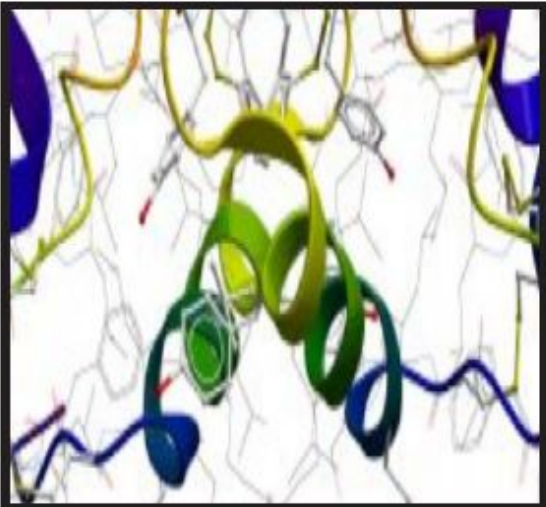


Oxford Technology 2 Venture Capital Trust Plc



ARECOR



SELECT



IMMBIO



ORTHOGEN

Annual Financial Statements For the Year Ended 28 February 2018

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About Oxford Technology 2 VCT Plc

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. This was achieved by offering VCT investors a series of tax benefits. Oxford Technology 2 VCT Plc (OT2) was listed on the London Stock Exchange in April 2000. It raised £6m in 2000-01. Further top-up offers have raised an additional £468k.

The Company is managed by OT2 Managers Ltd with services subcontracted to Oxford Technology Management Ltd.

Investment Strategy

The Company has built a balanced portfolio of investments with the following characteristics at the time of the initial investment:

- Unlisted, UK based, science, technology and engineering businesses;
- Investments typically in the range of £100k to £500k;
- Generally located within approximately 60 miles of Oxford so that the Company can be an active investor.

The key feature of Oxford Technology 2 VCT is that it has focussed on investing in early stage and start-up technology companies. Early stage companies are those which have received some initial sales. Start-up companies are those which are at an earlier stage; they will usually have already developed their initial product or service and be close to achieving their first sales.

The returns from such investments when successful can be highly attractive but the associated risks are high. It is intended that most of this risk will relate more to technical success or failure than to fluctuations in the major financial markets. As a result, the fund can act as a strong diversifier to a shareholder's overall portfolio by providing exposure to a different risk /reward profile from mainstream markets.

The full investment policy is included in the Business Review.

OT2 has been approved as a VCT by HMRC throughout the year and continues to comply with all statutory requirements.

Financial Headlines

	Year Ended 28 February 2018	Year Ended 28 February 2017
Net Assets at Year End	£1.69m	£2.53m
Net Asset Value per Share	31.7p	37.2p
Dividend per Share paid in Year	8.0p	-
Cumulative Dividend per Share	21.0p	13.0p
NAV + Cumulative Dividend per Share paid from Incorporation	52.7p	50.2p
Share Price at Year End	27.5p	20.0p
Earnings Per Share (Basic & Diluted)	1.0p	9.0p

Strategic Report

The Strategic Report has been prepared in accordance with the requirements of Section 414C of the Companies Act 2006 and the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014. Its purpose is to inform shareholders of the progress of the Company, to look at the current business model, future objectives, strategy and principal risks of the Venture Capital Trust.

The Strategic Report consists of the Chairman's Statement, which looks at future prospects for the Company, a Business Review, which includes analysis of the principal risks, and an Investment Portfolio Review, which looks at the performance of the Company's investments over the past year.

The Company's objective is to maximise shareholder value and so we continue to work with our investee companies to help them succeed and to seek exits as and when appropriate. The aim is to build shareholder value and distribute one-off payments to shareholders as and when exits are achieved whilst retaining sufficient resources to continue to support other existing investees. These distributions will be made via dividend payments or, if it is considered to be in shareholders' interests, using other mechanisms such as buybacks (e.g. a tender offer).

Chairman's Statement

I am pleased to present to fellow shareholders my Annual Report for the year to 28 February 2018, which has been a comparatively busy time for your Company.

Overview and Results

The most significant impact on the Company was the disposal of our largest investment, OC Robotics (OCR), and the return of nearly £900k to shareholders, more of which is detailed below.

The net asset value per share on 28 February 2018 was 31.7p compared to 37.2p on 28 February 2017, following a dividend payment of 8p per share. The earnings per share in the year to 28 February 2018 were 1.0p, with the balance of the increase in net asset per share as a result of the Tender Offer. This is the fourth consecutive year of increased valuation per share. At 28 February 2018 the Total Return was 52.7p per share.

With the sale of OCR, our assets are less concentrated. The Company's eight remaining portfolio company holdings are at different stages of development. The Directors continue to monitor all companies, looking for the optimum time to realise your Company's investment in them. We were able to provide follow-on funding to two of these during the year: Arecor (£200k) and ImmBio (£30k).

Sale of OC Robotics and resultant Return of Funds to shareholders

As previously reported, OCR (which represented 60% of our net assets at the start of the year) was sold to GE Aircraft Engine Services Ltd on 8 June 2017. OT2 received a payment of £1,457k with a further £327k being held in escrow for 24 months against normal business warranties. In line with OT2's normal practice, 50% of the amount in escrow has been recognised in the NAV. OT2 originally invested £125k in 2001 when the company was a start-up, and then made additional investments over the years taking the total investment to £311k. So far, the investment has therefore returned a five-fold uplift vs cost.

With significant cash proceeds available, the Board offered shareholders the opportunity to sell 30% of their holding back to the Company via a Tender Offer, allowing allotments over this level should other shareholders not take up their Basic Entitlement.

In September we concluded the Tender Offer. The Company purchased all the shares tendered by shareholders, which represented over 20% of our share capital, returning £460k to them. As a result, the Company cancelled 1,461,034 Ordinary Shares, reducing its total issued share capital from 6,792,923 to 5,331,889 Ordinary Shares. The 15% level of discount was set to ensure a fair balance between those shareholders who chose to participate in the Tender Offer, and those wishing to retain their shareholding in the Company. This resulted in a 1.4p per share increase in net asset value, which is in part to compensate remaining shareholders who are liable to incur a greater proportion of running costs per share going forward given the fixed nature of these expenses.

On 5 December 2017 we paid a further dividend of 8p per share to all those shareholders remaining on the register – a total of £427k. This was slightly higher than the amount envisaged in the Circular as not all the funds earmarked for the Tender Offer were required for that purpose.

Portfolio Review

The Directors continue to take an active interest in the remaining companies within the portfolio, both to support their management teams to achieve company development, but also to prepare companies for realisation at the appropriate time. It should however be noted that approaches do occur at other times, and the ability of the Directors and Investment Advisor to be able to provide support when such approaches occur is essential for maximising value. This was demonstrated in the recent realisation of OCR.

Select Technology, a photocopier (or more generally Multi Function Device, or MFD) software company, is the largest holding in your Company's portfolio, although it only represents just over 20% of our net assets. Despite seeing core sales grow, it has experienced reduced profitability and cash generation this year after simplifying its business model. As reported last year, this should reduce the dependency on one particular supplier, increase business resilience and, ultimately, enable more rapid growth by enabling Select Technology to take on a more balanced portfolio of software products for worldwide distribution. It is too early to be able to report fully on the outcome of this change in the business model, but early indications are not negative. As reported in the half year statement, having taken these developments into account, we have reverted to a valuation methodology based on a sales multiple to more appropriately reflect the prospects of the business. Our stake in this business has increased slightly in value over the course of the reporting period.

At the end of November 2017, we made a £200k follow-on investment into Arecor, making it the second largest holding in the Company's portfolio. Arecor is a potentially world class pharmaceutical research company based in Cambridge and has a very advanced diabetes drug formulation technology. During the past year Arecor has announced significant progress, including a licence agreement with a major global healthcare company, as well as the successful pre-clinical development of stable rapid-acting, ultra-concentrated insulin for the significantly enhanced treatment of type 1 diabetes. It has had other good news flow and won an Innovate grant. The company is still trying to finalise the investment terms for the full £6m round it is seeking, and there is a risk that the terms may be at a lower price than that at which we invested in November; we have therefore taken a prudent view with our valuation and hence there is a small reduction in the value of our investment in the year.

The recent investment of £30k in ImmBio was in a new class of share with a significant preference. This has resulted in an uplift in its valuation of £83k. The investment was made to support continued commercialisation of its PnuBioVax Vaccine. The final results to come from their First-in-Human study were positive and was found to be safe and well tolerated, and capable of producing antibody responses against key *S. pneumoniae* antigens broadly conserved across strains. Negotiations are progressing with first licensees for the vaccine, and a further £12,000 was committed in April 2018 to allow time for these conversations to progress.

Oxis Energy is also raising funds at an increased valuation, and again taking into account the preferences linked to our previous investment, we have been able to increase its value.

Plasma Antennas has had interest from many of the major players in telecoms for their Plasma Antenna, but after long discussions no offers to invest have come forward, nor any immediate further sales opportunities. In these accounts, we have taken a provision against our equity holding, totalling £92k. The company is now in the process of being mothballed, putting at risk the remaining £38k valuation as at 28 February 2018.

Further details on these investments are contained within the Investment Portfolio Review. The full list of the Company's investments is shown on page 18, with details of all investees on our website.

After the year end, the Company invested £150,000 into Scancell Holdings Plc (Scancell). Scancell is a company well known to the Directors and Investment Adviser (and also to shareholders who have attended our recent AGMs). It is developing a number of exciting new potential breakthrough cancer treatments and has had some very positive news flow during the last 12 months. The company is quoted on AIM, and in April, closed a £7.5m placing, and OT2 now owns 1,250,000 shares. The qualifying investment will also help OT2 manage any future liquidity needs (see VCT Market Changes below).

Dividends/Return of Capital

The Directors are not recommending any further dividends at this time. The timing and quantum of the 8p per share dividend payment in December was to ensure the maximum possible investment could be made into Arecor, whilst ensuring all VCT tests were met. It was also important to balance the desire to return as much cash to shareholders as possible with the need to retain adequate cash to be able to continue to support our remaining investees, and also to cover operating costs for the foreseeable future.

The ongoing strategy is to continue to seek to crystallise value from the portfolio and distribute cash to shareholders.

VCT Market Changes

In terms of the broader VCT market, the main event of the year was the Patient Capital Review (PCR) undertaken by HM Treasury (HMT). Your Board engaged with the PCR on behalf of your VCT, seeking to ensure the continued viability of your Company.

As mentioned in our third quarter update, your Board broadly welcomed the results of the PCR as announced in the Autumn Budget in November 2017. In summary, HMT wishes to encourage investments into earlier stage businesses; and, if necessary, for these investments to be allowed to flourish over longer periods of time. We believe that, appropriately resourced and supported, the VCT structure is well-suited to this patient approach to long term value creation. We also welcome the extension of the six month VCT rule to twelve months as it provides a greater level of future re-investment flexibility.

One of the Autumn Budget's announcements was an increase in the level of VCT qualifying investments to 80% (up from 70%) that a VCT needs to hold; this legislation received Royal Assent on 15 March 2018. For OT2, this change is effective from 1 March 2020, and may make it more challenging for small VCTs, such as your Company, to manage ongoing compliance with the qualifying tests, which is an unintended consequence of the new legislation. Cash holdings are non-qualifying, but VCTs are obliged to demonstrate that they have adequate working capital over the medium term, which would not be possible if cash reserves must be distributed in order to fulfil the new legislation – corporate liquidity tests could thus become very tight.

Furthermore, in the case of OT2, all our investments have been in unquoted companies with limited short term methods of realisation at a fair value. We fully understand the rationale for introducing this change and believe that a simple amendment is possible that would mitigate this unintended consequence while ensuring that the legislative change retains HMT's desired effect.

We will continue to lobby for an appropriate amendment to be made. However, to mitigate the challenges that such an issue might cause, the Board have chosen to make the qualifying investment in Scancell as detailed above, so as to provide additional liquidity should it be required.

A further change has seen the introduction of MiFID II & PRIIPS. The most significant impact on VCTs has been the requirement to prepare a Key Information Document (KID). Shareholders who are interested can find it on the Company's website.

Planning for the Future

Your Board continues to look at methods of improving operational efficiency, reducing costs and, more generally, putting in place appropriate plans to ensure that your VCT's operational costs relative to its overall size remain within acceptable limits. Shareholders may be aware of some significant changes to the VCT market in recent years. Changes to pension tax reliefs are driving investors to look for alternatives and, coupled with a reduced supply of tax efficient investment opportunities, have resulted in exceptional demand from investors wishing to subscribe for VCTs. VCT legislation has been modified to target more VCT money towards the types of earlier stage companies that OT2 has historically invested in. Given the types of investments OT2 makes, and the fact that all are existing investees that have previously received financing from VCTs, your Company has not been affected by most of the recent changes in VCT legislation. However, the new environment may present an opportunity for your VCT.

In July, the Board announced that it was aware that due to recent realisations, the VCT is becoming sub economic with unavoidable overheads on a small asset base. The VCT has limited ability to increase the asset base on its own, and a number of options to deal with this are under consideration. I can confirm that discussions continue regarding these options and am hopeful that we can make a further announcement in the not too distant future. Once a proposal that the Board considers to be in the best interests of existing shareholders is sufficiently advanced, shareholders will be invited to approve any new arrangements. However, there can be no certainty that any of these discussions will lead to a concrete proposal, either at this time or in the future.

AGM

Shareholders should note that the AGM for the Company will be held on Thursday 12 July 2018 at the Magdalen Centre, Oxford Science Park, starting at 11am and will include presentations by Oxford Technology Management and some of the companies that the Oxford Technology VCTs have invested in.

A formal Notice of the AGM has been enclosed with these Financial Statements together with a Form of Proxy for those not attending. We appreciate the input of our shareholders and look forward to welcoming as many of you as possible on the day – thank you for your ongoing support.

Outlook

The Oxford Technology VCTs have operated and continue to operate very much in the spirit of the VCT legislation by investing in and subsequently supporting early stage technology companies. Unfortunately, the current VCT rules sometimes limit the amount of follow on investment that we are able to make.

Looking ahead, though, the Board continues to believe your VCT is an appropriate structure to hold your Company's assets. The Directors' view remains that the portfolio still holds significant potential over the medium term but is not without risk. As per our stated strategy, your Board continues to work to maximise value, reduce costs, and – when valuations and liquidity allow – crystallise this value and distribute the proceeds to shareholders.

Should any of the discussions to increase the asset base referred to above lead to a concrete proposal, we look forward to presenting these to shareholders in due course.

Richard Roth
Chairman

2nd May 2018

Business Review

Company Performance

The Board is responsible for the Company’s investment strategy and performance. The services regarding the creation, management and monitoring of the investment portfolio are subcontracted to Oxford Technology Management by the Company’s Investment Manager, OT2 Managers Ltd.

There was a net profit for the period after taxation amounting to £60,000 (2017: £616,000). The income statement comprises income of £nil (2017: £27,000) received from investee companies, realised gains on fair value of investments were £86,000 (2017: £nil), unrealised gains on fair value of investments of £49,000 (2017: £653,000) less management and other expenses of £75,000 (2017: £64,000).

The graph below compares the NAV return of the Company from 2000 with the total return from the FTSE All-Share Index over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes. However, the Directors wish to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of VCT rules and are very limited in the types of investment that can be made. All measures are rebased to 100 at the start date of the fund.



Key Performance Indicators

The Board uses a number of performance measures to assess the Company’s success in meeting its objectives. Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index. This is shown in the graph above. This index has been adopted as an informal benchmark. The review of the investment portfolio on page 15 includes a review of the Company’s activities and the Chairman’s Statement comments on future prospects.

Viability Statement

In accordance with provision C.2.2 of The UK Corporate Governance Code 2014 the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the “Going Concern” provision. The Company last raised funds in 2010, and so the minimum five year holding period required to enable subscribing investors to benefit from the associated tax reliefs has now passed. The Board regularly considers the Company’s strategy, including investor demand for the Company’s shares, and a three year period is therefore considered to be an appropriate and reasonable time horizon.

The Board has carried out a robust assessment of the principal risks facing the Company and its current position, including those which may adversely impact its business model, future performance, solvency or liquidity. The principal risks faced by the Company and the procedures in place to monitor and mitigate them are set out below.

The Board has also considered the Company’s cash flow projections and found these to be realistic and reasonable.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 28 February 2021.

Risk Management Objectives and Policies

The Board carries out a regular review of the risk environment in which the Company operates.

Investment risk – The majority of investments are early stage unquoted companies which are VCT qualifying holdings. This inherently entails a higher level of risk and lower liquidity than investments in large quoted companies. The Directors sought to reduce this risk through careful selection of potential investee companies prior to investment; the Directors continue to carefully monitor existing investee companies.

VCT qualifying status risk – The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status; these rules have subsequently been updated on several occasions. The loss of such approved status could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment as well as any previously deferred capital gains coming back into charge. The Board keeps the Company’s VCT qualifying status under regular review.

Qualifying investments can only be made in small and medium sized trading companies which fall within the following limits:

- have fewer than 250 full time equivalent employees; and
- have less than £15 million of gross assets at the time of investment and no more than £16 million immediately post investment; and
- be less than seven years old (or 10 years old if a knowledge intensive company) if raising State Aided funds for the first time; and
- have raised no more than £5 million of State Aided funds in the previous 12 months and less than the lifetime limit of £12 million (or £20 million if a knowledge intensive company); and
- produce a business plan to show that its funds are being raised for growth.

The Finance Act 2018 has introduced a new “risk-to-capital” condition for qualifying investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk.

Non-Qualifying Investments: Initially, an active approach was taken to managing the cash prior to investing in qualifying companies. Now the Company has reached its qualifying investment target to meet HMRC requirements and the Company is fully invested, any remaining funds will be invested in accordance with HMRC rules for Non-Qualifying Investments, which may include money market funds and other instruments where the Board believes that the overall downside risk is low.

Financial risk – The Company is exposed to market price risks and to a limited extent to credit risk, liquidity risk, fair value and cash flow interest rate risks. All of the Company’s income and expenditure is denominated in sterling and hence the Company has no direct foreign currency risk. The Company does not use derivative financial instruments.

Regulatory risk – The Company is required to comply with the Companies Act, the rules of the UK Listing Authority and United Kingdom Accounting Standards. Breach of any of these might lead to suspension of the Company’s Stock Exchange listing, financial penalties or a qualified audit report.

Investment Policy

This is the stated investment policy as per the original prospectus which has been adhered to without material change ever since.

The investment policy of Oxford Technology 2 VCT is to construct a portfolio of qualifying investments with the following characteristics at the time of initial investment:

- technology-based businesses;
- investments typically in the range of £100k to £500k, although a few investments outside this range will be contemplated;
- generally located within approximately 60 miles of Oxford.

It is expected that approximately two-thirds of the funds will be invested in early stage companies and the balance in start-up companies, depending on the opportunities available. The Company defines these companies as follows:

- early stage companies are those which have achieved some initial sales;
- start-up companies are those which are at an earlier stage; they will usually have already developed their initial product or service and be close to achieving their first sales.

The investee companies sought will usually be those which, within their market sector, can be developed as relatively non-capital intensive knowledge-based businesses; a very important element in the selection process will be an assessment of the key people involved in business.

Within a 60-mile radius of Oxford (which includes, for example, North and West London, Birmingham, Reading and the Thames Valley region as a whole), there are several centres of technological excellence both within and outside the universities employing individuals with talent for technology-based innovation (such as the Oxford and Reading Universities, Imperial College, London and AEA Technology plc). OT2 is likely to be investing both in technologies being transferred out of centres of excellence and also in existing technology companies.

The geographical focus described above is considered important as OT2 intends to be an active investor assisting investee companies to develop their full potential. The Directors consider it essential that direct contact is maintained with investee companies.

The investment policy of OT2 will be to achieve an acceptable risk-reward ratio for the portfolio as a whole, by virtue of the number of investments which will be made. It is expected that, subject to the level of valid subscriptions received under the offer, up to 20 investments will be made over a three-year period. A portfolio of this size achieves a practical balance between laying off risk and ensuring that investment executives of Seed Capital (now known as Oxford Technology Management) are able to devote a significant amount of time to each portfolio company so as to help manage the business risk within portfolio companies.

In general, it is expected that investments will be made by subscribing for ordinary shares and preference shares, sometimes combined with loans. It is envisaged that successful investee companies will pay interest on loans or dividends on preference shares to OT2 before it achieves an exit from such investee companies.

It is intended that, by April 2003, about 75 per cent of the net funds subscribed will have been invested in qualifying investments leaving the balance available for follow-on investment, if required. Although the Directors have no present intention of utilising the Company's borrowing powers contained in its Article of Association, the Company may in appropriate circumstances borrow funds.

When appropriate, particularly when the funding requirement is greater than the amount the Company wishes to invest and where it is desirable to broaden the investor base, investments may be syndicated with other venture capital funds, private individuals (including the Directors and/or shareholders in the company) or corporations. The investment manager (Larpen Newton and Company Limited) and the investment adviser (Seed Capital Limited – now known as Oxford Technology Management Limited) together have close links with other venture capital institutions and with a wide range of private investors who have previously made investments or shown interest in investing in early stage and start-up technology companies.

The investment manager and the investment adviser have undertaken to give OT2 the first opportunity to invest in projects identified by either of them for investments in companies engaged in science or technology located within a 60-mile radius of Oxford.

Internal Control

The Directors are responsible for the Company's system of internal control. The Board has adopted an internal operating and strategy document for the Company. This includes procedures for the selection and approval of investments, the functions of the Investment Manager and exit and dividend strategies. Day to day operations are delegated under agreements with the Investment Manager who has established clearly defined policies and standards. These include

procedures for the monitoring and safeguarding of the Company's investments and regular reconciliation of investment holdings.

This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed, with its Investment Manager, the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the Financial Statements.

The Board has continued to prepare the Financial Statements in accordance with UK Financial Reporting Standards rather than International Financial Reporting Standards. This is permitted as the Financial Statements present the results of an individual company rather than a group.

Gender and Diversity

The Board consists of four male non-executive Directors of various ages, backgrounds and experience. The gender and diversity of the constitution of the Board will be reviewed on an annual basis.

Environmental Policy, Greenhouse Gas Emissions and Human Rights Issues

The Board recognises the requirement under Section 414c of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment), employee, human rights, social and community issues, including information about any policies it has in relation to these matters and effectiveness of these policies.

Given the size and nature of the Company's activities and the fact that it has no full-time employees and only four non-executive Directors, the Board considers there is limited scope to develop and implement social and community policies. However, the Company recognises the need to conduct its business in a manner responsible to the environment where possible.

Richard Roth
Chairman
2nd May 2018

Investment Portfolio Review

OT2 was formed in 2000 and invested in a total of 30 companies, all start-up or early stage technology companies. Some of these companies failed with the loss of the investment. Some have succeeded and have been sold. The table on page 18 shows the companies remaining in the portfolio. The investment in Scancell made after the year end added a further company to the portfolio. A more detailed analysis is given of the top five investments.

OC Robotics, previously the Company's largest investment, was sold to GE Aircraft Engine Services in June 2017 for an immediate payment of £1,356k with £101k following 4 months later. There is still £328k being held in escrow from the deal, half of which has been accrued in the NAV at 28 February 2018. Overall, this represented a 5 fold uplift on the cost of the investment. A dividend of 8p per share was paid following this sale, as well as a Tender Offer returning a further £460k to shareholders.

Select Technology specialises in software for photocopiers – now known as MFDs – Multi-Function Devices. Over the last decade Select has built up a global network of distributors and dealers through which it sells both its own and third party products. These products now include PaperCut, Kpax, Foldr and Drivve Image. Sales have increased from £210k in the year to July 2010 to over £5m in the year to January 2018, though Select lost one contract in 2017 that resulted in substantially reduced profits in the year to July 2017. However, the core business has continued to grow and it is hoped that Select should be able to pay a dividend in OT2's current financial year. It has employees all over the world; everyone works remotely.

Areacor is making encouraging progress. The company has progressed its insulin programme and has both the fastest acting and most concentrated formulations in the world. In preparation for the start of clinical trials it is raising money and there has been good interest, recognizing both the technical advantage and the very competitive nature of the insulin market. During the year, OT2 invested £200,000 in Areacor. The term sheet for the next fundraising is currently being negotiated.

£30,000 was invested in July 2017 into ImmBio to help support the commercialisation of the Pneumonia vaccine which had a successful phase 1 clinical trial in spring 2016. A deal was arranged with the Liverpool School of Tropical Medicine to apply for joint grants to support additional clinical trials. The collaboration has not yet resulted in any successful grant applications. ImmBio has a new CEO, Enrique Tabares having taken over the role. He is leading the discussions with potential licensees, which have been progressing since mid-2017. Negotiations are progressing with first licensees for the vaccine, and a further £12,000 was committed in April 2018 to allow time for these conversations to progress.

Oxis Energy is developing a Lithium Sulphur rechargeable battery with a significantly higher specific energy (energy storage per unit weight) than the currently available Lithium Ion batteries. OT2 was the first investor in Oxis Energy (then known as Intellikraft) in January 2000. This battery is now planned to be tested in electric vehicles, with electric buses being the main focus, as every kilogramme of weight saved in the battery translates to increased payload/number of passengers that can ride the bus. The other area of focus is aerospace, where weight reduction is also clearly of interest.

Orthogem has had CE approval for its Tripore putty product and it has had a very good response from surgeons. There has also been a good response to the product from distributors: four have already signed up and there is a long list still being processed. Unfortunately, during the year the FDA turned down Orthogem's application to sell the Tripore putty in the USA. Despite originally

approving the model used for the trials, on review the FDA determined that the model being used was not appropriate. This means that Orthogem will have to run new FDA trials. This delays access to the largest market, but the company has made good progress.

Plasma Antennas has developed a range of next generation smart selectable antenna technologies and has a prototype of a true plasma antenna, which it was hoped might be at the centre of tomorrow's communications systems. However, although some of the largest global companies were very interested, with companies in the US, China and Japan all making special visits to meet Plasma in Winchester, no partnership deal was done. Therefore, at the time of writing, Plasma is in the process of being mothballed.

After the year end, OT2 invested £150,000 into Scancell Holdings Plc (Scancell) an AIM-listed stock well known to the Directors and Investment Adviser. Scancell is developing novel immunotherapies for cancer based on two platform technologies known as Immunobody and Moditope. Results from Scancell's first clinical trial for the treatment of melanoma continue to be excellent with recurrence free survival at 69% at 5 years, surpassing results in other trials of ipilimumab (leading immunotherapy for cancer) which showed 46.5% at 3 years.

Possibly the biggest news of the year for Scancell was the decision by Cancer Research UK (CRUK) to conduct a trial of SCIB2 in combination with checkpoint inhibitors. SCIB2 should provide the impetus to the immune system to attack the tumor, and the checkpoint inhibitor will remove the barriers to its action. The study will focus on Non Small Lung Cell Cancer, but the results will have relevance for a range of tumors. The trial will be conducted in full by CRUK and Scancell will be able to purchase the results and commercialise them itself, or leave them with CRUK and share in their commercial success. Scancell has also started a development project with BioNtech, the largest privately owned Biotech company in Europe. Scancell's focus is now on generating clinical data and two more trials should read out over the next two years. If Scancell is successful in its CRUK Grand Challenge application it will also be able to start a third trial on Moditope. Scancell has now been granted the European patent for use of citrullinated proteins in cancer treatment. Scancell will use the proceeds of the placing and open offer to support clinical trials for SCIB1, SCIB2 and Modi-1 and pre-clinical work for Modi-2.

New Investments in the year

There were two follow-on investments during the year of £200,000 into Arecor and £30,000 into ImmBio. All new investments have complied with both EU State Aid rules and HMRC VCT rules.

Disposals during the year

OC Robotics was sold during the year and OT2 received £1,457k from its original investment of £311k.

Valuation Methodology

Quoted and unquoted investments are valued in accordance with current industry guidelines that are compliant with International Private Equity and Venture Capital (IPEVC) Valuation Guidelines and current financial reporting standards.

VCT Compliance

Compliance with the main VCT regulations as at 28 February 2018 and for the year then ended is summarised as follows:

Type of Investment By HMRC Valuation Rules	Actual	Target
VCT Qualifying Investments	72%	Minimum obligation of: 70%
Non-Qualifying Investments	28%	Maximum allowed: 30%
Total	100%	100%

At least 10% of each investment in a qualifying company is held in 'eligible shares' – Complied.

No more than 15% of the income from shares and securities is retained – Complied.

No investment constitutes more than 15% of the Company's portfolio (by value at time of investment or when the holding is added to) – Complied.

The Company's income in the period has been derived wholly or mainly (70% plus) from shares or securities – Complied.

No investment made by the VCT has caused the company to receive more than £5m of State Aid investment in the year, nor more than the lifetime limit of £12m – Complied.

Table of Investments held by Company at 28 February 2018

Company	Description	Date of initial investment	Net cost of investment £'000	Carrying value at 28/02/18 £'000	Change in value for the year £'000	% equity held by OT2	% equity held by all OTVCTs	% Net Assets
Select Technology	Photocopier Interfaces	Nov 2001	132	356	14	7.4	58.6	21.1
Arecor	Protein stabilization	Jul 2007	289	268	148	2.6	12.1	15.8
ImmBio	Novel vaccines	Dec 2000	255	176	113	2.0	15.9	10.4
Oxis Energy	Rechargeable batteries	Jan 2000	540	140	113	0.2	0.5	8.3
Orthogem	Bone graft material	Dec 2000	342	100	-	5.4	20.2	5.9
Insense	Active wound healing dressings	Jun 2001	204	52	-	2.0	6.8	3.1
Plasma Antennas	Solid state directional antennas	Nov 2001	188	38	(91)	5.6	48.8	2.2
Inaplex	Data integration	Sep 2001	138	19	(18)	21.5	34.8	1.1
Totals			2,089	1,149	279			
Other Net Assets				542				32.1
NET ASSETS				1,691				100

Number of shares in issue: 5,331,889

Net Asset Value per share at 28 February 2018: 31.7p

Dividends paid to date per share: 21p per share

This table shows the current portfolio holdings. The investments in Acumen, Assertion, Astron Clinica, Ciphergrid, CHR Design, Coraltech, Im-Pak, Freehand Surgical, Inscentinel, Jetmask, M3 Networks, OST, Promic and SVA have been written off. The investments in Hardide, Commerce Decisions, MET, Telegesic, Equitalk, Duncan Hynd Associates and OC Robotics have been sold.

Select Technology

www.selectec.co.uk

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
Select Technology	November 2001	£132,436	£355,660	£14,300	7.4%

Select Technology specialises in software for photocopiers (now known as MFDs – Multi-Function Devices – since they scan, fax, email and do other tasks in addition to photocopying).

Select's business has evolved over the years and Select, which used to focus on distributing its own products or products produced by others in the UK has become increasingly global in its outlook. It is now a global distributor of products produced by others.

In particular Select has been a leading light in the formation of IDEA – the International Document Evolution Alliance. The founder members of this alliance all understand software and are able to provide a very high level of support for the products which they distribute. Each member covers one geographical region and, between them, the members cover over 100 countries. When an Alliance member encounters a new product for the document management market which they consider to be particularly good, it is able to bring it to the attention of IDEA. If IDEA approves, it is then able to take on international distribution rights and offer the vendor an easy route to global distribution, which is of benefit to all parties.

The initial products supported by IDEA include BioBuddy, Drive Image, GetScan, KPAX Manage, Foldr, EveryonePrint and Papercut MF.

Select Technology has a staff of 22, almost all of whom work remotely. It has staff in the UK and also in an AsiaPac subsidiary in Australia.

It took a long time, but Select Technology's financial performance has improved steadily in recent years with sales growing from £210k in the year to 31 July 2010 to just over £5m in the year to 31 January 2018. There has been what is hoped will be a temporary setback, when Select lost the rights to be the master distributor in Europe for a particular product, which resulted in a substantial reduction in gross profit in the year to July 2017, but the rest of the business continued to grow. It is hoped that Select should be able to pay a dividend in OT2's current financial year.

Select Technology is valued at multiple of sales.

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
Arecor	July 2007	£289,280	£268,368	£147,600	2.6%

Arecor Limited is a leader in the development of innovative formulation technology that enables differentiated biopharmaceutical products. It has developed a proprietary, patent backed formulation technology platform that has been proven to stabilize a broad range of molecules (proteins, peptides and vaccines) as aqueous compositions (liquids). Many proteins, peptides and vaccines are too unstable in liquid form and/or at high concentrations to develop ready-to-use drugs and Arecor has overcome these challenges to significantly enhance the delivery of therapeutic medicines to patients.

It has built a successful revenue generating business since inception in 2007 employing this technology to enable and differentiate biopharmaceuticals for a large cross section of the major pharmaceutical companies on a fee for service plus licensing model.

Arecor has taken the strategic decision to develop a portfolio of differentiated peptides through to clinical proof of concept, with an initial focus on diabetes as a therapeutic area. Arecor have announced three key products: an ultra-rapid acting insulin, a highly concentrated insulin and a stable aqueous glucagon. The company has indicated that clinical trials will start in 2018.

OT2 participated in an interim funding round in November 2017, investing £200k to support the exciting next phase of growth.

Arecor is based at the Cambridge Science Park in the UK and has a highly talented scientific and management team.

The company is valued at £6.00 per share, the price of the last major open fundraising round. A new funding round is underway at the time of writing, likely to be at higher share price.

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
ImmBio	December 2000	£254,839	£175,770	£113,417	2.0%

ImmBio was founded in 2003 by Camilo Colaco to develop vaccines that engage dendritic cells. Dr. Colaco identified the role that Heat Shock Proteins play in activating the immune system. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. The TB and Meningitis vaccines have been partnered for development in China and India.

The pneumonia product PnuBioVax has now been trialled in man in a Phase1 trial which primarily and successfully assessed safety of the approach. The study showed the vaccine creates antibodies against a wide range of strains. The company is now in discussion with several companies about the next commercialisation steps.

Pneumonia produces greater infant mortality than TB, HIV and malaria combined. There are approximately 100 serotypes (variants) of *Streptococcus pneumoniae* in circulation. The emergence of new serotypes presents an ongoing challenge. Existing marketed vaccines are relatively expensive to produce and do not cover all existing or emerging strains. Also they do not produce good resistance in children, one of the primary patient groups. In contrast, PnuBioVax offers the potential of improved protective breadth and low production costs.

PnuBioVax not only protects against a larger number of strains, it also provides protection against the toxins produced by the bacteria.

The value of ImmBio has been discounted by 15% relative to the last fundraising to reflect the delay in signing of commercial deals. OT2 invested £30,000 in July 2017, to support the commercialisation of the results. Following the year end, in April 2018, OT2 committed a further £12,000.

Oxis Energy

www.oxisenergy.com

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
Oxis Energy	January 2000	£540,270	£139,915	£112,992	0.2%

OT2 was the first investor in Oxis Energy (then known as Intellikraft) in January 2000. The company has been developing a Lithium Sulphur rechargeable battery for most of the time ever since. In theory, a Lithium Sulphur battery should store more energy per unit of weight than conventional Li-ion batteries.

It has been a long haul, with many troubles and setbacks along the way, and OT2 and other early shareholders have been heavily diluted. But Oxis Energy has been making steady progress.

In October 2016 Oxis announced that it had successfully demonstrated that its battery cells now store 400Wh/Kg. This is better than the best conventional Li-ion batteries.

The next big step is to be able to produce such batteries in volume and by an automated production process. Oxis is working on this.

In February 2018 Oxis announced that it had received an investment of £3.75m from Aerotec Fund in south-eastern Brazil. This investment paves the way for Oxis Energy to open a subsidiary in Brazil. The Brazilian team will be trained at Oxis Energy's headquarters in Oxford in the UK, prior to creating a Research and Development Centre in Belo Horizonte, the capital of Minas Gerais. The company will initially focus on commercial expansion throughout Latin America, and will soon address the aviation, defence and heavy electric vehicle markets worldwide. Oxis Energy will also explore suitability of lithium from deposits in Minas Gerais and is currently evaluating the composition of the Li-S chemistry of the graphene products available in the state.

OT2 now has a small % holding in Oxis energy, but the company continues to make progress. If the Oxis batteries succeed in finding a way to being used in commercial electric vehicles, which is the aim, then the ultimate prize could be huge. The initial target is to produce 500,000 cells per year. Electric Vehicles are now being produced in volume and a battery which gave a longer range would be welcomed by all.

The company is valued at the price of the most recent fundraising round.

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
Orthogem	December 2000	£341,937	£100,475	£0	5.4%

Orthogem produces and markets artificial bone graft material. Their process contains no animal products, their manufacturing process is very cost effective, and the granule products produce excellent bone grafting results. The company has invested in developing a putty which is more convenient to use for surgeons than the current granule product. Orthogem has now had CE approval for the putty product and first use has been made of the putty in back operations in the UK. Disappointingly FDA approval was not granted and Orthogem will need to conduct a new trial and apply again to be able to sell the product in the US where it is highly anticipated.

The handling characteristics of surgical putty are critical for a surgeon and the most immediately distinguishing feature of synthetic bone putties. Put simplistically, the Orthogem putty sticks to the bone and not to the gloves. Orthogem is recruiting new distribution partners around the world for the putty material as well as applying for regulatory clearance in countries where they already have distribution partners.

The company is valued at the price of the most recent fundraising round.

Plasma Antennas

www.plasmaantennas.com

	First Investment	Net Cost	Carrying Value 28/02/2018	Change in Value for the Year	% Equity Held
Plasma Antennas	November 2001	£187,550	£37,851	(£91,511)	5.6%

The Oxford Technology VCTs first invested in Plasma Antennas when the company was founded in 2001. The objective was to develop a solid state steerable beam-forming antenna, which, it was hoped would become an integral part of the communication networks of the future. As the frequency of communications systems increases to 30GHz and above, so the atmosphere becomes opaque to electromagnetic radiation so that it will become necessary for signals to be transmitted as beams, like a lighthouse, rather than in all directions, like a light bulb, as today.

It proved to be extremely technically demanding to achieve this aim, and Plasma Antennas therefore made more conventional, but still specialist antennas, some of which were sold for £25,000 each, to help finance the production of a prototype plasma antenna. The idea is that a radio signal is injected at the centre of a coin-sized disc of silicon which contains an array of addressable diodes. These will create a configurable plasma which can be shaped in microseconds to transmit or receive a signal in any direction. The antenna can transmit large amounts of power, and, being a solid state silicon device, would be inexpensive in volume production.

Plasma Antennas finally succeeded in making two prototype devices which had their performance verified by an independent test house. But Plasma struggled financially during all these years and this made it difficult to raise investment from financial investors (conversations were had with more than 60 potential financial investors). So, the best hope seemed to be to try to do a partnership of some sort with a large communications company which could ultimately manufacture and market plasma antennas which would then be a building block in tomorrow's communication networks.

During 2018, Plasma Antennas, which is a four-person company in Winchester, received visits from global communications companies, based in Japan, China and the US among many others. In April 2017, Oxford Technology VCTs and some of the other founder investors invested more to buy time for these negotiations to happen. OT2 did not invest in that round.

However, sad to say, no suitable partner or investor was found, and, at the time of writing it seems likely that Plasma will be mothballed.

The value of the company has been written down to reflect the above facts.

Lucius Cary - Director
OT2 Managers Ltd
Investment Manager
2nd May 2018

Board of Directors

Richard Roth



Richard is the Chairman of OT2 and Chairman of the Audit Committee. He is a Chartered Management Accountant. Having worked for two blue chip companies he joined easyJet, where he was one of the key executives that transformed the business from private company to household name.

He has subsequently worked for a number of airlines, including as CFO of RoyalJet. Richard has also had a number of consulting assignments, in particular helping companies determine their strategy, and implementing business improvements. He has been deeply involved in growing and/or turning businesses around.

Richard is a well-informed VCT investor having followed the industry closely since inception and has extensive understanding of the sector having observed good and bad practice over the last 15 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related. Richard is a shareholder in Scancell and Plasma Antennas. He is also a Director of OT2 Managers Ltd, OT4 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 3 VCT Plc and Oxford Technology 4 VCT Plc. He is also a Director of Hygea vct plc.

Alex Starling



Alex Starling is a Director of OT2. Alex runs his own corporate advisory firm, ACS Technical Limited. He has helped a number of technology companies raise venture capital and, conversely, shareholders realise their investments in such technology companies. Alex has an interest (as founder and shareholder) in several young growing companies.

He is a Chartered Engineer and Member of the Institution of Mechanical Engineers, has a PhD in Engineering from Cambridge University and holds the ICAEW Diploma in Corporate Finance. Alex is a shareholder in Scancell. He is also a Director of OT1 Managers Ltd, OT2 Managers Ltd, Oxford Technology 3 VCT Plc, Oxford Technology 4 VCT Plc and Chairman of Oxford Technology VCT Plc.

Robin Goodfellow



Robin Goodfellow is a Director of OT2. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems.

Robin has an MA in Engineering from Cambridge University and an MBA from the London Business School.

More recently he has been an active investor and shareholder in VCTs, EISs and other small companies. He was a regular commentator on VCT industry performance and current VCT company issues.

Robin is a shareholder in Arecor, Orthogem and Scancell. He is also a Director of OT1 Managers Ltd, OT3 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 4 VCT Plc and is the Chairman of Oxford Technology 3 VCT Plc.

David Livesley



David Livesley is a Director of OT2. He worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved in product and process development across a range of industrial sectors.

Between 1999 and 2012 he worked for the YFM Group, where he specialised in investing VCT money into early stage technology companies. Currently he is an independent Non-Executive director for a number of early stage technology businesses. David is also a Director of OT3 Managers Ltd, OT4 Managers Ltd, Oxford Technology VCT Plc, Oxford Technology 3 VCT Plc and is the Chairman of Oxford Technology 4 VCT Plc.

Directors' Report

The Directors present their report together with Financial Statements for the year ended 28 February 2018.

The Directors consider that the Annual Report and Financial Statements, taken as a whole are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This report has been prepared by the Directors in accordance with the requirements of s415 of the Companies Act 2006. The Company's independent auditor is required by law to report on whether the information given in the Directors' Report is consistent with the Financial Statements.

Principal Activity

The Company commenced business in 2000. The Company invests in start-up and early stage technology companies in general located within 60 miles of Oxford. The Company has maintained its approved status as a Venture Capital Trust by HMRC.

Directors

The Directors of the Company are required to notify their interests under Disclosure and Transparency Rule 3.12R. The membership of the Board and their beneficial interests in the ordinary shares of the company at 28 February 2018 and at 28 February 2017 are set out below:

Name	2018	2017
R Roth	44,033	62,902
R Goodfellow	14,000	19,700
D Livesley	Nil	Nil
A Starling	Nil	Nil

Under the Company's Articles of Association one third of the Directors are required to retire by rotation each year. Robin Goodfellow and David Livesley will be nominated for re-appointment at the forthcoming AGM. The Board believes that both non-executive Directors continue to provide a valuable contribution to the Company and remain committed to their roles. The Board recommends that Shareholders support the resolutions to re-elect Robin Goodfellow and David Livesley at the forthcoming AGM.

The Board is cognisant of shareholders' preference for Directors not to sit on the boards of too many larger companies ("overboarding"). Shareholders will be aware that in July 2015, the Company, along with the other VCTs that were managed by Oxford Technology Management, appointed directors such that the four VCTs each had a Common Board. In addition, Richard Roth has subsequently also become a Director of Hygea vct plc, a VCT investing in the Med Tech sector which is also self-managed and has a number of investments in common with the Oxford Technology VCTs. Whilst great care is taken to safeguard the interests of the shareholders of each separate company, there is an element of overlap in the workload of each Director across the four OT funds due to the way the VCTs are managed. The Directors note that the workload related to the four OT funds is less than it would be for four totally separate and larger funds, and are satisfied that Richard Roth has the time to focus on the requirements of each OT fund.

Investment Management Fees

OT2 Managers Ltd, the Company's wholly owned subsidiary, has an agreement to provide investment management services to the Company for a fee of 1% of net assets per annum. Alex Starling and Richard Roth, together with Lucius Cary are Directors of OT2 Managers Ltd.

Directors' and Officers' Insurance

The Company has maintained insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to their duties as Directors of the Company.

Ongoing Review

The Board has reviewed and continues to review all aspects of internal governance to mitigate the risk of breaches of VCT rules or company law.

Whistleblowing

The Board has been informed that the Investment Manager has arrangements in place in accordance with the UK Corporate Governance Code's recommendations by which staff of Oxford Technology Management or the Secretary of the Company may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters.

Bribery Act 2010

The Company is committed to carrying out business fairly, honestly and openly. The Investment Manager has established policies and procedures to prevent bribery within its organisation. The Company has adopted a zero tolerance approach to bribery and will not tolerate bribery under any circumstance in any transaction the Company is involved in. The Company has instructed the Investment Manager to adopt the same approach with investee companies.

Relations with Shareholders

The Company values the views of its shareholders and recognises their interest in the Company. The Company's website provides information on all of the Company's investments, as well as other information of relevance to shareholders (www.oxfordtechnology.com/vct2).

Shareholders have the opportunity to meet the Board at the Annual General Meeting. In addition to the formal business of the AGM the Board is available to answer any questions a shareholder may have.

The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Company's registered office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA.

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the Financial Statements.

Substantial Shareholders

At 28 February 2018, the Company has been notified of five investors whose interest exceeds three percent of the Company's issued share capital: Ms Shivani Palakpari Shree Parikh, 6.4%; Barclays Direct Investing Nominees Ltd, 4.8%; Mr Richard Vessey, 4.4%; Mrs Mary Louisa Perry, 3.8% and Mr Merrick Sidney Whitehouse Feast, 3.2% .

Auditors

James Cowper Kreston offer themselves for re-appointment in accordance with Section 489 of the Companies Act 2006.

On behalf of the Board

Richard Roth

Chairman

2nd May 2018

Directors' Remuneration Report

Introduction

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006. The Company's independent auditor, James Cowper Kreston, is required to give its opinion on certain information included in this report. This report includes a statement regarding the Directors' Remuneration Policy. This report sets out the Company's Directors' Remuneration Policy and the Annual Remuneration Report which describes how this policy has been applied during the year.

The Directors' Remuneration Policy was last approved by shareholders at the AGM on 26 August 2015. It needs to be put to a shareholder vote every three years, and shareholders will be asked to approve it again at the Annual General Meeting on 12 July 2018.

Shareholders also need to approve the Directors' Remuneration Report every year. It was last approved at the AGM on 5 July 2017 on a unanimous show of hands and 100% of proxies voted in favour, and a Resolution to approve the Directors' Remuneration Report for the year ended 28 February 2018 will also be proposed at the Annual General Meeting on 12 July 2018.

Directors' Terms of Appointment

The Board consists entirely of non-executive Directors who meet at least four times a year and on other occasions as necessary to deal with important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for at least three years and are expected to devote the time necessary to perform their duties. All Directors retire at the first general meeting after election and thereafter every third year, with at least one Director standing for election or re-election each year. Re-election will be recommended by the Board but is dependent upon shareholder vote. Directors who have been in office for more than nine years will stand for annual re-election in line with the AIC Code. There are no service contracts in place, but Directors have a letter of appointment.

Directors' Remuneration Policy

The Board acts as the Remuneration Committee and meets annually to review Directors' pay to ensure it remains appropriate given the need to attract and retain candidates of sufficient calibre and ensure they are able to devote the time necessary to lead the Company in achieving its strategy.

The Articles of Association of the company state that the aggregate of the remuneration (by way of fee) of all the Directors shall not exceed £50,000 per annum unless otherwise approved by Ordinary Resolution of the Company. The following Directors' fees are payable by the Company:

	<u>per annum</u>
Director Base Fee	£3,500
Chairman's Supplement	£2,000
Audit Committee Chairman	£3,000
Audit Committee Member	£1,500

The OT2 Director Fees are amongst the lowest of any VCT (apart from the other OT VCTs). However the Board has spent and continues to spend more time on Company activities than was initially envisaged in Summer 2015 (when the fees were last set) partly due to closer

involvement with investment, accounting and administration procedures and partly due to compliance with additional government regulations. Typically VCT industry total directors' fees are in excess of £50k and individual fees in excess of £15k for equivalent levels of work.

In the summer of 2015 the finances of OT2 had been in poor shape for some years. To alleviate financial problems the fund manager had (over the previous 4 years) helped out by deferring some management fee. However this had built up a liability of £53k payable out of potential future profits. The then Chairman had also previously waived his fee (£7,500) for 4 years. The new Board determined to put the finances on a more sustainable basis and renegotiated the management fee from 2% down to 1% and agreed to pay off the deferred fee liability over 3 years. This has now been completed. Additionally all 4 new Directors voluntarily agreed to waive £1,500 (43%) of their base director fee of £3,500 until the fund performance improved.

Since the new Board assumed office in 2015, nearly 55% of the opening NAV of £1.95m has been returned to shareholders in tax free dividends and via the tender offer, and the remaining assets are still valued at £1.69m. In addition to its ongoing responsibilities, the Board managed and drafted a significant amount of the Tender process and associated documentation without further remuneration thereby saving shareholders additional costs. In the view of the Board, this substantial increase of shareholder assets and distributions from 39.1p per share to 59.5p per share (distributions plus remaining assets) represents a significant performance improvement, and therefore the Board has now determined to end its voluntary partial fee waiver. However, given the relatively low funds under management, the Directors do not propose any other change from the previously agreed levels.

Richard Roth chairs the Company. He also chairs the Audit Committee, with Robin Goodfellow as a member of the Committee. As the VCT is self-managed, the Audit Committee carries out a particularly important role for the VCT and plays a significant part in the sign off of quarterly management accounts, and the production of the half year and annual statutory accounts.

Fees are currently paid annually. The fees are not specifically related to the Directors' performance, either individually or collectively. No expenses are paid to the Directors. There are no share option schemes or pension schemes in place but Directors are entitled to a share of the carried interest as detailed below.

Alex Starling and Richard Roth receive no remuneration in respect of their directorships of OT2 Managers Ltd, the Company's Investment Manager.

The performance fee is detailed in note 3. Current Directors are entitled to benefit from any payment made, subject to a formula driven by relative lengths of service. The performance fee becomes payable if a certain cash return threshold to shareholders is exceeded – the excess is then subject to a 20% carry that is distributed to Oxford Technology Management, past Directors and current Directors; the remaining 80% is returned to shareholders. At 28 February 2018 no performance fee was due.

Should any performance fee be payable at the end of the year to 28 February 2019, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.28% of any amount over the threshold and David Livesley 0.83%. No performance fee will be payable for the year ending 28 February 2019 unless original shareholders have received back at least 151.7p in cash for each 100p (gross) invested.

Relative Spend on Directors' Fees

The Company has no employees, so no consultation with employees or comparison measurements with employee remuneration are appropriate.

Loss of Office

In the event of anyone ceasing to be a Director, for any reason, no loss of office payments will be made. There are no contractual arrangements entitling any Director to any such payment.

Annual Remuneration Report

Directors' Fees	Year End 28/02/19 (unaudited)	Year End 28/02/18 (audited)	Year End 28/02/17 (audited)
Richard Roth	£8,500	£7,000	£7,000
Alex Starling	£3,500	£2,000	£2,000
Robin Goodfellow	£5,000	£3,500	£3,500
David Livesley	£3,500	£2,000	£2,000
Total	£20,500	£14,500	£14,500

Corporate Governance Report

The Board considers that reporting against the principles and recommendations of the Association of Investment Companies Code of Corporate Governance (the “AIC Code”) and additionally where applicable by reference to the UK Corporate Governance Code (the “Code”) will provide better information for shareholders than reporting against the Code alone.

For the reasons set out in the AIC Code and as envisaged in the Code, the Board considers certain provisions as not being relevant to the position of the Company as it is an investment company. The Company has no executive directors or employees. The Company has therefore not reported further in respect of these matters.

The Company has complied throughout the period with the provisions in Section 1 of the Code except that:-

- 1 The Board has no nominated Senior Independent Director (Code A.4.1);
- 2 The Board as a whole performs the functions of the Nomination Committee (Code B.2.1) and no formal terms of reference for such a Committee have been adopted;
- 3 The Directors are not appointed for a specified term (Code B.2.3);
- 4 The Board as a whole performs the functions of the Remuneration Committee (Code D.2.1).

The Company is committed to maintaining high standards in corporate governance. The Board acknowledges that it is responsible for the Company’s system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board consists of four independent non-executive Directors. The Board has put in place corporate governance arrangements which it believes are appropriate for a Venture Capital Trust and that will enable the Company to operate within the spirit of the Code.

The Board meets regularly – at least four times a year – and between these meetings maintains very regular contact with the Investment Manager. The following table sets out the Directors’ attendance at the formal Board and Committee meetings held during the year.

Director Name	Board Meetings Attended (5 Held in year)	Audit Committee Meetings Attended (2 Held in year)
Richard Roth	5	2
Robin Goodfellow	5	2
David Livesley	5	N/A
Alex Starling	5	N/A

The Investment Manager prepares a written report on the performance of the fund in advance of Board meetings and this is circulated to all members of the Board. In addition, the Directors are free to seek any further information they consider necessary.

All Directors have access to the Company Secretary and independent professionals at the Company's expense. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands. This is achieved by a management agreement between the Company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board.

The Audit Committee ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Company, seeking to balance objectivity and value for money.

None of the Directors has a service contract with the Company, but they do have letters of appointment (copies of which may be obtained by shareholders on request). The Articles of Association require that one third of the Directors (or the number nearest one third) on a rotation basis will be subject to re-election procedures at subsequent Annual General Meetings.

Conflicts of Interest

The Board has always considered carefully all cases of possible conflicts of interest as and when they arise. For example, every time one of the Oxford Technology VCTs (OTVCTs) makes an investment in which another OTVCT is an investor, there is a potential conflict of interest. The general policy is that there is complete transparency and all interests in every situation are declared and known to all, so that practical and sensible decisions can be taken.

Audit Committee

The role of the Committee is discharged by Richard Roth (chairman) and Robin Goodfellow. Richard Roth is chairman of both the VCT and the Audit Committee. The Committee is responsible for:

- monitoring the Company's financial reporting;
- reviewing internal controls and risk management systems; and
- matters regarding audit and external auditors.

Financial Reporting

The Committee is responsible for reviewing, and agreeing, the half-yearly and annual accounts (including those figures presented within) before they are presented to the Board for final approval. In particular, the Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Manager, for presentation within the half-yearly interim and full year annual accounts. The Committee also takes into careful consideration comments on matters regarding valuation, revenue recognition and disclosures arising from the external auditors' report to the Audit Committee as part of the finalisation process for the Annual Accounts. Specifically, the Committee advises the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and whether they provide the necessary information to shareholders to assess performance, business model and strategy.

Audit and Control

The Committee reviews and agrees the audit strategy and plan in advance of the audit, and has assessed the effectiveness of the audit after its conclusion. The Committee has also reviewed the non-audit services provided by the external auditor, James Cowper Kreston, and on both counts is happy to recommend their reappointment. Once the committee has made a recommendation

to the Board in relation to the appointment of the external auditor, this is then ratified at the AGM through an Ordinary Resolution. In line with EU Directives, we retendered the audit in 2017 and James Cowper Kreston were reappointed. Further, in line with auditing requirements, there has been a rotation of audit partner this year.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Committee considers annually whether there is a need for such a function and if so would recommend this to the Board.

The Committee seeks to satisfy itself that there is a proper system and allocation of responsibilities for the day-to-day monitoring of financial controls by receiving representations and information either upon request or voluntarily from the Investment Manager.

Significant Risks

The Committee is responsible for considering and reporting on any significant risks that arise in relation to the audit of the Financial Statements. The Committee and the Auditors have identified the most significant risks as:

- Valuation and verification of the investment portfolio: the Auditors give special audit consideration to the valuation of investments and the supporting data provided by the Investment Manager. The impact of this risk could be a large movement in the Company's net asset value. The valuations are supported by investee company audited accounts and/or third party evidence. The holdings are also cross checked to records held at Companies House. These give comfort to the Audit Committee.
- Management override of financial controls: the Auditors specifically review all significant accounting estimates that form part of the Financial Statements and consider any material judgements applied by management during the preparation of the Financial Statements.
- Compliance with HMRC conditions and EU State Aid rules for maintenance of approved VCT status: the Auditors review this as part of their work.
- Recognition of revenue from investments: investment income is the Company's main source of revenue. Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. The Company has few revenue paying companies and the Committee pays close attention to these.

These issues were discussed with OT2 Managers Ltd, Oxford Technology Management and the Auditors at the conclusion of the audit of the Financial Statements.

The Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the Financial Statements. The Committee can confirm that there were no significant issues to report to Shareholders in respect of the audit of the Financial Statements for the year ended 28 February 2018.

Nomination Committee

The role of the Nomination Committee is discharged by the Board. The Board considers the selection and appointment of Directors and makes recommendations to the Board as to the level of Directors' fees. New Directors are selected as part of a rigorous selection process involving interviews with the existing board and the manager and shareholder representatives.

The Board's policy is to promote diversity (including, but not limited to, gender diversity).

Performance Evaluation

In accordance with the AIC Code and guidance each year a formal performance evaluation is undertaken of the Board as a whole, the Committees and the Directors in the form of one-to-one meetings between the Chairman and each Director. The performance of the Chairman was evaluated by the other Directors.

Compliance Statement

The Listing Rules require the Board to report on compliance with the UK Corporate Governance Code provisions throughout the accounting year. The preamble to the Code does, however, acknowledge that some provisions may have less relevance for investment companies. The Company has complied throughout the year with the provisions set out in the Code, except as outlined above.

James Gordon
Company Secretary
2nd May 2018

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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 responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Directors confirms that, to the best of their knowledge:

- there is no relevant audit information of which the Company's auditor is unaware;
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;
- the Financial Statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Investment Portfolio Review, the Business Review and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

On behalf of the Board

Richard Roth
Chairman
2nd May 2018

Report of the Independent Auditor

Independent Auditor's Report to the Members of Oxford Technology 2 VCT plc

We have audited the Financial Statements of Oxford Technology 2 VCT plc for the year ended 28 February 2018 which comprise the Income Statement, the Statement of Changes in Equity, the Balance Sheet, the Cash Flow Statement and the notes to the Financial Statements, including a summary of significant accounting policies. 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'.

In our opinion the Financial Statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and,
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to in relation to:

- the directors' statement in the Financial Statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements; and
- the directors' identification of any material uncertainties relating to the company's ability to continue operating as a going concern for a period of at least twelve months from the date of approval of the Financial Statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, 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) we identified, including 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 unquoted investments

Investments are by far the largest item in the Financial Statements, and they are designated as being at fair value through profit and loss in accordance with FRS 102 and the 2014 Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts". The investments are a mix of quoted and unquoted investments. Measurement of the value of unquoted investments includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as a significant risk.

Our audit work included, but was not restricted to, obtaining an understanding of how the valuations were performed, consideration of whether they were made in accordance with published guidance, discussions with management, and reviewing and challenging the basis and reasonableness of the assumptions made by management in conjunction with available supporting information.

The results of our procedures were satisfactory.

VCT Compliance

As a VCT the entity must comply with HMRC VCT regulations. The legislation includes criteria for qualifying investments and percentage of funds invested at any one time. As the entity monitors compliance in house as opposed to engaging a third party VCT compliance advisor we have considered the risk of non-compliance to be heightened and have thus included this as a key audit matter.

Our audit work included a review of the companies correspondence with HMRC and a review of board minutes to ensure compliance with key legislation. All investment additions were recalculated to ensure that they are compliant with HMRC's VCT rules.

The results of our procedures were satisfactory.

Management override

ISA's require us to presume that there is a risk of management override of controls. Management are in a unique position to override controls which otherwise appear to be operating normally and with a limited management team in place at the VCT this risk may be considered heightened.

Our audit work included reviewing all manual journals posted within the year with a risk focussed selection being tested to ensure both accurate and posted for a valid business reason. Key accounting estimates have also been reviewed for any indication of management bias.

The results of our procedures were satisfactory.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the Financial Statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the Financial Statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the Financial Statements as a whole.

We established materiality for the Financial Statements as a whole to be £33,000, which is 2% of the value of the company's net assets. For income and expenditure items we determined that misstatements of lesser amounts than materiality for the Financial Statements as a whole would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for revenue items within the income statement to be £3,000.

We determined the threshold at which we would communicate misstatements to the audit committee, to be £150 for income statement items and £1,700 for all other items. In addition we would communicate misstatements below that threshold that, in our view, warrant 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 approach was based on a thorough understanding of the company's business and is risk-based. We obtained an understanding the internal controls as required by Auditing Standards and carried out appropriate substantive and analytical procedures. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on our assessment of general and specific audit risks.

Other information

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. 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.

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. 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.

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 Financial Statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 37, 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/auditscopeprivate. This description forms part of our auditor's report.

Other matters which we are required to address

We were appointed auditors by the board of directors in 2007, and re-appointed in 2017 following a competitive tender. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is eleven years.

No non-audit services prohibited by the FRC's Ethical Standard were provided to the company and we remain independent of the company in conducting our audit.

The purpose of our audit work and to whom we owe our responsibilities

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.

Robert Holland BSc FCA
Senior Statutory Auditor
For and on behalf of James Cowper Kreston, Oxford
Chartered Accountants and Statutory Auditor
2nd May 2018

Income Statement

	Note Ref.	Year Ended 28 February 2018			Year Ended 28 February 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments		-	86	86	-	-	-
Unrealised gain on valuation of fixed asset investments		-	49	49	-	653	653
Investment income	2	-	-	-	27	-	27
Investment management fees	3	(6)	(19)	(25)	(5)	(14)	(19)
Other expenses	4	(50)	-	(50)	(45)	-	(45)
Return on ordinary activities before tax		(56)	116	60	(23)	639	616
Taxation on return on ordinary activities	5	-	-	-	-	-	-
Return on ordinary activities after tax		(56)	116	60	(23)	639	616
Return on ordinary activities after tax attributable to equity shareholders		(56)	116	60	(23)	639	616
Earnings per share – basic and diluted	6	(0.9)p	1.9p	1.0p	(0.4)p	9.4p	9.0p

There was no other Comprehensive Income recognised during the year.

The 'Total' column of the Income Statement is the Profit and Loss Account of the Company, the supplementary Revenue and Capital return columns have been prepared under guidance published by the Association of Investment Companies.

All Revenue and Capital items in the above statement derive from continuing operations.

The Company has only one class of business and derives its income from investments made in shares and securities and from bank and money market funds.

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

Statement of Changes in Equity

	Share Capital £'000	Capital Redemption Reserve £'000	Share Premium £'000	Unrealised Capital Reserve £'000	Profit & Loss Reserve £'000	Total £'000
As at 1 March 2016	679	-	376	(418)	1,275	1,912
Revenue return on ordinary activities after tax	-	-	-	-	(23)	(23)
Expenses charged to capital	-	-	-	-	(14)	(14)
Current period gains on fair value of investments	-	-	-	653	-	653
Balance as at 28 February 2017	679	-	376	235	1,238	2,528
Revenue return on ordinary activities after tax	-	-	-	-	(56)	(56)
Expenses charged to capital	-	-	-	-	(19)	(19)
Current period gains on disposal	-	-	-	-	86	86
Current period gains on fair value of investments	-	-	-	49	-	49
Purchase of own shares	(146)	146	-	-	(470)	(470)
Prior years gains now realised	-	-	-	(1,224)	1,224	-
Dividends paid	-	-	-	-	(427)	(427)
Balance as at 28 February 2018	533	146	376	(940)	1,576	1,691

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

Balance Sheet

	Note Ref.	Year Ended 28 February 2018		Year Ended 28 February 2017	
		£'000	£'000	£'000	£'000
Fixed asset investments at fair value	7		1,149		2,405
Current assets					
Debtors	8	166		2	
Cash at bank		386		146	
Creditors: amounts falling due within 1 year	9	(10)		(25)	
Net Current Assets			542		123
Net Assets			1,691		2,528
Called up equity share capital	10		533		679
Capital redemption reserve			146		-
Share premium			376		376
Unrealised capital reserve	11		(940)		235
Profit and loss account reserve	11		1,576		1,238
Total Equity Shareholders' Funds	11		1,691		2,528
Net Asset Value Per Share			31.7p		37.2p

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

The statements were approved by the Directors and authorised for issue on 2nd May 2018 and are signed on their behalf by:



Richard Roth
Chairman

Statement of Cash Flows

	Year Ended 28 February 2018 £'000	Year Ended 28 February 2017 £'000
Cash flows from operating activities		
Return on ordinary activities before tax	60	616
Adjustments for:		
Gain on disposal of investments	(86)	-
Gain on valuation of investments	(49)	(653)
(Increase)/decrease in debtors	(164)	19
Decrease in creditors	(15)	(19)
Movement in investment debtors and creditors	164	-
Outflow from operating activities	(90)	(37)
Cash flows from investing activities		
Purchase of investments	(230)	(150)
Disposal of investments	1,457	-
Dividends paid	(427)	-
Total cash flows from investing activities	800	(150)
Cash flows from financing activities (Tender Offer)	(470)	-
Increase/(decrease) in cash at bank	240	(187)
Opening cash and cash equivalents	146	333
Cash and cash equivalents at year end	386	146

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

Notes to the Financial Statements

The Financial Statements have been prepared under Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'). The accounting policies have not materially changed from last year.

1. Principal Accounting Policies

Basis of Preparation

The Financial Statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice ("GAAP"), including FRS 102 and with the Companies Act 2006 and the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts (revised 2014)' issued by the AIC.

The principal accounting policies have remained materially unchanged from those set out in the Company's 2017 Annual Report and Financial Statements. A summary of the principal accounting policies is set out below.

FRS 102 sections 11 and 12 have been adopted with regard to the Company's financial instruments. The Company held all fixed asset investments at fair value through profit or loss. Accordingly, all interest income, fee income, expenses and gains and losses on investments are attributable to assets held at fair value through profit or loss.

The most important policies affecting the Company's financial position are those related to investment valuation and require the application of subjective and complex judgements, often as a result of the need to make estimates about the effects of matters that are inherently uncertain and may change in subsequent periods. These are discussed in more detail below.

Going Concern

After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

Key Judgements and Estimates

The preparation of the Financial Statements requires the Board to make judgements and estimates regarding the application of policies and affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments.

Investments are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments are valued in accordance with current IPEVC Valuation Guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held.

Although the Directors believe that the assumptions concerning the business environment and estimate of future cash flows are appropriate, changes in estimates and assumptions could result in changes in the stated values. This could lead to additional changes in fair value in the future.

Functional and Presentational Currency

The Financial Statements are presented in Sterling (£). The functional currency is also Sterling (£).

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and also include bank overdrafts.

Fixed Asset Investments

The Company's principal financial assets are its investments and the policies in relation to those assets are set out below.

Purchases and sales of investments are recognised in the Financial Statements at the date of the transaction (trade date).

These investments will be managed and their performance evaluated on a fair value basis and information about them is provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being fair value through profit or loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. The Company's investments are measured at subsequent reporting dates at fair value.

In the case of investments quoted on a recognised stock exchange, fair value is established by reference to the closing bid price on the relevant date or the last traded price, depending upon convention of the exchange on which the investment is quoted. In the case of AIM quoted investments this is the closing bid price.

In the case of unquoted investments, fair value is established by using measures of value such as the price of recent transactions, earnings multiple, revenue multiple, discounted cash flows and net assets. These are consistent with the IPEVC Valuation Guidelines.

Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the unrealised capital reserve.

In the preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the investee companies.

Fair Value Hierarchy

Paragraph 34.22 of FRS 102 regarding financial instruments that are measured in the balance sheet at fair value requires disclosure of fair value measurements dependent on whether the stock is quoted and the level of the accuracy in the ability to determine its fair value. The fair value measurement hierarchy is as follows:

For Quoted Investments:

Level 1: quoted prices in active markets for an identical asset. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available, and

those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held is the bid price at the Balance Sheet date.

Level 2: where quoted prices are not available (or where a stock is normally quoted on a recognised stock exchange that no quoted price is available), the price of a recent transaction for an identical asset, providing there has been no significant change in economic circumstances or a significant lapse in time since the transaction took place. The Company holds no such investments in the current or prior year.

For investments not quoted in an active market:

Level 3: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable data (e.g. the price of recent transactions, earnings multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

There have been no transfers between these classifications in the year (2017: none). The change in fair value for the current and previous year is recognised in the income statement.

Income

Investment income includes interest earned on bank balances and from unquoted loan note securities, and dividends. Fixed returns on debt are recognised on a time apportionment basis so as to reflect the effective yield, provided it is probable that payment will be received in due course. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established, normally the ex dividend date.

Expenses

All expenses are accounted for on an accruals basis. Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to capital and 25% to revenue. Any applicable performance fee will be charged 100% to capital.

Revenue and Capital

The revenue column of the Income Statement includes all income and revenue expenses of the Company. The capital column includes gains and losses on disposal and holding gains and losses on investments. Gains and losses arising from changes in fair value of investments are recognised as part of the capital return within the Income Statement and allocated to the appropriate capital reserve on the basis of whether they are realised or unrealised at the balance sheet date.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the current tax rate. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the "marginal" basis as recommended in the SORP.

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated but not reversed at the balance sheet date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial Instruments

The Company's principal financial assets are its investments and the policies in relation to those assets are set out above. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument.

The Company does not have any externally imposed capital requirements.

Reserves

Called up Equity Share Capital – represents the nominal value of shares that have been issued.

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

Unrealised Capital Reserve arises when the Company revalues the investments still held during the period and any gains or losses arising are credited/charged to the Unrealised Capital Reserve. When an investment is sold, any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Reserve as a movement in reserves.

The Profit and Loss Reserve represents the aggregate of accumulated realised profits, less losses and dividends.

Dividends Payable

Dividends payable are recognised as distributions in the Financial Statements when the Company's liability to make payment has been established. This liability is established for interim dividends when they are declared by the Board, and for final dividends when they are approved by the Shareholders.

2. Investment Income

	Year Ended 28 February 2018 £'000	Year Ended 28 February 2017 £'000
Dividends received	-	27
Total	-	27

3. Investment Management Fees

Expenses are charged wholly to revenue with the exception of the investment management fee which has been charged 75% to the capital reserve in line with industry practice.

	Year Ended 28 February 2018 £'000	Year Ended 28 February 2017 £'000
Investment management fee	25	19
Total	25	19

In the year to 28 February 2018 the manager received a fee of 1% of the net asset value as at the previous year end (2017: 1%). Oxford Technology Management is also entitled to certain monitoring fees from investee companies and the Board reviews the amounts. OTM also received a further £18k in both years, the payment of which had been deferred from previous years. This was part of the revised agreement, with effect from 1 March 2015. No further liability is payable as at 28 February 2018.

A performance fee is payable to the Investment Manager once original shareholders have received a specified threshold in cash for each 100p (gross) invested. The original threshold of 100p has now been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold rising to 116.9p at 28 February 2018, corresponding to a total shareholder return of 144.7p after taking into account the 27.8p already paid out (27.8p + 116.9 = 144.7p). The 27.8p already paid out includes an effective 6.8p (per original share) that was returned to shareholders as part of the Tender Offer. After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 14p.

No performance fee has become due or been paid to date. Any applicable performance fee will be charged 100% to capital.

Expenses are capped at 3%, including the management fee but excluding Directors' fees and any performance fee.

4. Other Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the income statement except as follows:

- those expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

	Year Ended 28 February 2018 £'000	Year Ended 28 February 2017 £'000
Directors' remuneration	15	15
Auditors' remuneration	6	6
Other expenses	29	24
Total	50	45

5. Tax on Ordinary Activities

Corporation tax payable at 19.1% (2017: 20.0%) is applied to profits chargeable to corporation tax, if any. The corporation tax charge for the period was £nil (2017: £nil)

	Year Ended 28 February 2018 £'000	Year Ended 28 February 2017 £'000
Return on ordinary activities before tax	60	616
Current tax at standard rate of taxation	11	123
UK dividends not taxable	-	(5)
Unrealised gains not taxable	(9)	(131)
Realised gains not taxable	(16)	-
Excess management expenses carried forward	14	13
Total current tax charge	-	-

Unrelieved management expenses of £1,539,772 (2017: £1,465,200) remain available for offset against future taxable profits.

6. Earnings per Share

The calculation of earnings per share (basic and diluted) for the period is based on the net profit of £60,000 (2017: £616,000) attributable to shareholders divided by the daily weighted average number of shares 6,080,419 (2017: 6,792,923) in issue during the period.

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

7. Investments

	Unquoted investments Level 3 £'000	Total investments £'000
Valuation and net book amount:		
Book cost as at 28 February 2017	2,170	2,170
Cumulative revaluation	235	235
Valuation at 28 February 2017	2,405	2,405
Movement in the year:		
Purchases at cost	230	230
Disposals - costs	(311)	(311)
Disposals - revaluation	(1,224)	(1,224)
Revaluation in year	49	49
Valuation at 28 February 2018	1,149	1,149
Book cost at 28 February 2018	2,089	2,089
Cumulative revaluation to 28 February 2018	(940)	(940)
Valuation at 28 February 2018	1,149	1,149

Subsidiary Company

The Company also holds 100% of the issued share capital of OT2 Managers Ltd at a cost of £1.

Results of the subsidiary undertaking for the year ended 28 February 2018 are as follows:

	Country of Registration	Nature of Business	Turnover	Retained profit/loss	Net Assets
OT2 Managers Ltd	England and Wales	Investment Manager	£25,283	£0	£1

Consolidated group Financial Statements have not been prepared as the subsidiary undertaking is not considered to be material for the purpose of giving a true and fair view. The Financial Statements therefore present only the results of Oxford Technology 2 VCT plc, which the Directors also consider is the most useful presentation for Shareholders.

8. Debtors

	28 February 2018 £'000	28 February 2017 £'000
Prepayments, accrued income & other debtors	2	2
Deferred consideration from sale of investments	164	-
Total	166	2

9. Creditors – amounts falling due in less than 1 year

	28 February 2018 £'000	28 February 2017 £'000
Investment management fee accrual (All deferred fees now fully paid at 28/2/18)	-	18
Other creditors and accruals	10	7
Total	10	25

10. Share Capital

	28 February 2018 £'000	28 February 2017 £'000
Authorised:		
10,000,000 ordinary shares of 10p each	1,000	1,000
Total Authorised	1,000	1,000
Allotted, called up and fully paid:		
5,331,889 (2017: 6,792,923) ordinary shares of 10p each	533	679

On 4 September 2017, the Company bought back 1,461,034 Ordinary Shares as per the Tender Offer.

11. Reserves

When the Company revalues its investments during the period, any gains or losses arising are credited/charged to the Income Statement. Changes in fair value of investments are then transferred to the Unrealised Capital Reserve. When an investment is sold any balance held on the Unrealised Capital Reserve is transferred to the Profit and Loss Account Reserve as a movement in reserves.

Distributable reserves are £636,000 as at 28 February 2018 (2017: £1,238,000).

Reconciliation of Movement in Shareholders' Funds

	28 February 2018 £'000	28 February 2017 £'000
Shareholders' funds at start of year	2,528	1,912
Return on ordinary activities after tax	60	616
Purchase of own shares	(470)	
Dividends paid	(427)	-
Shareholders' funds at end of year	1,691	2,528

The Company paid a dividend of 8.0p per share on 5 December 2017.

12. Financial Instruments and Risk Management

The Company's financial instruments comprise equity and loan note investments, cash balances and debtors and creditors. The Company holds financial assets in accordance with its investment policy of investing mainly in a portfolio of VCT – qualifying unquoted securities whilst holding a proportion of its assets in cash or near cash investments in order to provide a reserve of liquidity. The risk faced by these instruments, such as interest rate risk or liquidity risk is considered to be minimal due to their nature. All of these are carried in the accounts at fair value.

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective. The management of market risk is part of the investment management process and is a central feature of venture capital investment. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes, though VCT rules limit the extent to which suitable Qualifying Investments can be bought or sold. The overall disposition of the Company's assets is regularly monitored by the Board.

13. Capital Commitments

The Company had no commitments at 28 February 2018 or 29 February 2017.

14. Related Party Transactions

OT2 Managers Ltd, a wholly owned subsidiary, provides investment management services to the Company with effect from 1 July 2015 for a fee of 1% of net assets per annum. During the year, £25,283 was paid in respect of these fees (2017: £19,122). No amounts were outstanding at the year end.

15. Events after the Balance Sheet Date

During April 2018, an investment of £150,000 was made into Scancell and £12,000 was committed to ImmBio.

Oxford Technology 2 Venture Capital Trust

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Oxford Technology 2 Venture Capital Trust Plc will be held at the Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 11am on Thursday 12 July 2018 for the following purposes:

To consider and, if thought fit, pass the following Resolutions:

Ordinary Resolutions

1. That the Annual Report and Accounts for the period to 28 February 2018 be approved.
2. That the Directors' Remuneration Policy be approved.
3. That the Directors' Remuneration Report be approved.
4. That Mr Robin Goodfellow, who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company's Articles of Association, be re-appointed as a Director.
5. That Mr David Livesley, who retires at the Annual General Meeting by rotation in accordance with Article 139 of the Company's Articles of Association, be re-appointed as a Director.
6. That James Cowper Kreston, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.
7. That the Company continue in being as a Venture Capital Trust.

Special Business

8. **AUTHORITY TO ALLOT RELEVANT SECURITIES**
That the Directors be and are generally and unconditionally authorised in accordance with s551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company up to a maximum nominal amount of £33,965 (representing approximately 5% of the Ordinary share capital in issue at today's date such authority to expire at the later of the conclusion of the Company's Annual General Meeting next following the passing of this Resolution and the expiry of 15 months from the passing of the relevant Resolution (unless previously revoked, varied or extended by the Company in a general meeting but so that such authority allows the Company to make offers or agreements before the expiry thereof, which would or might require relevant securities to be allotted after the expiry of such authority).
9. **EMPOWERMENT TO MAKE ALLOTMENTS OF EQUITY SECURITIES**
That the Directors be empowered to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority referred to in Resolution 8 as if s561 (1) of the Act did not apply to any such allotments and so that:

- a. reference to allotment in this Resolution shall be construed in accordance with s560(2) of the Act; and
- b. the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power.

And this power, unless previously varied, revoked or renewed, shall come to an end at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or, if earlier, on the expiry of 15 months from the passing of this Resolution.

By Order of the Board
James Gordon
2nd May 2018
Company Secretary

Notes:

1. A member who is entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. Such a proxy need not also be a member of the Company. To be valid, a proxy card must be lodged with the Company's Registrar, **Neville Registrars, Neville House, 18 Laurel Lane, Halesowen B63 3DA**, at least 48 hours before the meeting. A proxy card for use by members is attached. Completion of this proxy card will not prevent a member from attending the meeting and voting in person.
2. Resolutions 1 to 8 will be proposed as Ordinary Resolutions. Resolution 9 will be proposed as a Special Resolution.

Oxford Technology 2 VCT Plc Proxy Form Annual General Meeting – 12 July 2018 at 11am

I/We

Telephone

Of (address).....

Being a member of Oxford Technology 2 VCT Plc, hereby appoint the Chairman of the meeting, or,

Name of Proxy

No of Shares

As my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 12 July 2018, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting.

Please indicate by ticking the box if this proxy appointment is one of multiple appointments being made. For the appointment of one or more proxy, please refer to explanatory note 4.

	For	Against	Withheld
1. To approve the Annual Report and Accounts			
2. To approve the Directors' Remuneration Policy			
3. To approve the Directors' Remuneration Report			
4. To re-elect Robin Goodfellow as a Director			
5. To re-elect David Livesley as a Director			
6. To approve the re-appointment of James Cowper Kreston as auditors and authorisation of Directors to fix remuneration			
7. To approve that the Company continue as a VCT			
8. To approve the Directors' authority to allot shares			
9. To approve the issue of shares on a non-rights issue basis			

Signature:

Date:

Proxy Form - Notes

Annual General Meeting – 12 July 2018 at 11am

- 1. To be valid, the proxy form must be received by the Registrars of Oxford Technology 2 VCT Plc at Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, B63 3DA, no later than 48 hours before the commencement of the meeting.**
2. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.
3. Every holder has the right to appoint some other person(s) of their choice, who need not be a shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account.)
4. To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.
6. If the proxy form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.
7. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at 6 p.m. on the day which is two days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
8. The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect please ring the Registrar's helpline on 0121 585 1131.
9. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Shareholder Information

Financial Calendar

The Company's financial calendar is as follows:

12 July 2018	- Annual General Meeting
July 2018	- Quarterly Update
November 2018	- Half-yearly results to 31 August 2018 published
January 2019	- Quarterly Update
May 2019	- Annual results for year to 28 February 2019 announced

Dividends

Dividends will be paid by the Registrar on behalf of the Company. Shareholders who wish to have dividends paid directly into their bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Queries relating to dividends, shareholdings and requests for mandate forms should be directed to the Company's Registrar, Neville Registrars Limited.

Share Price

The Company's share price is published daily on the London Stock Exchange's website (www.londonstockexchange.com) using code OXH.

Buying and selling shares

The Company's Ordinary shares, which are listed on the London Stock Exchange, can be bought and sold in the same way as any other company quoted on a recognised stock exchange via a stockbroker. The Company does not have a buy back policy, so if you wish to trade in the secondary market and do not have a stockbroking relationship, you may wish to contact:

Redmayne Bentley – York Office 0800-5420055 / 01904-646362

Paul Lumley paul.lumley@redmayne.co.uk

Chris Steward chris.steward@redmayne.co.uk

If you do contact Redmayne Bentley, you will require your National Insurance Number and a valid share certificate if selling.

There may be tax implications in respect of all or part of your holdings, so Shareholders should contact their independent financial adviser if they have any queries.

Notification of change of address

Communications with Shareholders are mailed to the registered address held on the share register. In the event of a change of address or other amendment this should be notified to the Company's Registrar, Neville Registrars Limited, under the signature of the registered holder.

Other information for Shareholders

Previously published Annual Reports and Half-yearly Reports are available for viewing on the Company's website at www.oxfordtechnology.com/vct2.

Company Information – Directors and Advisers

Board of Directors

Richard Roth (Chairman)
Robin Goodfellow
David Livesley
Alex Starling

Company Number

3928569

Company Secretary

James Gordon
Gordons Partnership LLP
22 Great James Street
London WC1N 3ES

Investment Manager & Registered Office

OT2 Managers Ltd
The Magdalen Centre
Oxford Science Park
Oxford OX4 4GA
Tel: 01865 784466

Accountants

Wenn Townsend
30 St Giles
Oxford OX1 3LE

Independent Auditor

James Cowper Kreston
2 Chawley Park
Cumnor Hill
Oxford OX2 9GG

Bankers

Natwest Bank
121 High Street
Oxford OX1 4DD

Registrars

Neville Registrars
Neville House
18 Laurel Lane
Halesowen B63 3DA
Tel: 0121 585 1131

Financial Adviser & LSE Sponsor

Beaumont Cornish Ltd
2nd Floor, Bowman House
29 Wilson Street
London EC2M 2SJ

Compliance & FCA Advisor

Methuen Consulting LLP
26-27 Oxendon Street
London SW1Y 4EL

Website

www.oxfordtechnology.com/vct2