

Company number: 06054576

New
Century
AIM
VCT2
plc

31st December

2022

Audited Report and Accounts
for the year to 31st December
2022

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Financial Summary

	Year ended 31 December 2022	Year ended 31 December 2021
Revenue return per share (pence) for the year	(1.80)	(0.85)
Total return per share (pence) for the year	(32.01)	23.28
Proposed dividends per share (pence)	2.50	4.00
Net asset value per share (pence)	47.62	83.34
Cumulative value of shareholder investment (net asset value plus cumulative dividends per share) (pence)	75.58	107.30
Shareholders' funds (£'000)	2,413	3,840

Chairman's Statement

The Net Asset Value (NAV) performance of your fund for the year decreased by 42.9% to 47.62p, compared to the FTSE AIM All-Share index which declined by 31.7% over the same period. It should be noted that whilst the portfolio underperformed the index in the period, the one sector that had performed well in the period was energy, such as oil and gas companies, but your fund is restricted from investing in this area.

We recognise the importance of tax-free income to our shareholders and the Board is therefore proposing that we pay a dividend of 2.5p per share in respect of the year ended 31 December 2022. A 2.5p dividend represents a yield of 4.4% based on the fund's mid-price of 57p on 31 December 2022.

The fund has made nine further qualifying investments (relating to eight companies) in the period and we are pleased with their progress. We made twenty-five sales (relating to ten companies) where we either exited or top-sliced a holding.

2022 turned out to be a difficult year for most equity markets, particularly those of smaller companies. The invasion of Ukraine by Russia, whilst devastating for those directly involved, created a large increase in energy costs resulting in implications for the economy, many corporates and households. The result on the economy of rising inflation was met by Central Banks across the world raising interest rates which tightened the availability of capital.

We have also witnessed many Institutions experience redemptions which has put pressure on many companies share prices as some companies' shares have been sold to meet such redemptions. This can be frustrating as a company may indeed be performing well operationally but has seen downward pressure on its share price in the short term as, due to a lack of liquidity in the Market, the selling of its shares causes a disproportionate decline in its share price.

We hope that the effects that have caused some of the difficulties in 2022 will start to abate in 2023 as inflation starts to decline and that we appear to be near the top of the interest rate cycle, with some commentators thinking we will see interest rates decline towards the end of this year and into 2024. This should prove to be positive for equity markets and therefore gives us some optimism moving forwards.

We continue to invest in a wide spread of established companies across a variety of sectors within the fund which should help mitigate some of the risk across the portfolio.

Geoffrey Gamble

25 April 2023

Details of Directors

Chairman - Geoffrey Gamble (Aged 64)

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

Michael Barnard (Aged 72)

Michael has been employed in stockbroking since 1971. In 1974 he became a Member of the Stock Exchange. During his career his duties have spanned investment advising, investment research, dealing and company management. In 1988 he started his own stockbroking company, MD Barnard & Company Limited which he subsequently sold on 30 November 2017.

Ian Cameron-Mowat (Aged 72)

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

Simon Like (Aged 53)

Simon started his career working for Midland Bank, which later became HSBC plc, and has been employed in stockbroking since 2001. Since then Simon has been managing client money and is one of the senior fund managers at Oberon Investments Limited.

Management and Administration

Registered Office

4th Floor,
50 Mark Lane
London
EC3R 7QR

Company Secretary

Tricor Secretaries Limited
4th Floor,
50 Mark Lane
London
EC3R 7QR

Registrar

Neville Registrars Limited
Neville House
Steelpark Road
Halesowen
B62 8HD

Solicitors

Wedlake Bell LLP
71 Queen Victoria Street
London
EC4V 4AY

Investment Manager and Broker

Oberon Investments Limited
1st Floor
12, Hornsby Square
Southfields Business Park
Basildon
SS15 6AD

Auditor

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Directors

Geoffrey Gamble (Chairman)
Michael David Barnard
Ian Cameron-Mowat
Simon Like

All directors are non-executive.

Audit Committee:

Geoffrey Gamble (Chairman)
Ian Cameron-Mowat

Strategic Report

Activities and status

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

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

Investment Manager's Review

Your fund's NAV decreased by 42.9% to 47.62p, compared to the FTSE AIM All Share index which declined by 31.7% over the same period. The net asset value of the fund plus cumulative dividends per share declined by 29.6% to 75.58p.

The fund made nine qualifying investments (comprising eight companies) in the period, investing in Clean Power Hydrogen plc, Destiny Pharma plc, Intelligent Ultrasound plc, Seen plc, Strip Tinning Holdings plc, Sulnox Group plc, Truspine Technologies plc and Verici Dx plc.

We made twenty-five disposals (relating to ten companies) where we either exited or top-sliced a holding.

The war in the Ukraine impacted the economic environment throughout 2022. The introduction of severe financial sanctions on Russia caused disruption with supply chains and led to a high rise in energy costs. This resulted in a high inflation environment that dominated the thoughts of Central Bankers who started a succession of interest rate rises throughout the year. In such an environment most equities tend to not perform well, and we experienced a lack of liquidity in many smaller companies where a small amount of selling would have a disproportionately large impact on share prices. We also had the unusual circumstances of having 3 Prime Ministers in the year, where borrowing costs rose sharply when former Prime Minister and her Chancellor announced a mini budget in October that spooked global investors, resulting in a run-on Sterling and sent gilt markets into freefall.

That said, your fund has a diverse spread of investments across many different sectors to give it good diversification, although we are restricted from investing in most energy and mining companies which have been strong performing sectors in the period.

We are cautiously optimistic for the year ahead as we think inflationary pressures are starting to ease and is expected to fall throughout this year. This coupled with expectations of interest rates peaking and indeed declining towards the end of 2023 and into 2024 should be beneficial for equities.

Investment Objective

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

Strategic Report

Principal risks and uncertainties

The Company invests its funds primarily in companies traded on AIM, which entail a higher degree of risk than investments in large listed companies. The main risk, therefore, arising from the Company's activities is market price risk, representing the uncertain realisable values of the Company's investments. Please refer to the Corporate Governance report on page 18 which provides evidence of the robust review the directors have performed to assess these risks, and also note 22 to these accounts which gives a detailed review of the Company's risk management.

Environmental Social and Governance (ESG) and Considerations

The Board seeks to maintain high standards of conduct with respect to environmental, social and governance issues and to conduct the Company's affairs responsibly. The Company does not have any employees or offices and so the Board does not maintain any specific policies regarding employee, human rights, social and community issues but does expect the Investment Manager to consider them when fulfilling its role. As the Company used less than 40MWh of energy during the period it is exempt from the Streamlined Energy and Carbon Reporting requirements. The Company, whilst exempt, continues to monitor and develop its approach to the recommendations of the Task Force on Climate related Financial Disclosures (TCFD). The management of the Company's investment portfolio has been delegated to its Investment Manager Oberon Investments Limited. The Company has not instructed the Investment Manager to include or exclude any specific types of investment on ESG grounds. However, it expects the Investment Manager to take account of ESG considerations in its investment process for the selection and ongoing monitoring of underlying investments. Exposure to climate related risks is considered on a deal-by-deal basis by the Investment Manager. This includes the physical risks and impacts of climate change where this has been identified as a material issue. The Investment Manager also looks for investment opportunities in companies that are well positioned to benefit from the transition to a lower carbon economy.

The Board has also given the Investment Manager discretion to exercise voting rights on resolutions proposed by investee companies.

Viability Statement

In accordance with provision 1 of The UK Corporate Governance Code 2018 the directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision.

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 in note 22.

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 31 December 2025.

Key performance indicators

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

Investment Portfolio

Security	Cost	Valuation 31/12/2022	% Cost	% Valuation
Qualifying Investments	3,444,643	2,157,452	88.57	84.81
Non-qualifying Investments	90,563	32,664	2.33	1.28
	3,535,206	2,190,116	90.90	86.09
Uninvested funds	353,862	353,862	9.10	13.91
	3,889,068	2,543,979	100.00	100.00

Qualifying Investments

AIM Quoted

Abingdon Health plc	35,218	2,369	0.91	0.09
Access Intelligence plc	10,053	17,250	0.26	0.68
Actual Experience plc	63,174	838	1.62	0.03
AFC Energy plc	50,254	57,781	1.29	2.27
Arecor Therapeutic plc	12,818	12,977	0.33	0.51
Audioboom Group plc	41,758	73,346	1.07	2.88
Belluscura plc	52,263	75,457	1.34	2.97
Blackbird plc	18,845	52,500	0.48	2.06
Brighton Pier Group plc	35,379	14,366	0.91	0.56
C4X Discovery Holdings plc	35,179	41,883	0.90	1.65
Clean Power Hydrogen plc	50,253	33,333	1.29	1.31
Cloudbuy plc	41,896	0	1.08	0.00
Coral Products plc	25,104	29,600	0.65	1.16
Creo Medical Group plc	20,504	6,711	0.53	0.26
CyanConnode Holdngs plc	204,219	10,673	5.25	0.42
Deepmatter plc	50,253	1,033	1.29	0.04
Deepverge plc	93,203	2,505	2.40	0.10
Destiny Pharma plc	175,882	174,250	4.52	6.85
Diaceutics plc	10,314	10,125	0.27	0.40
DP Poland plc	25,631	13,770	0.66	0.54
ECSC Group plc	20,104	9,091	0.52	0.36
Falanx Group Ltd	85,234	23,863	2.19	0.94
Feedback plc	100,511	56,095	2.58	2.20
Fusion Antibodies plc	7,540	3,500	0.19	0.14
Gfinity plc	33,229	8,006	0.85	0.31
Immotion Group plc	95,486	29,491	2.46	1.16
I-Nexus Global plc	30,153	1,139	0.78	0.04
Inspired Energy plc	33,641	71,400	0.87	2.81
Intelligent Ultrasound Group plc	134,808	98,061	3.47	3.85
Kinovo plc	52,465	28,800	1.35	1.13
Libertine Holdings plc	125,628	87,500	3.23	3.44
Location Sciences Group plc	72,643	3,491	1.87	0.14
Loopup Group plc	15,078	600	0.39	0.02
Lunglife AI Inc	20,104	9,091	0.52	0.36
M.Winkworth plc	56,280	105,000	1.45	4.13

Investment Portfolio

Security	Cost	Valuation 31/12/2022	% Cost	% Valuation
Qualifying Investments				
AIM Quoted				
Marechale Capital plc	75,752	15,000	1.95	0.59
Microsaic Systems plc	142,261	979	3.66	0.04
Mirriad Advertising plc	30,154	3,376	0.78	0.13
MyHealthChecked plc	103,202	87,222	2.65	3.43
N4 Pharma plc	40,204	7,200	1.03	0.28
Pelatro plc	25,128	4,400	0.65	0.17
PHSC plc	50,256	32,000	1.29	1.26
Polarean Imaging plc	7,539	27,950	0.19	1.10
Property Franchise Group plc	45,482	90,458	1.17	3.56
Quixant plc	8,091	28,000	0.21	1.10
Rosslyn Data Technologies plc	23,219	665	0.60	0.03
Scancell Holdings plc	45,233	80,113	1.16	3.15
SEEEN plc	100,511	56,667	2.58	2.23
Solid State plc	35,247	199,976	0.91	7.86
SRT Marine Systems plc	4,524	11,500	0.12	0.45
Strip Tinning plc	15,890	5,127	0.41	0.20
Sysgroup plc	45,232	20,475	1.16	0.80
TP Group plc	160,062	16,081	4.12	0.63
Trellus Health plc	25,128	5,938	0.65	0.23
Tristel plc	1,651	15,200	0.04	0.60
Verici Dx plc	101,505	39,991	2.61	1.57
XP Factory plc	31,006	3,987	0.80	0.16
Yourgene Health plc	40,204	698	1.03	0.03
Yu Group plc	20,504	55,571	0.53	2.18
	3,113,086	1,974,467	80.04	77.62
AQSE Quoted				
Sulnox Grp plc	135,786	118,388	3.49	4.65
Truspine Technology plc	100,283	46,950	2.58	1.85
	236,069	165,338	6.07	6.50
Unlisted Investments				
Anglo African Oil & Gas plc	65,329	0	1.68	0.00
LightwaveRF plc	30,159	17,647	0.78	0.69
	95,488	17,647	2.46	0.69
Total qualifying investments	3,444,643	2,157,452	88.57	84.81

Investment Portfolio

Security	Cost	Valuation 31/12/2022	% Cost	% Valuation
Non-qualifying Investments				
AIM Quoted				
Audioboom Group plc	1,163	434	0.03	0.02
Rotala plc	27,683	24,360	0.72	0.96
Tristel plc	60	380	0.00	0.01
	28,906	25,174	0.75	0.99
UK listed				
Twentyfour Income Fund Ltd	9,852	7,490	0.25	0.29
	9,852	7,490	0.25	0.29
Unlisted Investments				
China Food Co plc	31,547	-	0.81	-
Mar City plc	10,053	-	0.26	-
Sorbic International plc	10,205	-	0.26	-
	51,805	-	1.33	-
Total non-qualifying investments	90,563	32,664	2.33	1.28

Top Ten Investments

Security	Cost	Valuation	%
Solid State plc	35,247	199,976	7.86
Destiny Pharma plc	175,882	174,250	6.85
Sulnox Grp plc	135,786	118,388	4.65
M.Winkworth plc	56,280	105,000	4.13
Intelligent Ultrasound Group plc	134,808	98,061	3.85
Property Franchise Group plc	45,482	90,458	3.56
Libertine Holdings plc	125,628	87,500	3.44
MyHealthChecked	103,202	87,222	3.43
Scancell Holdings plc	45,233	80,113	3.15
Belluscura plc	52,263	75,457	2.97
	909,811	1,116,425	43.89

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

Directors' Report

The directors present their report and the audited accounts for the year to 31 December 2022.

Corporate Governance

The Corporate Governance report on pages 18 to 21 forms part of the directors' report.

Results and dividend

	Year to 31 December 2022 Revenue £'000	Year to 31 December 2022 Capital £'000	Year to 31 December 2021 Revenue £'000	Year to 31 December 2021 Capital £'000
Return on ordinary activities after taxation	(90)	(1,505)	(39)	1,112
Appropriated as follows:				
<i>Final dividend paid in respect of prior year</i>				
Revenue – 4.00p (7.00p) per share	(203)	-	(322)	-
Capital – 0.00p (0.00p) per share	-	-	-	-
Transfers to reserves	<u>(293)</u>	<u>(1,505)</u>	<u>(361)</u>	<u>1,112</u>

Directors

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

	Year ended 31 December 2022	Year ended 31 December 2021
Michael David Barnard	517,498	517,498
Geoffrey Gamble	111,550	106,550
Peter William Riley	-	3,000
Ian Cameron-Mowat	67,065	67,065
Simon Like	145,800	145,800

Peter William Riley passed away on 19 October 2022. All of the other directors' share interests shown above are held beneficially. There have been no changes in the other directors' share interests between 31 December 2022 and the date of this report.

Brief biographical notes on the directors are given on page 3. The director, retiring in accordance with the Company's Articles of Association, is Simon Like, who being eligible will offer himself for re-election at the forthcoming annual general meeting.

Directors' Report

Management

Oberon Investments Limited has acted as Investment Manager to the Company since inception. The principal terms of the Investment Management Agreement are set out in Note 6 to the Accounts.

Substantial shareholdings

The Company has been notified, in accordance with Chapter 5 of FCA's Disclosure and Transparency Rules, of the under noted interests, as at 31 December 2022, of the shareholders who own 3.0% or more of the Company's shares.

MD Barnard	517,498	10.2%
N Shanks	405,057	8.0%
Evelyn Partners	306,409	6.0%
D Poutney	294,745	5.8%
Oberon Investments Limited (beneficial)	269,629	5.3%
Oberon Investments Limited (non-beneficial)	247,539	4.9%
IA Houston	200,000	3.9%
DM Trotman	180,000	3.6%
JR Atkinson	152,365	3.0%

Acquisition of own shares

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

Structure, rights and restrictions concerning the Company's share capital

At the start of the Company's financial year there were 4,606,953 ordinary shares in issue. On 9 March 2022 the Company issued 460,690 new shares, leaving a total of 5,067,643 shares in issue at the end of the financial year. The rights and obligations attached to the Company's ordinary shares are set out in the Company's Articles of Association, copies of which can be obtained from Companies House. The Company has only one class of ordinary share and each share has attached to it full voting rights, dividends and capital distribution rights (including on a winding up) and do not confer any rights of redemption.

Ordinary shareholders also have the right to receive copies of the Company's report and accounts, to attend and speak at general meetings and to appoint proxies.

There are no shareholders who have a significant direct or indirect shareholding in the Company.

In accordance with Schedule 7 of the Large and Medium Size Companies and Groups (Accounts and Reports) Regulations 2008, as amended, the directors disclose the following information:

- The Company's capital structure and voting rights are summarised above, and there are no restrictions on voting rights nor any agreement between holders of securities that result in restrictions on the transfer of securities or on voting rights;
- There exist no securities carrying special rights with regard to the control of the Company;
- The rules concerning the appointment and replacement of directors, amendment of the Articles of Association and powers to issue or buy back of the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;
- The Company does not have an employee share scheme;
- There are no agreements to which the Company is party that may affect its control following a takeover bid; and
- There are no agreements between the Company and its Directors providing for compensation for loss of office that may occur following a takeover bid or for any other reason.

Directors' Report

Appointment of Directors

The directors are subject to re-election by rotation, with one director being re-elected annually at the AGM.

Creditor payment policy

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

Streamlined Energy and Carbon Reporting

There are reporting requirements which make it mandatory for companies to report the amount of energy they use during their financial year. The Company's energy usage is below the *de minimis* level of 40,000kWh.

Post balance sheet events

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

Section 172 (1) of the Companies Act 2006

The Board notes the disclosure regulations contained within 'The Companies (Miscellaneous Reporting) Regulations 2018 and confirms that when making decisions it acts in a way which promotes the success of the Company for the benefit of its members as a whole, and in doing so has regard (amongst other matters) to the following:

- (a) the likely consequences of any decision over the long term;
- (b) the need to foster the Company's business relationships with its suppliers;
- (c) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (d) the need to act fairly as between members of the Company;

The Board also 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.

The Board believes that the key stakeholders in the business are the Company's shareholders (i.e. the investors in the Company). The Board communicates with these key stakeholders as explained in the 'Relations with shareholders' section in the Corporate Governance chapter on page 19 in these Financial Statements.

The Board regularly disseminates information to shareholders, including monthly NAV calculations and, where necessary, directorate changes, through RNS releases on the London Stock Exchange. Shareholders receive the Annual Report and Accounts which aims to give shareholders a full understanding of the Company's operations and investments. This information, together with the interim accounts and other shareholder information is also released to the market via the London Stock Exchange RNS process.

The Board has delegated the monitoring of its portfolio companies to the Investment Manager, which engages with investee companies through regular company meetings as part of its investment process. The Board has also given the Investment Manager discretionary authority to vote on investee company resolutions on its behalf as part of its approach to corporate governance.

Directors' Report

During the period the Board received sufficient information to enable it to understand the interests and views of the Company's key stakeholders, investors and service providers to the Company, including from the auditor, lawyers and its registrar.

Some of the key decisions made by the Company during the year that required the Board to take into consideration section 172 factors include:

- On 2 March 2022 the Company issued an offer for subscription of shares, and allowed new and existing shareholders to invest in the Company.
- The Board looks to create shareholder value and during the year dividends totalling 4.0p were paid to shareholders.

Going Concern

In accordance with FRC Guidance for directors on going concern and liquidity risk the directors have assessed the prospects of the Company having adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. The directors took into account the nature of the Company's business and Investment Policy, its risk management policies, the diversification of its portfolio, the cash holdings and the liquidity of non-qualifying investments. The Company's business activities, together with factors likely to affect its future development, performance and position including the financial risks the Company is exposed to are set out in the Strategic Report on page 6 and in note 22 to the accounts.

As a consequence, the directors have a reasonable expectation that the Company has sufficient cash and liquid investments to continue to operate and that the Company will be able to manage its business risks successfully and meet its liabilities as they fall due. Thus, the directors believe it is appropriate to continue to adopt the going concern basis, as also disclosed in the Corporate Governance report on page 18, in preparing the financial statements.

Auditor

As previously announced, the Company appointed Moore Kingston Smith on 13 July 2022, following the resignation of its previous auditor, and intends to recommend that Moore Kingston Smith LLP be re-appointment at this year's AGM.

Statement of disclosure to auditor

So far as the directors are aware:

1. there is no relevant audit information of which the Company's auditor is unaware; and
2. the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By Order of the Board

Geoffrey Gamble

25 April 2023

Directors' Remuneration Report

The Board has prepared this report in accordance with the requirements of the Companies Act 2006. A resolution to approve this report will be included in the AGM Notice.

Directors' remuneration policy

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

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

Directors' remuneration (audited)

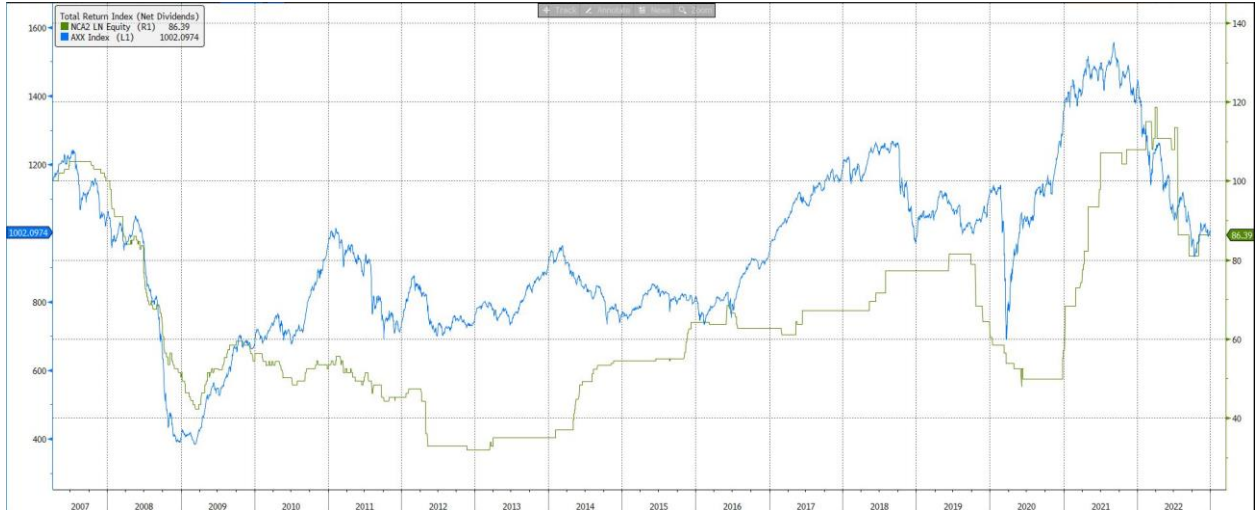
None of the directors received any remuneration from the Company during the year under review, with the exception of the chairman, who received a fee of £5,000 (2021: £5,000). No other emoluments or pension contributions were paid by the Company to, or on behalf of, any director. None of the directors has a service contract with the Company. It is expected that, with the exception of the chairman, the directors will continue not to receive any remuneration for their services in the forthcoming years.

Performance

The directors consider that the most appropriate measure of the Company's performance is its Cumulative Value of Shareholder Investment (net asset value plus cumulative dividends). The Company's Cumulative Value of Shareholder Investment at 31 December 2022 and 31 December 2021 is set out in the Financial Summary on page 1.

Directors' Remuneration Report

Total shareholder return



Source: Bloomberg

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

By Order of the Board

Geoffrey Gamble

25 April 2023

Corporate Governance

The directors support the relevant principles of the UK Corporate Governance Code issued in July 2018 by the Financial Reporting Council, being the principles of good governance and the code of best practice as set out in the Main Principles of the Code annexed to the Listing Rules of the Financial Conduct Authority.

The UK Corporate Governance Code is available at the following location:

www.frc.org.uk/corporate/ukcgcode.cfm

Going Concern

Bearing in mind that the assets of the Company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. In coming to this conclusion the directors have concluded that the Company's going concern status would only be at threat if (i) the value of its portfolio declined by more than 94% from its value as at 31 March 2022 (being the latest month end valuation) of £1.9m (excluding cash of £236.1k), and (ii) that it could not dispose of any of its portfolio during or after such a decline in value, and (iii) that it could not reduce its current cost base. Such a set of circumstances would, in the Board's opinion, be very unlikely.

The Board

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

The directors are subject to re-election at each AGM by rotation, except in the AGM following the appointment of a new director when that new director's appointment will also be subject to shareholder approval.

During the year the following were held:

6 full board meetings	2 Audit Committee meetings
All members attended the meetings.	All members attended the meeting.

All directors either had relevant experience with quoted companies prior to their appointment or had a good knowledge base of the rules and regulations concerning a director's responsibilities with listed companies and it was therefore not thought necessary to provide further training in respect of their obligations and duties.

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

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

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

The Audit Committee is satisfied with the performance of Moore Kingston Smith LLP and the Company will be recommending their reappointment at the AGM.

Corporate Governance

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

Relations with shareholders

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

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

Financial Reporting

The directors' statement of responsibilities for preparing the financial statements is set out on page 20, and a statement by the auditors about their reporting responsibilities is set out in the Auditor's Report on pages 27 and 28.

Internal control

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

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

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company to Oberon Investments Limited.

Compliance statement

The Listing Rules require the Board to report on compliance with the Governance Code provisions throughout the accounting year. The Comply or Explain directions of the Governance Code does however acknowledge that some provisions may have less relevance for investment companies. With the exception of the limited items outlined below, the Company has complied throughout the accounting year to 31 December 2022 with the requirements of the Governance Code.

1. The Board has not appointed a nominations committee as they consider the Board to be small and it comprises wholly non-executive directors. Appointments of new directors are dealt with by the full Board.
2. New directors do not receive a full, formal and tailored induction on joining the Board. Such matters are addressed on an individual basis as they arise.
3. Due to the size of the Board and the nature of the Company's business, a formal performance evaluation of the Board, its committees, the individual directors and the Chairman has not been undertaken. Specific performance issues are dealt with as they arise.
4. The Company has three independent directors, as defined by the Governance Code issued in July 2018. The board consider that Messrs. Gamble, Barnard and Cameron-Mowat are independent in character and judgement and there are no relationships or circumstances which are likely to, or could appear to affect the directors' judgement. The Board considers that all directors have sufficient experience to be able to exercise proper judgement within the meaning of the Governance Code.

Corporate Governance

5. The Company does not have a chief executive officer or senior independent director. The Board does not consider this to be necessary for the size of the Company.
6. The Company does not conduct a formal review as to whether there is a need for an internal audit function. The directors do not consider that an internal audit would be an appropriate control for a venture capital trust.
7. The Audit Committee is chaired by Geoffrey Gamble, Chairman of the Board of directors, whom the board regard as independent despite recommendations to the contrary in the Governance Code due to his being Chairman of the Board of directors.
8. The non-executive directors do not have service contracts, whereas the recommendation is for fixed term renewable contracts.
9. The Company has no major shareholders so shareholders are not given the opportunity to meet any new non-executive directors at a specific meeting other than the annual general meeting.

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice ("GAAP"), including Financial Reporting Standard 102 – "The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland" ("FRS102"), (United Kingdom accounting standards and applicable law). Under company law the directors are required to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the revenue of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business; and

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

The directors are responsible for the maintenance and integrity of the Company's website, which is currently being developed. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Company also releases information to Companies House and also to the London Stock Exchange via its Regulated News Service.

Corporate Governance

Responsibility statement

The directors confirm that to the best of their knowledge:

1. The financial statements, prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
2. The Directors' Report includes a fair review of the development and performance and position of the Company, together with a description of the principal risks and uncertainties that it faces;
3. The directors consider that the annual report and financial statements are fair, balanced and understandable, providing appropriate information to shareholders to assess the performance, business model and strategy of the Company and therefore the Board recommends the approval of the financial statements at the forthcoming AGM.

By Order of the Board

Geoffrey Gamble

25 April 2023

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

Opinion

We have audited the financial statements of New Century AIM VCT 2 plc for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including 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" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as of 31 December 2022 and of the Company's return 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.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company, their activities, the accounting processes and controls, and the industry in which it operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team met and communicated regularly throughout the audit with the Audit Committee and the Investment Manager in order to ensure we had a good knowledge of the business of the Company. During the audit, we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls and the management of specific risk.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during the audit.

Independent Auditor’s Report to the members of New Century AIM VCT 2 plc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit.

We have determined the matters described below to be the key audit matters to be communicated in our audit report.

Key Audit Matters	How our scope addressed this matter
<p>Valuation of Investments and recognition of realised gains and losses (note 12)</p> <p>There is a risk that unrealised gains and losses in the year have been incorrectly recorded. There is also a risk that the carrying value of the investments is incorrect and an additional risk that the number of shares held in those investments are misstated.</p> <p>The investment portfolio at the year-end had a carrying value of £2,190,000 (2021: £3,771,000) comprising predominately quoted investments.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Testing the value of the year-end investments by reference to third-party market price information. • Agreeing the purchase and sale of investments to contract notes and cash movements on a sample basis. • Recalculating the realised gains and losses on the sale of investments for both the individual transactions on a sample basis and for the total portfolio. • Recalculating the movement in unrealised gains and losses for arithmetical accuracy and validating by reviewing the opening costs to prior year balances and purchases on a sample basis. • The portfolio is maintained by the investment manager in accordance with the investment management agreement. We agreed the investment portfolio to a signed confirmation provided by the investment advisor detailing the total portfolio market price.

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

	<ul style="list-style-type: none"> • Agreeing ownership of investee shares to share certificates, Crest (third party database) or other third-party sources such as Fame. • Confirming that the accounting policy and the disclosures in the financial statements on fixed asset investments held at fair value through profit or loss have been correctly presented. <p>Key observations:</p> <p>Based on the procedures performed we did not identify any unadjusted material misstatements in the valuation of the Company's investment portfolio as at the year end. The identified audit adjustment amounted to £15,882 and has been reflected in the financial statements.</p>
<p>Non-compliance with laws and regulations</p> <p>As the entity is both listed on the London Stock Exchange and a VCT, there are additional laws and regulations which it must follow. A potential breach of the listing rules and VCT regulations may lead to the entity losing its VCT status and its associated tax benefits.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Reviewing the design and implementation of controls around the ongoing internal assessment and monitoring of compliance to VCT rules. • Obtaining an understanding of the processes adopted and evidence the work completed by the Investment Manager on documenting compliance with the key VCT rules and management's review of this on a regular basis. • Testing the twelve conditions for maintaining approval as a VCT as set out by HMRC. We reviewed each of the conditions in order to assess whether it had been met as at the year end. • Confirming that there were no breaches in relation to listing rules.

Independent Auditor’s Report to the members of New Century AIM VCT 2 plc

	<p>Key observations:</p> <p>Based on our review of the documentation maintained, we confirmed the Company was in compliance with the listing and VCT rules during the period and at the year end. Additionally, our own testing of compliance with the individual VCT rules did not identify any breaches.</p>
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Our application of materiality

The scope and focus of our audit were influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing, and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

Based on our professional judgement we determined materiality for the 2022 financial statements as a whole and performance materiality as follows:

	Financial statements
Materiality	£25,278
Basis for determining materiality	1% of Gross Assets, prior to audit adjustments
Rational for the benchmark applied	<p>Due to the nature of the VCT’s purpose being to investment to obtain capital growth and dividend income, gross assets have been used to calculate materiality. We have chosen gross assets as the Company’s investment portfolio, which we considered to be the key driver of the Company’s total return performance and forms part of the net asset value calculation.</p> <p>We have chosen this benchmark, a generally accepted auditing practice for Venture Capital Trust audits, as we believe this provides an appropriate year-on-year basis for our audit.</p>
Performance materiality	£12,639
Basis for determining performance materiality	50% of Overall materiality
Rational for the benchmark applied	We considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls. We concluded that this amount was appropriate.

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

Trivial:

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £1,264. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Director's use of the going concern basis of accounting in the preparation of financial statements is appropriate. Our evaluation of the Director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We assessed the appropriateness of the long-term viability assessment model used by the Directors when performing their going concern assessment, including subjecting the going concern model to checks of mechanical accuracy of the underlying formulae including those used in the Directors' approach.
- We evaluated the key assumptions in the forecast, which were consistent with our knowledge of the business and considered whether these were supported by the evidence we obtained and examined and confirmed the Directors' assessment of the liquidity of the AIM listed shares.
- We reviewed the disclosures relating to going concern basis of preparation and found that these provided an explanation of the Directors' assessment that was consistent with the evidence we obtained.
- We compared the prior year forecast against current year actual performance to assess management's ability to forecast accurately.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing 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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent

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

material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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.

Corporate Governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 15, 18 and 34;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 7;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 15 and 21;
- Directors' statement on fair, balanced and understandable set out on page 21;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 7;

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

- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 19; and
- Section describing the work of the audit committee set out on page 18.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 20, 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 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 is available on the FRC's website at [Auditor's Responsibilities for the Audit | Financial Reporting Council \(frc.org.uk\)](https://www.frc.org.uk/Auditor's-Responsibilities-for-the-Audit)

This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the Company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, FRS 102, Compliance with HMRC conditions for approved VCT Status, and UK taxation legislation.

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

- We obtained an understanding of how the Company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address

We were appointed by the Audit Committee of New Century AIM VCT 2 plc on 6 July 2022 to audit the financial statements for the year ending 31 December 2022. Our total uninterrupted period of engagement is one year, covering the year ending 31 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken for no purpose other than to draw to the attention of the Company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the Company and the Company's members as a body, for our work, for this report, or for the opinions we have formed.

Mital Shah (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Chartered Accountants
Statutory Auditor
6th Floor
9 Appold Street
London
EC2A 2AP

Statement of Comprehensive Income
 (incorporating the revenue account)
 for the year to 31 December 2022

	Notes	Year ended 31 December 2022			Year ended 31 December 2021		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments							
- realised	12	-	(2)	(2)	-	427	427
- unrealised	12	-	(1,481)	(1,481)	-	714	714
Income	5	27	-	27	28	-	28
Investment management fee	6	(7)	(22)	(29)	(10)	(30)	(40)
Other expenses	7	(110)	-	(110)	(57)	-	(57)
(Loss)/return on ordinary activities before taxation		(90)	(1,505)	(1,595)	(39)	1,112	1,073
Tax charge on ordinary activities	9	-	-	-	-	-	-
(Loss)/return on ordinary activities after taxation		(90)	(1,505)	(1,595)	(39)	1,112	1,073
(Loss)/return per ordinary share (pence)	11	(1.80)	(30.21)	(32.01)	(0.85)	24.13	23.28

The notes on pages 34 to 44 form an integral part of these financial statements.

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

Balance Sheet at 31 December 2022

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Fixed assets			
Investments	12	2,190	3,771
Current assets			
Debtors	15	354	88
Current liabilities			
Creditors: amounts falling due within one year	16	(131)	(20)
		<u>2,413</u>	<u>3,840</u>
Capital and reserves			
Called up share capital	17	507	461
Share premium		382	57
Capital redemption reserve		171	171
Special distributable reserve		2,915	3,118
Capital reserve – realised		(62)	(236)
Capital reserve – unrealised		(1,345)	334
Revenue reserve		(155)	(65)
Total equity shareholders' funds		<u>2,413</u>	<u>3,840</u>
Net asset value per ordinary share	18	<u>47.6p</u>	<u>83.3p</u>

The financial statements on pages 30 to 44 were approved by the Board of Directors on 25 April 2023 and were signed on its behalf by:

Geoffrey Gamble
Chairman

Company's registered number: 06054576

Statement of Changes in Equity for the year to 31 December 2022

	Called-up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Special distributable reserve £'000	Capital reserve realised £'000	Capital reserve unrealised £'000	Revenue reserve £'000	Total £'000
As at 01/01/22	461	57	171	3,118	(236)	334	(65)	3,840
Share issue	46	325	-	-	-	-	-	371
Realised loss on disposals	-	-	-	-	(2)	-	-	(2)
Unrealised (losses)/gains	-	-	-	-	-	(1,481)	-	(1,481)
Transfer of unrealised gain to realised	-	-	-	-	199	(199)	-	-
Net revenue before tax	-	-	-	-	-	-	(90)	(90)
Capital element of investment management fee	-	-	-	-	(22)	-	-	(22)
Dividends paid	-	-	-	(203)	-	-	-	(203)
As at 31/12/22	507	382	171	2,915	(62)	(1,345)	(155)	2,413
As at 01/01/21	461	57	171	3,440	(605)	(408)	(26)	3,090
Realised gains on disposals	-	-	-	-	427	-	-	427
Unrealised (losses)/gains	-	-	-	-	-	714	-	714
Transfer of unrealised loss to realised	-	-	-	-	(28)	28	-	-
Net revenue before tax	-	-	-	-	-	-	(39)	(39)
Capital element of investment management fee	-	-	-	-	(30)	-	-	(30)
Dividends paid	-	-	-	(322)	-	-	-	(322)
As at 31/12/21	461	57	171	3,118	(236)	334	(65)	3,840

The notes on pages 34 to 44 form an integral part of these financial statements.

Cash Flow Statement for the year to 31 December 2022

	Note	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Cash flow from operating activities			
Cash outflow from operations	21	(28)	(96)
Net cash outflow from operating activities		<u>(28)</u>	<u>(96)</u>
Cash flows from investing activities			
Investment income		27	28
Net cash from investing activities		<u>27</u>	<u>28</u>
Cash flows from financing activities			
Sale of investments		596	906
Purchase of investments		(498)	(485)
Dividend paid		(203)	(322)
Share capital issued		371	-
Net cash from financing activities		<u>266</u>	<u>99</u>
Net increase in cash and cash equivalents		265	31
Cash and cash equivalents at the beginning of year		88	57
Cash and cash equivalents at the end of year (held by Investment Manager)		<u><u>354</u></u>	<u><u>88</u></u>

The notes on pages 34 to 44 form an integral part of these financial statements.

All cash flows are transacted on behalf of the VCT by Oberon Investments Limited as our Investment Manager, see note 21.

Notes to the Financial Statements for the year to 31 December 2022

1. Company information

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

4th Floor
50 Mark Lane
London EC3R 7QR

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

2. 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 2021)'.

A summary of the principal accounting policies is set out below.

The Company is a public company and is limited by shares. 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.

Going Concern basis – on the basis that the assets of the Company consist mainly of marketable securities, the directors are of the opinion that at the time of approving the accounts, the Company has adequate resources to continue in operational existence for the foreseeable future. This is because the directors have a reasonable expectation that the Company has sufficient cash and liquid investments to continue to operate and that the Company will be able to manage its business risks successfully and meet its liabilities as they fall due. Thus, the directors believe it is appropriate to continue to adopt the going concern basis, as also disclosed in the Corporate Governance report on page 18, in preparing the financial statements.

The financial statements are presented in Sterling.

3. Significant estimates and judgements

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

Notes to the Financial Statements for the year to 31 December 2022

4. Accounting policies

Accounting policies have been applied consistently throughout the year and in the prior year.

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 or revenue multiples, discounted cash flows and net assets. These are consistent with the IPEV guidelines.

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

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. In the event that the shares held by the Company are subject to certain restrictions, or the holding is significant in relation to the traded issued share capital of the investee company then the directors may apply a discount to the relevant market price.

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 held no such investments in the current or prior year.

Notes to the Financial Statements for the year to 31 December 2022

4. Accounting policies (continued)

Investments (continued)

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 either looking at recent share transactions (e.g. placings) or by using valuation techniques.

There has been one transfer between these classifications in the year (2021: none) relating to LightwaveRF plc, which has been moved from Level 1 (quoted investment) to Level 3 (an unquoted investment). The change in fair value for the current and previous year is recognised through the profit or loss account.

Current asset investments

No current asset investments were held at 31 December 2022 or 31 December 2021. Should current assets be held, 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 capital reserve - gains/(losses) on disposal.

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

Investment Income

Dividend income receivable from quoted securities is recognised on the ex-dividend date. Income from unquoted equity and non-equity securities is recognised on an accruals basis.

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

Expenses

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

Taxation

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

Notes to the Financial Statements for the year to 31 December 2022

5. Investment income

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Income		
Dividends from UK companies	27	28
Total income	<u>27</u>	<u>28</u>

All of the Company's income has been generated in the United Kingdom from dividend income from its investment portfolio.

6. Investment management fees

	Year ended 31 December 2022		Year ended 31 December 2021	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
Investment management fees	7	22	10	30

Oberon Investments Limited provides investment management services to the Company in respect of the Company's portfolio of venture capital investments under an investment management agreement dated 12 March 2007, supported by a deed of amendment dated 4 September 2017.

Under the terms of the investment management agreement, Oberon Investments Limited is entitled to a fee (exclusive of VAT) equal to 1% per annum of the net assets of the Company. The fee is calculated quarterly in arrears based on the net assets at 31 March, 30 June, 30 September and 31 December. During the year ended 31 December 2022, the fee payable to Oberon Investments Limited equated to 1% per annum of net assets. No performance fee is payable.

The investment management agreement was for a minimum period of three years from 1 September 2017, subject to a trade-off clause that if Simon Like ceases to manage the Company's investments, the Company may terminate the agreement with Oberon Investments Limited in a mirror time frame of 12 months' notice period.

Notes to the Financial Statements for the year to 31 December 2022

7. Other expenses

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Administrative and secretarial services	49	27
Auditor's remuneration	27	13
Regulatory fees	34	17
	<u>110</u>	<u>57</u>

8. Directors' remuneration

The chairman received £5,000 remuneration in the year (2021: £5,000). No other remuneration has been paid or is payable for the year to 31 December 2022 or in respect of the prior year.

9. Tax charge on ordinary activities

	Year ended 31 December 2022		Year ended 31 December 2021	
	Revenue £'000	Capital £'000	Revenue £'000	Capital £'000
United Kingdom tax based on the taxable profit for the year				
- Current year	-	-	-	-
- Prior year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Factors affecting tax charge for the year				
Return on ordinary activities before taxation	<u>(90)</u>	<u>(1,505)</u>	<u>(39)</u>	<u>1,112</u>
Tax on above at the standard company rate of 19% (2021: 19%)	(17)	(286)	(7)	211
UK dividends not subject to corporation tax	(5)	-	(5)	-
Realised (gains)/losses not taxable	-	-	-	(81)
Unrealised (gains)/losses not taxable	-	281	-	(136)
Non allowable expenses	-	-	-	-
Unutilised/(utilised) losses	22	5	12	6
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Company has unrelieved losses amounting to approximately £1,200,000 (2021: £1,062,000) which are available to carry forward for tax purposes which it can set off against future profits. No deferred tax asset has been recognised in respect of these losses in view of the Company's history of losses recoverability is not sufficiently certain.

Notes to the Financial Statements for the year to 31 December 2022

10. Dividends paid

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Final dividend paid in respect of previous year	203	322
	<u>203</u>	<u>322</u>

The directors declared a final dividend of 4.0p per share (amounting to £203k) in respect of the year ended 31 December 2021 and this was paid during 2022. The directors declared a final dividend of 7.0p per share (amounting to £322k) in respect of the year ended 31 December 2020 and this was paid during 2021.

11. Return per ordinary share

The revenue loss, per ordinary share, of 1.80p (2021: 0.85p), is based on the net loss on ordinary activities after taxation of £89,843 (2021: loss of £38,995) and on 4,981,816 (2021: 4,606,953) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The total loss per ordinary share of 32.01p (2021: return of 23.28p per share) is based on a net loss after taxation of £1,594,628 (2021: return of £1,072,540) and on 4,981,816 (2021: 4,606,953) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

12. Fixed asset investments at valuation

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
UK listed	8	95
AIM	1,999	3,600
AQSE	165	76
Unlisted	18	-
	<u>2,190</u>	<u>3,771</u>

Movements (castings affected by roundings) in investments, including realised and unrealised gains and losses, during the year are summarised as follows:

	Year ended 31 December 2022				
	UK Listed £'000	AIM £'000	AQSE £'000	Un- listed £'000	Total £'000
Value at 1 January 2022	95	3,600	76	-	3,771
Purchases	-	348	150	-	498
Transfers	-	(3)	-	3	-
	<u>95</u>	<u>3,945</u>	<u>226</u>	<u>3</u>	<u>4,269</u>
less: Sales proceeds	(101)	(495)	-	-	(596)
	(6)	3,450	226	3	3,673
Realised period gains/(losses)	16	(18)	-	-	(2)
Unrealised holding gains/(losses)	(2)	(1,432)	(61)	15	(1,481)
Value at 31 December 2022	8	1,999	165	18	2,190
Cost at 31 December 2022	10	3,142	236	147	3,535

Notes to the Financial Statements for the year to 31 December 2022

12. Fixed asset investments (continued)

	Year ended 31 December 2021				
	UK Listed £'000	AIM £'000	AQSE £'000	Un- listed £'000	Total £'000
Value at 1 January 2021	71	2,981	-	-	3,052
Purchases	-	399	86	-	485
Transfers	-	-	-	-	-
	71	3,380	86	-	3,537
less: Sales proceeds	-	(907)	-	-	(907)
	71	2,473	86	-	2,630
Realised period gains/(losses)	-	427	-	-	427
Unrealised holding gains/(losses)	24	700	(10)	-	714
Value at 31 December 2021	95	3,600	76	-	3,771
Cost at 31 December 2021	179	3,066	86	106	3,437

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

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Net realised gains on disposal	(2)	427
Net unrealised gains	(1,481)	714
	(1,483)	1,141

13. Venture capital investments

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

14. Significant interests

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

15. Debtors

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Uninvested funds with broker: Oberon Investments Limited	354	88

Notes to the Financial Statements for the year to 31 December 2022

16. Creditors

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Trade creditors and accruals	131	20
	<u>131</u>	<u>20</u>

17. Share capital

	As at 31 December 2022 £'000	As at 31 December 2021 £'000
Authorised 25,000,000 ordinary shares of 10p each	<u>2,500</u>	<u>2,500</u>
Allotted, called up and fully paid 5,067,643 (2021: 4,606,953) ordinary shares of 10p each	<u>507</u>	<u>461</u>

On 2 March 2022 the Company issued 460,690 new ordinary shares of 10 pence each by way of a share subscription at a price of 80.47 pence per share (being the net asset value per ordinary share in the Company at the close of business as at 21 February 2022) to raise approximately £370,717 before expenses.

18. Net asset value per share

Net asset value per share of 47.6p (2021: 83.3p) is based on net assets at 31 December 2022 of £2,413,989 (31 December 2021 of £3,839,603) and on 5,067,643 ordinary shares in issue on 31 December 2022 and 4,606,953 ordinary shares in issue on 31 December 2021.

19. Performance incentive arrangements

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

20. Reserves

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

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

Capital redemption reserve relates to share capital repurchased and is equal to the nominal value of the shares repurchased.

Special distributable reserve includes cancelled share premium account and is available for distribution and may be used to cover dividend payments or share buy backs.

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

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

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

Notes to the Financial Statements for the year to 31 December 2022

21. Notes to the cash flow statement

Net cash outflow from operating activities

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Operating activity		
(Loss)/profit on ordinary activities	(1,595)	1,073
Losses/(gains) on sale of investments	2	(427)
Investment income	(27)	(28)
Unrealised losses/(gains) on investments	1,481	(714)
Increase in creditors	111	1
	<u>(28)</u>	<u>(96)</u>

Cash and cash equivalents

Cash and cash equivalents comprise £353,864 (2021: £88,188) of uninvested funds, held in a client account by the Investment Manager (see note 15).

22. Risk management and financial instruments

A statement of the Company's principal objectives is given within the Strategic Report on page 6. In order to achieve these objectives the Company invests its funds primarily in qualifying holdings in companies traded on AIM, which by their nature may entail a higher degree of risk than investments in large listed companies. The Company has not entered into any derivative transactions, and does not expect to do so in the foreseeable future. As a venture capital trust, the Company invests in securities for the long term, and it is the Company's policy that no trading in investments or other financial instruments shall be undertaken.

Market price risk

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

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

Notes to the Financial Statements for the year to 31 December 2022

22. Risk management and financial instruments (continued)

Interest rate risk

The Company finances its activities through retained profits including realisable capital profits, and through the issue of equity shares. It has not entered into any borrowings.

Liquidity risk

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

Credit risk

Credit risk is the risk of a borrower defaulting on either an interest payment or the capital sum of a loan. The Company has not made any loans to investee companies. The Company also has some credit risk associated with its Investment Manager which holds cash on behalf of the Company, as explained in Note 21.

Currency risk

The Company's assets and liabilities are denominated in Sterling. As such, there is little currency risk. Any transactions in currencies other than Sterling are recorded at the rates of exchange prevailing at the date of the transaction. At each reporting date, the monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the reporting date.

Capital

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

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

There were no externally imposed capital requirements with which the Company had to comply during the year to 31 December 2022.

Financial assets

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

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Fixed rate	-	-
Non-interest bearing	2,544	3,859
	<u>2,544</u>	<u>3,859</u>

Notes to the Financial Statements for the year to 31 December 2022

22. Risk management and financial instruments (continued)

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Fixed rate assets		
Weighted average interest rate	n/a	n/a
Weighted average years to maturity	n/a	n/a

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

Fair values

The investments of the Company are valued by the directors at their bid prices (in accordance with the guidelines issued by the British Venture Capital Association), and these carrying values are considered to approximate the fair value of the investments. The fair values have also been determined in line with the fair value hierarchy as set out in FRS 102 11.27.

23. Financial assets and liabilities

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Financial assets measured at fair value through profit & loss	2,190	3,771
Financial assets measured at amortised cost	354	88
Financial liabilities measured at amortised cost	(131)	(20)

24. Related party transactions

As disclosed in Note 6, New Century AIM VCT 2 plc is managed by Oberon Investments Limited and is paid a management fee, which is also disclosed in Note 6.

One amount was payable to key management personnel, being the Chairman, during the year for £5,000 (2021: £5,000).

25. Capital commitments

There were two investment trades which had a trade date prior to the year end but which had a settlement date after the year end, amounting to £100,508, and were consequently included in creditors at the year end. These two trades were settled on 5 January 2023.

26. Control

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

27. Post balance sheet events

The Company's directors intends to propose a final dividend of 2.5p per share for the year ending 31 December 2022, amounting to £126,691 which will be payable, subject to shareholder approval, later this year.

Shareholder Information

For the year to 31 December 2022

The Company

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

The Investment Manager

New Century AIM VCT 2 plc is managed by Oberon Investments Limited, an independent fund management company based in Laindon, Essex.

Venture Capital Trusts

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

New Century AIM VCT 2 plc has been approved as a VCT by HM Revenue and Customs. In order to maintain its approval the Company must comply with certain requirements on a continuing basis; in particular, at least 80% by value of the Company's investments must comprise "qualifying holdings". A "qualifying holding" consists of up to £1 million invested in any one year in new shares or securities in an unquoted company which is carrying on a qualifying trade and whose gross assets do not exceed £15 million at the time of investment. For the purposes of these criteria, unquoted companies include companies whose shares are traded on the Alternative Investment Market ("AIM").

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

Financial calendar

Annual General Meeting	29 June 2023
Interim report for six months to 30 June 2023	August 2023
Preliminary announcement of results for the year to 31 December 2023	April 2024
Annual General Meeting 2024	June 2024

Share price

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