWTH VCT 2 PLC

Report on the audit of the Financial Statements

Opinion

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 January 2018 and of its return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Maven Income and Growth VCT 2 PLC (the Company) which comprise:

- the Income Statement;
- the Statement of Changes in Equity;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related Notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

| | |
|--|--|
| Key audit matters | <p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • Valuation of unlisted investments • Existence of listed and unlisted investments • Compliance with VCT regulations |
| Materiality | The materiality that we used in the current year was £325,000 which was determined on the basis of 2% of the net asset value of the Company at the year end. |
| Scoping | All audit work for this Company was performed directly by the audit engagement team. |
| Significant changes in our approach | We have not identified any significant changes in the business and environment from the prior year that have resulted in a significant change in our approach. |

Conclusions relating to principal risks, going concern and viability statement




| | |
|---|---|
| <p>We have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting and the Directors' statement on the longer-term viability of the Company contained within the Directors' report on pages 33 and 34 of this Annual Report.</p> <p>We are required to state whether we have anything material to add or draw attention to in relation to:</p> <ul style="list-style-type: none"> the disclosures on pages 13 to 14 that describe the principal risks and explain how they are being managed or mitigated; the Directors' confirmation on page 13 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity; the Directors' statement on page 33 about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the Financial Statements; the Directors' explanation on pages 33 and 34 as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions; or whether the Directors' statements relating to going concern and the prospects of the Company required in accordance with Listing Rule 9.8.6R(3) are materially inconsistent with our knowledge obtained in the audit. | <p>We confirm that we have nothing material to add or draw attention to in respect of these matters.</p> <p>We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.</p> |
|---|---|

Key audit matters




Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.




Valuation of unlisted investments

| | |
|--|--|
| Key audit matter description  | <p>Refer to Note 1(e) of Accounting Policies on pages 60 and 61 and Note 8 on page 64 of the Notes to the Financial Statements.</p> <p>The Company holds unlisted investments that are valued in accordance with the revised International Private Equity and Venture Capital Valuation (IPEVCV) Guidelines. These unlisted investments represent £11.0 million or 67% (2017: £15.9 million or 78%) of the entity's total net assets. The valuation of the unlisted investments held by the Company is considered a significant risk since judgement is required in order to determine the fair value – for example, judgement is required to ascertain the level of maintainable earnings for any given company as well as the multiplier to be applied to investments in different sectors.</p> <p>Under the new VCT regulations, investments are more likely to be earlier stage companies, with a lack of financial performance history. Their valuation therefore requires a greater degree of judgement.</p> <p>Due to the prevailing economic conditions in the oil and gas sector, investments with activities in this market have been subject to an increased focus and assessment by the Manager and the Directors. Valuation of unquoted investments is the most judgemental area of the Financial Statements and therefore the most susceptible to fraudulent manipulation.</p> |
| How the scope of our audit responded to the key audit matter  | <p>Our testing included:</p> <ul style="list-style-type: none"> • assessment of the design and implementation of key controls at the Manager and by the Board relating to valuation of unlisted investments, including monitoring of investee performance by the investment managers and valuation committee meetings; • assessment of the valuation methodology applied for compliance with the IPEVCV Guidelines and review of the assumptions adopted for each unquoted investment; • for investments determined as early stage, and for oil and gas companies, assessment of the company's performance against development milestones and business plan, including review of the investment papers, investees' latest management accounts and enquiries with the individual investment managers; • testing a sample of unquoted investee company data (e.g. financial information and capital structures) to supporting documentation; and • assessing whether any critical judgement or sources of estimation uncertainty were applied and appropriately disclosed. |
| Key observations  | <p>Based on our testing and enquiries with management, we conclude that key controls around the valuation of unlisted investments were adequately designed and implemented. We conclude that the unquoted investments sit within a reasonable range of valuations.</p> |

Existence of listed and unlisted investments

| | |
|--|---|
| Key audit matter description  | <p>Refer to Note 1(e) of Accounting Policies on pages 60 and 61 and Note 8 on page 64 of the Notes to the Financial Statements.</p> <p>The Company holds both listed and unlisted investments. These investments represent £12.3 million or 75% (2017: £17.1 million or 83%) of the entity's total net assets. The ownership of the listed and unlisted investments held by the Company is considered a significant risk since if investments are not recorded in line with the holdings per the loan note certificates or custodian confirmation, this could result in a material misstatement of the assets held.</p> |
| How the scope of our audit responded to the key audit matter  | <p>Our testing included:</p> <ul style="list-style-type: none"> • assessment of the design and implementation of key controls relating to existence of listed and unlisted investments, including the review of the six monthly stock certificate reconciliation for unlisted investments and the quarterly custodian report for listed investments; • obtaining share certificates for unlisted shares and loan notes held by the Manager and reconciling these to the portfolio listing; and • agreeing quoted investment ownership to reports from the underlying custodian. |
| Key observations  | <p>Based on our testing, we conclude that key controls around the existence of listed and unlisted investments were adequately designed and implemented. We conclude that the Company has appropriate title to the investments reported in the Financial Statements.</p> |

Compliance with VCT regulations

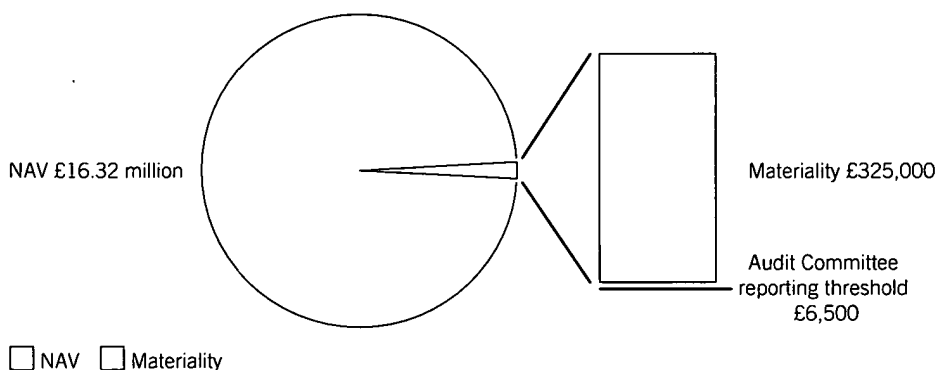
| | |
|--|---|
| Key audit matter description  | <p>Refer to the assessment of the VCT Qualifying Status Risk in the Business Report on page 14.</p> <p>The Company must comply with Section 274 of the Income Tax Act 2007 to maintain VCT status. Failure to comply would result in the VCT losing its corporation tax exemption on chargeable gains, with investors' gains also no longer being exempt from income tax.</p> <p>The VCT rule changes have become increasingly more complex to administer, with close monitoring required of the use of monies and monitoring of qualifying or non-qualifying investments.</p> |
| How the scope of our audit responded to the key audit matter  | <p>Our testing included:</p> <ul style="list-style-type: none"> • assessment of the design and implementation of key controls relating to compliance with VCT regulations, including assessing the processes in place over the pre-trade identification of qualifying investments and the ongoing review of VCT Section 274 compliance; • reviewing the Manager's quarterly compliance statements against the Income Tax Act 2007 Section 274 criteria; and • reviewing that each of the criteria that must be met to retain VCT status have been complied with, through a sample reperformance of the relevant calculations and review of the qualifying investment listings. |
| Key observations  | <p>Based on our testing and enquiries with management, we conclude that controls in place to monitor the compliance with VCT regulations were adequately designed and implemented. We noted no issue to report to those charged with governance on the Company's compliance with the VCT regulations.</p> |

Our application of materiality

We define materiality as the magnitude of misstatement in the Financial Statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

| | |
|--|---|
| Materiality | £325,000 (2017: £407,000) |
| Basis for determining materiality | 2% (2017: 2%) of net asset value. |
| Rationale for the benchmark applied | Net assets is the primary measure used by the Shareholders in assessing the performance of the Company, and this is a generally accepted auditing benchmark used for entities in this industry. |



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £6,500 (2017: £8,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the Financial Statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement.

Based on that assessment, we focused our audit scope primarily on the key audit matters described above. The investment management and accounting and reporting operations were undertaken by the Manager, whilst the safeguarding of assets resides with the Manager and the Custodian. We have obtained an understanding of the Manager's systems of internal controls and reviewed the Custodian's Service Organisation Report, and undertaken a combination of procedures, all of which are designed to target the Company's identified risks of material misstatements in the most effective manner possible.

Other information

| | |
|--|--|
| <p>The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the Financial Statements and our Auditor's report thereon.</p> <p>Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.</p> <p>If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.</p> <p>In this context, matters that we are specifically required to report to you as uncorrected material misstatements of the other information include where we conclude that:</p> <ul style="list-style-type: none"> • <i>Fair, balanced and understandable</i> – the statement given by the Directors that they consider the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or • <i>Audit Committee reporting</i> – the section describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or • <i>Directors' statement of compliance with the UK Corporate Governance Code</i> – the parts of the Directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the Auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code. | <p>We have nothing to report in respect of these matters.</p> |
|--|--|

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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 auditor's 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.

Report on other legal and regulatory requirements

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

| | |
|---|--|
| <p>Adequacy of explanations received and accounting records</p> <p>Under the Companies Act 2006 we are required to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • we have not received all the information and explanations we require for our audit; or • adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Company's Financial Statements are not in agreement with the accounting records and returns. | <p>We have nothing to report in respect of these matters.</p> |
| <p>Directors' remuneration</p> <p>Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns.</p> | <p>We have nothing to report in respect of these matters.</p> |

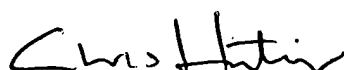
Other matters

Auditor tenure

Following the recommendation of the Audit Committee, we were re-appointed by the Audit Committee in July 2016 to audit the Financial Statements for the year ended 31 January 2017 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 11 years, covering the years ended 31 January 2008 to 31 January 2018.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).



Chris Hunter CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, United Kingdom

11 May 2018

FINANCIAL STATEMENTS

| | |
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INCOME STATEMENT

For the Year Ended 31 January 2018

| | | Year ended 31 January 2018 | | | Year ended 31 January 2017 | | |
|--|---|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| (Losses)/gains on investments | 8 | - | (688) | (688) | - | 1,070 | 1,070 |
| Income from investments | 2 | 678 | - | 678 | 627 | - | 627 |
| Other income | 2 | 9 | - | 9 | 4 | - | 4 |
| Investment management fees | 3 | (45) | (404) | (449) | (70) | (632) | (702) |
| Other expenses | 4 | (249) | - | (249) | (302) | - | (302) |
| Net return on ordinary activities before taxation | | 393 | (1,092) | (699) | 259 | 438 | 697 |
| Tax on ordinary activities | 5 | (65) | 65 | - | (51) | 51 | - |
| Return attributable to Equity Shareholders | | 328 | (1,027) | (699) | 208 | 489 | 697 |
| Earnings per share (pence) | | 0.81 | (2.54) | (1.73) | 0.51 | 1.19 | 1.70 |

All gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and one reportable segment, the results of which are set out in the Income Statement and Balance Sheet. The Company derives its income from investments made in shares, securities and bank deposits.

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

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 31 January 2018

| | Notes | Share capital £'000 | Share premium account £'000 | Capital reserve realised £'000 | Capital reserve unrealised £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---------------------------------------|-------|------------------------|-----------------------------------|---|---|--|---|-----------------------------|----------------|
| At 31 January 2017 | | 4,058 | 9,473 | (11,894) | 454 | 17,618 | 346 | 447 | 20,502 |
| Net return | | - | - | 798 | (1,825) | - | - | 328 | (699) |
| Dividends paid | 6 | - | - | (3,023) | - | - | - | (363) | (3,386) |
| Repurchase and cancellation of shares | 12 | (25) | - | - | - | (96) | 25 | - | (96) |
| At 31 January 2018 | | 4,033 | 9,473 | (14,119) | (1,371) | 17,522 | 371 | 412 | 16,321 |

| | Notes | Share capital £'000 | Share premium account £'000 | Capital reserve realised £'000 | Capital reserve unrealised £'000 | Special distributable reserve £'000 | Capital redemption reserve £'000 | Revenue reserve £'000 | Total £'000 |
|---|-------|------------------------|-----------------------------------|---|---|--|---|-----------------------------|----------------|
| For the Year Ended 31 January 2017 | | | | | | | | | |
| At 31 January 2016 | | 4,109 | 9,473 | (11,296) | 821 | 17,842 | 295 | 526 | 21,770 |
| Net return | | - | - | 856 | (367) | - | - | 208 | 697 |
| Dividends paid | 6 | - | - | (1,454) | - | - | - | (287) | (1,741) |
| Repurchase and cancellation of shares | 12 | (51) | - | - | - | (224) | 51 | - | (224) |
| At 31 January 2017 | | 4,058 | 9,473 | (11,894) | 454 | 17,618 | 346 | 447 | 20,502 |

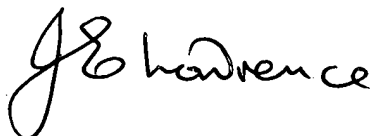
The accompanying Notes are an integral part of the Financial Statements.

BALANCE SHEET

As at 31 January 2018

| | Notes | 31 January 2018 £'000 | 31 January 2017 £'000 |
|---|-------|--------------------------|--------------------------|
| Fixed assets | | | |
| Investments at fair value through profit or loss | 8 | 12,276 | 17,111 |
| Current assets | | | |
| Debtors | 10 | 315 | 273 |
| Cash | | 3,764 | 3,334 |
| | | 4,079 | 3,607 |
| Creditors | | | |
| Amounts falling due within one year | 11 | (34) | (216) |
| Net current assets | | 4,045 | 3,391 |
| Net assets | | 16,321 | 20,502 |
| Capital and reserves | | | |
| Called up share capital | 12 | 4,033 | 4,058 |
| Share premium account | 13 | 9,473 | 9,473 |
| Capital reserve - realised | 13 | (14,119) | (11,894) |
| Capital reserve - unrealised | 13 | (1,371) | 454 |
| Special distributable reserve | 13 | 17,522 | 17,618 |
| Capital redemption reserve | 13 | 371 | 346 |
| Revenue reserve | 13 | 412 | 447 |
| Net assets attributable to Ordinary Shareholders | | 16,321 | 20,502 |
| Net asset value per Ordinary Share (pence) | 14 | 40.47 | 50.52 |

The Financial Statements of Maven Income and Growth VCT 2 PLC, registered number 4135802, were approved and authorised for issue by the Board of Directors on 11 May 2018 and were signed on its behalf by:



John Lawrence MBE
Director

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

CASH FLOW STATEMENT

For the Year Ended 31 January 2018

| | Notes | Year ended 31 January 2018 £'000 | Year ended 31 January 2017 £'000 |
|---|-------|--|--|
| Net cash flows from operating activities | 15 | (918) | (1,516) |
| Cash flows from investing activities | | | |
| Investment income received | | 626 | 621 |
| Deposit interest received | | 9 | 4 |
| Purchase of investments | | (1,837) | (5,492) |
| Sale of investments | | 6,032 | 10,994 |
| Net cash flows from investing activities | | 4,830 | 6,127 |
| Cash flows from financing activities | | | |
| Equity dividends paid | 6 | (3,386) | (1,741) |
| Repurchase of Ordinary Shares | | (96) | (224) |
| Net cash flows from financing activities | | (3,482) | (1,965) |
| Net increase in cash | | 430 | 2,646 |
| Cash at beginning of year | | 3,334 | 688 |
| Cash at end of year | | 3,764 | 3,334 |

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 January 2018

1. Accounting Policies

(a) Basis of preparation

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and in accordance with the Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts (the SORP) issued by the Association of Investment Companies (the AIC) in November 2014.

(b) Income

Dividends receivable on equity shares and unit trusts are treated as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available dividends receivable on or before the year end are treated as revenue for the period. Provision is made for any dividends not expected to be received. The fixed returns on debt securities and non-equity shares are recognised on a time apportionment basis so as to reflect the effective interest rate on the debt securities and shares. Provision is made for any fixed income not expected to be received. Interest receivable from cash and short term deposits and interest payable are accrued to the end of the year.

(c) Expenses

All expenses are accounted for on an accruals basis and charged to the Income Statement. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition and disposal of an investment are charged to capital; and
- expenses are charged to realised capital reserves where a connection with the maintenance or enhancement of the value of the investments can be demonstrated. In this respect the investment management fee has been allocated 10% to revenue and 90% to realised capital reserves to reflect the Company's investment policy and prospective income and capital growth.

(d) Taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital reserves and revenue account on the same basis as the particular item to which it relates using the Company's effective rate of tax for the period.

UK corporation tax is provided at amounts expected to be paid/recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

(e) Investments

In valuing unlisted investments the Directors follow the criteria set out below. These procedures comply with the revised International Private Equity and Venture Capital Valuation Guidelines (IPEVCV) for the valuation of private equity and venture capital investments. Investments are recognised at their trade date and are designated by the Directors as fair value through profit and loss. At subsequent reporting dates, investments are valued at fair value, which represents the Directors' view of the amount for which an asset could be exchanged between knowledgeable and willing parties in an arm's length transaction. This does not assume that the underlying business is saleable at the reporting date or that its current shareholders have an intention to sell their holding in the near future.

A financial asset or liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

1. For early stage investments completed in the reporting period, fair value is determined using the Price of Recent Investment Method, except that adjustments are made when there has been a material change in the trading circumstances of the investee company.
2. Whenever practical, recent investments will be valued by reference to a material arm's length transaction or a quoted price.
3. Mature companies are valued by applying a multiple to their prospective earnings to determine the enterprise value of the company.
 - 3.1 To obtain a valuation of the total ordinary share capital held by management and the institutional investors, the value of third party debt, institutional loan stock, debentures and preference share capital is deducted from the enterprise value. The effect of any performance related mechanisms is taken into account when determining the value of the ordinary share capital.
 - 3.2 Preference shares, debentures and loan stock are valued using the Price of Recent Investment Method. When a redemption premium has accrued, this will only be valued if there is a reasonable prospect of it being paid. Preference shares which carry a right to convert into ordinary share capital are valued at the higher of the Price of Recent Investment Method basis and the price/earnings basis, both described above.
4. In the absence of evidence of a deterioration, or strong defensible evidence of an increase in value, the fair value is determined to be that reported at the previous balance sheet date.
5. All unlisted investments are valued individually by the portfolio management team of Maven. The resultant valuations are subject to detailed scrutiny and approval by the Directors of the Company.
6. In accordance with normal market practice, investments listed on the Alternative Investment Market or a recognised stock exchange are valued at their bid market price.

(f) Fair value measurement

Fair value is defined as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or the most advantageous market of the investment. A three-tier hierarchy has been established to maximise the use of observable market data and minimise the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on best information available in the circumstances.

The three-tier hierarchy of inputs is summarised in the three broad levels listed below.

- Level 1 - the unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 - inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

(g) Gains and losses on investments

When the Company sells or revalues its investments during the year, any gains or losses arising are credited/charged to the Income Statement.

(h) Critical accounting judgements and key sources of estimation uncertainty

Disclosure is required of judgements and estimates made by the Board and the Manager in applying the accounting policies that have a significant effect on the Financial Statements. The area involving the highest degree of judgement and estimates is the valuation of unlisted investments recognised in Note 8 and explained in Note 1 (e) above. In the opinion of the Board and the Manager, there are no critical accounting judgements.

| 2. Income | Year ended 31 January 2018 £'000 | Year ended 31 January 2017 £'000 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Income from investments: | | |
| UK franked investment income | 43 | 2 |
| UK unfranked investment income | 635 | 625 |
| | 678 | 627 |
| Other income: | | |
| Deposit interest | 9 | 4 |
| Total income | 687 | 631 |

| 3. Investment management fees | Year ended 31 January 2018 | | | Year ended 31 January 2017 | | |
|------------------------------------|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Investment management fees at 2.5% | 45 | 404 | 449 | 53 | 475 | 528 |
| Performance fees | - | - | - | 17 | 157 | 174 |
| | 45 | 404 | 449 | 70 | 632 | 702 |

Details of the fee basis are contained in the Directors' Report on page 35.

| 4. Other expenses | Year ended 31 January 2018 | | | Year ended 31 January 2017 | | |
|---|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Secretarial fees | 69 | - | 69 | 68 | - | 68 |
| Directors' remuneration | 71 | - | 71 | 71 | - | 71 |
| Fees to Auditor - audit services | 19 | - | 19 | 18 | - | 18 |
| Fees to Auditor - tax compliance services | 5 | - | 5 | 5 | - | 5 |
| Bad debts written off | - | - | - | 30 | - | 30 |
| Miscellaneous expenses | 85 | - | 85 | 110 | - | 110 |
| | 249 | - | 249 | 302 | - | 302 |

| 5. Tax on ordinary activities | Year ended 31 January 2018 | | | Year ended 31 January 2017 | | |
|-------------------------------|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Corporation tax | (65) | 65 | - | (51) | 51 | - |

The tax assessed for the period is at the rate of 20% to 31 March 2017, thereafter 19% (2017: 20%).

| | Year ended 31 January 2018 | | | Year ended 31 January 2017 | | |
|--|----------------------------|------------------|----------------|----------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Net return on ordinary activities before taxation | 393 | (1,092) | (699) | 259 | 438 | 697 |
| Net revenue return on ordinary activities before taxation multiplied by standard rate of corporation tax | 75 | (209) | (134) | 51 | 88 | 139 |
| Non taxable UK dividend income | (8) | - | (8) | - | - | - |
| (Losses)/gains on investments | - | 132 | 132 | - | (214) | (214) |
| Increase in excess management expenses | - | 10 | 10 | - | 75 | 75 |
| Adjustment to 2017 tax charge | (2) | 2 | - | - | - | - |
| | 65 | (65) | - | 51 | (51) | - |

Losses with a tax value of £503,152 (2017: £521,401) are available to carry forward against future trading profits. These have not been recognised as a deferred tax asset as recoverability is not sufficiently certain.

| 6. Dividends | Year ended 31 January 2018 £'000 | Year ended 31 January 2017 £'000 |
|---|---|---|
| Revenue dividends | | |
| Final revenue dividend for year ended 31 January 2017 of 0.20p (2016: 0.50p) paid on 23 June 2017 | 81 | 205 |
| First interim revenue dividend for year ended 31 January 2018 of Nil (2017: 0.20p) paid on 15 September 2017 | - | 82 |
| Second interim revenue dividend for year ended 31 January 2018 of 0.70p (2017: Nil) paid on 26 January 2018 | 282 | - |
| | 363 | 287 |
| Capital dividends | | |
| Final dividend for year ended 31 January 2017 of 2.05p (2016: 1.75p) paid on 23 June 2017 | 832 | 719 |
| First interim dividend for year ended 31 January 2018 of 3.41p (2017: 1.80p) paid on 15 September 2017 | 1,384 | 735 |
| Second interim dividend for year ended 31 January 2018 of 2.00p (2017: Nil) paid on 26 January 2018 | 807 | - |
| | 3,023 | 1,454 |
| Dividends | | |
| We set out below the final dividends proposed in respect of the financial year, which reflect the requirements of Section 274 of the Income Tax Act 2007. | | |
| Revenue available for distribution by way of dividends for the year | 328 | 208 |
| Revenue dividends | | |
| Final revenue dividend proposed for the year ended 31 January 2018 of Nil (2017: 0.20p) | - | 81 |
| | - | 81 |
| Capital dividends | | |
| Final capital dividend proposed for the year ended 31 January 2018 of Nil (2017: 2.05p) | - | 832 |
| | - | 832 |

| 7. Earnings per share | Year ended 31 January 2018 | Year ended 31 January 2017 |
|---|-------------------------------|-------------------------------|
| The returns per share have been based on the following figures: | | |
| Weighted average number of Ordinary Shares | 40,509,549 | 40,948,352 |
| Revenue return | £328,000 | £208,000 |
| Capital return | (£1,027,000) | £489,000 |
| Total return | (£699,000) | £697,000 |

| 8. Investments | Year ended 31 January 2018 | | | | Total £'000 |
|-------------------------------------|---------------------------------------|--|--|---|----------------|
| | Listed (quoted Prices) £'000 | AIM/NEX (quoted prices) £'000 | AIM/NEX (unobservable inputs) £'000 | Unlisted (unobservable inputs) £'000 | |
| Valuation at 31 January 2017 | 1,073 | 113 | - | 15,925 | 17,111 |
| Unrealised (gain)/loss | (37) | 484 | 251 | (1,152) | (454) |
| Cost at 31 January 2017 | 1,036 | 597 | 251 | 14,773 | 16,657 |
| Movements during the year: | | | | | |
| Purchases | - | - | - | 1,837 | 1,837 |
| Sales proceeds | - | - | - | (5,984) | (5,984) |
| Realised gain/(loss) | - | (15) | (251) | 1,403 | 1,137 |
| Cost at 31 January 2018 | 1,036 | 582 | - | 12,029 | 13,647 |
| Unrealised gain/(loss) | 129 | (440) | - | (1,060) | (1,371) |
| Valuation at 31 January 2018 | 1,165 | 142 | - | 10,969 | 12,276 |

Note 1(f) defines the three tier hierarchy of investments, and the significance of the information used to determine their fair value, that is required by Financial Reporting Standard 102 Section 11 "Basic Financial Instruments". Listed and AIM/NEX securities are categorised as Level 1 and unlisted investments as Level 3.

FRS 102 requires disclosure, by class of financial instrument, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. The information used in determination of the fair value of Level 3 to the specific underlying investments is chosen with reference to the circumstances and position of each investee company.

The Directors are of the view that there are no reasonably possible alternative assumptions that will have a significant effect on the valuation of the unlisted portfolio.

There has been no transfer between fair value levels during the year.

| The portfolio valuation Held at market valuation | 31 January 2018 £'000 | 31 January 2017 £'000 |
|---|--------------------------|--------------------------|
| Investment trusts | 1,153 | 1,063 |
| Listed investments | 12 | 10 |
| AIM/NEX quoted equities | 142 | 113 |
| | 1,307 | 1,186 |
| Unlisted at Directors' valuation: | | |
| Unquoted unobservable equities | 5,148 | 6,893 |
| Unquoted unobservable fixed income | 5,821 | 9,032 |
| | 10,969 | 15,925 |
| Total | 12,276 | 17,111 |
| Realised gains on historical basis | 1,137 | 1,437 |
| Net decrease in value of investments | (1,825) | (367) |
| (Losses)/gains on investments | (688) | 1,070 |

9. Participating interests

The principal activity of the Company is to select and hold a portfolio of investments in unlisted securities. Although the Company will, in some cases, be represented on the board of the investee company, it will not take a controlling interest or become involved in the management. The size and structure of companies with unlisted securities may result in certain holdings in the portfolio representing a participating interest without there being any partnership, joint venture or management consortium agreement.

At 31 January 2018, the Company held no shares amounting to 20% or more of the equity capital of any of the unlisted or quoted undertakings. The Company does hold shares or units amounting to more than 3% or more of the nominal value of the allotted shares or units of any class in certain investee companies.

Details of equity percentages held are shown in the Investment Portfolio Summary on pages 30 and 31.

| 10. Debtors | 31 January 2018 £'000 | 31 January 2017 £'000 |
|--------------------------------|----------------------------------|----------------------------------|
| Prepayments and accrued income | 273 | 225 |
| Other debtors | 42 | 48 |
| | 315 | 273 |

| 11. Creditors | 31 January 2018 £'000 | 31 January 2017 £'000 |
|----------------------|----------------------------------|----------------------------------|
| Accruals | 34 | 216 |
| | 34 | 216 |

| 12. Share capital | 31 January 2018 Number £'000 | 31 January 2017 Number £'000 |
|---|---|---|
| At 31 January the authorised share capital comprised: | | |
| Allotted, issued and fully paid | | |
| Ordinary Shares of 10p each: | | |
| Balance brought forward | 40,584,617 4,058 | 41,089,617 4,109 |
| Ordinary Shares repurchased and cancelled during year | (250,000) (25) | (505,000) (51) |
| | 40,334,617 4,033 | 40,584,617 4,058 |

During the year 250,000 Ordinary Shares (2017: 505,000) of 10p each were repurchased by the Company at a cost of £95,620 (2017: £224,185) and cancelled.

13. Reserves

Share premium account

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

Capital reserves

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

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

Special distributable reserve

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

Capital redemption reserve

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

Revenue reserve

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

14. Net asset value per Ordinary Share

The net asset value per Ordinary Share and the net asset value attributable to the Ordinary Shares at the year end, calculated in accordance with the Articles, were as follows:

| | 31 January 2018 | | 31 January 2017 | |
|-----------------|--------------------------------------|---|--------------------------------------|---|
| | Net asset value per share p | Net asset value attributable £'000 | Net asset value per share p | Net asset value attributable £'000 |
| Ordinary Shares | 40.47 | 16,321 | 50.52 | 20,502 |

The number of Ordinary Shares used in this calculation is set out in Note 12.

| 15. Reconciliation of net return to cash utilised by operations | Year ended 31 January 2018 £'000 | Year ended 31 January 2017 £'000 |
|--|---|---|
| Net return | (699) | 697 |
| Adjustment for: | | |
| Losses/(gains) on Investments | 688 | (1,070) |
| Income from Investments | (678) | (627) |
| Other income | (9) | (4) |
| Operating cash flow before movement in working capital | (698) | (1,004) |
| (Increase)/decrease in prepayments | (1) | 2 |
| Increase in debtors | (37) | - |
| Decrease in accruals | (182) | (514) |
| Cash utilised by operations | (918) | (1,516) |

16. Financial instruments

The Company's financial instruments comprise equity and fixed interest investments, cash balances and debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT qualifying unquoted and AIM/NEX quoted securities. The Company may not enter into derivative transactions in the form of forward foreign currency contracts, futures and options without the written permission of the Directors. No derivative transactions were entered into during the period.

The main risks the Company faces from its financial instruments are: (i) market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rates; (ii) interest rate risk; (iii) liquidity risk; (iv) credit risk; and (v) price risk sensitivity. In line with the Company's investment objective, the portfolio comprises mainly sterling currency securities and, therefore, foreign currency risk is minimal.

The Manager's policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures below exclude short term debtors and creditors which are included in the Balance Sheet at fair value.

(i) Market price risk

The Company's investment portfolio is exposed to market price fluctuations, which are monitored by the Manager in pursuance of the investment objective as set out on page 13. Adherence to investment guidelines and to investment and borrowing powers set out in the Management Agreement mitigates the risk of excessive exposure to any particular type of security or issuer. These powers and guidelines include the requirement to invest in a number of companies across a range of industrial and service sectors at varying stages of development, to closely monitor the progress of the investee companies and to appoint a non-executive director to the board of each company. Further information on the investment portfolio (including sector analysis, concentration and deal type analysis) is set out in the Analysis of Unlisted and Quoted Portfolio, the Investment Manager's Review, the Summary of Investment Changes, the Investment Portfolio Summary and the Largest Investments by Valuation.

16. Financial instruments (continued)**(ii) Interest rate risk**

The interest rate risk profile of financial assets at the balance sheet date was as follows:

| | Fixed interest £'000 | Floating rate £'000 | Non interest bearing £'000 |
|---------------------------|-------------------------------------|------------------------------------|---|
| At 31 January 2018 | | | |
| Sterling: | | | |
| Unlisted and AIM/NEX | 5,821 | - | 5,302 |
| Investment trusts | - | - | 1,153 |
| Cash | - | 3,764 | - |
| | 5,821 | 3,764 | 6,455 |

| | Fixed interest £'000 | Floating rate £'000 | Non interest bearing £'000 |
|---------------------------|-------------------------------------|------------------------------------|---|
| At 31 January 2017 | | | |
| Sterling: | | | |
| Unlisted and AIM/NEX | 9,032 | - | 7,016 |
| Investment trusts | - | - | 1,063 |
| Cash | - | 3,334 | - |
| | 9,032 | 3,334 | 8,079 |

The unlisted fixed interest assets have a weighted average life of 1.65 years (2017: 1.25 years) and a weighted average interest rate of 10.43% (2017: 7.99%). The floating rate assets consist of cash. These assets are earning interest at prevailing money market rates. The non-interest bearing assets represent the equity element of the portfolio. All assets and liabilities of the Company are included in the Balance Sheet at fair value.

16. Financial instruments (continued)**Maturity profile**

The maturity profile of the Company's financial assets at the balance sheet date was as follows:

| | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | More than 5 years £'000 | Total £'000 |
|---------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|----------------|
| At 31 January 2018 | | | | | | | |
| Unlisted | 801 | 2,445 | 1,569 | 188 | 648 | 170 | 5,821 |
| | 801 | 2,445 | 1,569 | 188 | 648 | 170 | 5,821 |

| | Within 1 year £'000 | Within 1-2 years £'000 | Within 2-3 years £'000 | Within 3-4 years £'000 | Within 4-5 years £'000 | More than 5 years £'000 | Total £'000 |
|---------------------------|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-------------------------------|----------------|
| At 31 January 2017 | | | | | | | |
| Unlisted | 2,842 | 3,734 | 186 | 1,890 | 380 | - | 9,032 |
| | 2,842 | 3,734 | 186 | 1,890 | 380 | - | 9,032 |

(iii) Liquidity risk

Due to their nature, unlisted investments may not be readily realisable and, therefore, a portfolio of listed assets and cash is held to offset this liquidity risk. Note 8 details the three-tier hierarchy of inputs used as at 31 January 2018 in valuing the Company's investments carried at fair value.

The Company, generally, does not hold significant cash balances and any cash held is with reputable banks with high quality external credit ratings.

(iv) Credit risk

This is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company.

The Company's financial assets exposed to credit risk amounted to the following:

| | 31 January 2018 £'000 | 31 January 2017 £'000 |
|---|----------------------------------|----------------------------------|
| Investments in unlisted debt securities | 5,821 | 9,032 |
| Investment trusts | 1,153 | 1,063 |
| Cash | 3,764 | 3,334 |
| | 10,738 | 13,429 |

All assets which are traded on a recognised exchange, are held by JP Morgan Chase (JPM), the Company's custodian. Cash balances are held by JPM, RBS and Clydesdale. Should the credit quality or the financial position of any of these institutions deteriorate significantly the Manager will move these assets to another financial institution.

16. Financial instruments (continued)

The Manager evaluates credit risk on unlisted debt securities and financial commitments and guarantees prior to investment, and as part of the ongoing monitoring of investments. In doing this, it takes into account the extent and quality of any security held. Typically, unlisted debt securities have a fixed charge over the assets of the investee company in order to mitigate the gross credit risk. The Manager receives management accounts from investee companies, and members of the investment management team sit on the boards of investee companies; this enables the close identification, monitoring and management of investment specific credit risk.

There were no significant concentrations of credit risk to counterparties at 31 January 2018 or 31 January 2017.

(v) Price risk sensitivity

The following details the Company's sensitivity to a 10% increase or decrease in the market prices of AIM/NEX quoted securities, with 10% being the Manager's assessment of a reasonable possible change in market prices.

At 31 January 2018, if market prices of listed or AIM/NEX quoted securities had been 10% higher or lower and with all other variables held constant, the increase or decrease in net assets attributable to Ordinary Shareholders for the year would have been £15,400 (2017: £12,300) due to the change on valuation of financial assets at fair value through profit or loss.

At 31 January 2018, 67.2% (2017: 77.7%) comprised investments in unquoted companies held at fair value attributable to Ordinary Shareholders. The valuation of unquoted investments reflects a number of factors, including the performance of the investee company itself and the wider market. Therefore, it is not considered meaningful to provide a sensitivity analysis on the net asset position and total return for the year.

ANNUAL GENERAL MEETING & GLOSSARY

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Maven Income and Growth VCT 2 PLC (the Company; Registered in England and Wales with registered number 4135802) will be held at 10.30 am on Wednesday 13 June 2018 at Kintyre House, 205 West George Street, Glasgow G2 2LW for the purposes of considering and, if thought fit, passing the following Resolutions:

Ordinary Resolutions

1. To receive the Directors' Report and audited Financial Statements for the year ended 31 January 2018.
2. To approve the Directors' Remuneration Report for the year ended 31 January 2018.
3. To re-elect John Lawrence MBE as a Director.
4. To re-elect Bill Nixon as a Director.
5. To re-appoint Deloitte LLP as Auditor.
6. To authorise the Directors to fix the remuneration of the Auditor.
7. That the Directors be and are hereby generally and unconditionally authorised under Section 551 of the Companies Act 2006 (the Act) to exercise all the powers of the Company to allot Ordinary Shares, or grant rights to subscribe for or convert any security into Ordinary Shares, up to an aggregate nominal amount of £403,346 provided that this authority shall expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, and so that the Company may before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreements as if the authority conferred had not expired.

Special Resolutions

8. That, subject to the passing of Resolution 7, the Directors be and hereby are empowered, under Section 571 of the Act, to allot equity securities (as defined in Section 560 of the Act) under the authority conferred by Resolution 7 for cash as if Section 561(1) of the Act did not apply to the allotment, provided that this power shall be limited to the allotment:
 - a) of equity securities in connection with an offer of such securities by way of a rights issue only to holders of Ordinary Shares in proportion (as nearly as practicable) to their respective holdings of such Ordinary Shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange;
 - b) (other than under paragraph (a) above) of equity securities up to an aggregate nominal amount not exceeding £403,346 (equivalent to 4,033,460 Ordinary Shares); and
 - c) in each case where the proceeds may be used in whole or part to purchase existing Ordinary Shares and shall expire at the conclusion of the next annual general meeting of the Company or on the expiry of 15 months from the passing of this Resolution, whichever is the first to occur, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

9. That, the Company be and hereby is generally and, subject as hereinafter appears, unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary Shares, provided always that:
- a) the maximum number of Ordinary Shares hereby authorised to be purchased is 6,046,159;
 - b) the minimum price, exclusive of expenses, that may be paid for an Ordinary Share shall be 10p per share;
 - c) the maximum price, exclusive of expenses, that may be paid for an Ordinary Share shall be not more than an amount equal to the higher of:
 - (i) 105% of the average of the closing middle market price for the Ordinary Shares as derived from the London Stock Exchange's Daily Official List for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and
 - (ii) the price stipulated by Article 5(1) of Commission Regulation (EC) No. 273/2003 (the Buy-back and Stabilisation Regulation); and
 - d) unless previously renewed, varied or revoked, the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this Resolution, save that the Company may before such expiry enter into a contract to purchase Ordinary Shares which will or may be completed wholly or partly after such expiry.
10. That a general meeting, other than an annual general meeting, may be called on not less than 14 days' clear notice.

MAVEN CAPITAL PARTNERS UK LLP,
SECRETARY



By Order of the Board
AUTHORISED SIGNATORY

Maven Capital Partners UK LLP
Secretary
Fifth Floor
1-2 Royal Exchange Buildings
London
EC3V 3LF

11 May 2018

NOTES:

Entitlement to attend and vote

- 1) To be entitled to attend and vote at the Meeting (and for the purposes of the determination by the Company of the votes that may be cast in accordance with Regulation 41 of the Uncertified Securities Regulations 2001), only those members registered in the Company's register of members at 10.30 am on 11 June 2018 (or, if the Meeting is adjourned, close of business on the date which is two business days before the adjourned Meeting) shall be entitled to attend and vote at the Meeting. Changes to the register of members of the Company after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

Website giving information regarding the Meeting

- 2) Information regarding the Meeting, including the information required by Section 311A of the Companies Act 2006, is available from www.mavencp.com/migvct2.

Attending in person

- 3) If you wish to attend the Meeting in person, please bring some form of identification.

Appointment of proxies

- 4) If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this Notice of Annual General Meeting. You can appoint a proxy only using the procedures set out in these notes and the notes to the proxy form.
- 5) If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
- 6) A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
- 7) You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please copy the proxy form, indicate on each form how many shares it relates to, and attach them together.

- 8) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

- 9) A form of proxy is enclosed with this document. The notes to the proxy form explain how to direct your proxy to vote or withhold their vote on each Resolution. To appoint a proxy using the proxy form, the form must be completed, signed and sent or delivered to the Company's registrars, Link Asset Services, at The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received by Link Asset Services no later than 10.30 am on 11 June 2018 or by close of business on a date two business days prior to that appointed for any adjourned Meeting or, in the case of a poll taken subsequent to the date of the Meeting or adjourned Meeting, so as to be received no later than 24 hours before the time appointed for taking the poll. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. For the purposes of determining the time for delivery of proxies, no account has been taken of any part of a day that is not a working day.

Appointment of a proxy on-line

- 10) You may submit your proxy electronically using the Link Share Portal service at www.signalshares.com. Shareholders can use this service to vote or appoint a proxy on-line. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your personalised Form of Proxy to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique personal identification Investor Code printed on your share certificate. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

Appointment of proxies through CREST

- 11) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID: RA10) by 10.30 am on 11 June 2018. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time.

In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

- 12) In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding, the first-named being the most senior.

Changing proxy instructions

- 13) To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Link Asset Services at the address shown in note 9. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

- 14) In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Link Asset Services, at the address shown in note 9. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed, or a duly certified copy of such power or authority, must be included with the revocation notice. The revocation notice must be received by Link Asset Services no later than 48 hours before the Meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Corporate representatives

- 15) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

Issued shares and total voting rights

- 16) As at 9 May 2018, the Company's issued share capital comprised 40,334,617 Ordinary Shares of 10p each. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company on 9 May 2018 is 40,334,617. The website referred to in note 2 will include information on the number of shares and voting rights.

Questions at the meeting

- 17) Under Section 319A of the Act, the Company must answer any question you ask relating to the business being dealt with at the Meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Website publication of audit concerns

- 18) Pursuant to Chapter 5 of Part 16 of the Act (Sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 19 below, the Company must publish on its website, a statement setting out any matter that such members propose to raise at the Meeting relating to the audit of the Company's accounts (including the Auditor's report and the conduct of the audit) that are to be laid before the Meeting. The request:
- may be in hard copy form or in electronic form (see note 20 below);
 - must either set out the statement in full or, if supporting a statement sent by another member, clearly identify the statement which is being supported;
 - must be authenticated by the person or persons making it (see note 20 below); and
 - must be received by the Company at least one week before the meeting. Where the Company is required to publish such a statement on its website:
 - it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
 - it must forward the statement to the Company's Auditor no later than the time the statement is made available on the Company's website; and
 - the statement may be dealt with as part of the business of the Meeting.

Members' qualification criteria

- 19) In order to be able to exercise the members' rights under note 18, the relevant request must be made by a member or members having a right to vote at the Meeting and holding at least 5% of total voting rights of the Company, or at least 100 members having a right to vote at the Meeting and holding, on average, at least £100 of paid up share capital. For information on voting rights, including the total number of voting rights, see note 16 above and the website referred to in note 2.

Submission of hard copy and electronic requests and authentication requirements

- 20) Where a member or members wishes to request the Company to publish audit concerns (see note 18) such request be must be made in accordance with one of the following ways:
- a hard copy request which is signed by you, states your full name and address and is sent to The Secretary, Maven Income and Growth VCT 2 PLC, Kintyre House, 205 West George Street, Glasgow G2 2LW; or
 - a request that states your full name, address, and investor code, and is sent to enquiries@mavencp.com stating "AGM" in the subject field.

Nominated persons

- 21) If you are a person who has been nominated under Section 146 of the Act to enjoy information rights (Nominated Person):
- you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting;
 - if you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights; and
 - your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Documents on display

- 22) Copies of the letters of appointment of the Directors of the Company and a copy of the Articles of Association of the Company will be available for inspection at the registered office of the Company and at Kintyre House, 205 West George Street, Glasgow G2 2LW from the date of this notice until the end of the Meeting.

Communication

- 23) Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):
- calling Maven Capital Partners UK LLP (the Secretary) on 0141 306 7400; or
 - e-mailing enquiries@mavencp.com and stating "AGM" in the subject field.

EXPLANATORY NOTES TO THE NOTICE OF ANNUAL GENERAL MEETING

An explanation of the Resolutions to be proposed at the AGM is set out below. Resolutions 1 to 7 will be proposed as Ordinary Resolutions, requiring the approval of more than 50% of the votes cast, and Resolutions 8 to 10 will be proposed as Special Resolutions, requiring the approval of 75% or more of the votes cast.

Resolution 1 – Annual Report and Financial Statements

The Directors seek approval to receive the Directors' Report and audited Financial Statements for the year ended 31 January 2018 which are included within the Annual Report.

Resolution 2 – Directors' Remuneration Report

The Board seeks the approval of the Directors' Remuneration Report for the year ended 31 January 2018, which is also included within the Annual Report.

Resolution 3 – Re-election of a Director

John Lawrence will retire by rotation at the AGM in accordance with the Articles and, being eligible, is offering himself for re-election.

Resolution 4 – Re-election of a Director

Bill Nixon, as a non-independent Director, retires annually in accordance with corporate governance best practice and is proposed for re-election.

Resolution 5 – Appointment of Auditor

Shareholders will be asked to approve the re-appointment of Deloitte LLP as the Company's Auditor, with Deloitte LLP having expressed their willingness to remain in office.

Resolution 6 – Remuneration of Auditor

Shareholders will be asked to give the Directors' authority to fix the remuneration of Deloitte LLP.

Resolution 7 – Authority to Allot Shares

The Directors are seeking authority pursuant to Section 551 of the Act for the Company to allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £403,346. This amounts to 4,033,460 Ordinary Shares representing approximately 10% of the issued share capital as at 9 May 2018 (this being the latest practicable date prior to the publication of this Annual Report). This authority will be used for the purposes set out in Resolution 7. The authority conferred by Resolution 7 will expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

Resolution 8 – Waiver of Statutory Pre-emption Rights

Shareholders will be asked to grant authority to the Directors to allot Ordinary Shares: (i) on a pre-emptive basis to existing Shareholders as far as possible, subject to excluding circumstances where it is impractical to apply the strict pro-rating; and (ii) otherwise allot Ordinary Shares or rights to subscribe for Ordinary Shares up to an aggregate nominal value of £403,346 (representing approximately 10% of the issued share capital as at 9 May 2018, this being the latest practicable date prior to the publication of this Annual Report) as if the pre-emption rights of Section 561 of the Act did not apply, in each case where the proceeds may be used in whole or part to purchase existing Ordinary Shares. The authority conferred by Resolution 8 will expire at the conclusion of the next AGM of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur.

The Board may use the authorities conferred under Resolutions 7 and 8 to allot further Ordinary Shares or rights to subscribe for them.

Resolution 9 – Purchase of Own Shares

Shareholders will be asked to authorise the Company to make market purchases of up to 6,046,159 Ordinary Shares (representing approximately 14.99% of the issued share capital as at 9 May 2018, this being the latest practicable date prior to the publication of this Annual Report). The Resolution sets out the minimum and maximum prices that can be paid, exclusive of expenses, and Ordinary Shares bought back may be cancelled or held in treasury as may be determined by the Board. The authority conferred by Resolution 9 will expire at the conclusion of the next Annual General Meeting of the Company or on the expiry of 15 months from the passing of the Resolution, whichever is the first to occur. Once held in treasury, such Ordinary Shares may be sold for cash or cancelled. The Board may use this authority to allow the Company to continue to operate its share buy-back policy.

Resolution 10 – Notice of General Meetings

The Directors propose to preserve the Company's ability to call general meetings (other than annual general meetings) on 14 clear days' notice, as approved by Shareholders at the 2017 AGM. Resolution 10 seeks such approval and would be effective until the Company's next AGM, when it would be intended that a similar Resolution be proposed. It is anticipated that, if confirmed, such authority will only be used in exceptional circumstances. The Company will also need to meet the requirements for electronic voting before it can call a general meeting on 14 days' notice.

GLOSSARY

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| Alternative Performance Measures (APMs) | Measures of performance which are in addition to the earnings reported in the Financial Statements. The APMs used by the Company are marked * in this Glossary. The table in the Financial Highlights section on page 5 shows the movement in net asset value and total return per Ordinary Share over the past three financial years and shows the dividends declared in respect of each of the past three financial years and on a cumulative basis since inception. |
| Annual yield* | The total dividends paid for the financial year expressed as a percentage of the share price at the year end date. |
| Cumulative dividends paid* | The total amount of both capital and income distributions paid since the launch of the Company. |
| Discount/premium to NAV* | A discount is the percentage by which the mid-market price of an investment is lower than the net asset value per Ordinary Share. A premium is the percentage by which the mid-market price per share of an investment exceeds the net asset value per Ordinary Share. |
| Distributable reserves | Comprises capital reserve (realised), revenue reserve and special distributable reserve. |
| Dividend per Ordinary Share | The total of all dividends per Ordinary Share paid by the Company in respect of the year. |
| Earnings per Ordinary Share (EPS) | The net income after tax of the Company divided by the weighted average number of shares in issue during the year. In a venture capital trust this is made up of revenue EPS and capital EPS. |
| Ex-dividend date (XD date) | The date set by the London Stock Exchange and being the date preceeding the record date. |
| Index or indices | A market index calculates the average performance of its constituents, normally on a weighted basis. It provides a means of assessing the overall state of the economy and provides a comparison against which the performance of individual instruments can be assessed. |
| Investment income* | Income from investments as reported in the Income Statement. |
| NAV per Ordinary Share | Net assets divided by the number of Ordinary Shares in issue. |
| NAV total return per Ordinary Share* | NAV plus cumulative dividends paid to date divided by the number of Ordinary Shares in issue. |
| Net assets attributable to Ordinary Shareholders or Shareholders' funds (NAV) | Total assets less current and long-term liabilities. |
| Operational expenses* | The total of investment management fees and other expenses as reported in the Income Statement. |
| Realised gains/losses | The profit/loss on the sale of investments during the year. |
| Record date | The date on which an investor needs to be holding a share in order to qualify for a forthcoming dividend. |
| Revenue reserves | The total of undistributed revenue earnings from prior years. This is available for distribution to shareholders by way of dividend. |
| Total return | The theoretical return, including reinvesting each dividend in additional shares in the Company on the day that the shares go ex-dividend. The NAV total return involves investing the same net dividend in the NAV of the Company on the ex-dividend date. |
| Unrealised gains/losses | The profit/loss on the revaluation of the investment portfolio at the end of the year. |

CONTACT INFORMATION

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|--|---|
| Directors | John Lawrence MBE (Chairman) The Hon Robert Kissin Peter Linthwaite Bill Nixon |
| Manager and Secretary and Principal Place of Business | Maven Capital Partners UK LLP Kintyre House 205 West George Street Glasgow G2 2LW Telephone: 0141 306 7400 E-mail: enquiries@mavencp.com |
| Registered Office | Fifth Floor 1-2 Royal Exchange Buildings London EC3V 3LF |
| Registered in England and Wales | Company Registration Number: 4135802 Legal Entity Identifier: 213800JTY7653IULPV16 TIDM: MIG2 ISIN: GB0030367451 |
| Website | www.mavencp.com/migvct2 |
| Registrars | Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Website: www.linkassetservices.com Shareholder Portal: www.signalshares.com Shareholder Helpline: 0333 300 1566 (Lines are open 9.00am until 5.30pm, Monday to Friday; calls are charged at the standard geographic rates and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate) |
| Auditor | Deloitte LLP |
| Bankers | J P Morgan Chase Bank |
| Stockbrokers | Shore Capital Stockbrokers Limited Telephone: 020 7647 8132 |
| VCT Adviser | Philip Hare & Associates LLP |

Maven Capital Partners UK LLP

Kintyre House
205 West George Street
Glasgow G2 2LW
Tel: 0141 306 7400

Authorised and Regulated by
The Financial Conduct Authority
