OXFORD TECHNOLOGY 2
VENTURE CAPITAL TRUST PLC

Consolidated Annual Financial Statements
For the Year Ended 29 February 2024

Company Registered Number 3928569

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About Oxford Technology 2 Venture Capital Trust Plc

VCTs were introduced by the UK Government in 1995 to encourage individuals to invest in UK smaller companies. This was achieved by offering VCT investors a series of tax benefits. Oxford Technology 2 Venture Capital Trust Plc (the "Company", "OT2VCT") was listed on the London Stock Exchange in April 2000. It raised £6m in 2000-01. Further top-up offers have raised an additional £468k. On 30 June 2022, the other three Oxford Technology VCTs (Oxford Technology Venture Capital Trust Plc ("OT1VCT"), Oxford Technology 3 Venture Capital Trust Plc ("OT3VCT") and Oxford Technology 4 Venture Capital Trust Plc ("OT4VCT") (and collectively the "Target VCTs") merged with the Company ("the Merger"). Immediately following the Merger, the Company had total net assets of more than £10m.

The Company is managed by its subsidiary, OT2 Managers Ltd, with services subcontracted to Oxford Technology Management Ltd (OTM). These Financial Statements are for the Group which refers to Oxford Technology 2 Venture Capital Trust Plc and its subsidiary, and the terms Company and Group are largely interchangeable throughout the document as appropriate.

Investment Strategy

The Group has built a balanced portfolio of investments with the following characteristics at the time of initial investment (in the case of the OT2 Share Class, or at the time OT1VCT, OT3VCT and OT4VCT made their original investments):

- Unlisted, UK based, science, technology and engineering businesses; the Group now also has investments in AIM listed Scancell Holdings Plc, Arecor Therapeutics Plc and Mirriad Advertising Plc;
- Investments typically in the range of £100k to £500k;
- Generally located within approximately 60 miles of Oxford so that the Company can be an active investor.

The key feature of OT2VCT is that it has focused on investing in early stage and start-up technology companies. Early stage companies are those which have received some initial sales. Start-up companies are those which are at an earlier stage; they will usually have already developed their initial product or service and be close to achieving their first sales.

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

The full investment policy is included in the Business Review.

OT2VCT has been approved as a VCT by HMRC throughout the year and continues to comply with all statutory requirements.

Financial Headlines

OT1 Share Class

	12 Months Ended 29 February 2024	12 Months Ended 28 February 2023
Net Assets At Period End	£2.15m	£2.46m
Net Asset Value (NAV) Per Share	39.7p	45.3p
Cumulative Dividend Per Share (including 55.0p pre merger with OT2 VCT)	55.0p	55.0p
Total NAV Return Per Share (including pre merger dividends)	94.7p	100.3p
Share Price At Period End (Mid-Market LSE)	23.5p	25.0p
Earnings Per Share ** **- pre merger** **- post merger**	 n/a (5.6)p	 1.5p * 1.1p

* The EPS pre merger figure here covers the 4 months of trading by Oxford Technology VCT Plc to 30 June 2022
** Both Basic and Diluted

OT2 Share Class

	12 Months Ended 29 February 2024	12 Months Ended 28 February 2023
Net Assets At Period End	£1.09m	£1.34m
Net Asset Value (NAV) Per Share	20.4p	25.1p
Cumulative Dividend Per Share	22.5p	22.5p
Total NAV Return Per Share	42.9p	47.6p
Share Price At Period End (Mid-Market LSE)	17.0p	25.0p
Earnings Per Share (Basic and Diluted)	(4.7)p	(6.9)p

OT3 Share Class

	12 Months Ended 29 February 2024	12 Months Ended 28 February 2023
Net Assets At Period End	£1.40m	£2.11m
Net Asset Value (NAV) Per Share	22.4p	33.7p
Cumulative Dividend Per Share (including 42.0p pre the merger with OT2 VCT)	42.0p	42.0p
Total NAV Return Per Share (including pre merger dividends)	64.4p	75.7p
Share Price At Period End (Mid-Market LSE)	17.0p	26.0p
Earnings Per Share ** **- pre merger** **- post merger**	 n/a (11.3)p	 0.6p * (8.0)p

* The EPS pre merger figure here covers the 4 months of trading by Oxford Technology 3 VCT Plc to 30 June 2022
** Both Basic and Diluted

OT4 Share Class

	12 Months Ended 29 February 2024	12 Months Ended 28 February 2023
Net Assets At Period End	£2.74m	£3.22m
Net Asset Value (NAV) Per Share	25.3p	29.7p
Cumulative Dividend Per Share (including 48.0p pre the merger with OT2 VCT)	48.0p	48.0p
Total NAV Return Per Share (including pre merger dividends)	73.3p	77.7p
Share Price At Period End (Mid-Market LSE)	14.0p	24.0p
Earnings Per Share ** **- pre merger** **- post merger**	 n/a (4.4)p	 (0.4)p * (10.0)p

* The EPS pre merger figure here covers the 4 months of trading by Oxford Technology 4 VCT Plc to 30 June 2022
** Both Basic and Diluted

Strategic Report

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

The Strategic Report consists of the Chairman's Statement (page 6), which looks at future prospects for the Company, a Business Review (page 14), which includes analysis of the principal risks, and the Investment Manager's Review (page 22), which looks at the performance of the Company's investments over the past year.

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

Chairman's Statement

This is my second annual report since the merger of your Company with the other three Oxford Technology VCTs. You will see the results of your former companies shown as separate ring-fenced and quoted classes.

The results for the year can only be described as disappointing. In a year when the FTSE AIM All Share Index declined by 14%, your Company made a loss of £1.75m with net assets down by 19%. This was driven by unrealised losses of £2.5m in the quoted portfolio (offset encouragingly by unrealised gains of £1.0m in the unquoted portfolio). No quoted shares were disposed of in the year but one unquoted company was sold for a nominal sum. The Share Class losses per share varied considerably reflecting the relevant % of the companies in the portfolio.

The world is still very volatile with the Ukraine invasion unresolved and a terrorist attack on Israel triggering a response which is further raising tensions in the Middle East. However, global inflation has declined and interest rates appear to have peaked. A mini banking crisis in Silicon Valley did not lead to systemic failure but may have contributed to making early stage technology stock funding more difficult. The ripple effect has spread to your Company's investees.

The UK government has focused on a prudent economic and fiscal stance to pay down Covid related debt. As a Board, we were encouraged that government growth plans still appear to include small businesses, which sit well with VCT investments. We are pleased that the government has now extended VCT reliefs to April 2035. The coming year sees elections in both the UK and the US which may result in a different political and economic climate domestically and globally.

Your Company's investments, both quoted and unquoted, are not immune to these changes. We are cautiously optimistic that the technology sector will swing back to more realistic valuations as larger venture managers in the US have begun raising substantial funds. Further details on our results and investee companies follow in later sections. It is against this background that I am pleased to present the audited results for both your Company and for each Share Class as at 29 February 2024.

Results and Dividend

Despite having made no investments during the year, the relative proportion of our major investments across the whole portfolio has changed quite significantly during the period. At 28 February 2023, three investments (Arecor Therapeutics plc ("Arecor"), Scancell Holdings Plc ("Scancell") and STL Management Limited ("Select Technology")) represented over 90% of the overall portfolio value, with Arecor nearly half of this concentration. The two quoted biotech companies, Scancell and Arecor have both had a disappointing end to the year in terms of share price, with the sector out of favour with investors with market antipathy to small healthcare firms in recent times. At the same time, Select Technology has continued to grow sales and profit, and ImmunoBiology Limited's ("ImmBio") partner (Liverpool School of Tropical Medicine, "LSTM") has won a significant grant, which will enable a clinical trial in Malawi to test ImmBio's technology: as a result, the Board has determined that the values of both these investments should be increased (in the case of ImmBio, it has allowed the Board to restore nearer to the value the investment had some years ago). The unquoted portfolio is now worth more than the quoted stocks as a whole, with Select Technology and ImmBio accounting for the lion's share. In total, these four investments represent nearly 95% of the overall portfolio value. Further information on these four investments, and the other companies in the portfolio are discussed below and in the Investment Manager's Review, starting on page 22.

Scancell and Arecor have quite volatile share prices. Given their volatility and their significance on the respective portfolios, the impact of changes in their share prices is illustrated below. It is not our policy to update the market following each of these fluctuations unless there are considered to be abnormal events (e.g. the sale of a significant holding). Your Board therefore recommends that shareholders or prospective shareholders keep both the Scancell and Arecor share prices under review and consider their impact on the Share Class NAV per share before taking any action in relation to an existing or prospective holding in that Share Class.

The net asset value (NAV) per **OT1** share has decreased from 45.3p at 28 February 2023 to 39.7p as at 29 February 2024. The portfolio is dominated by Select Technology (nearly two thirds of overall NAV) and Scancell, a further quarter, with three other holdings. For every 1.0p change in Scancell's bid price, the NAV moves by about 1.0p per OT1 share.

The NAV per **OT2** share has decreased from 25.1p at 28 February 2023 to 20.4p as at 29 February 2024. There are only four companies with any value left in the OT2 portfolio with Arecor and Select Technology being the largest, followed by ImmBio and then Scancell. For every 10p change in Arecor's bid price, the NAV moves by about 0.5p per OT2 share, and for every 1.0p change in Scancell's bid price, the NAV moves by about 0.2p per OT2 share.

The NAV per **OT3** share has decreased from 33.7p at 28 February 2023 to 22.4p as at 29 February 2024. There are only four companies with any value left in the OT3 portfolio: the two quoted investments represent more than three quarters of the NAV (but down from nearly 90% a year ago); ImmBio and Select Technology are the other two investments. For every 10p change in Arecor's bid price, the NAV moves by about 0.73p per OT3 share, and for every 1.0p change in Scancell's bid price, the NAV also moves by about 0.73p per OT3 share.

The NAV per **OT4** share has decreased from 29.7p at 28 February 2023 to 25.3p as at 29 February 2024. Arecor and Select Technology are still the most significant investments: together with ImmBio, they represent 91% of the NAV, with three other holdings in the portfolio. For every 10p change in Arecor's bid price, the NAV moves by about 0.75p per OT4 share.

No dividends were paid during the period on any of the share classes, nor were any shares bought back by the Company.

Portfolio Review

The portfolios across all 4 share classes continue to develop. No investments have been made in any of the share classes since 28 February 2023. Three investments were disposed of as detailed below on page 10.

Select Technology is the Company's largest holding, and also for the OT1 Share Class. Founded in 1981, it has gone through various reinventions. Its early hardware markets – such as specialist archiving photocopying technology – are a thing of the past. Now in its fifth decade, Select Technology's business model has proven to be resilient: it distributes high quality document management software via a carefully nurtured network of global channel partners. Trading has returned to somewhat approaching normality after the significant impact of various disruptions in recent years.

Sales in the most recently completed full year of trading (to 31 July 2023) were up almost 23% on the previous year, and the company is looking to continue this run of growth by selling more of its core trio of third-party products (PaperCut, Foldr and Square9).

Our valuation methodology for this investment is based on a sales multiple. OT2VCT received a dividend from Select Technology in February 2024. Alex Starling has been a director of Select Technology since August 2021 and represents the Company's interests as we seek to maximise shareholder value. As at 28 February 2023, the various Share Classes owned 30.0% (OT1), 7.4% (OT2), 2.8% (OT3) and 18.4% (OT4) of Select Technology. VCTs are not allowed to control investments they hold – following the Merger, the Company now owns 58.6% of Select Technology's shares, but the Articles of Association of Select Technology were changed such that OT2VCT and any concert party shareholders' (such as those with a connection to Oxford Technology Management) nominal value, voting rights, rights to dividends and rights on a return of capital are no more than 50% to ensure ongoing compliance with VCT Rules.

Arecor is the largest holding in each of the OT2, OT3 and OT4 Share Classes. It is a globally focused biopharmaceutical company transforming patient care by bringing innovative medicines to market through the enhancement of existing therapeutic products. Arecor aims to build a significant biopharmaceutical company by advancing therapies that enable healthier lives. By applying their innovative proprietary technology platform, Arestat™, they are developing an internal portfolio of proprietary products in diabetes and other indications, as well as working with leading pharmaceutical and biotechnology companies to deliver therapeutic products. The Arestat™ platform is supported by an extensive patent portfolio.

Arecor's key focus is on its diabetes products. Following the successful results from the Phase 1 trial of AT278 in Type 1 diabetes, it has now completed recruitment for its Phase 1 trial for AT278 (ultra concentrated-ultra rapid insulin) for patients with Type 2 diabetes. This area has significant commercial potential as the products are well suited to the changing worldwide diabetes landscape. In biosimilars, Arecor received a milestone payment when AT220 was launched in Europe by a company believed to be Fresenius Kabi. Two further milestone payments were received from Hikma for AT307 and from Inhibrx for INBRX-101 which was acquired by Sanofi for over $1.7bn which further validated Arecor's technology. Five new technology partnerships were executed with leading biopharma companies and a new Speciality Hospital deal was struck for a ready-to-dilute blockbuster oncology product. Despite this substantial clinical and commercial progress, the share price has declined by 44% from 240p at 28 February 2023 to 135p at 29 February 2024.

The commercial management team has been strengthened. The cash position is now underpinned by growing Tetris Ogluo® revenues and product milestones/royalties providing a cash runway into 2025. This could be further extended through partnering or further deals.

Arecor has an important clinical share price catalyst upcoming in 2024 for its lead diabetes products. Phase 1 data for AT247 is expected 2Q24.

Scancell is a clinical stage biopharmaceutical company that is leveraging its proprietary research, built up over many years of studying the human adaptive immune system, to generate novel medicines to treat significant unmet needs in cancer and infectious disease. The Company is building a pipeline of innovative products by utilising its four technology platforms: Moditope® and ImmunoBody® for vaccines and GlyMab® and AvidiMab® for antibodies.

Scancell has made significant strides in advancing immunotherapies for cancer treatment, particularly in melanoma. Their innovative approaches hold promise for patients worldwide. The commercial management team has been strengthened and they raised £11.9m in a placing and open offer last December providing a cash runway into late 2025. This could be further extended through partnering or through out-licensing of selected programmes from the GlyMab® or AvidiMab® antibody platforms. Despite this substantial clinical and commercial progress, the share price has declined from 17.5p at 28 February 2023 by 43% to 10.0p at 29 February 2024.

Scancell has a number of important clinical share price catalysts upcoming in 2024 for its lead cancer vaccines, which are the strategic focus. Readouts include further Phase 2 data for SCIB1 in advanced skin cancer, first clinical data with second-generation iSCIB1+, and key CPI combination data for Modi-1 in multiple solid tumours.

ImmBio was founded to develop vaccines that engage dendritic cells based on the discovery of the role that Heat Shock Proteins play in activating the immune system, in particular T cells. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. The core technology of ImmBio was moved to LSTM to reduce costs whilst the technology transfer to ImmBio's licensee China National Biotech Group continues. LSTM runs a centre in Malawi on behalf of Wellcome Trust. LSTM has now won a grant from the Medical Research Council to undertake a Phase 2 clinical trial to test the effect of PnuBioVax vaccine in reduction of SPN3 carriage in an experimental human pneumococcal carriage model in Malawi. SPN3 is the most prevalent pneumococcal serotype in Malawi, particularly in children and adults living with HIV, and an important cause of disease across Africa. The trial will also show whether it will produce an immune response against multiple strains including ones for which the current vaccines provide very poor protection. These two aspects are critical to determine the value of the vaccine.

Diamond Hard Surfaces Limited ("DHS") was founded to exploit an ultra-hard diamond-like coating which provides unusual properties to coated objects, including very high wear resistance and very low friction. The initial application was for coating mechanical seal faces (used in gas pumping applications where two discs spin at high speed with a tiny lubricated gap between them). If the lubrication fails, an uncoated seal will fail catastrophically within seconds whereas a DHS coated seal will continue to run for more than an hour. Whilst a significant number of customers use the coating, there has not been major market growth.

The company has begun exploring other properties of the coating, as it is a very good conductor of heat (3 times the thermal conductivity of copper) and this coating is being used as a heat spreader on chips. This application now accounts for about 50% of sales and the DHS coating is now specified in several applications.

To grow the market opportunity, and generate enhanced margins, the company is looking to develop its own products in this sector, moving from a service company to a product company.

Established in 1997 with Oxford Technology VCT Plc as one of the original investors, **BioCote** Limited ("BioCote") has grown from a supplier of patented antimicrobial powder coatings to a market leading antimicrobial technology partner. Trusted by leading brands, manufacturers and product innovators worldwide, BioCote's technology is proven to reduce bacteria, mould and fungi that can cause material degradation, odours and staining by up to 99.99%. BioCote's premium additives can be integrated into a wide range of materials, including polymers, silicones, powder coatings, liquid paints, ceramics and textiles. Covid turned out to be very good for BioCote, with everyone worldwide suddenly becoming focused on how to reduce the spread of germs. Sales and profits increased to an all-time high and the dividend was increased. However, post Covid, sales have declined to approximately their pre-Covid level and while the business remains profitable, the most recent dividend was less than the prior years. The sector is currently showing strong merger activity, and the company has recently changed its Articles to make a corporate transaction easier.

OT4VCT invested in **Novacta** in 2005. Novacta developed a new antibiotic capable of tackling gram-negative bacteria. It licensed this antibiotic to Celtic pharma who in turn licensed the technology to Spero Therapeutics. Spero Therapeutics are continuing the development under the name SPR206. SPR206 is aimed at tackling extensively drug resistant hospital acquired infections. It has been in Phase 1 where it has shown a good safety profile. The next stage is for it to go into Phase 2, which is expected to happen soon. Novacta will start to receive income from the asset once the product obtains market authorisation: it will then receive milestone payment and royalties.

After having had a difficult time during Covid-19, **Getmapping** Ltd (previously a public limited company, the company re-registered as limited company in early 2023) ("Getmapping") has made reasonable progress, continuing to execute some key large-scale contracts, as well as signing up more early adopters of GSaaS, its new Geospatial-as-a-Service high resolution city content program. Getmapping raised just over £100,000 as an Advanced Subscription Agreement ("ASA") which converted to equity on 31 December 2023 – with the permission of your Company, Alex Starling subscribed £5,000 in this funding round. Getmapping has traded modestly profitably through 2023 and has been able to repay some of its legacy debt, leaving it well positioned for growth. The company's 5cm urban flying programme – mapping urban centres of the UK at a 5cm resolution – progressed at an adequate pace over the course of the year, limited by poor weather. Getmapping is only held by the OT1 Share Class.

OT2VCT could not participate in the funding round due to VCT Qualifying Rules – the ASA was not eligible for EIS or VCT relief due to the age of the company. Getmapping may offer a subsequent tranche of a funding round to external investors, which may be of interest to individual OT2VCT shareholders, in which case they should get in touch with Getmapping directly.

The first instalment of deferred consideration following the sale of **Ixaris** was received by the OT3 Share Class in the prior year in line with expectations. Further payments had been expected by our year end primarily relating to further R&D tax credits. A late challenge by HMRC has taken longer to resolve than expected. It is anticipated that a one time final payment of remaining deferred consideration will be received in August 2024 but nothing has been accrued in these accounts: any further proceeds are unlikely to be material.

Full provisions were made against our investments in **Invro** Limited and **Inaplex** Limited**.** They were already very small holdings. The Investment Adviser has little or no contact with these companies anymore, and their businesses are struggling, so reducing their value seemed appropriate.

There have been three divestments during the year. As reported at the half year, **Dynamic Extractions** Limited was obliged to relocate, and need further funding to do so, which we could not provide. As a result, we had to accept an offer of just £3k for our shares which led to a loss on disposal of £63k in the period for the OT4 Share Class. The investments in **Microarray** Limited and **Insense** Limited were both dissolved during the period, following a lack of willingness of their lead investor to continue to fund the businesses: they had both previously been fully provided for, so there was no impact on the Income Statement this year. The VCT was not able invest to support any of these three businesses due to the constraints of VCT qualifying investments.

The Directors, along with the Investment Adviser, Oxford Technology Management (OTM), continue to take an active interest in those companies with any value within the portfolios, both to support their management teams to achieve company development, but also to prepare companies for realisation at the appropriate time.

Further details are contained within the Investment Manager's Review, and on our website at http://www.oxfordtechnologyvct.com.

Risk Factors

The Company continues to face weak markets in quoted technology stocks. Inflation has recently reduced but interest rates remain close to recent high levels. SMEs have been hit hard by higher interest rates and reduced access to finance. Many Western countries have incurred substantial levels of debt related to their response to Covid-19 and are now paying the price of debt service and its repayment. The UK working economy, particularly in the public sector, has not returned to pre-Covid normality. The overall global geopolitical situation has worsened and there is much uncertainty around outcomes and the subsequent impact on strategic relationships between the world's superpowers. More details on the some of the risks the Group faces are on pages 16-17.

OT2VCT's combined portfolio is quite concentrated and is particularly vulnerable to interest rates and technology stock sentiment.

VCT Qualifying Status and Market Changes

As previously outlined, the Merger has relieved some of the challenges of managing a very small company as regards meeting all the conditions laid down by HMRC for maintaining approval as a VCT, as all VCT tests are measured on a company wide basis. However, we are still restricted from making follow on investments in most of the existing portfolio, should the opportunity and/or need occur. There have been no recent changes to VCT legislation which could have potential impact on either the VCT or its investee companies apart from the recent extension by the government of the sunset clause for VCT income tax relief, which means this relief is now available until at least 2035 (previously it was due to expire in 2025). Whilst this is not expected to have any impact on the Company, the Directors are encouraged by this development.

The Board continues to monitor all the VCT requirements very carefully and has procedures in place to ensure that the Company continues to comply with these conditions, in particular the minimum 80% qualifying holding limit. As at 29 February 2024, the HMRC value of qualifying investments of our portfolio was 91.2%.

Cost Control

Your Board continues to do everything possible to keep costs to a minimum. Our investment management and Directors' fees and auditors' remuneration are amongst the lowest in the VCT industry. The Merger has allowed the elimination of certain fees (mainly regulatory) that were charged to each VCT historically. Now there is just one invoice from each of the LSE and FCA, and for the same amount as they charge for single entities. These fees continue to increase, so it is at least comforting we only need to pay once, and not four times! There is now only one tax return needed, one set of filings and the audit arrangements are simplified. Similarly, we now only issue RNS for one company, rather than four. There are also smaller economies on other cost items, such as registrar fees, now there is just one AGM rather than four, for example.

We continue to encourage all our investors to switch to receiving updates from the Company via e-mail and documents in soft copy, which also ensures you receive documents more quickly. This both saves the Company money, and is more environmentally friendly. If you currently receive paperwork from us but are willing to be notified by email that documents are available for viewing online, please contact the registrars, whose details are on page 96 or by emailing vcts@oxfordtechnology.com.

Change of Auditor

As reported in our report of the first half of the year, we were disappointed to learn from our auditors, Hazlewoods LLP ("Hazlewoods"), that their firm had made the strategic decision to withdraw from auditing PIE (Public Interest Entities) companies: these include all companies quoted on the main market, and hence OT2VCT. The demands placed on audit firms by their regulator, the FRC, have become too burdensome to make this work viable for many of the smaller players. Hazlewoods have confirmed that there was nothing further that needed to be brought to the attention of shareholders.

This is the third time in five years that we have had to source a new audit firm – for exactly the same reason. After extensive research, and a competitive tender process, we are pleased to have appointed Johnsons Financial Management Limited (trading as Johnsons, Chartered Accountants) ("Johnsons"), a firm new to the VCT sector, but who are specifically looking to grow their PIE business. We have been pleased with the support provided by Johnsons since their appointment last year.

Unfortunately, the audit fee is substantially higher as a result, although still highly competitive when compared the cost other VCTs incur. This is yet another increase in regulatory costs – and it is very hard to see how any of this benefits shareholders. The Directors note the cost saving benefits from the Merger last year are even more meaningful than previously anticipated, given these higher audit costs would have been replicated across all four entities had they still existed.

Environmental, Social and Governance (ESG)

Whilst many of the requirements under company law to detail ESG matters are not directly applicable to the Group, the Board is conscious of its potential impact on the environment as well as its social and corporate governance responsibilities. Furthermore, the Investment Adviser takes ESG considerations into account when investing.

The future FCA reporting requirements consistent with the Task Force on Climate-related Financial Disclosures that commenced last year do not currently apply to the Group. However, it will be kept under review considering any recommended changes.

Shareholder Interaction and AGM

As last year, we plan to hold a face-to-face meeting at 2pm on Tuesday 9 July 2024, including the formal business of the AGM. There will also be a chance for shareholders to ask questions, and an opportunity for informal discussion with the Board and OTM. Light refreshments will also be offered at the end of the formal session. If you are unable to attend, please return your proxy forms by 2pm on 5 July 2024 (and/or register your votes with your broker if your shares are held with nominees) to ensure your vote is included. If you are unable to attend the AGM but have any questions for the Board or Manager, please feel free to contact us via vcts@oxfordtechnology.com.

If you intend to attend this session, please notify us in advance using the same email address to help us with numbers and in case there are changes to arrangements that need to be communicated at short notice.

Regarding the various proposed resolutions:

- **Resolution 1 - 3**: These resolutions seek approval of the Company's Annual Report and Accounts for the period ended 29 February 2024, the Directors' Remuneration Report and Directors' Remuneration Policy contained therein. The Directors are obliged to lay the Directors' Annual Report and Financial Statements and the auditors' report thereon for the year ended 29 February 2024 before shareholders at a general meeting. The Remuneration Report also needs to be voted on annually. The Remuneration Policy needs to be voted on at least every three years - it was last approved in 2021.
- **Resolutions 4 - 7** (inclusive): These resolutions seek the re-election of the existing four members of the Board as non-executive Directors of the Company. In accordance with AIC guidelines, all four directors are standing for annual re-election. All have played a very full part in the VCT's activities throughout the year.
- **Resolution 8**: Seeks the approval of the re-appointment of Johnsons as auditors of the Company and to authorise the Directors to determine their remuneration. This is discussed above.
- **Resolution 9**: We are putting forward a resolution to vote for the continuation of the VCT, as in previous years. The Directors do not consider this to be an appropriate time to wind up the VCT. As we have set out, we believe the VCT is an effective and tax efficient structure to hold your assets and following the Merger, the unit holding costs have also been reduced.
- **Resolutions 10 and 12**: These seek approval for the Company to generally be authorised to allot up to 2,784,486 shares in the capital of the Company on a non-rights issue basis. Despite its small size, your VCT remains in reasonable structural shape, but events of the last few years have shown that it is prudent to take some precautionary measures. Every year we have a resolution for shareholders to enable the Directors to issue a small number of shares without pre-emption rights and this has always been approved. This year, we would like – with our shareholders' approval – to set the current maximum level to 10% of each Share Class to provide flexibility, if ever required, to raise money more cheaply and at short notice. This would enable to us to support investee companies (within the VCT rules). Although at the moment we have no plans to raise additional capital or to conduct a possible placing for the ordinary shares, it seems prudent in these uncertain times to retain this capability for a further year in case the Board considers it opportune to act quickly.
- **Resolution 11**: We are putting this standard resolution forward to give Directors the permission to buy back shares in any Class of the Company should this be in Shareholders' best interests – there is no current intention or plan in place to use the powers granted by this resolution. There is more detail about this resolution on page 42.

The Notice convening the 2024 AGM of the Company is set out at the end of this document together with a Proxy Form. The Board believes that the passing of the resolutions above are in the best interests of the Company and its shareholders as a whole and unanimously recommends that you vote in favour of these resolutions as the Directors intend to do in respect of their beneficial shareholdings. We encourage you to vote on the AGM resolutions via your proxy forms and thank you all for your ongoing support.

Fraud Warnings – Boiler Room Fraud

We are aware of a number of cases where shareholders are being fraudulently contacted or are being subjected to attempts of identity fraud. Shareholders should remain vigilant of all potential financial scams or attempts for them to disclose personal data for fraudulent gains. The Board strongly recommends shareholders take time to read the Company's fraud warning section, including details of who to contact, contained within the Shareholder Information section of the Annual Report (on page 95).

Outlook

Following the successful merger with the other OT VCTs, our Company now has the critical mass we have been seeking for a long time. We continue to believe your VCT is an appropriate structure to hold your Company's investments and we now have a larger asset base over which to share the operating costs. We have worked tirelessly to try to find another partner seeking to establish a VCT offering to further expand the Company's asset base which would have reduced the unit operating costs for everyone and created greater longevity for shareholders in the fund who require this – indeed we have had discussions with six separate potential partners since the offer for Leisure Shares ("Offer") was withdrawn last year.

Regrettably we believe time has now run out for us to be able to offer any such partner the use of our distributable reserves (the main attraction to enable them to pay early dividends to their new shareholders) without detriment to our existing shareholders. The Board is also actively considering alternative plans to manage the rump portfolio once our primary assets have been realised. The Board is aware that shareholders who subscribed in the share offers issued by OT1VCT, OT2VCT and OT3VCT may potentially have deferred CGT relief rolled over from when they originally invested which would crystallise if the Company was wound up and distributions were subsequently made. We are aware that shareholders in the same position in other VCTs (Artemis VCT Plc and Chrysalis VCT Plc) have recently found themselves with their tax liabilities crystallising as their VCTs went into voluntary liquidation. The Board is keen to understand the extent of this potential issue affecting shareholders in the Company and, if appropriate, will seek to identify a route for the Company that may further defer this issue, if it is in the best interests of all shareholders (although there can be no certainty that we will be successful in this regard). Shareholders who believe they may be affected are asked to advise the Directors by emailing vcts@oxfordtechnology.com. However, please note that neither the Company nor OTM can provide shareholders with any advice, and shareholders are recommended to contact an independent financial adviser if you have any questions.

We have a cash balance of nearly £139k at 29 February 2024, and with the dividends and deferred sales proceeds we expect to receive, we anticipate we will not need to realise any of our AIM stocks for at least 9 months – by which time we hope there may have been some recovery in their value (although there can be no such guarantee). The Directors and OTM have agreed to defer the payment of the fees due to them for the 2024/25 year until later in the current year to ensure there is sufficient cash buffer in the short term. As set out above, your Board is considering a number of options and shareholders will be kept informed; however, it is not expected that any decisions will be made for at least 12-24 months.

Despite the buffeting caused by the knock-on impacts of Covid, inflation and the wars in Ukraine and Gaza, I am pleased to note that the underlying operational performance of portfolio companies has generally been resilient through this turbulent period, although we are disappointed by the significant reductions in value of our AIM quoted stocks. The Board continues to believe that the portfolio has valuable upside, but that time is still needed for it to reach those significant value inflection points, as major investee company programmes reach maturity.

Your Board and Investment Adviser continue to work to best position the existing portfolio such that, when valuations and liquidity allow, holdings can be exited and proceeds distributed to shareholders, whilst keeping a keen eye on maintaining costs as low as possible in the interim.

It would be good to see many of you at the AGM, where I hope you will endorse the Board's unanimous recommendation to approve all the resolutions. If you have any immediate questions, please feel free to contact me via vcts@oxfordtechnology.com.

I look forward to updating shareholders further with our half-year results in November 2024.

My Chairman's Statement forms part of the Strategic Report, which has been approved by the Board.

Richard Roth
Chairman
15 April 2024

Business Review

Company Performance

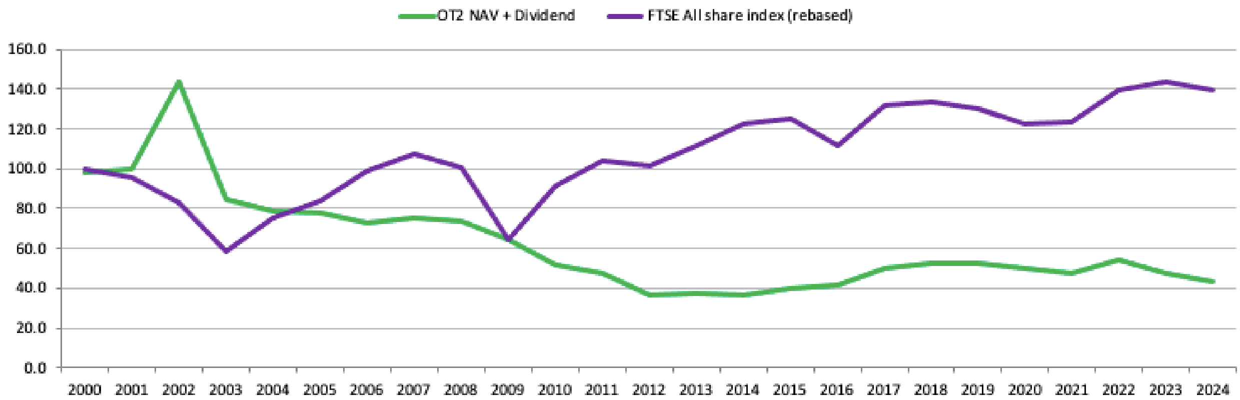
The Board is responsible for the Company's investment strategy and performance. The services regarding the creation, management and monitoring of the investment portfolio are subcontracted to OTM by the Company's Investment Manager, OT2 Managers Ltd. OTM is the Company's Alternative Investment Fund Manager (AIFM).

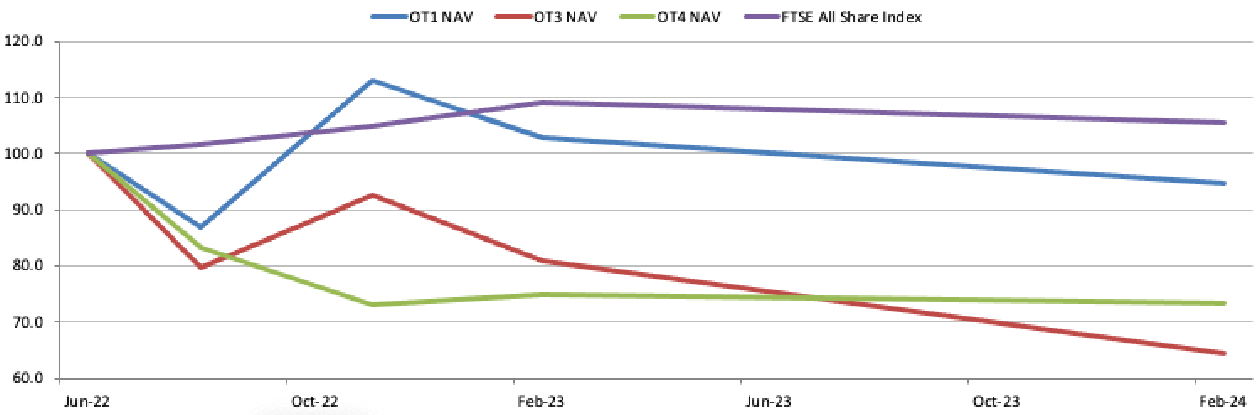
There was a net loss for the period after taxation amounting to £1,751,000 (2023: loss of £1,876,000). The income statement comprises income of £77,000 (2023: £85,000) received from investee companies, realised losses on fair value of investment were £62,000 (2023: losses of £17,000), unrealised losses on fair value of investments of £1,515,000 (2023: unrealised losses of £1,699,000) and management and other expenses of £251,000 (2023: £245,000). Whilst not including a full year for the OT1, OT3 and OT4 share classes in 2023, the management and other expenses did include £44,867 which was the Company's share of one-off costs related to the Merger; there were no such costs in the current year.

The review of the investment portfolio (page 22) includes a summary of the Company's activities and the Chairman's Statement comments on future prospects.

The graphs below compare the NAV return of the OT2 Share Class from launch in 2000, and for the OT1/OT3/OT4 Share Classes since the take on of the assets by the Company on 30 June 2022, with the total return from the FTSE All-Share Index (which excludes dividends) over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes.

However, the Directors wish to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of VCT rules and are very limited in the types of investment that can be made. All measures are rebased to 100 at the start date of the Share Class.





Key Performance Indicators

The Board uses a number of performance measures to assess the Company's success in meeting its strategic objectives. The KPIs it monitors include:

KPI	Objective
Total Return (Net Asset Value plus cumulative dividends paid) per share (per Share Class)	To provide shareholders with tax free capital gains via profitable exits by investing its funds in a portfolio of primarily unquoted UK companies which meet the relevant criteria under the VCT rules.
The total expenses of the Company as a proportion of shareholders' funds	To maintain efficient operation of the VCT whilst minimising running costs.
Compliance with VCT regulations	To ensure the Company meets all VCT qualifying requirements at all times.

The first two of these are classified as alternative performance measures ("APMs") in line with Financial Reporting Council ("FRC") guidance. VCT compliance is not a numerical measure of performance and thus cannot be defined as an APM.

The total return for each Share Class, as well as the earnings in the period, is included in the Financial Summary on pages 4 and 5, and the change in the total return is explained in the Chairman's Statement. No dividend was paid or declared during the year by any of the Share Classes (2023: no dividends by any of the Share Classes pre or post-Merger although OT4VCT bought back 685,198 shares, for a cash outlay of £232k on 14 June 2022 immediately before the Merger).

The Company was able to maintain an efficient operation of the VCT whilst minimising running costs as a proportion of shareholder's funds. Expenses of the Company are capped by OTM at 3% of the opening net asset value (but excluding Directors' fees and any performance fee, and the cap also excludes corporate expenses). The total actual expenses for the 2024 year were 2.0% of opening net assets (2.8% including Directors' fees) (2023: 1.2% and 1.8%). The figures for the 2023 year need to be treated with caution, as they do not include costs for the first 4 months of the year for the OT1, OT3 and OT4 Share Classes, and exclude any costs associated with the Merger.

Confirmation that the Company has met the VCT qualifying criteria is shown on pages 22 and 23.

Viability Statement

In accordance with provision 30 and 31 of The UK Corporate Governance Code 2018 ("the UK Code") the Directors have assessed the prospects of the Company over a longer period than the 12 months required by the "Going Concern" provision. The Company (and the Target VCTs) last raised funds in 2010, and so the minimum five year holding period required to enable subscribing investors to benefit from the associated tax reliefs has now passed. The Board regularly considers the Company's strategy, including investor demand for the Company's shares, and a three year period is therefore considered to be an appropriate and reasonable time horizon for going concern assessment.

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

The Board has also considered the Company's cash flow projections and found these to be realistic and reasonable. The assets of the Company consist mainly of securities, three of which are AIM quoted: Scancell is relatively liquid and readily accessible, as is the very small holding in Mirriad Advertising Plc ("Mirriad"). The shares in Arecor can be traded, but the market in these shares is not very liquid, and there is likely to be a significant spread should the Company wish to realise to realise a sizeable portion of its holding.

Based on the above assessment the Board confirms that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period to 28 February 2027.

Principal Risks, Risk Management Objectives and Regulatory Environment

The Board carries out a regular review of the risk environment in which the Company operates, including principal and emerging risks. The main areas of risk identified by the Board are as follows:

Investment risk – The majority of the Company's investments are in smaller unquoted companies which are VCT qualifying holdings, which by their nature entail a higher level of risk and lower liquidity than investments in large quoted companies. The Directors and the Investment Adviser aimed to limit the risk initially attached to the portfolio as a whole by careful selection, by carrying out due diligence procedures and by maintaining a spread of holdings.

The Directors also consider timely realisation of investments. The Board reviews the investment portfolio on a regular basis. As holdings are realised, and investments are no longer being made into new companies, the portfolio will become more concentrated over time.

VCT qualifying status risk – The Company is required at all times to observe the conditions laid down in the Income Tax Act 2007 for the maintenance of approved VCT status; these rules have subsequently been updated on several occasions.

The loss of such approved status could lead to the Company losing its exemption from corporation tax on capital gains, to investors being liable to pay income tax on dividends received from the Company and, in certain circumstances, to investors being required to repay the initial income tax relief on their investment as well as any previously deferred capital gains coming back into charge. The Board keeps the Company's VCT qualifying status under regular review.

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

- Have fewer than 250 full time equivalent employees (500 if a knowledge intensive company);
- Have no more than £15 million of gross assets at the time of investment and no more than £16 million immediately post investment;
- Its first commercial sale must be less than seven years old (or ten years if a knowledge intensive company) if raising State Aided funds for the first time subject to certain exceptions;
- Have raised no more than £5 million of State Aided funds in the previous 12 months (or £10 million if a knowledge intensive company) and less than the lifetime limit of £12 million (or £20 million if a knowledge intensive company);
- Produce a business plan to show that its funds are being raised for growth and development;
- Not be in financial difficulty;
- Be an unquoted company or quoted on AIM;
- Have a permanent establishment in the United Kingdom;
- Not be under the control of any other company, nor control any company which is not a qualifying subsidiary of the company; and
- Are operating a trade which is not an "excluded activity".

The Finance Act 2018 introduced a new "risk-to-capital" condition for qualifying investments, designed to focus investments towards earlier stage, growing businesses, and away from investments which could be regarded as lower risk. The Board is satisfied that the Company's investment policy is in line with this "risk-to-capital" condition.

VCTs may not make investments that do not meet the new “risk to capital” condition (which requires a company, at the time of investment, to be an entrepreneurial company with the objective to grow and develop, and where there is a genuine risk of a loss of capital).

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

Financial risk – by its nature, as a VCT, the Company is exposed to market price risk, credit risk, liquidity risk, fair value and cash flow risks. All of the Company’s income and expenditure is denominated in sterling and hence the Company has no direct foreign currency risk. The indirect risk results from investees doing business overseas. The Company is financed through equity. The Company does not use derivative financial instruments.

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

Cash flow risk – the risk that the Company’s available cash will not be sufficient to meet its financial obligations is managed by frequent budgeting and close monitoring of available cash resources.

Liquidity risk – the Company’s investments may be difficult to realise. The spread between the buying and selling price of shares may be wide and thus the price used for the valuation may not be achievable.

Reputational risk – inadequate or failed controls might result in breaches of regulation or loss of shareholder trust.

Internal control risk – the Board reviews annually the system of internal controls, financial and non-financial, operated by the Company. These include controls designed to ensure that the Company's assets are safeguarded and that proper accounting records are maintained.

Geo-political and economic risks – the war in Ukraine and Gaza, inflation and UK political and economic turmoil continue to impact our investees. The initial stages of a Silicon Valley banking crisis were nipped in the bud and the situation returned to normal. Any change of governmental, economic, fiscal, monetary or political policy, and in particular any spending cuts or material increases in interest rates could affect, directly or indirectly, the performance of the Company (as a result of the performance of its underlying investments) and hence the value of, and returns from, the Company’s shares.

Covid-19 risk – the knock on impacts of interventions are still being felt, and may continue to affect the performance of some companies in which the Company has invested.

The Board seeks to mitigate the internal risks by setting policies, regular review of performance, enforcement of contractual obligations and monitoring progress and compliance.

In the mitigation and management of these risks the Board applies rigorously the principles detailed in the Financial Reporting Council’s Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting. Details of the Company’s internal controls are contained in the Corporate Governance section starting on page 47.

Further details of the Company’s financial risk management policies are provided in Note 15 of the Financial Statements (page 86).

Investment Policy

Shareholders approved a change to the Company's investment policy at the general meeting on 20 June 2022. The change provides for a more generic policy of investing in unquoted companies and also better encompasses the investments which were acquired from the Target VCTs as part of the Merger. It also covers the various different share class funds that exist (and in the case of the Leisure Share class, what was envisaged to exist), which will be managed in accordance with the revised investment policy. This is the agreed Investment Policy in full:

The Company will target unquoted companies which meet the relevant criteria under the VCT Rules and which it believes will achieve the objective of producing attractive income and capital return for Shareholders.

Qualifying Investments

At least the minimum required percentage of the Company's assets will be invested in Qualifying Investments as required by the VCT Rules. Compliance with required rules and regulations is to be considered with all investment decisions made. The Company is further monitored on a continual basis to ensure such compliance.

Permitted Non-Qualifying Investments

The funds not employed in VCT Qualifying Investments will be invested in Permitted Non-Qualifying Investments as allowed by the VCT Rules. These will typically be cash deposits and investments in quoted securities, investment trusts or OEICs.

Asset Mix

Specific share pools of the Company may have a focus on certain sectors according to the strategy of that specific share pool.

The share pool for the Ordinary (or OT2) Shares and the new share pools for the OT1, OT3 and OT4 Ordinary Shares will be significantly invested in established technology sector companies. These share pools are in a period of investment realisation but with no specified timing, therefore there may be the opportunity to make additional investments.

In addition, the Company will establish a further new share pool that intends to invest in early stage, UK leisure companies seeking an injection of growth capital to support their continued development. The funds raised for this new share pool will be invested as required by the VCT Rules.

Any uninvested funds in any of the share pools will be held in cash and a range of permitted liquidity investments.

Risk Diversification

Risk in the share pools for the Ordinary (or OT2) Shares and the OT1, OT3 and OT4 Ordinary Shares will be spread by their investment in a number of different established companies. Concentration risk fluctuates and at times can be fairly high given investment realisations and the change to the value of individual companies within each such share pool.

Risk in the new share pool for the Leisure Shares will be spread by investing in a number of different companies focused on the leisure sector. These companies will be at different stages of development and have different target markets.

The Directors seek to control the overall risk of the share pools by ensuring that the Company has exposure to a range of unquoted companies.

In order to limit concentration risk in the share pools that is derived from any particular investment, at the point of investment no more than 15% of the Company by VCT value will be in any one company, as limited by the VCT Rules. The merger with Oxford Technology VCT Plc, Oxford Technology 3 VCT Plc and Oxford Technology 4 VCT Plc will not be restricted by this requirement.

Borrowing

Whilst the Board does not intend that the Company will borrow funds (other than to manage short term cash requirements), the Company is entitled to do so subject to the aggregate principal amount at the time of borrowing not exceeding 25% of the asset value of the Company.

Changes to the Investment Policy
The Company will not make any material changes to its Investment Policy without Shareholder approval.

Key Information Document

The EU PRIIPs regulations came into effect in January 2018. The intent of the regulations is to increase customer protection by improving the functioning of financial markets and in this instance through the Key Information Document ("KID") which provides shareholders with more information about the risks, potential returns and charges within VCTs. Although well intended, there were widespread concerns about the application of some aspects of the prescribed methodologies to VCTs. In what is one of the first examples of the Financial Conduct Authority ("FCA") confirming UK divergence from EU rules following Brexit, revised requirements for what information should be included in a KID were published in March 2022 and these came into full effect on 31 December 2022. The Board has produced a revised KID in line with the new Regulations and retail investors must be directed to this before buying shares in the Company. The KID is published on the Company's website www.oxfordtechnologyvct.com. The Board recommends that shareholders continue to classify VCTs as a high-risk investment.

Section 172(1) Statement

The Directors discharge their duties under section 172 of the Companies Act 2006 to act in good faith and to promote the success of the Company for the benefit of shareholders as a whole as set out in the Business Review from page 14. As an investment company, Oxford Technology 2 Venture Capital Trust Plc has no employees; however, the Directors also assessed the impact of the Company's activities on other stakeholders, in particular shareholders and our third-party advisers, as well as the portfolio of companies.

The Board's decision-making process incorporates, as part of the Company's investment policy and investment objectives as set out on page 6, considerations for supporting the Company's business relationships with the Investment Adviser, shareholders, advisers and registrar, independent financial advisers and the impact of the Company's operations on the community and the environment, which by nature of the business, only extends to the holdings in portfolio companies.

Key Stakeholders

Investors

The best opportunity for shareholders to engage directly with the Board and Manager is at the AGM. This year we once again look forward to welcoming shareholders to Oxford in July, where in addition to the formal business of the AGM, there will be a presentation. We welcome any feedback from shareholders on how they would like to see communication improved. Any views which may arise are discussed by the Board and factored into any decision-making and disclosed in annual and interim reports as appropriate. In addition, shareholders can contact the Board and Investment Manager at any time via vcts@oxfordtechnology.com. The Board uses a number of measures to assess the Company's success in meeting its strategic objectives with regard to shareholder interests as detailed in the Key Performance Indicators on page 15.

Outside of general meetings, the Company engages with shareholders through regulatory news service announcements, interim and annual reports as well as regular correspondence with shareholders and their advisers to address any queries that arise.

Investment Adviser

The Company's most important business relationship is with the Investment Adviser, OTM. There is regular contact with the Investment Adviser, and the two directors of OTM attend the Company's Board meetings. There is also an annual timetable agreed with the Investment Adviser which is discussed at each Board Meeting. The Company and Investment Adviser also work together to maintain efficient operation of the VCT as detailed in the Key Performance Indicators on page 15.

Portfolio Companies

The Company holds minority investments in all but one of its portfolio companies (the Company holds a majority stake in Select Technology, but as described on page 8 the holding remains VCT Qualifying) and it has appointed the Investment Adviser to manage the relationships with most of its investees. Alex Starling sits on the boards of two investee companies (STL Management Ltd and Getmapping Ltd). While the Board has little direct contact with the running of rest of the companies, the Investment Adviser provides updates on the portfolio at least quarterly. The Company made no purchases during the year and sold its holding in Dynamic Extractions. Insense and Microarray were both dissolved. Neither the Board nor the Investment Adviser believed it was in the best interests of all key stakeholders to do otherwise.

Environment and Community

The Company seeks to ensure that its business is conducted in a responsible manner with regards to the environment as far as is practicable given the nature of the business as an investment company. The management and administration of the Company is undertaken by the Investment Adviser, who recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by its activities.

Initiatives of the Investment Adviser designed to minimise its and the Company's impact on the environment include recycling and reducing energy consumption. More details of the work that the Investment Adviser has done in this area are set out on page 40.

The Company utilises video conferencing facilities for the majority of Board meetings. The Board met virtually for all but one Board meeting during the period. The Company also encourages shareholders to receive communications from the Company electronically to reduce the impact of production and delivery of additional paper products.

Internal Control

The Directors are responsible for the Company's system of internal control. The Board has adopted an internal operating and strategy document for the Company. This includes procedures for the selection and approval of investments, the functions of the Investment Adviser and exit and dividend strategies.

Day to day operations are delegated under agreements with the Investment Adviser who has established clearly defined policies and standards. These include procedures for the monitoring and safeguarding of the Company's investments and regular reconciliation of investment holdings.

This system of internal control, which includes procedures such as physical controls, segregation of duties, authorisation limits and comprehensive financial reporting to the Board, is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board has reviewed, with its Investment Adviser, the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the Financial Statements.

The Board has continued to prepare the Financial Statements in accordance with UK Financial Reporting Standards rather than International Financial Reporting Standards adopted by UK ("UK adopted IFRS").

Independence, Gender and Diversity

Throughout the year under review, the Board has consisted of four male UK born non-executive Directors of widely ranging ages, backgrounds and experience. The gender and diversity of the constitution of the Board will be reviewed on an annual basis. New regulations require the company to report on a comply or explain basis against three key indicators: 40% of the board should be comprised of women; one senior board position is held by a woman; and one director should be from an ethnic minority background. Whilst not currently complying, the Board notes these proposals and the focus and emphasis on diversity. The Board considers diversity when reviewing Board composition and has made a commitment to consider diversity when making future appointments. The Board will always appoint the best person for the job. It will not discriminate on the grounds of gender, race, ethnicity, religion, sexual orientation, age or physical ability. The Board also supports the aims of the Hampton Alexander Report and the renewed focus and emphasis on diversity in the AIC Code of Corporate Governance (the "2019 AIC Code") and in due course will strive to comply with these recommendations.

Environmental Policy, Greenhouse Gas Emissions and Human Rights Issues

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

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

The Company has considered the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, in relation to energy consumption disclosure, discussed in this Business Review and also in the Directors' Report.

Consumer Duty

The Directors have reviewed requirements in respect of Consumer Duty which came into effect on 31 July 2023 with the Investment Manager, and believe the Company is currently compliant. The Consumer Duty sets higher and clearer standards of consumer protection across financial services for products and services open to retail customers and requires firms to put their customers' needs first. Whilst VCTs are not directly subject to the new Consumer Duty, the Investment Manager as an FCA-regulated firm is subject to the Consumer Duty and has completed a Consumer Duty review. The Consumer Duty highlights the FCA's drive to protect the interests of retail customers and the board will be monitoring the actions put in place by the Investment Manager to ensure our Shareholders continue to be put at the heart of our business. The Board will continue to keep the new regulation under review.

Richard Roth
Chairman – 15 April 2024

Investment Manager's Review

OT2VCT was formed in 2000 and invested in start-up or early stage technology companies. In 2022, the Company merged with the 3 other Oxford Technology VCTs and now has four different Share Classes. The remaining investments in the portfolio are shown in the tables in this report.

The ultimate outcome for investors will depend on how the remaining investments perform. Select Technology, Scancell, Arecor and ImmBio still have the potential to deliver significant returns. These four investments make up more than 95% of the value of the combined investment portfolio. Select has had growth in sales, Arecor has announced additional partnerships and the first product using Arestat™ has been launched. Scancell are engaged in phase 2 clinical trials for the lead assets and have been able to publish some very encouraging results. Finally, ImmBio has received support to conduct their Phase 2 study. The investments with a residual value of over £100k are reported on in further detail here, and also in the Portfolio Review section in the Chairman's Statement, starting on page 7.

On page 7, the Chairman's Statement sets out the performance of each Share Class and the respective concentration of investments.

New Investments in the year

There were no new investments during the year.

Disposals during the year

The OT4 Share Class disposed of its holding in Dynamic Extractions. The holdings in Insense and Microarray were both dissolved during the year: as they were already fully provided for, there was no gain or loss on these two disposals in the year.

Valuation Methodology

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

VCT Compliance

Compliance with the main VCT regulations as at 29 February 2024 and for the year then ended is summarised as follows:

Type of Investment By HMRC Valuation Rules	Actual	Target
VCT Qualifying Investments	91.2%	Minimum obligation: 80%
Non-Qualifying Investments	8.8%	Maximum allowed: 20%
Total	100%	100%

The value used in the qualifying tests is not necessarily the original investment cost due to the complex rules required by HMRC, therefore the allocation of Qualifying investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the VCT.

At least 70% of each investment must be in eligible shares – Complied.

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

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

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

No investment made by the VCT has caused the company to receive more than £5m of State Aid investment (£10 million for Knowledge Intensive Companies) in any rolling 12 month period and £12 million of state aid investment (£20 million for Knowledge Intensive Companies) during its lifetime – Complied as no new investments were made.

Tables of Investments held by Company at 29 February 2024
Investment Portfolio – OT1 Share Class

Company	**Business description**	**Original Net Cost of investment in OT1VCT £'000 ***	**Cost of investment to OT2 VCT £'000 ****	**Carrying value at 29/02/24 £'000**	**Change in value for the 12 month period £'000**	**% Equity held OT1**	**% Equity held All Share Classes**	**% Net assets of OT1 Share Class**
Select STL Management	Specialist Photocopier interfaces	488	1,160	1,379	217	30.0	58.6***	64.0
Scancell (bid price 10.0p)	Antibody based cancer therapeutics	275	785	551	(413)	0.6	1.2	25.6
BioCote	Bactericidal additives	85	242	122	(40)	6.6	6.6	5.7
Arecor (bid price 135p)	Protein stabilisation	90	139	54	(42)	0.1	5.2	2.5
Getmapping	Aerial photography	518	86	44	(22)	3.6	3.6	2.0
Total Investments		**1,456**	**2,412**	**2,150**	**(300)**			**99.8**
Other Net Assets				**5**				**0.2**
Net Assets				**2,155**				**100.0**

* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology VCT Plc dated 21 April 2022. This is to help shareholders understand how an investment has performed since it was originally acquired.
** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.
*** Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

Investment Portfolio – OT2 Share Class

Company	Business description	Net cost of investment £'000	Carrying value at 29/02/24 £'000	Change in value for the 12 month period £'000	% Equity held by OT2	% Equity held All Share Classes	% Net assets of OT2 Share Class
Arecor (bid price 135p)	Protein stabilisation	252	362	(282)	0.9	5.2	33.3
Select Technology – STL Mgt.	Specialist photocopier interfaces	132	341	53	7.4	58.6 *	31.4
ImmBio	Novel vaccines	295	181	122	3.1	22.6	16.6
Scancell (bid price 10.0p)	Antibody based cancer therapeutics	150	125	(94)	0.1	1.2	11.5
Inaplex	Data integration software	138	-	(2)	21.5	34.8	-
Oxis Energy	Battery technology	540	-	-	0.1	0.3	-
Total Investments		**1,508**	**1,009**	**(203)**			92.8
Other Net Assets			**78**				7.2
Net Assets			**1,087**				**100.0**

* Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

Investment Portfolio – OT3 Share Class

Company	Business description	Original Net Cost of investment in OT3VCT £'000 *	Cost of investment to OT2 VCT £'000 **	Carrying value at 29/02/24 £'000	Change in value for the 12 month period £'000	% Equity held OT3	% Equity held All Share Classes	% Net assets of OT3 Share Class
Arecor (bid price 135p)	Protein stabilisation	443	1,593	614	(478)	1.5	5.2	43.9
Scancell (bid price 10.0p)	Antibody based cancer therapeutics	362	647	454	(340)	0.5	1.2	32.4
ImmBio	Novel vaccines	483	80	240	160	6.5	22.6	17.1
Select – STL Management	Specialist Photocopier interfaces	47	109	129	20	2.8	58.6 ***	9.2
Invro	Low power electronics	40	10	-	(10)	33.1	33.1	-
Inaplex	Data integration software	58	1	-	(1)	13.3	34.8	-
Total Investments		**1,433**	**2,439**	**1,438**	**(649)**			**102.6**
Other Net Assets				**(37)**				**(2.6)**
Net Assets				**1,401**				**100.0**

* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology 3 VCT Plc dated 21 April 2022. This is to help shareholders understand how an investment has performed since it was originally acquired.
** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.
*** Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

Investment Portfolio – OT4 Share Class

Company	Business description	Original Net Cost of investment in OT4VCT £'000 *	Cost of investment to OT2 VCT £'000 **	Carrying value at 29/02/24 £'000	Change in value for the 12 month period £'000	% Equity held OT4	% Equity held All Share Classes	% Net assets of OT4 Share Class
Arecor (bid price 135p)	Protein stabilisation	590	2,885	1,113	(866)	2.7	5.2	40.7
Select STL Management	Specialist photocopier interfaces	237	710	845	133	18.4	58.6 ***	30.9
ImmBio	Novel vaccines	857	178	539	361	13.0	22.6	19.7
Diamond Hard Surfaces	Diamond coatings	640	176	173	10	49.9	49.9	6.3
Novacta	Antibiotics Development	347	59	59	-	2.3	2.3	2.2
Mirriad Advertising (bid price 1.25p)	Virtual product placement	-	9	1	(1)	0.0	0.0	-
Dynamic Discovery	E-mail archiving	-	-	-	-	5.6	5.6	-
Oxis Energy	Battery technology	305	-	-	-	0.2	0.3	-
Total Investments		**2,976**	**4,017**	**2,730**	**(364)**			**99.8**
Other Net Assets				**5**				**0.2**
Net Assets				**2,735**				**100.0**

* This is the original cost of investments extracted from the unaudited Interim Report issued by Oxford Technology 4 VCT Plc dated 21 April 2022. This is to help shareholders understand how an investment has performed since it was originally acquired.
** This is the cost of investment at the time of the merger, and against which all future financial reporting by OT2 VCT is required to be assessed.
*** Whilst the VCT holds a total of 58.6% of Select Technology, certain rights are restricted to 50% as set out in the Chairman's statement.

Select Technology – STL Management Ltd

www.selectec.co.uk

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT1	Sep 1999	488	1,160	1,379	217	30.0%
OT2	Nov 2001	132	132	341	53	7.4%
OT3	Nov 2004	47	109	129	20	2.8%
OT4	Aug 2006	237	710	845	133	18.4%

Select Technology (100% owned by STL Management Ltd) distributes high quality 3rd-party document management software via its global channel partners. It adds further value by providing a highly regarded 'one-stop-shop' support service as well as script-driven tools (based on its own intellectual property) to increase efficiency and customer useability of its distributed software products.

Select Technology was established in 1981 as a design engineering company and developed a reputation for technical excellence and innovation. One of its first projects was a book copier design project for the British Library. Many things have changed since the early 1980s, and Select Technology has moved with the times, on occasions implementing a fairly hard pivot – so far, each of these has been successful.

Select Technology grew significantly between 2010 and 2018 by focusing on print management software, in particular software produced by an Australian company called PaperCut. Realising that this type of software was becoming increasingly commoditised, the company expanded its focus to document capture and sharing, acquiring distribution rights to additional software solutions and introducing them to the market in an innovative way. These new products include Foldr and Square9.

Foldr was originally developed for teachers in schools. It enabled teachers to store and retrieve materials for their lessons, to write reports for their students and email these securely to the parents, with controls to ensure that the right report went to the right parent, but which also enabled all the reports to be sent to the school's central administration. Documents could be protected with various levels of security with different people being given different levels of access. Foldr has turned out to be very useful for businesses to manage their documents in a secure manner.

Square9 is an Enterprise Content Management System. It is appropriate for the largest companies with thousands of employees and enables companies to store, find, access and manage documents and other information easily and securely and in compliance with GDPR and other security protocols.

Trading has returned to somewhat approaching normality after the significant impact of various disruptions in recent years. The most recently completed full year of trading (to 31 July 2023) saw revenues increase by almost 23% compared to the previous 12 month period, and the first half of the company's current financial year (to 31 January 2024) are up just over 12% compared to the equivalent six month period to 31 January 2023. The company is profitable and dividend payments have continued.

As disclosed on page 8, the Articles of Association of Select Technology have been changed to ensure OT2VCT will continue to comply with VCT Rules.

Select Technology is valued at a multiple of sales.

Arecor Therapeutics Plc

www.arecor.com

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT1	May 2021	90	139	54	(42)	0.1%
OT2	July 2007	252	252	362	(282)	0.9%
OT3	July 2007	443	1,593	614	(478)	1.5%
OT4	July 2007	590	2,885	1,113	(866)	2.7%

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

Arecor has continued the development of a portfolio of differentiated peptides through to clinical proof of concept, with an initial focus on diabetes as a therapeutic area. In August 2022, Arecor acquired Tetris Pharma adding a glucagon autoinjector pen, enhancing Arecor's range of diabetes products. Tetris Pharma also has a sales and distribution platform providing Arecor with potential routes to market for its specialty hospital products.

The Company's original investment was in Arecor Ltd which became Arecor Therapeutics Plc when it floated on AIM on 3 June 2021, raising £20m at a share price of 226p.

Since inception in 2007, Arecor has built a successful revenue generating business employing this technology to enable and differentiate biopharmaceuticals for a large cross section of the major pharmaceutical companies on a fee for service plus licensing model. In November 2023 the first commercial sale of a product containing Arecor's Arestat™ technology took place. The product has not been disclosed officially, but it has resulted in the triggering of a milestone payment and will lead to royalty payments.

Arecor technology had been incorporated into an Inhibrx product INBRX-101. This product has now been bought by Sanofi. Although this doesn't change the amounts that Arecor might receive for the product, it may increase the likelihood and rate of progress for the product.

After the year end Arecor announced that it is entering the GLP-1 agonist market. Their aim is to produce an oral formulation with an increase in bioavailability of the active ingredient compared to the only other oral formulation on the market. GLP-1 agonists are attracting a lot of attention for their ability to enable weight loss, and reverse type 2 diabetes.

Arecor has announced 3 further collaborations with major pharmaceutical and biopharmaceutical companies. This will all go towards building their portfolio products which might yield downstream payments in the form of milestones, technology access payments or royalties.

Arecor's lead products are AT247 and AT278, which both had successful phase 1 studies. During the year Arecor's diabetes pipeline made further progress with AT 278's ultraconcentrated insulin starting phase 1 trials for type 2 diabetes to add to their earlier type 1 diabetes study.

The bid price as at 29 February 2024 used for this Arecor valuation was 135p per share down, from 240p in the previous year.

Scancell

www.scancell.co.uk

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT1	Aug 1999	275	785	551	(413)	0.6%
OT2	Apr 2018	150	150	125	(94)	0.1%
OT3	Dec 2003	362	647	454	(340)	0.5%

Scancell is an AIM listed biotechnology company in which OT2VCT first invested in April 2018, although the OTVCTs were the earliest investors in the company in 1999. Scancell is developing novel immunotherapies for cancer based on four platform technologies known as ImmunoBody®, Moditope®, Avidimab® and GlyMab®. They have also used their TCell stimulating vaccine platform to make a Covid-19 vaccine aimed at the N capsid.

Scancell made progress in the Scope trial, testing the effectiveness of their iSCIB1+ vaccine against melanoma in combination with checkpoint inhibitors. 11 out of 13 patients who had been measured in November 2023 had achieved a decrease in tumour size of at least 30%, with one patient having the tumour disappear entirely. This 85% result compares to 50% overall response rate for standard of care. Permission was obtained from MHRA to introduce iSCIB1+ into the trial, and (following our year-end) a first patient has now been dosed. iSCIB1+ can serve a wider range of patients and should be even more effective given the use of Scancell's AvidiMab® technology.

The Moditope® clinical trial also presented positive safety results allowing it to progress towards a combination trial with check point inhibitors. Moditope® is being tested on renal, breast and, head and neck cancer patients.

The SC129 GlyMab® antibody licensed to Genmab A/S is progressing according to plan.

In December 2023 Scancell announced a placing and then an open offer which between them raised £11.9m of gross proceeds allowing the company to proceed.

The Scancell share price fell from 17.5p February 2023 to 10.0p 29 February 2024 during the year.

ImmBio

www.immbio.net

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT2	Dec 2000	295	295	181	122	3.1%
OT3	May 2003	483	80	240	160	6.5%
OT4	Oct 2005	857	178	539	361	13.0%

ImmBio was founded in 1999 by Camilo Colaco to develop vaccines that engage dendritic cells. Dr. Colaco identified the role that Heat Shock Proteins play in activating the immune system. The company has programmes developing vaccines against Tuberculosis, Meningitis and Pneumonia. The TB and Meningitis vaccines have been partnered for development in China and India.

ImmBio has partnered with the Liverpool School of Tropical Medicine ("LSTM") to progress the asset. In order to progress, the company needs to complete a study to show two things: that the vaccine can reduce carriage of the bacteria in healthy people and that the vaccine will protect against many if not all strains of the bacteria. The Medical Research Council has now awarded a grant to LSTM to cover the costs of manufacturing the drug and conducting the trial, although some additional funding may be required to cover commercial costs of ImmBio.

The investment has been valued to reflect its stage of technical and commercial development and then the values for each of the Company's Share Classes take into account the preference cascade. Increased certainty about funding and design of the trial has led to the increase in valuation.

Diamond Hard Surfaces

www.diamondhardsurfaces.com

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT4	Jan 2005	640	176	173	10	49.9%

Diamond Hard Surfaces Limited ("DHS") has developed an ultra-hard diamond-like coating which provides unusual properties to coated objects, including very high wear resistance and the ability to spread heat more evenly. The coating has attracted interest from a wide variety of companies with numerous small but repeat orders being placed. But so far, the orders remain small, and there has not yet been a breakthrough in sales. DHS coating is used and is now specified as a heat sink for some particular military applications by the US DoD. With military expenditure rising globally following the invasion of the Ukraine, this has resulted in an upturn in order for its superior heat sink.

DHS is valued using a sales multiple.

BioCote

www.biocote.com

Share Class	Date of First Investment	Original Net Cost of Investment £'000	Cost of Investment to OT2VCT £'000	Carrying Value 29/02/2024 £'000	Change in Value for the Year to OT2VCT £'000	% Equity Held
OT1	Dec 1997	85	242	122	(40)	6.6%

The OT1VCT was one of the original investors in BioCote when it was established in 1997. Since then, it has grown from a supplier of patented antimicrobial powder coatings to a market leading antimicrobial technology partner. Its antimicrobial compound may be added/applied to almost all types of material from hard surfaces to fabrics and may be incorporated in plastics. In all cases this causes bacteria which come into contact with the additive to be killed (always the claim is 99.99%). BioCote partners with large companies all over the world who then incorporate BioCote in their products. Importantly BioCote operates a laboratory where it is able to test all products and provide the necessary certification to its partners. Unsurprisingly, Covid was very good for BioCote and there was a jump in sales. Sales have reduced somewhat since then but the business remains profitable. BioCote has been paying regular dividends and this is expected to continue. BioCote is only held by the OT1 Share Class.

BioCote is valued using a sales multiple.

Lucius Cary
Director – OT2 Managers Ltd
Investment Manager
15 April 2024

Investment Adviser – Oxford Technology Management Ltd

Since 2012, the primary focus of OTM has been on their SEIS and EIS portfolio companies. OTM also acts as the Investment Advisor to the Company. There are two investment managers within OTM, Lucius Cary and Andrea Mica.

Lucius Cary

Lucius Cary is the founder and managing director of OTM. He has a degree in engineering and economics from Oxford University, an MBA from Harvard Business School and was an engineering apprentice at the Atomic Energy Research Establishment, Harwell.

After forming and raising finance for his first business in 1972, he founded "Venture Capital Report" in 1978 and was its managing director for 17 years. In March 1996, he became chairman and reduced his day-to-day involvement in order to concentrate more fully on OTM's investment activities.

OTM raised its first fund to invest in start-up and early-stage technology companies in 1983. OTM has managed or advised twelve funds which, between them, have made more than 200 such investments, including more than 50 SEIS investments since 2012. In 2003, he was awarded an OBE for services to business.

Lucius owns shares in the OT1, OT2 and OT4 Share Classes, as well as in Scancell and Select Technology. He is also a director of OT2 Managers Ltd.

Andrea Mica

Andrea Mica graduated from the Delft University of Technology with an MSc in Industrial Design Engineering, and went on for a further graduate study in Innovation and Creativity at the State University College of New York at Buffalo.

He has a strong and varied background in technology prior to joining OTM – both promoting technologies for sale, and identifying new technologies to invest in.

He also has an entrepreneurial streak – he co-founded CleanSteel Ltd, a company that developed a new technique for recycling waste products from the tyre industry.

Within the VCTs he has concentrated on the life science portfolio companies.

Andrea is a shareholder in Scancell.

Board of Directors

The Company has a Board of four non-executive Directors. All are independent of the Investment Adviser. They meet on a regular basis to review the investment performance and monitor compliance with the investment policy laid down by the Board as set out in the Strategic Report starting on page 18.

The Board has a formal schedule of matters specifically reserved for its decision which include:

- the consideration and approval of future developments or changes to the investment policy, including risk and asset allocation;
- the consideration and review of the Company's compliance with HMRC conditions for maintenance of approved VCT status;
- consideration of corporate strategy;
- approval of the appropriate dividend to be paid to shareholders;
- the appointment, evaluation, removal and remuneration of the Investment Manager;
- the performance of the Company, including monitoring the discount of the share price to net asset value; and
- monitoring shareholder profiles and considering shareholder communications.

The Chairman leads the Board in the determination of its strategy and in the achievement of its objectives. The Chairman is responsible for organising the business of the Board, ensuring its effectiveness and setting its agenda. He facilitates the effective contribution of the Directors and ensures that they receive accurate, timely and clear information and that the Company communicates effectively with shareholders in accordance with the Board's duty to promote the success of the Company.

The Company Secretary is responsible for advising the Board through the Chairman on all governance matters. All of the Directors have access to the advice and services of the Company Secretary. Directors may also take independent professional advice at the Company's expense where necessary in the performance of their duties.

The Company's articles of association and the schedule of matters reserved to the Board for decision provide that the appointment and removal of the Company Secretary is a matter for the full Board.

In addition to the Directorships listed in the individual biographies, all four Directors were also directors of OT1VCT, OT3VCT and OT4VCT, which had been in Members' Voluntary Liquidation following the Merger. These companies were dissolved during the past year.

Richard Roth

Richard Roth (aged 60) is the Chairman of the Company and Chairman of the Audit Committee. He was appointed in July 2015. He is a Chartered Management Accountant. After 14 years at two blue chip companies he joined easyJet, where he was one of the key executives that transformed the business from private company to household name.

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

Richard is a well-informed VCT investor having followed the industry closely since inception and has extensive understanding of the sector having observed good and bad practice for nearly 25 years. He has invested in a number of small (mainly unquoted) companies and has also advised several potential start-up businesses – mainly travel-related.

Richard is a shareholder in Arecor and Scancell. He is also a Director of OT2 Managers Ltd,

This combination of experience, including his previous directorship on another VCT outside the Oxford Technology stable, provides the Company with valuable and detailed knowledge regarding the successful ongoing operation of a VCT.

Alex Starling

Alex Starling (aged 46) is a Director of the Company and was appointed in July 2015. Alex runs his own corporate advisory firm, ACS Technical Limited. He has helped a number of technology companies raise venture capital and, conversely, shareholders realise their investments in such technology companies.

He is a Chartered Engineer and Member of the Institution of Mechanical Engineers, has a PhD in Engineering from Cambridge University and holds the ICAEW Diploma in Corporate Finance. Alex brings current corporate finance & early stage fundraising experience to the Board.

Alex is a shareholder in Scancell and Getmapping. He is also a Director of OT2 Managers Ltd, and portfolio companies STL Management Limited and Getmapping Ltd.

Robin Goodfellow

Robin Goodfellow (aged 76) is a Director of the Company and also a member of the Audit Committee. He was appointed in July 2015. Robin had 30 years of experience in senior Accounting Manager and Internal Audit Manager roles with ExxonMobil International, Esso Europe, Esso Petroleum and Esso Norway. He has particular expertise in advising on and implementing cost effective controls across total company business activities and their accounting systems.

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

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

Robin's combination of experience provides the Company with valuable and detailed knowledge of the VCT industry which contributes to the successful ongoing operation of a VCT. He also undertakes significant research about other companies within similar fields of activity as our investments.

Robin is a shareholder in Arecor and Scancell.

David Livesley

David Livesley (aged 63) is a Director of the Company and was appointed in July 2015. He worked in the life science and pharmaceutical industries before joining Cambridge Consultants Ltd in 1987, where he was involved in product and process development across a range of industrial sectors.

Between 1999 and 2012 he worked for the YFM Group, where he invested VCT money into early stage technology companies. Currently he is an independent Non-Executive director for a number of early stage technology businesses.

David brings a wealth of fund management and venture capital investment experience to the Board, as well as direct experience of VCT fund management. He has been involved with the portfolio for nearly 20 years, and hence has extensive historic knowledge of the Company's investments, which remains highly relevant to the ongoing success of the Company.

Directors' Report

The Directors present their report together with the Financial Statements for the year ended 29 February 2024.

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

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

Principal Activity

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

Review of Business Activities

The Directors are required by section 417 of the Companies Act 2006 to include a Business Review to shareholders. This is set out on page 14 and forms part of the Strategic Report. The purpose of the Business Review is to inform members of the Company and help them assess how the Directors have performed their duty under section 172 of the Companies Act 2006 (duty to promote the success of the Company). The Company's section 172 Statement on page 19, the Chairman's Statement on pages 6 to 13 and the Investment Manager's Review on pages 22 to 32 also form part of the Strategic Report.

Corporate Governance Statement

In January 2024, the Financial Reporting Council (FRC) revised the UK Code, which will include a best practice requirement for the Board to report on the company's risk management and internal control framework, and further emphasises the comply or explain framework. The new 2024 UK Code applies to accounting periods beginning on or after 1 January 2025 (with some provisions being effective a year later). The AIC will in due course update its own Code of Corporate Governance. The Board will review any changes when they become available and will ensure that the Company reports against any new requirements in due time.

In the meantime, the Board has considered the principles and recommendations of the 2019 AIC Code as applied to companies reporting as at 29 February 2024. The Company's Corporate Governance policy is set out on pages 47 to 52.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Code, except as set out below:

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.
- New Directors do not receive a formal induction on joining the Board, though they did receive one tailored to them on an individual basis, when they were first appointed. (There have been no new Directors appointed during the financial year).
- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.
- The Company does not have a Remuneration Committee as these matters are dealt with by the Board.
- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Adviser. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations.

Furthermore, the Board acknowledges that it is not recommended practice that the Chairman of the Company to be chairman of the Audit Committee; however Richard Roth is chairman of the Audit Committee as he has fulfilled this role for all the OT VCTs for a number of years, and the Board consider he remains the best placed to carry on this role.

Directors

The Directors of the Company are required to notify their interests under Disclosure and Transparency Rule 3.1.2R. The membership of the Board and their beneficial interests in the ordinary shares of the company by Share Class at 29 February 2024 are set out below:

Name	OT1	OT2	OT3	OT4	Total shares in the Company	% Total Holding in Company
R Roth	10,000	44,033	38,149	64,310	156,492	0.56
A Starling	12,249	Nil	Nil	Nil	12,249	0.04
R Goodfellow	90,932	14,000	35,000	20,000	159,932	0.57
D Livesley	Nil	Nil	Nil	3,499	3,499	0.01

There have been no subsequent changes in the Directors' interests since 29 February 2024. The Directors' interests at 28 February 2023 were also as above.

No options over the share capital of the Company have been granted to the Directors.

There is no minimum holding requirement that the Directors need to adhere to.

Under the Company's Articles of Association, Directors are required to retire by rotation every third year. However, best practice under the latest corporate governance guidelines is for all directors to stand for election each year and as a result, Richard Roth, Alex Starling, Robin Goodfellow and David Livesley will all be nominated for re-election at the forthcoming AGM. The Board believes that all the non-executive Directors continue to provide a valuable contribution to the Company and remain committed to their roles. The Board recommends that shareholders support the resolutions to re-elect all four Directors at the forthcoming AGM.

The Board is satisfied that, following individual performance appraisals, the Directors who are retiring continue to be effective and demonstrate commitment to their roles and therefore offer themselves for re-election with the support of the Board.

The Board did not identify any conflicts of interest between the Chairman's interest and those of the shareholders, especially with regard to the relationship between the Chairman and the Investment Adviser.

Investment Management Fees

OT2 Managers Ltd, the Company's wholly owned subsidiary, has had an agreement to provide investment management services to the Company since 1 July 2015. An amended agreement came into effect, immediately following the Merger so that it covered all four Share Classes. The fee is 1% of net assets per annum for the OT2, OT3 and OT4 Share Classes and 0.5% of net assets per annum for the OT1 Share Class: these are the same levels that applied prior to the Merger for each pool of assets. OT2 Managers Ltd subcontracts these services to OTM on a pass through basis. Alex Starling and Richard Roth together with Lucius Cary are Directors of OT2 Managers Ltd.

Directors' and Officers' Insurance

As permitted by legislation and the Company's Articles of Association, the Company has taken out insurance cover on behalf of the Directors, indemnifying them against certain liabilities which may be incurred by them in relation to their duties as Directors of the Company.

Ongoing Review

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

Whistleblowing

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

Bribery Act

The Company is committed to carrying out business fairly, honestly and openly and makes certain that the highest standards of professional and ethical conduct are maintained. The Investment Adviser has established policies and procedures to prevent bribery within its organisation and seeks to ensure adequate safeguards are in place at its main third party suppliers. The Company has adopted a zero tolerance approach to bribery and corruption and will not tolerate bribery under any circumstance in any transaction the Company is involved in. The Company has instructed the Investment Adviser to adopt the same approach with investee companies.

Relations with Shareholders

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

Shareholders have the opportunity to meet the Board at an annual meeting. In addition to the formal business of the meeting the Board is available to answer any questions a shareholder may have. Outside of general meetings, the Company engages with shareholders through regulatory news service announcements, interim and annual reports as well as regular correspondence with shareholders and their advisers to address any queries that arise. The Board is also happy to respond to any written queries made by shareholders during the course of the year and can be contacted at the Company's registered office: Magdalen Centre, Oxford Science Park, Oxford OX4 4GA. Alternatively, your question can be emailed to: vcts@oxfordtechnology.com.

Relations with Investment Adviser

The Company's most important business relationship is with the Investment Adviser, OTM. There is regular contact with the Investment Adviser, and the two directors of OTM attend the Company's Board meetings. There is also an annual timetable agreed with the Investment Adviser which is discussed at each Board meeting. The Company and Investment Adviser also work together to maintain efficient operation of the VCT as detailed in the Key Performance Indicators on page 15.

Relations with Portfolio Companies

The Company holds minority investments in all but two of its portfolio companies (it holds a majority stake in Select Technology although voting rights (and various other criteria) have been restricted to below 50% and also holds 49.9% of the shares in DHS) and it has appointed the Investment Adviser to manage the relationships with most of its investees. While the Board has little direct contact with the smaller unquoted investments, the Investment Adviser provides updates on these quarterly, as well as on ad hoc basis when applicable. In addition, Alex Starling sits on the board of STL Management Limited, the Company's largest unquoted investment, as well as the board of Getmapping.

Environmental, Social and Governance ("ESG") Practices

The Board recognises the requirement under section 414c of the Companies Act 2006 to detail information about environmental matters (including the impact of the Company's business on the environment), employee and 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 employees and only four non-executive Directors, the Board considers there is limited scope to develop and implement environmental, social and community policies, but recognises the importance of including consideration for such matters in investment decisions. The Board has taken into account the requirement of section 172(1) of the Companies Act 2006 and the importance of ESG matters when making decisions which could impact shareholders, stakeholders and the wider community.

The Company's section 172(1) statement has been provided in the Strategic Report on page 19, where the Directors consider the information to be of strategic importance to the Company.

The Company seeks to ensure that its business is conducted in a manner that is responsible to the environment. The management and administration of the Company is undertaken by the Investment Adviser who recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any negative environmental impact and which promote environmental sustainability, choosing energy efficient equipment, appliances and light bulbs, reducing printing to a minimum and recycling where possible.

The Investment Adviser recognises that managing investments on behalf of clients involves taking into account a wide set of responsibilities in addition to seeking to maximise financial returns for investors. Industry practice in this area has been evolving rapidly and the Company seeks to be an active participant by working to define and strengthen its principles accordingly. This involves integrating ESG considerations into the Investment Adviser's investment decision-making process as a matter of course. The following is an outline of the kinds of ESG considerations that the Investment Adviser is taking into account as part of its investment process.

Environmental

OTM as part of its commercial due diligence practices and ongoing monitoring, examines potential issues which could arise from supply chains and environmental policy compliance. The Investment Adviser looks for management teams who are aware of the issues and are proactive in responding to them.

Social

OTM seeks to avoid unequivocal social negatives, such as profiting from forced labour within its investment portfolio and to support positive impacts which will more likely find support from customers and see rising demand. OTM does not tolerate modern slavery or human trafficking within its business operations and takes a risk-based approach in respect of its portfolio companies. OTM actively engages with portfolio companies and their boards to discuss material risks, ranging from business and operational risks to environmental and social risks.

Governance

OTM examines and, where appropriate, engages with companies on board membership, remuneration, conflicts of interest such as related party transactions, and business leadership and culture. In addition, the Company, as a matter of course, exercises its voting rights when possible.

Greenhouse Gas ("GHG") Emissions, Streamlined Energy & Carbon Reporting ("SECR") and Task Force on Climate-related Financial Disclosures ("TCFD")

Under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 ('the 2013 Regulations') and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations"), quoted companies of any size are required under Part 15 of the Companies Act 2006 to disclose information relating to their energy use and GHG emissions.

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from its operations, nor does it have direct responsibility for any other emissions producing sources under the 2013 Regulations and the 2018 Regulations. For the same reasons as set out above, the

Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. A low energy user is defined as an organisation that uses 40 MWh or less during the reporting period.

The FCA reporting requirements consistent with TCFD, which commenced on 1 January 2021 do not currently apply to the Company but are kept under review, the Board being mindful of any recommended changes.

Going Concern

The assets of the Company and Group consist mainly of securities as is required by the VCT regulations, three of which are AIM quoted, as well as cash. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group had a cash balance of £139,000 at 29 February 2024, and with the dividends expected from its investments in the next twelve months, there should be enough cash to cover estimated annual running costs for the forthcoming year, assuming that the Group makes no further investments. Were additional cash required, Scancell is reasonably liquid with the sums of cash required for operations of the VCT achievable without moving the market. In future periods, the Directors would expect there to be some liquidity for Arecor as well, although there is currently a very limited market.

For this reason, the Directors have adopted the going concern basis in preparing the Financial Statements.

The Group continues to face material market volatility as a result of the response to macroeconomic pressures and Covid debt servicing and repayment. In addition, the disruption in global supply chains and increased costs from inflationary pressures have been exacerbated by military action in Ukraine and Gaza. Such increased costs of living and the availability (and increased cost) of raw materials may also have an indirect impact on businesses in which the Group has invested in, hindering growth, financing or operations. Similarly, the threat of further inflation may impact on the performance and profitability of our investees. Consequently, any change of governmental, economic, fiscal, monetary or political policy, and in particular any spending cuts or material increases in interest rates could affect, directly or indirectly, the performance of the Group (as a result of the performance of its underlying investments) and hence the value of, and returns from, the Group's shares.

As noted above the wider post pandemic effects of Covid-19 have had an impact on economic conditions globally and may continue to affect the performance of some companies in which the Group has invested.

The Board will keep these risks under regular review but does not consider the current macro-economic pressures to have a material impact on the Group's own ability to continue as a going concern.

Share Capital

The Company has 27,844,888 ordinary shares of 1p each in issue at 29 February 2024 (5,431,655 OT1 shares, 5,331,889 OT2 shares, 6,254,596 OT3 shares and 10,826,748 OT4 shares) (same as at 28 February 2023), with each share having one vote. No shares were allotted during the year (2023: 5,431,655 OT1 shares, 6,254,596 OT3 shares and 10,826,748 OT4 shares).

The Board's authority to allot up to a further 543,165 OT1 shares, 533,188 OT2 shares, 625,459 OT3 shares and 1,082,674 OT4 shares (representing approximately 10% of the ordinary share capital of each share class in issue as at 12 April 2024) without pre-emption rights expires at the forthcoming AGM. As discussed in the Chairman's Statement, whilst the VCT remains in good structural shape, it seems prudent to take some precautionary measures and the Board is proposing a resolution for shareholders to renew the authority for a further period, again based on 10% of the Company's share capital for each Share Class. This will provide additional flexibility, if ever required, to raise money more cheaply and at shorter notice. This would enable the Company to support existing investee companies. At the moment we have no plans to raise additional capital or to conduct a possible placing, but it seems prudent in these uncertain times to have the capability in case the Board wishes to act quickly.

No shares were bought back by the Company during the year. As disclosed on page 95, the Board does have the authority to make market purchases of the Company's own shares. To date, the Company has only bought its shares back once, as part of a tender offer available to all shareholders. OT3VCT and OT4VCT each also bought back shares once, and in each case, the transaction was widely communicated to ensure all shareholders who wished to, could participate. The Board are proposing a resolution at the forthcoming AGM to buy back up to 10% of its own share capital in each share class. The Board have no current plans to use this authority in the course of the next year, but it is good practice for the Company to retain the flexibility to be able to buy back shares, should the Directors think it is in shareholders' best interests.

The share class representing the equity associated with the original pool of assets in the Company before the Merger was renamed as OT2 Shares at the AGM on 19 July 2023, in line with the naming of the other Share Classes.

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 the Company's shares are contained in the Articles of Association of the Company and the Companies Act 2006;

- The Company does not have any employee share scheme;

- There exist no agreements to which the Company is party that may affect its control following a takeover bid; and

- There exist 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.

Substantial Shareholders

At 29 February 2024, the Company had been notified of the following investors whose interest exceeds three percent of the Company's issued share capital: Ms Shivani Palakpari Shree Parikh 8.0% (shares held via Redmayne Nominees Limited and Hargreaves Lansdown Nominees Limited), and State Street Nominees Limited, 5.8% (representing the beneficial interest of Oxfordshire County Council Pension Fund). On 13 March 2024, Ms Parikh notified the Company that she had increased her stake to 9.0%.

Auditors

As set out in the Chairman's Statement, Hazlewoods resigned as the Company's auditor during the year, and Johnsons were appointed by the Board to fill the casual vacancy. Johnsons have audited the financial statements for the year to 29 February 2024, and offer themselves for re-appointment as the independent auditors for the year to 28 February 2025 in accordance with Section 489 of the Companies Act 2006.

On behalf of the Board
Richard Roth - Chairman
15 April 2024

Directors’ Remuneration Report and Policy

Introduction

This report is submitted in accordance with the requirements of s420-422 of the Companies Act 2006, in respect of the year ended 29 February 2024. The Company’s independent auditor, Johnsons is required to give its opinion on certain information included in this report. Their report on these and other matters is set out on pages 54 to 59. This report sets out the Company’s Directors’ Remuneration Policy and the Annual Remuneration Report, which describes how this policy has been applied during the year.

The Directors' Remuneration Policy was last approved by shareholders at the AGM on 25 August 2021 (pre-Merger) on a poll vote where 100% of proxies voted in favour (a total of 1,083,248 votes in favour, none against, none at Chairman’s discretion and no votes withheld, out of a total number possible of 5,331,889). It needs to be put to a shareholder vote every three years, and shareholders will be asked to approve it again at this year’s AGM.

Shareholders also need to approve the Directors' Remuneration Report every year. It was last approved at the AGM on 19 July 2023 (post-Merger) on a unanimous show of hands; 99.8% of proxies had also voted favour (a total of 6,165,513 votes in favour, 14,150 against, no votes at Chairman’s discretion and 15,500 votes withheld, out of a total number possible of 27,844,888). A Resolution to approve the Directors’ Remuneration Report for the year ended 29 February 2024 will be proposed at the AGM on 9 July 2024.

Statement from the Chairman of the Board in relation to Directors’ Remuneration Matters

The Board is mindful of its obligation to set remuneration at levels which will attract and maintain an appropriate calibre of individuals whilst simultaneously protecting the interests of shareholders.

During the year to 29 February 2024, the Board reviewed its existing remuneration levels, having considered the remuneration payable to non-executive directors of comparable VCTs, the demand for non-executive directors within the financial sector and the increasing regulatory requirements with which the sector is required to comply. Whilst a key criteria remains the amount the VCT can afford to pay, the Directors have decided that a fee increase of an average of just under 11% is appropriate for the year to 28 February 2025, to compensate for recent inflation, and the ongoing increase in regulatory workload. The aggregate annual cost of director fees in the year to 28 February 2025 will still be less than they were in the period from 2015-2022 for the 4 heritage VCTs prior to the Merger, there having been a small reduction in 2023 (last year) following the Merger. The previous change in fees related to the introduction of a common board of Directors in 2015. However, the Directors have also agreed to defer the actual payment of this year’s fees until the second half of the year, to assist short term cashflow. The OT2VCT Director Fees remain amongst the lowest of any VCT, particularly given the workload the Directors undertake.

As with any Board comprising solely of non-executive directors, it is unlikely that a Director can fully abstain from any discussion or decision concerning their own fees. Director's remuneration consists of a base fee for all Directors and each Director participated in the process of setting the level of this fee. Additional fees have been set for the role of Chairman of the Company, Chairman of the Audit Committee and Member of the Audit Committee and the individual Director did not participate in setting the additional fee for their own specific roles. The Board considers that this process is consistent with the spirit of the AIC Code on the setting of Directors’ fees.

The Company’s Articles of Association limit the aggregate amount that can be paid to the Directors in fees to £125,000 per annum (in 2024/25, the fees are expected to be £81,000), unless otherwise approved by Ordinary Resolution of the Company.

Details of the voting from the last time each of the Remuneration Report and the Remuneration Policy were approved, are set out in the Introduction above.

The Directors have considered the Revised Shareholder Rights Directive. The Remuneration Report appears on the Company website along with the full annual report and accounts for at least 10 years. Any change in Directors’ pay would be viewed against comparatives and fully documented.

Details of the Directors' remuneration are disclosed below and in Note 4.

Directors' Interests

The Directors' interests, including those of connected persons in the issued share capital of the Company are shown on page 38. There is no minimum holding requirement that the Directors need to adhere to.

Directors' Terms of Appointment

The Board manages the Company and consists entirely of non-executive Directors, who meet formally as a Board at least four times a year and on other occasions as necessary, to deal with important aspects of the Company's affairs. Directors are appointed with the expectation that they will serve for at least three years and are expected to devote the time necessary to perform their duties. All Directors retire at the first general meeting after election and thereafter every third year. In line with best practice as recommended in the 2019 AIC Code, all Directors will offer themselves for re-election this year.

Re-election is recommended by the Board, but is dependent upon shareholder vote. There are no service contracts in place, but Directors have a letter of appointment. Each of the Director's appointments may be terminated by either party by giving not less than six months' notice in writing and in certain other circumstances.

Statement of the Company's policy on Directors' Remuneration

The Board as a whole considers Directors' remuneration and has not appointed a separate committee in this respect. On an annual basis, the Board meets to review Directors' pay to ensure it remains appropriate given the need to attract and retain candidates of sufficient calibre, and ensure they are able to devote the time necessary to lead the Company in achieving its strategy.

Annual Directors' fees are as follows:

	Year to 28 February 2025	Year to 29 February 2024
Director Base Fee	£15,500	£14,000
Chairman's Supplement	£6,000	£5,000
Audit Committee Chairman	£8,500	£8,000
Audit Committee Member	£4,500	£4,000

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

Fees are currently paid annually. The fees are not specifically related to the Directors' performance, either individually or collectively. No expenses are paid to the Directors. There are no share option schemes or pension schemes in place (as below), but Directors are entitled to a share of the carried interest – also as detailed below. The Directors may at their discretion pay additional sums in respect of specific tasks carried out by individual Directors on behalf of the Company. In the year to 28 February 2023, Richard Roth received £27,000 and David Livesley received £3,000 in recognition of the additional work which they undertook in connection with the Merger and the Offer. There were no additional payments made in the year to 29 February 2024.

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

Alex Starling also receives fees from the two portfolio companies where he now sits on the board. He is contractually entitled to remuneration of £9,000 per annum from Getmapping Ltd. He receives no personal remuneration from STL Management Limited but ACS Technical Limited, a company wholly owned and controlled by Alex Starling, provides advisory services and charges Select Technology Limited, the trading subsidiary of STL Management Limited, £15,000 per annum.

The performance fee is detailed in Note 3. Current Directors are entitled to benefit from any payment made, subject to a formula driven by relative lengths of service. The performance fee becomes payable if a certain cash return threshold to shareholders is exceeded – the excess is then subject to a 20% carry that is distributed to Oxford Technology Management, past Directors and current Directors; the remaining 80% is returned to shareholders. At 29 February 2024 no performance fee was due.

Should any performance fee be payable at the end of the year to 28 February 2025 on the OT1 Share Class, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.46% of any amount over the threshold and David Livesley 0.89%. No performance fee will be payable for the year ending 28 February 2025 unless original shareholders have received back at least 259.0p in cash for each 100p (gross) invested.

Should any performance fee be payable at the end of the year to 28 February 2025 on the OT2 Share Class, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.50% of any amount over the threshold and David Livesley 0.95%. No performance fee will be payable for the year ending 28 February 2025 unless original shareholders have received back at least 203.0p in cash for each 100p (gross) invested.

Should any performance fee be payable at the end of the year to 28 February 2025 on the OT3 Share Class, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.41% of any amount over the threshold and David Livesley 0.78%. No performance fee will be payable for the year ending 28 February 2025 unless original shareholders have received back at least 172.1p in cash for each 100p (gross) invested.

Should any performance fee be payable at the end of the year to 28 February 2025 on the OT4 Share Class, Alex Starling, Robin Goodfellow, and Richard Roth would each receive 0.42% of any amount over the threshold and David Livesley 1.18%. No performance fee will be payable for the year ending 28 February 2025 unless original shareholders have received back at least 147.0p in cash for each 100p (gross) invested.

Pensions (Information Subject to Audit)

None of the Directors receives, or is entitled to receive, pension benefits from the Company.

Share options and long-term incentive schemes (Information Subject to Audit)

The Company does not grant any options over the share capital of the Company nor operate long-term incentive schemes.

Relative Spend on Directors' Fees

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

The table below sets out:

a) the remuneration paid to the Directors; and

b) the distributions made to shareholders by way of dividends paid in the financial year ended 29 February 2024 and the preceding financial year.

There were no share buy-backs by OT2VCT in either year. Prior to the Merger, OT4VCT bought back shares for a total cost of £230,700.

	Year ended 29 February 2024	Year ended 28 February 2023 *	Change %
Total Remuneration	73,000	91,500	(20.2%)
Dividends Paid	-	-	n/a

Loss of Office

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

Directors' Emoluments (Information partly Subject to Audit)

The total emoluments in respect of qualifying services of each person who served as a Director during the year are as set out in the table below. All amounts are fixed fees: there are no elements of variable pay.

Directors' Fees	**Year End 28/02/25 (unaudited)**	**Year End 29/02/24 (audited)**	**Year End 28/02/23 (audited) ***
Richard Roth	£30,000	£27,000	£48,500
Alex Starling	£15,500	£14,000	£11,333
Robin Goodfellow	£20,000	£18,000	£16,333
David Livesley	£15,500	£14,000	£14,333
Total	**£81,000**	**£73,000**	**£91,500**

* The figures for the year ended 28 February 2023 include the one off payments referred to on page 44, the fees paid directly by OT2VCT, and the fees that had been paid by OT1VCT, OT3VCT and OT4VCT which covered the 8 month period following the Merger.

Total Shareholder Return Performance Graph

The graphs on page 14 compare the NAV return of the OT2 Share Class from launch in 2000, and for the OT1/OT3/OT4 Share Classes since the take on of the assets by the Company on 30 June 2022, with the total return from the FTSE All-Share Index (which excludes dividends) over the same period. This index is considered to be the most appropriate broad equity market index for comparative purposes. However, the Directors wish to point out that VCTs are not able to make qualifying investments in companies quoted on the Main Market in their observance of VCT rules and are very limited in the types of investment that can be made. All measures are rebased to 100 at the start date of the Share Class.

James Gordon

By Order of the Board
James Gordon - Company Secretary
15 April 2024

Corporate Governance Report

The Board has considered the principles and recommendations of the 2019 AIC Code.

The 2019 AIC Code addresses the Principles and Provisions set out in the UK Code as well as setting out additional Provisions on issues that are of specific relevance to Oxford Technology 2 Venture Capital Trust Plc.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) provides more relevant information to shareholders.

The 2019 AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the 2019 AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Company is committed to maintaining a high standard in corporate governance and has complied with the Principles and Provisions of the 2019 AIC Code, except as set out below. For the reasons set out in the AIC Code and as envisaged in the Code, the Board considers certain provisions as not being relevant to the position of the Company as it is an investment company. The Company has no executive directors or employees. The Company has therefore not reported further in respect of these matters. The Directors strongly believe that achieving the Company's corporate governance objectives contributes to its long-term sustainable success.

Independence of Directors

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

The Board regularly reviews the independence of its members and is satisfied that the Company's Directors are independent in character and judgment and that there are no relationships or circumstances which could affect their objectivity.

The Board has determined a policy of tenure for the Chairman and believe that this – together with the annual re-election of all directors – is an essential ingredient to balancing the requirements of effective business continuity, whilst also providing the opportunity for regular refreshment and increasing diversity of the Board.

In line with best practice recommended in the 2019 AIC Code, all Directors will offer themselves for re-election this year.

It is the Company's policy of tenure to review individual appointments every year, with increased scrutiny after nine years of service to consider whether the Director is still independent and still fulfils the role.

However, in accordance with the principles of the 2019 AIC Code, we do not consider it necessary to mandatorily replace a Director, including the Chairman, after a predetermined period of tenure. A more flexible approach to Chairman tenure will help the Company manage succession planning in the context of the business needs of the Company, whilst at the same time still addressing the need for regular refreshment and diversity. The Company's report on Independence, Gender and Diversity is on page 20.

As set in the Directors' Remuneration Report on page 43, Directors are entitled to a proportion of any performance fee that may become payable. Having regard for the historic nature and circumstances under which the performance incentive fees were agreed, the Board does not believe that the performance incentive fees in any way impact or hinder the Directors' independence or present a conflict of interest which could compromise or override independent judgment of the Directors.

Board Committees

The Board does not have a separate Remuneration Committee, as the Company has no employees or executive directors. Detailed information relating to the remuneration of Directors is given in the Directors' Remuneration Report on page 43.

The Board as a whole considers the selection and appointment of Directors and reviews Directors' remuneration on an annual basis. The Board considers the Company's size to be such that it is unnecessary to form a separate committee for the purposes of nomination. When making an appointment, the Board draws on its members' extensive business experience and range of contacts to identify suitable candidates. To date formal advertisements and external search consultants have not been used. However, the Board would consider their use as and when appropriate.

New Directors are selected as part of a rigorous selection process involving interviews with the existing board, the manager and shareholder representatives. The Board regularly discusses Board composition and succession planning in order to identify and address any issues that may arise. The Board's policy is to promote diversity (including, but not limited to, gender diversity).

The Board has appointed an Audit Committee to make recommendations to the Board in line with its terms of reference. The committee is chaired by Richard Roth and Robin Goodfellow is a fellow member of the Audit Committee. The Audit Committee believes Richard Roth possesses appropriate and relevant financial experience as per the requirements of the 2019 AIC Code. The Board considers that the members of the Audit Committee have collectively the skills and experience required to discharge their duties effectively. Given the size of the Company the Board considers that an Audit Committee of two is sufficient.

Attendance at Board and Committee meetings

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

Director Name	**Board Meetings Attended (6 Held in year)**	**Audit Committee Meetings Attended (3 Held in year)**
Richard Roth	6	3
Robin Goodfellow	6	3
Alex Starling	6	N/A
David Livesley	6	N/A

In addition to formal Board meetings, the Board communicates on a regular basis in carrying out its responsibilities in managing the Company. The Investment Adviser prepares written periodic updates on each investment, and other reports are circulated to all members of the Board in advance of Board meetings. In addition, the Directors are free to seek any further information they consider necessary. All Directors have access to the Company Secretary and independent professionals at the Company's expense. The Code states that the Board should have a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands.

This is achieved by a management agreement between the Company and its Investment Manager which sets out the matters over which the Investment Manager has authority and the limits above which Board approval must be sought. All other matters are reserved for the approval of the Board.

The Audit Committee ensures the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditors to the Company, seeking to balance objectivity and value for money. None of the Directors has a service contract with the Company, but they do have letters of appointment (copies of which may be obtained by shareholders on request).

Conflicts of Interest

The Board has always considered carefully all cases of possible conflicts of interest as and when they arise. For example, historically every time one of the original OT VCTs made an investment in which another OT VCT was an investor, there was a potential conflict of interest. The general policy is that there is complete transparency and all interests in every situation are declared and known to all, so that practical and sensible decisions can be taken. The same principle applies now within OT2VCT, with the separate Share Classes.

Internal Control

The Directors have overall responsibility for keeping under review the effectiveness of the Company's systems of internal controls. The purpose of these controls is to ensure that proper accounting records are maintained, the Company's assets are safeguarded and the financial information used within the business and for publication is accurate and reliable; such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Board continually reviews financial results and investment performance. The Board also monitors and evaluates external service providers and maintains regular discussions with the Investment Adviser about the services provided. The Investment Adviser reviews the service contracts on an annual basis and discusses any recommendations with the Board as relevant.

The Directors confirm that they have established a continuing process throughout the year and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company and have reviewed the effectiveness of the internal control systems. As part of this process an annual review of the internal control systems is carried out in accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

The risk management and internal control systems include the production and review of monthly bank statements and quarterly management accounts. All outflows made from the Company's accounts require the authority of signatories from the Board. The Company is subject to a full annual audit. Further to this, the external audit partner (the Senior Statutory Auditor) has open access to the Directors of the Company.

Audit Committee

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

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

Financial Reporting

The Audit Committee is responsible for reviewing, and agreeing, the half-yearly and annual accounts (including those figures presented within) before they are presented to the Board for final approval. In particular, the Audit Committee reviews, challenges (where appropriate) and agrees the basis for the carrying value of the unquoted investments, as prepared by the Investment Manager, for presentation within the half-yearly interim and full year annual accounts.

The Audit Committee also takes into careful consideration comments on matters regarding valuation, revenue recognition and disclosures arising from the external auditors' report to the Audit Committee as part of the finalisation process for the Annual Accounts. Specifically, the Audit Committee advises the Board on whether the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and whether they provide the necessary information to shareholders to assess performance, business model and strategy.

Audit and Control

The Audit Committee reviews and agrees the audit strategy and plan in advance of the audit, and has assessed the effectiveness of the audit after its conclusion.

During the year, Hazlewoods tendered their resignation as auditors as explained in the Chairman's Statement. Johnsons were appointed by the Board to fill the casual vacancy following a competitive tender process, which took into account relevant experience of the auditor and the fees charged by similar sized audit firms. The Board has been happy with the quality of service provided by Johnsons this year and is happy to recommend them for reappointment at the AGM.

In line with requirements, the Audit Committee have ensured Johnsons do not provide any non-audit services, and hence the Audit Committee does not believe there is any risk that any non -audit services can influence Johnsons' independence or objectivity due to any associated fee.

The Company does not have an independent internal audit function as it is not deemed appropriate given the size of the Company and the nature of the Company's business. However, the Audit Committee considers annually whether there is a need for such a function and if so, would recommend this to the Board. The Audit Committee seeks to satisfy itself that there is a proper system and allocation of responsibilities for the day-to-day monitoring of financial controls by receiving representations and information either upon request or voluntarily from the Investment Adviser.

Significant Risks

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

- Valuation and verification of the investment portfolio: the Auditors give special audit consideration to the valuation of investments and the supporting data provided by the Investment Manager. The impact of this risk could be a large movement in the Company's net asset value. Guidelines, discussions, reviewing and challenging the basis and reasonableness of assumptions made in conjunction with available supporting information goes into the valuation process. The valuations are supported by investee company audited accounts and/or third party evidence where possible. Otherwise, valuations are supported by the share price of the most recent fundraising and/or management information. The holdings are also cross checked to records held at Companies House. These give comfort to the Audit Committee.

- Management override of financial controls: the Auditors specifically review all significant accounting estimates that form part of the Financial Statements and consider any material judgements applied by management during the preparation of the Financial Statements.

- Compliance with HMRC conditions and EU State Aid rules for maintenance of approved VCT status: the Auditors review this as part of their work.

- Recognition of revenue from investments: investment income is the Company's main source of revenue. Revenue is recognised when the Company's right to the return is established in accordance with the Statement of Recommended Practice. The Company has few revenue paying companies and the Audit Committee pays close attention to these.

These issues were discussed between the Investment Manager, Investment Adviser, the Auditors and the Audit Committee at the conclusion of the audit of the Financial Statements.

The Audit Committee is also responsible for considering and reporting on any significant issues that arise in relation to the audit of the Financial Statements.

The Audit Committee can confirm that there were no significant issues to report to shareholders in respect of the audit of the Financial Statements for the year ended 29 February 2024.

The Company is exposed to risks arising from its operational and investment activities. Further details can be found in Note 15 to the Financial Statements (see page 86).

Performance Evaluation

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

The Board considers the size of the Company, the number of independent non-executive Directors on the Board and the robustness of the reviews to be such that an external Board evaluation is unnecessary. Annual evaluations of the Board consider its composition, diversity, succession planning and how effectively members work together to achieve objectives as well as individual contributions. The Chairman provides a summary of the findings to the Board, which are discussed at the next meeting and an action plan agreed.

The Board has not appointed a Senior Independent Director, as it does not believe that such an appointment is necessary when the Board is comprised solely of non-executive Directors. The duties of this role are fulfilled by Robin Goodfellow, the other member of the Audit Committee.

The Board is satisfied with the performance of the Chairman and Directors and recommends their reappointment. The Board is also satisfied with the performance and constitution of the Audit Committee.

The Board sets out the assessment of its members and explains why its members are and continue to be of importance to the long-term sustainable success of the business on pages 34 to 36.

The Board reviews the performance of the Investment Manager and Investment Adviser on an ongoing basis, both formally and outside of Board meetings with regard to its appointment, evaluation, removal and remuneration. The Board considers the Company's size to be such that it would be unnecessarily burdensome to establish a separate management engagement committee to perform this role.

The Board is satisfied that it is in shareholders' best interests that the Investment Manager and Investment Adviser continue to be retained on the current remuneration terms.

International Financial Reporting Standards

The Board has continued to prepare the Financial Statements in accordance with UK Financial Reporting Standards rather than UK adopted IFRS. The Company does not anticipate that it will voluntarily adopt UK adopted IFRS. The Company has adopted Financial Reporting Standard 102 – The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland.

The Board has considered the principles and recommendations of the 2019 AIC Code as applied to companies reporting as at 29 February 2024.

The 2019 AIC Code addresses the Principles and Provisions set out in the UK Code, as well as setting out additional Provisions on issues that are of specific relevance to Oxford Technology 2 Venture Capital Trust Plc.

The Board considers that reporting against the Principles and Provisions of the 2019 AIC Code, which has been endorsed by the Financial Reporting Council (and associated disclosure requirements under paragraph 9.8.6 of the Listing Rules) provides more relevant information to shareholders.

The Company is committed to maintaining high standards in corporate governance and has complied with the Principles and Provisions of the 2019 AIC Code, except as set out below.

The Company strongly believes that achieving our corporate governance objectives contributes to the long-term sustainable success of the Company.

Relations with Shareholders

There was no resolution proposed at the last AGM which received 20% or more of votes cast against it for the purposes of disclosure under Provision 4 of the UK Code.

Compliance Statement

As previously indicated, the Board considers that reporting against the principles and recommendations of the 2019 AIC Code will provide better information to shareholders.

The Company has complied with the recommendations of the 2019 AIC Code and the relevant provisions of the UK Code except as set out below:

- The Company does not have a Chief Executive Officer or a Senior Independent Director. The Board does not consider this necessary as it does not have any executive directors.

- New Directors do not receive a formal induction on joining the Board, though they did receive one tailored to them on an individual basis, when they were first appointed. (There have been no new Directors appointed during the financial year).

- The Company conducts a formal review as to whether there is a need for an internal audit function. However, the Directors do not consider that an internal audit would be an appropriate control for this VCT at this time.

- The Company does not have a Remuneration Committee as these matters are dealt with by the Board.

- The Company does not have a Nomination Committee as these matters are dealt with by the Board.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers the above provisions are not relevant to the position of the Company, being an investment company run by the Board and managed by the Investment Adviser. In particular, all of the Company's day-to-day administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. Furthermore, the Board acknowledges that it is not recommended practice that the Chairman of the Company to be chairman of the Audit Committee; however, for administrative convenience, Richard Roth is chairman of the Audit Committee.

James Gordon

By Order of the Board
James Gordon - Company Secretary
15 April 2024

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

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

On behalf of the Board
Richard Roth
Chairman
15 April 2024

Report of the Independent Auditor

Independent Auditor’s Report to the Members of Oxford Technology 2 Venture Capital Trust Plc

Opinion

We have audited the financial statements of Oxford Technology 2 Venture Capital Trust Plc (the “Company”) and its subsidiary (together referred as the “Group”) for the year ended 29 February 2024 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheet, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation 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 state of the Group and of the Company as at 29 February 2024, and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors’ assessment of the Group and Company ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of management’s rationale for use of going concern basis of accounting through reviewing the going concern assessment, underlying forecasts and assumptions and through enquiries of management and those charged with governance;
- Assessing the appropriateness of the key assumptions made by management in preparing cash flow forecasts for a period of at least twelve months from the date of approving the financial statements. We have assessed the reliability of these forecasts to our expectations based on our understanding of the Company and its business plan; and
- Evaluating the reasonableness of management’s stress testing scenario assumptions;
- Assessing the appropriateness of going concern disclosures by evaluating the consistency with management’s assessment and for compliance with United Kingdom Generally Accepted Accounting Practice in confirming with the requirements of Companies Act 2006.

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 Group and Company’s reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Director’s 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group-wide controls, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement. The Group involves the Company and a subsidiary. The scope of our audit was influenced by the level of Group materiality and component materiality we determined.

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 their activities, the accounting processes and controls, and the industry in which the Group 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.

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 effectiveness of controls and the management of specific risks.

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.

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 due to fraud or error) 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.

Key audit matter description	How the matter was addressed in our audit
Valuation of unquoted investments Investment in unquoted equity shares is £4,053,217 (2023: £3,117,920). Refer to note 1 Principal Accounting policies (page 74) and note 7 Investments (page 81) The Group's investments in unquoted shares are measured at fair value through profit and loss. The fair valuation of these assets involves significant estimates and judgements by management including selection of valuation methodology. The investments held by the Group are most significant to the financial statements and a key driver of performance and hence a key audit matter.	The procedures performed on the investments in unquoted equity investments include: • We have verified the completeness of the investments in unquoted equity shares. • We have verified share certificates confirming the Company's ownership at year-end. • We have assessed the appropriateness of the accounting policies applied by the Company in the context of financial reporting framework. • We have reviewed the source data for inputs used by management in assessing the fair value of these investments. • We challenged the management on the appropriateness of the assumptions as of year-end. • We have assessed the appropriateness of the disclosures in the financial statements. We found that the fair valuation of unquoted equity investments to be consistent with the requirements of FRS 102.

Compliance with VCT rules Compliance with the VCT rules is necessary for the Group to avail associated tax benefits and hence considered a key audit matter.	The procedures performed include: • Reviewed design and implementation of controls around the ongoing internal assessment and monitoring of Group's compliance with VCT rules. • Obtained an understanding of the processes adopted and evidenced the work completed by management on documenting compliance with the key VCT rules and Board of Directors' review of this on a regular basis. • Tested the conditions for maintaining approval as a VCT as set out by HMRC. Each of these conditions were reviewed to assess whether the Group complied as at year-end. We found that the Group to be in compliance with the VCT rules.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality is used in planning the scope of our work, executing that work and evaluation the results.

Overall materiality	£74,720 (2023: £139,000)
Basis for determining overall materiality	We determined materiality based on 1% of the total assets (2023: 1.5% of total assets) of the Group. We have considered the primary users of the financial statements to be shareholders, management and regulators. We considered that total assets is the key benchmark to use in setting overall materiality given the Group's is for capital appreciation (increase in value of investments).
Performance materiality	£37,360 (2023: £104,000) We set the performance materiality based on 50% (2023: 75%) of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining performance materiality, we considered several factors including our understanding of the control environment of the Group.
Error reporting threshold	We agreed with the Board of Directors that we would report to them misstatements identified during our audit above £3,736 (2023: £7,000) and if in our opinion matters that merited reporting on qualitative grounds. We also reported to the Board any disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

The other information comprises the information included the Strategic Report, Governance information and disclosures (including Board of Directors, Directors' Report, Directors' Remuneration Report and Policy, Corporate Governance Report and Statement of Directors' Responsibilities), 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has 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 Group and its environment obtained during the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

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 or our knowledge obtained during the audit:

- the disclosures in the annual report set out on pages 16 to 17 that describe the principal risks and explain how they are being managed or mitigated;
- the Directors' confirmation set out on page 16 in the annual report that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the section in the annual report set out on page 49 that describes the review of the effectiveness of Company's risk management and internal control systems, covering all material controls, including financial, operational and compliance controls;

- the section in the annual report set out on pages 49 to 51 that describes the work of the audit committee, including the significant issues that the audit committee considered relating to the financial statements, if any, and how these issues were addressed;
- the Directors' statement set out on page 41 in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the Directors' identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Directors' statement relating to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially consistent with our knowledge obtained in the audit; or
- the Directors' explanation set out on page 15 in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 53, 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 Group and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Extent to which 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.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from misstatements due to fraud or error. The risk of not detecting irregularities that result from fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent to the procedures undertaken to identify and assess the risk of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector the control environment, business performance including remuneration policies and the Group's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussion with the Directors, we obtained an understanding of the legal and regulatory framework applicable to the Group focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Group.

- We enquired of the Directors and management concerning the Group’s policies and procedures relating to:
    - Identifying, evaluating and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
    - Detecting and responding on the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
    - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur by evaluating management’s incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particular to the valuation of the unquoted investments.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the result of our enquiries through review of the minutes of the Group’s board and inspection of the legal and regulatory correspondence.
- audit procedures performed by the engagement team in connection with the risks identified including:
    - reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
    - testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations.
    - enquiry of management around actual and potential litigation and claims.
    - reviewing accounting estimate for bias including challenging the assumptions and judgments made by management in its significant accounting estimates, in particular those relating to the determination of valuation of unquoted investments;
    - obtaining confirmations from third parties to confirm account balances at year-end and testing supporting documents to confirm existence of investments.
- we communicated relevant laws and regulations and potential fraud risks to all engagement tam members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Other requirements

We were appointed by the Directors on 13 September 2023. Our total uninterrupted period of engagement is one year covering the year ended 29 February 2024.

We did not provide any non-audit services which are prohibited by the FRC’s Ethical Standard to the Company, and we remain independent of the Company in conducting our audit.

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

Use of our report

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

Edmund Cartwright

Edmund Cartwright FCCA FMAAT (Senior Statutory Auditor)
for and on behalf of Johnsons Chartered Accountants, Statutory Auditor
London, United Kingdom
15 April 2024

Consolidated Income Statement

		Consolidated Year to 29 February 2024			Consolidated * Year to 28 February 2023		
	Note Ref	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss on disposal of fixed asset investments		**-**	**(62)**	**(62)**	-	(17)	(17)
Loss on valuation of fixed asset investments		**-**	**(1,515)**	**(1,515)**	-	(1,699)	(1,699)
Investment Income	**2**	**77**	**-**	**77**	85		85
Investment management fee net of cost cap	**3**	**(79)**	**-**	**(79)**	(72)	-	(72)
Other expenses	**4**	**(172)**	**-**	**(172)**	(173)	-	(173)
Return on ordinary activities before tax		**(174)**	**(1, 577)**	**(1,751)**	(160)	(1,716)	(1,876)
Taxation on return on ordinary activities	**5**	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax		**(174)**	**(1,577)**	**(1,751)**	(160)	(1,716)	(1,876)

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures only incorporate data for the 8 month period to 28 February 2023 for the OT1, OT3 and OT4 Share Classes, but the full 12 months' data for the OT2 Share Class

There was no other Comprehensive Income recognised during the period.

The 'Total' column of the Income Statement is the profit and loss account of the Group; the supplementary revenue return and capital return columns have been prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

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

The Group has no recognised gains or losses other than the results for the period as set out above.

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

Income Statement – OT1 Share Class (non-statutory analysis)

	OT1 Share Class Year to 29 February 2024			**OT1 Share Class Eight Months to 28 February 2023**		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	**-**	**-**	**-**	-	21	21
(Loss)/gain on valuation of fixed asset investments	**-**	**(300)**	**(300)**	-	38	38
Investment Income	**49**	**-**	**49**	44	-	44
Investment management fee	**(12)**	**-**	**(12)**	(8)	-	(8)
Other expenses	**(43)**	**-**	**(43)**	(31)	-	(31)
Return on ordinary activities before tax	**(6)**	**(300)**	**(306)**	5	59	64
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax	**(6)**	**(300)**	**(306)**	5	59	64
Earnings per share – basic and diluted	**(0.1)p**	**(5.5)p**	**(5.6)p**	0.1p	1.0p	1.1p

Income Statement – OT2 Share Class (non-statutory analysis)

	OT2 Share Class Year to 29 February 2024			**OT2 Share Class Year to 28 February 2023**		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain on disposal of fixed asset investments	**-**	**-**	**-**	-	-	-
Loss on valuation of fixed asset investments	**-**	**(203)**	**(203)**	-	(276)	(276)
Investment Income	**7**	**-**	**7**	10	-	10
Investment management fee	**(13)**	**-**	**(13)**	(17)	-	(17)
Other expenses	**(43)**	**-**	**(43)**	(82)	-	(82)
Return on ordinary activities before tax	**(49)**	**(203)**	**(252)**	(89)	(276)	(365)
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax	**(49)**	**(203)**	**(252)**	**(89)**	**(276)**	**(365)**
Earnings per share – basic and diluted	**(0.9)p**	**(3.8)p**	**(4.7)p**	**(1.7)p**	**(5.2)p**	**(6.9)p**

Income Statement – OT3 Share Class (non-statutory analysis)

	OT3 Share Class Year to 29 February 2024			OT3 Share Class Eight months to 28 February 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss on disposal of fixed asset investments	**-**	**-**	**-**	-	(38)	(38)
Loss on valuation of fixed asset investments	**-**	**(649)**	**(649)**	-	(413)	(413)
Investment Income	**3**	**-**	**3**	4	-	4
Investment management fee	**(21)**	**-**	**(21)**	(17)	-	(17)
Other expenses	**(43)**	**-**	**(43)**	(30)	-	(30)
Return on ordinary activities before tax	**(61)**	**(649)**	**(710)**	(43)	(451)	(494)
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax	**(61)**	**(649)**	**(710)**	(43)	(451)	(494)
Earnings per share – basic and diluted	**(1.0)p**	**(10.3)p**	**(11.3)p**	(0.7)p	(7.3)p	(8.0)p

Income Statement – OT4 Share Class (non-statutory analysis)

	OT4 Share Class Year to 29 February 2024			OT4 Share Class Eight Months to 28 February 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loss on disposal of fixed asset investments	**-**	**(62)**	**(62)**	-	-	-
Loss on valuation of fixed asset investments	**-**	**(364)**	**(364)**	-	(1,047)	(1,047)
Investment Income	**18**	**-**	**18**	26	-	26
Investment management fee	**(33)**	**-**	**(33)**	(30)	-	(30)
Other expenses	**(43)**	**-**	**(43)**	(30)	-	(30)
Return on ordinary activities before tax	**(58)**	**(425)**	**(483)**	(34)	(1,047)	(1,081)
Taxation on return on ordinary activities	**-**	**-**	**-**	-	-	-
Return on ordinary activities after tax	**(58)**	**(425)**	**(483)**	(34)	(1,047)	(1,081)
Earnings per share – basic and diluted	**(0.5)p**	**(3.9)p**	**(4.4)p**	(0.3)p	(9.7)p	(10.0)p

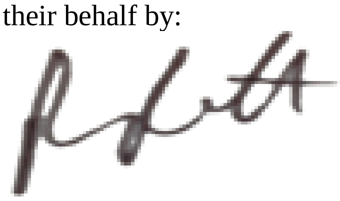
Consolidated and Company Balance Sheet

	Note reference	Combined As at 29 February 2024		Combined As at 28 February 2023	
		£’000	**£’000**	**£'000**	**£'000**
Fixed asset investments*	**7**		**7,327**		**8,907**
Current assets:					
Cash at bank and cash equivalents		**139**		**292**	
Debtors	**8**	**6**		**14**	
Creditors:					
Amounts falling due within one year	**9**	**(93)**		**(83)**	
Net current assets			**52**		**223**
Net assets			**7,379**		**9,130**
Called up share capital	**10**		**278**		**278**
Special distributable reserve			**10,078**		**10,078**
Unrealised Capital reserve	**11**		**(2,510)**		**(1,383)**
Profit and Loss Account	**11**		**(467)**		**156**
Total equity shareholders' funds	**11**		**7,379**		**9,130**

*At fair value through profit and loss

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

The statements were approved by the Directors and authorised for issue on 15 April 2024 and are signed on their behalf by:



Richard Roth
Chairman

Balance Sheet – OT1 Share Class (non-statutory analysis)

	OT1 Share Class As at 29 February 2024		OT1 Share Class As at 28 February 2023	
	£'000	**£'000**	**£'000**	**£'000**
Fixed asset investments*		**2,150**		2,450
Current assets:				
Cash at bank and cash equivalents	**12**		18	
Debtors	**-**		-	
Creditors:				
Amounts falling due within one year	**(7)**		(7)	
Net current assets/(liabilities)		**5**		11
Net assets		**2,155**		2,461
Called up share capital		**54**		54
Special distributable reserve		**2,343**		2,343
Unrealised Capital reserve		**(262)**		38
Profit and Loss Account		**20**		26
Total equity shareholders' funds		**2,155**		2,461
Net asset value per share		**39.7p**		45.3p

*At fair value through profit and loss

Balance Sheet – OT2 Share Class (non-statutory analysis)

	OT2 Share Class As at 29 February 2024		OT2 Share Class As at 28 February 2023	
	£'000	**£'000**	**£'000**	**£'000**
Fixed asset investments*		**1,009**		1,212
Current assets:				
Cash at bank and cash equivalents	**133**		164	
Debtors	**6**		13	
Creditors:				
Amounts falling due within one year	**(61)**		(50)	
Net current assets		**78**		127
Net assets		**1,087**		1,339
Called up share capital		**53**		53
Special distributable reserve		**1,001**		1,001
Unrealised Capital reserve		**41**		40
Profit and Loss Account		**(8)**		245
Total equity shareholders' funds		**1,087**		1,339
Net asset value per share		**20.4p**		25.1p

*At fair value through profit and loss

Balance Sheet – OT3 Share Class (non-statutory analysis)

	OT3 Share Class As at 29 February 2024		OT3 Share Class As at 28 February 2023	
	£’000	**£’000**	**£’000**	**£’000**
Fixed asset investments*		**1,438**		2,086
Current assets:				
Cash at bank and cash equivalents **	-		39	
Debtors	-		-	
Creditors:				
Amounts falling due within one year **	**(37)**		(14)	
Net current (liabilities)/assets		**(37)**		25
Net assets		**1,401**		2,111
Called up share capital		**63**		63
Special distributable reserve		**2,542**		2,542
Unrealised Capital reserve		**(1,002)**		(413)
Profit and Loss Account		**(202)**		(81)
Total equity shareholders’ funds		**1,401**		2,111
Net asset value per share		**22.4p**		33.7p

*At fair value through profit and loss
** OT3 Share Class has a negative cash balance of £23k, so this is included in creditors

Balance Sheet – OT4 Share Class (non-statutory analysis)

	OT4 Share Class As at 29 February 2024		OT4 Share Class As at 28 February 2023	
	£’000	**£’000**	**£’000**	**£’000**
Fixed asset investments*		**2,730**		3,159
Current assets:				
Cash at bank and cash equivalents	**17**		71	
Debtors	-		-	
Creditors:				
Amounts falling due within one year	**(11)**		(11)	
Net current assets		**5**		60
Net assets		**2,735**		3,219
Called up share capital		**108**		108
Special distributable reserve		**4,192**		4,192
Unrealised Capital reserve		**(1,288)**		(1,047)
Profit and Loss Account		**(277)**		(34)
Total equity shareholders’ funds		**2,735**		3,219
Net asset value per share		**25.3p**		29.7p

*At fair value through profit and loss

Consolidated and Company Statement of Changes in Equity*

	Called up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
As at 1 March 2022	**53**	**626**	**376**	**-**	**316**	**333**	**1,704**
Issue of Consideration Shares	225	-	9,077	-	-	-	9,302
Capital Reduction	-	(626)	(9,453)	10,078	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	-	(160)	(160)
Current period losses on disposal	-	-	-	-	-	(17)	(17)
Current period losses on fair value of investments	-	-	-	-	(1,699)	-	(1,699)
Balance as at 28 February 2023	**278**	**-**	**-**	**10,078**	**(1,383)**	**156**	**9,130**
As at 1 March 2023	**278**	**-**	**-**	**10,078**	**(1,383)**	**156**	**9,130**
Revenue return on ordinary activities after tax	-	-	-	-	-	(174)	(174)
Current period losses on disposal	-	-	-	-	--	(62)	(62)
Current period losses on fair value of investments	-	-	-	-	(1,515)	-	(1,515)
Prior years unrealised losses now realised	-	-	-	-	388	(388)	-
Balance as at 29 February 2024	**278**	**-**	**-**	**10,078**	**(2,510)**	**(467)**	**7,379**

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, all these figures prior to this date are for the OT2 Share Class only. For the final 8 month period to 28 February 2023, the numbers include data on all 4 Share Classes.

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

Statement of Changes in Equity – OT1 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	**-**	**-**	**-**	**-**	**-**
Issue of Consideration Shares	54	2,343	-	-	-	2,397
Capital Reduction	-	(2,343)	2,343	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	5	5
Current period gains on disposal	-	-	-	-	21	21
Current period gains on fair value of investments	-	-	-	38	-	38
Balance as at 28 February 2023	**54**	**-**	**2,343**	**38**	**26**	**2,461**
As at 1 March 2023	**54**	**-**	**2,343**	**38**	**26**	**2,461**
Revenue return on ordinary activities after tax	-	-	-	-	(6)	(6)
Current period losses on fair value of investments	-	-	-	(300)	-	(300)
Balance as at 29 February 2024	**54**	**-**	**2,343**	**(262)**	**20**	**2,155**

Statement of Changes in Equity – OT2 Share Class (non-statutory analysis)

	Called up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit & Loss Account £'000	Total £'000
As at 1 March 2022	**53**	**626**	**376**	**-**	**316**	**333**	**1,704**
Capital reduction	-	(626)	(376)	1,001	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	-	(89)	(89)
Current period losses on fair value of investments	-	-	-	-	(276)	-	(276)
Balance as at 28 February 2023	**53**	**-**	**-**	**1,001**	**40**	**245**	**1,339**
As at 1 March 2023	**53**	**-**	**-**	**1,001**	**40**	**245**	**1,339**
Revenue return on ordinary activities after tax	-	-	-	-	-	(49)	(49)
Current period losses on fair value of investments	-	-	-	-	(203)	-	(203)
Prior years unrealised losses now realised	-	-	-	-	204	(204)	-
Balance as at 29 February 2024	**53**	**-**	**-**	**1,001**	**41**	**(8)**	**1,087**

Statement of Changes in Equity – OT3 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	-	**-**	-	**-**	-
Issue of Consideration Shares	63	2,542	-	-	-	2,605
Capital Reduction	-	(2,542)	2,542	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	(43)	(43)
Current period losses on disposal	-	-	-	-	(38)	(38)
Current period losses on fair value of investments	-	-	-	(413)	-	(413)
Balance as at 28 February 2023	**63**	**-**	**2,542**	**(413)**	**(81)**	**2,111**
As at 1 March 2023	**63**	**-**	**2,542**	**(413)**	**(81)**	**2,111**
Revenue return on ordinary activities after tax	-	-	-	-	(61)	(61)
Current period losses on fair value of investments	-	-	-	(649)	-	(649)
Prior years unrealised losses now realised	-	-	-	60	(60)	-
Balance as at 29 February 2024	**63**	**-**	**2,542**	**(1,002)**	**(202)**	**1,401**

Statement of Changes in Equity – OT4 Share Class (non-statutory analysis)

	Share Capital £'000	Share Premium Reserve £'000	Special Distributable Reserve £'000	Unrealised Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
As at 1 March 2022	**-**	-	**-**	-	**-**	-
Issue of Consideration Shares	108	4,192	-	-	-	4,300
Capital Reduction	-	(4,192)	4,192	-	-	-
Revenue return on ordinary activities after tax	-	-	-	-	(34)	(34)
Current period losses on fair value of investments	-	-	-	(1,047)	-	(1,047)
Balance as at 28 February 2023	**108**	**-**	**4,192**	**(1,047)**	**(34)**	**3,219**
As at 1 March 2023	**108**	**-**	**4,192**	**(1,047)**	**(34)**	**3,219**
Revenue return on ordinary activities after tax	**-**	**-**	**-**	**-**	**(58)**	**(58)**
Current period losses on disposal	**-**	**-**	**-**	**-**	**(62)**	**(62)**
Current period losses on fair value of investments	**-**	**-**	**-**	**(364)**	**-**	**(364)**
Prior years unrealised losses now realised	**-**	**-**	**-**	**123**	**(123)**	**-**
Balance as at 29 February 2024	**108**	**-**	**4,192**	**(1,288)**	**(277)**	**2,735**

Consolidated and Company Statement of Cash Flows

	Combined Year to 29 February 2024 £'000	Combined * Year to 28 February 2023 £'000
Cash flows from operating activities		
Return on ordinary activities before tax	**(1,751)**	(1,876)
Adjustments for:		
Decrease in debtors **	**7**	191
Increase/(decrease) in creditors **	**10**	(203)
Loss on disposal of fixed asset investments	**62**	17
Loss on valuation of fixed asset investments	**1,515**	1,699
Movement in investment debtors	**-**	(38)
Outflow from operating activities	**(157)**	(210)
Cash flows from investing activities		
Purchase of investments	**-**	-
Disposal of investments	**4**	52
Total cash outflow from investing activities	**4**	52
Cash flows from financing activities		
Cash brought in from Merger	**-**	266
Short term interest free loan ***	**-**	-
Dividends paid	**-**	-
Total cash inflow from financing activities	**-**	266
(Decrease)/increase in cash and cash equivalents	**(153)**	108
Opening cash and cash equivalents	**292**	184
Closing cash and cash equivalents	**139**	292

* As the OT1, OT3 and OT4 Share Classes of OT2 VCT did not exist prior to 30 June 2022, these figures only incorporate data for the 8 month period to 28 February 2023 for the for the OT1, OT3 and OT4 Share Classes, but the full 12 months' data for the OT2 Share Class

** The individual share classes at the time of the Merger included balances between each other for operational reasons; the combined cash flow removes these on consolidation; similarly, the OT3 Share Class was "overdrawn" at 29 February 2024 (by £23k), with its "cash" balance included in creditors. Again the combined cash flow removes this on consolidation.

*** Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology VCT Plc for operational reasons. This was repaid following the Merger. The combined cash flow removes this on consolidation post Merger.

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

Statement of Cash Flows – OT1 Share Class (non-statutory analysis)

	OT1 Share Class Year to 29 February 2024 £'000	**OT1 Share Class Eight months to 28 February 2023 £'000**
Cash flows from operating activities		
Return on ordinary activities before tax	**(306)**	64
Adjustments for:		
Decrease in debtors *	**-**	14
Decrease in creditors *	**-**	(66)
Gain on disposal of fixed asset investments	**-**	(21)
Loss/(gain) on valuation of fixed asset investments	**300**	(38)
Outflow from operating activities	**(6)**	(47)
Cash flows from investing activities		
Purchase of investments	**-**	-
Disposal of investments	**-**	52
Total cash inflow from investing activities	**-**	52
Cash flows from financing activities		
Cash brought in from merger	**-**	38
Short term interest free loan **	**-**	(25)
Dividends paid	**-**	-
Total cash outflow from financing activities	**-**	13
(Decrease)/increase in cash and cash equivalents	**(6)**	18
Opening cash and cash equivalents	**18**	-
Closing cash and cash equivalents	**12**	18

* The individual share classes at the time of the Merger included balances between each other for operational reasons; the combined cash flow removes these on consolidation

* * Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology VCT Plc for operational reasons. This was repaid following the Merger. The combined cash flow removes these on consolidation

Statement of Cash Flows – OT2 Share Class (non-statutory analysis)

	OT2 Share Class Year to 29 February 2024 £'000	OT2 Share Class Year to 28 February 2023 £'000
Cash flows from operating activities		
Return on ordinary activities before tax	**(252)**	(365)
Adjustments for:		
Decrease in debtors *	**7**	18
Increase in creditors *	**11**	26
Gain on disposal of fixed asset investments	**-**	-
Loss on valuation of fixed asset investments	**203**	276
Outflow from operating activities	**(31)**	(45)
Cash flows from investing activities		
Purchase of investments	**-**	-
Disposal of investments	**-**	-
Total cash inflow from investing activities	**-**	-
Cash flows from financing activities		
Short term interest free loan **	**-**	25
Dividends paid	**-**	-
Total cash outflow from financing activities	**-**	25
Decrease in cash and cash equivalents	**(31)**	(20)
Opening cash and cash equivalents	**164**	184
Closing cash and cash equivalents	**133**	164

* The individual share classes at the time of the Merger included balances between each other for operational reasons; the combined cash flow removes these on consolidation

* * Pre merger, there was a loan between Oxford Technology 2 VCT Plc and Oxford Technology VCT Plc for operational reasons. This was repaid following the Merger. The combined cash flow removes these on consolidation

Statement of Cash Flows – OT3 Share Class (non-statutory analysis)

	OT3 Share Class Year to 29 February 2024 £'000	**OT3 Share Class Eight months to 28 February 2023 £'000**
Cash flows from operating activities		
Return on ordinary activities before tax	**(710)**	(494)
Adjustments for:		
Decrease in debtors *	**-**	121
Decrease in creditors *	**(1)**	(69)
Loss on disposal of fixed asset investments	**-**	38
Loss on valuation of fixed asset investments	**649**	413
Movement in investment debtors	**-**	(38)
Outflow from operating activities	**(62)**	(29)
Cash flows from investing activities		
Purchase of investments	**-**	-
Disposal of investments	**-**	-
Total cash inflow from investing activities	**-**	-
Cash flows from financing activities		
Cash brought in from merger	**-**	68
Dividends paid	**-**	-
Total cash outflow from financing activities	**-**	68
Decrease in cash and cash equivalents	**(62)**	39
Opening cash and cash equivalents	**39**	-
Closing cash and cash equivalents **	**(23)**	39

* The individual share classes at the time of the Merger included balances between each other for operational reasons; the combined cash flow removes these on consolidation
** This balance is included in creditors on the OT3 Share Class Balance Sheet

Statement of Cash Flows – OT4 Share Class (non-statutory analysis)

	OT4 Share Class Year to 29 February 2024 £'000	**OT4 Share Class Eight months to 28 February 2023 £'000**
Cash flows from operating activities		
Return on ordinary activities before tax	**(483)**	(1,081)
Adjustments for:		
Decrease in debtors *	**-**	14
Decrease in creditors *	**-**	(69)
Loss on disposal of fixed asset investments	**62**	-
Loss on valuation of fixed asset investments	**364**	1,047
Outflow from operating activities	**(57)**	(89)
Cash flows from investing activities		
Purchase of investments	**-**	-
Disposal of investments	**4**	-
Total cash inflow from investing activities	**4**	-
Cash flows from financing activities		
Cash brought in from merger	**-**	160
Dividends paid	**-**	-
Total cash outflow from financing activities	**-**	160
Decrease in cash and cash equivalents	**(54)**	71
Opening cash and cash equivalents	**71**	-
Closing cash and cash equivalents	**17**	71

* The individual share classes at the time of the Merger included balances between each other for operational reasons; the combined cash flow removes these on consolidation

Notes to the Consolidated Financial Statements

Oxford Technology 2 Venture Capital Trust Plc is a public company and is limited by shares.

1. Principal Accounting Policies

Basis of Preparation
The Financial Statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments, and in accordance with UK Generally Accepted Accounting Practice ("GAAP"), including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('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)' issued by the AIC.

The principal accounting policies have remained materially unchanged from those set out in the Company's 2023 Annual Report and Financial Statements. A summary of the principal accounting policies follows.

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

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

During the prior year, the assets and liabilities of each Target VCT were transferred to the Company in return for the issue of shares to the Target VCT Shareholders corresponding to the class of Target VCT Share they held in the Target VCT, pursuant to a scheme of reconstruction under section 110 of IA 1986. The combination has been accounted for using the purchase method. The consideration for each acquisition was measured at the aggregate of the fair values at acquisition date of the assets given and liabilities assumed.

As a result of the Merger, the Company's interest in Select Technology exceeded 50% (even though certain economic benefits have been restricted to below 50%). Per the SORP "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the AIC in April 2021 ("AIC SORP"), subsidiary undertakings are excluded from consolidation by virtue of the requirements of the Companies Act 2006 or FRS 102 where investments are held as part of an investment portfolio. Under FRS 102, a subsidiary shall be excluded from consolidation where it is held as part of an investment portfolio. Where presentational guidance set out in the AIC SORP is consistent with the requirements of FRS 102, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of that SORP.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the Company and its subsidiary drawn up to 29 February 2024. This is the first time the Group has produced consolidated financial statements - the figures for the Group and Company are the same.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of the subsidiaries acquired or disposed of during the year are included in the Consolidated Income Statement from the effective date of acquisition to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus the costs directly attributable to the business combination. Identifiable assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions and balances between the Company and its subsidiary, which are related parties, are eliminated in full.

Accounting policies of the subsidiary are consistent with the policies adopted by the Group.

Going Concern
The assets of the Company consist mainly of securities, three of which are AIM quoted: Scancell and Mirriad are relatively liquid and readily accessible: shares in Arecor can be traded, but the market is not overly liquid. As at 29 February 2024, 1.9% of net assets were cash. After reviewing the Company's forecasts and expectations, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

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

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

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

The material factors affecting the returns and net assets attributable to shareholders are the valuations of the investments and ongoing general expenses.

Functional and Presentational Currency
The Financial Statements are presented in Sterling (£). The functional currency is also Sterling (£).

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

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

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

These investments will be managed and their performance evaluated on a fair value basis and information about them is provided internally on that basis to the Board. Accordingly, as permitted by FRS 102, the investments are measured as being fair value through profit and 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 reporting 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 IPEVC Valuation Guidelines.

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

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

A key judgement made in applying the above accounting policy relates to investments that are permanently impaired. Where the value of an investment has fallen permanently, the loss is treated as a permanent impairment and as a realised loss, even though the investment is still held. The Board assesses the portfolio for such investments and, after agreement with the Investment Adviser, will agree the values that represent the extent to which an investment loss has become realised. This is based upon an assessment of objective evidence of that investment's future prospects, to determine whether there is potential for the investment to recover in value.

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.

For investments not quoted in an active market:

Level 3: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques.

These valuation techniques maximise the use of observable data (e.g. the price of recent transactions, earnings/revenue multiple, discounted cash flows and/or net assets) where it is available and rely as little as possible on entity specific estimates.

There were no transfers between these classifications in the year (2023: nil). The change in fair value for the current and previous year is recognised in the Income Statement.

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

Expenses
All expenses, including investment management fees, are accounted for on an accruals basis and are charged wholly to revenue. Some years ago, investment management fees were charged 75% to capital and 25% to revenue. However, the Directors have determined that a more appropriate current split was to charge these fees 100% to revenue since the company is a small late life VCT not currently raising new capital. Any applicable performance fee will continue to be charged 100% to capital.

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

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

Deferred tax is recognised on an undiscounted basis in respect of all timing differences that have originated, but not reversed, at the balance sheet date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

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

The Company does not have any externally imposed capital requirements.

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

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

Capital Redemption Reserve accounts for amounts by which the issued share capital is diminished through the repurchase and cancellation of the Company's own shares.

Special Distributable Reserve includes cancelled share premium and capital redemption reserves available for distribution and may be used amongst other things to cover dividend payments and share buy backs.

Unrealised Capital Reserve arises when the Company revalues the investments still held during the period and any gains or losses arising are credited/charged to the Unrealised Capital Reserve. It should be noted that where investments were taken on as part of the Merger, it was their value at that time that became the take on cost to the Company, and hence all gains and losses (whether realised or unrealised) are now assessed against these values.

When an investment is sold, any balance held on the Unrealised Capital Reserve in relation to that particular investment is transferred to the Profit and Loss Account as a movement in reserves. Similarly, where there is considered to be a permanent reduction in value due to a permanent diminution in value, any such impaired balance is also transferred to the Profit and Loss Account as a movement in reserves.

The Profit and Loss Account represents the aggregate of accumulated realised profits, less losses, permanent diminutions in value, and dividends and buy backs.

Dividends Payable

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

2. Investment Income

	Year Ended 29 February 2024 £'000	**Year Ended 28 February 2023 £'000**
Dividends received	77	85
Total	**77**	**85**

All of the Company's income has been generated in the United Kingdom from its investment portfolio. Dividends on the OT1, OT3 and OT4 Share Classes are included from 1 July 2022. In the year to 29 February 2024, dividends were received from BioCote (£19,800) and Select Technology (£57,400). The 2023 figures are not directly comparable, so the details are not shown here.

3. Investment Management Fees

All expenses are accounted for on an accruals basis and are charged wholly to revenue.

	Year Ended 29 February 2024 £'000	**Year Ended 28 February 2023 £'000**
Investment management fee	79	72
Total	**79**	**72**

In the year to 29 February 2024, the manager received a fee of 0.5% of the net asset value of the OT1 Share Class as at the previous year end, and 1% of the net asset value of the OT2, OT3 and OT4 Share Classes, also as at the previous year end. In the year to 28 February 2023, the manager received a fee of 1% of the net asset value of the OT2 Share Class as at the previous year end. With effect from 1 July 2022, the manager also received a fee of 1% of the net asset value of the OT3 and OT4 Share Classes as at their respective previous year ends, and 0.5% of the net asset value of the OT1 Share Class. OTM is also entitled to certain monitoring fees from investee companies and the Board reviews the amounts.

Expenses are capped at 3%, including the management fee, but excluding Directors' fees and any performance fee. As set out on page 15, the relevant expense ratio is 2.0% (the 2023 figure of 1.2% is not directly comparable) and so there was no cost recovery due from Oxford Technology Management.

A performance fee is payable to the Investment Manager once original shareholders have received a specified threshold in cash for each 100p (gross) invested, and is different by share class:

<u>OT1 Share Class</u>
The original threshold of 125p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2008, resulting in the remaining required threshold rising to 192.5p at 29 February 2024, corresponding to a total shareholder return of 247.5p after taking into account the 55p already paid out (55p + 192.5p = 247.5p).

After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 14p.

<u>OT2 Share Class</u>
The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold rising to 163.9p at 29 February 2024, corresponding to a total shareholder return of 193.2p after taking into account the 29.3p already paid out (29.3p + 163.9p = 193.2p). The 29.3p already paid out includes an effective 6.8p (per original OT2 share) that was returned to shareholders as part of the tender offer in 2017.

After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 14p.

<u>OT3 Share Class</u>
The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2010, resulting in the remaining required threshold rising to 119.5p at 29 February 2024, corresponding to a total shareholder return of 165.0p after taking into account the 45.5p already paid out (45.5p + 119.5p = 165.0p). The 45.5p already paid out includes an effective 3.5p (per original OT3 share) that was returned to shareholders of OT3VCT as part of a share buyback undertaken by OT3VCT in 2021.

After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 15p.

<u>OT4 Share Class</u>
The original threshold of 100p has been increased by compounding that portion that remains to be paid to shareholders by 6% per annum with effect from 1 March 2015, resulting in the remaining required threshold rising to 91.5p at 29 February 2024, corresponding to a total shareholder return of 141.5p after taking into account the 50.0p already paid out (50.0p + 91.5p = 141.5p). The 50.0p already paid out includes an effective 2.0p (per original OT4 share) that was returned to shareholders of OT4VCT as part of a share buyback undertaken by OT4VCT in 2022.

After this amount has been distributed to shareholders, each extra 100p distributed goes 80p to the shareholders and 20p to the beneficiaries of the performance incentive fee, of which Oxford Technology Management receives 15p.

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

4. Other Expenses
All expenses are accounted for on an accruals basis. All expenses are charged through the income statement

except as follows:

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

	Year Ended 29 February 2024 £'000	**Year Ended 28 February 2023 £'000**
Directors' remuneration	73	92
Auditors' remuneration	40	18
London Stock Exchange Fees	12	11
FCA Fees	7	7
Other expenses	40	45
Total	**172**	**173**

Details of directors' remuneration (excluding employer's NIC) are given in the audited part of the Directors' Remuneration Report (see pages 43 to 46).

The figures for the year ended 28 February 2023 included £44,867 of a variety of cost elements related to the Merger that were chargeable to the OT2 Share Class. The balance of the Merger costs relating to OT1VCT, OT3VCT and OT4VCT were charged to those entities before the Merger took place.

Irrecoverable VAT included in these expenses is £16,519 (2023: £13,500).

5. Tax on Ordinary Activities

Corporation tax payable at 19.0% (2023: 19.0%) is applied to profits chargeable to corporation tax, if any. The corporation tax charge for the period was £ nil (2023: £ nil).

	Year Ended 29 February 2024 £'000	**Year Ended 28 February 2023 £'000**
Return on ordinary activities before tax	(1,751)	(1,876)
Current tax at standard rate of taxation	(333)	(356)
UK dividends not taxable	(15)	(16)
Merger costs not allowable	-	9
Unrealised losses/(gains) not taxable	288	323
Realised losses/(gains) not taxable	12	3
Excess management expenses carried forward	48	37
Total current tax charge	**-**	**-**

The Company has excess management expenses of £2,267,026 (2023: £2,015,554) to carry forward to offset against future taxable profits.

Approved VCTs are exempt from tax on capital gains within the company. Since the Directors intend that the Company will continue to conduct its affairs so as to maintain its approval as a VCT, no current deferred tax has been provided in respect of any capital gains or losses arising on the revaluation or disposal of investments.

6. Earnings per Share

The calculation of earnings per share (basic and diluted) for the period is based on the net profit/loss of each Share Class attributable to those shareholders divided by the weighted average number of shares in issue during the period.

OT1 Share Class: loss of £306,000, (2023: profit of £64,000) divided by 5,431,655 shares (2023: 5,431,655)

OT2 Share Class: loss of £252,000, (2023: loss of £365,000) divided by 5,331,889 shares (2023: 5,331,889)

OT3 Share Class: loss of £710,000, (2023: loss of £494,000) divided by 6,254,596 shares (2023: 6,254,596)

OT4 Share Class: loss of £483,000, (2023: loss of £1,081,000) divided by 10,826,748 shares (2023: 10,826,748).

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

7. Investments

	AIM quoted investments Level 1 £’000	**Unquoted investments Level 3 £’000**	**Total investments £’000**
Valuation and net book amount:			
Book cost as at 28 February 2023	6,459	4,371	10,830
Cumulative revaluation to 28 February 2023	(670)	(1,253)	(1,923)
Valuation at 28 February 2023	**5,789**	**3,118**	**8,907**
Movements in the year:			
Disposals at cost	-	(453)	(453)
Disposals revaluation	-	388	388
Revaluation in year	(2,516)	1,001	(1,515)
Valuation at 29 February 2024	**3,273**	**4,054**	**7,327**
Book cost at 29 February 2024	6,459	3,918	10,377
Cumulative revaluation to 29 February 2024	(3,186)	136	(3,050)
Valuation at 29 February 2024	**3,273**	**4,054**	**7,327**

All investments are initially measured at their transaction price (in the case of the investments taken on as part of the Merger, their value at that time). Subsequently, at each reporting date, the investments are valued at fair value through profit and loss, and all capital gains or losses on investments are so measured. Unquoted fixed asset investments are valued at fair value in accordance with the IPEV guidelines.

The changes in fair value of such investments recognised in these Financial Statements are treated as unrealised holding gains or losses; any permanent diminution in value is treated as a realised loss.

The methods of fair value measurement are classified into hierarchy based on the reliability of the information used to determine the valuation.

- Level 1 – Fair value is measured based on quoted prices in an active market.
- Level 2 – Fair value is measured based on directly observable current market prices or indirectly being derived from market prices.
- Level 3 – Fair value is measured using valuation techniques using inputs that are not based on observable market data.

When using this methodology for investments not quoted on an active market, however, a detailed assessment of the respective value of each portfolio company is also performed in order to gain the necessary comfort as to whether a fair value reduction or uplift is in fact required. This process involves a high level review of the progress made by each investee company, recent developments in the M&A market and any relevant comparisons to listed competitors across any key performance indicators.

Further, all of these are considered in the context of any exit equity waterfall structure as detailed in each investee company's articles of association. FRS 102 requires the Directors to consider the impact of changing one or more of the assumptions used as part of the valuation process to reasonable possible alternative assumptions.

In view of the FRS 102 requirement, the Board have considered the impact that introducing reasonable alternative assumptions to this revenue multiple based valuation methodology could have on the value of the Company's investment pool as at the year end for each Share Class.

Throughout this exercise, and in determining the value of the Company's equity investments where trading multiples are considered, a selection of valuation methodologies are considered, not limited to: the review of trading multiples and comparison to industry peers, based on size, stage of development, revenue generation and growth rate, as well as wider strategy and market position. Appropriate valuation methodologies are then used and, where applicable, multiples are calculated in the traditional manner, by dividing the enterprise value of the comparable group by its revenue, EBITDA or earnings depending on what is the norm in a particular sector driven by how acquisitions in that sector are typically valued. The trading multiple is then adjusted for considerations such as illiquidity, marketability and other differences, advantages and disadvantages between the portfolio company and the comparable public companies based on company specific facts and circumstances. A final point to note is that company valuation is art as well as science – no examination of numerous data points today can guarantee a fail-safe forecast of future movements in valuation.

<u>OT1 Share Class</u>
As a result of this analysis the Board has concluded that such reasonable possible alternative assumptions could result in a NAV reduction of £677,000 (12.5p per share) or a NAV increase of £591,000 (10.9p per share). In coming to this conclusion, the Directors considered the valuation of all the unquoted portfolio companies and are of the view that only one of the three remaining unquoted investments is material to the range of outcomes that could reasonably be expected.

- **Downside analysis: 12.5p decrease in NAV per share**. The identified company sees a reduction in valuation to the value of its net assets. The Directors therefore believe that this establishes a credible lower bound to the range of possible valuations for this portfolio company.

- **Upside analysis: 10.9p increase in NAV per share**. The identified company is valued at a multiple of sales with a discount applied due market uncertainties within the company's markets as at 29 February 2024. Removing this discount would be an appropriate reflection of improved trading.

OT2 Share Class

As a result of this analysis the Board has concluded that such reasonable possible alternative assumptions could result in a NAV reduction of £348,000 (6.5p per share) or a NAV increase of £267,000 (5.0p per share). In coming to this conclusion, the Directors considered the valuation of all the unquoted portfolio companies and are of the view that only two of the remaining unquoted investments are material to the range of outcomes that could reasonably be expected.

- **Downside analysis: 6.5p decrease in NAV per share**. One of the identified companies sees a reduction in valuation to the value of its net assets; the other identified company is wound up and the value written off. The Directors therefore believe that this establishes a credible lower bound to the range of possible valuations for these portfolio companies.

- **Upside analysis: 5.0p increase in NAV per share**. One of the identified companies is valued at a multiple of sales with a discount applied due market uncertainties within the company's markets as at 29 February 2024. Removing this discount would be an appropriate reflection of improved trading. The other identified company would see a valuation increase if the trial progresses successfully.

OT3 Share Class

As a result of this analysis the Board has concluded that such reasonable possible alternative assumptions could result in a NAV reduction of £304,000 (4.9p per share) or a NAV increase of £216,000 (3.4p per share). In coming to this conclusion, the Directors considered the valuation of all the unquoted portfolio companies and are of the view that two of the remaining unquoted investments are material to the range of outcomes that could reasonably be expected.

- **Downside analysis: 4.9p decrease in NAV per share**. One of the identified companies sees a reduction in valuation to the value of its net assets; the other identified company is wound up and the value written off. The Directors therefore believe that this establishes a credible lower bound to the range of possible valuations for these portfolio companies.

- **Upside analysis: 3.4p increase in NAV per share**. One of the identified companies is valued at a multiple of sales with a discount applied due market uncertainties within the company's markets as at 29 February 2024. Removing this discount would be an appropriate reflection of improved trading. The other identified company would see a valuation increase if the trial progresses successfully.

OT4 Share Class

As a result of this analysis the Board has concluded that such reasonable possible alternative assumptions could result in a NAV reduction of £953,000 (8.8p per share) or a NAV increase of £721,000 (6.7p per share). In coming to this conclusion, the Directors considered the valuation of all the unquoted portfolio companies and are of the view that only two of the remaining unquoted investments are material to the range of outcomes that could reasonably be expected.

- **Downside analysis: 8.8p decrease in NAV per share**. One of the identified companies sees a reduction in valuation to the value of its net assets; the other identified company is wound up and the value written off. The Directors therefore believe that this establishes a credible lower bound to the range of possible valuations for these portfolio companies.

- **Upside analysis: 6.7p increase in NAV per share**. One of the identified companies is valued at a multiple of sales with a discount applied due market uncertainties within the company's markets as at 29 February 2024. Removing this discount would be an appropriate reflection of improved trading. The other identified company would see a valuation increase if the trial progresses successfully.

Subsidiary Companies

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

Results of the subsidiary undertaking for the year ended 29 February 2024 are as follows:

	Country of Registration	Nature of Business	Turnover	Retained profit/loss	Net Assets
OT2 Managers Ltd	England and Wales	Investment Manager	£78,995	£0	£1

As explained in the Basis of Preparation in Note 1, our shareholding in Select Technology is not consolidated despite the Company holding more than 50% of its equity, as the investment is held as part of an investment portfolio.

8. Debtors

	29 February 2024 £'000	28 February 2023 £'000
Prepayments, accrued income & other debtors	6	14
Total	**6**	**14**

9. Creditors

	29 February 2024 £'000	28 February 2023 £'000
Creditors and accruals	93	83
Total	**93**	**83**

10. Share Capital

	29 February 2024 £'000	28 February 2023 £'000
Issued, allotted, called up and fully paid:		
5,431,655 (2023: 5,431,655) OT1 shares of 1p each	54	54
5,331,889 (2023: 5,331,889) OT2 shares of 1p each	53	53
6,254,596 (2023: 6,254,596) OT3 shares of 1p each	63	63
10,826,748 (2023: 10,826,748) OT4 shares of 1p each	108	108
Total	**278**	**278**

The Company has 27,844,888 ordinary shares of 1p each.

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

Distributable reserves are £7,101,000 as at 29 February 2024 (2023: £8,851,000).

Reconciliation of Movement in Shareholders' Funds

	29 February 2024 £'000	**28 February 2023 £'000**
Shareholders' funds at start of year	9,130	1,704
Return on ordinary activities after tax	(1,751)	(1,876)
Total Assets taken on from the Merger	-	9,302
Shareholders' funds at end of year	**7,379**	**9,130**

No dividends were paid nor declared in the year to 29 February 2024 (2023: nil).

12. Capital Commitments
The Company had no capital commitments at 29 February 2024 or 28 February 2023.

13. Related Party Transactions
OT2 Managers Ltd, a wholly owned subsidiary, provides investment management services to the Company for a fee of either 0.5% or 1% of net assets per annum, depending on the Share Class as set out on page 38. During the year, £78,995 was paid in respect of these fees (2023: £50,815).

Details of fees paid to Directors are shown on page 46.

The £30,000 paid to certain directors in the year to 28 February 2023 (£27,000 to Richard Roth and £3,000 to David Livesley) referred to in the Directors' Remuneration Report on page 44 constituted a smaller related party transaction for the purposes of Chapter 11 of the Listing Rules. There were no such payments in the year to 29 February 2024.

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

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective. The management of market risk is part of the investment management process and is a central feature of venture capital investment. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders.

Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes, though VCT rules limit the extent to which suitable Qualifying investments can be bought or sold.

The Company's portfolio in each Share Class is concentrated for various reasons, including the age of the VCT (and the legacy VCTs from which 3 of the portfolios were derived), exits within the portfolio and the Company's policy of seeking to return excess capital to shareholders. No new funds have been raised by the Company (or any of the Target VCTs) since 2010. No investments in new portfolio companies have been made for at least 8 years, apart from one by OT2VCT in Scancell in 2018 and by OT1VCT in Arecor in 2021. These were both into portfolio companies well known to the Board and Investment Adviser, where the other OT VCTs were not able to invest for VCT Qualifying Test reasons, and were primarily for liquidity management purposes. The overall disposition of the Company's assets is regularly monitored by the Board.

Classification of financial instruments

The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value, at 29 February 2024 and 28 February 2023:

	29 February 2024 £'000	**28 February 2023 £'000**
Financial assets at fair value through profit or loss		
Fixed asset investments	7,327	8,907
Total	**7,327**	**8,907**
Financial assets measured at amortised cost		
Cash at bank and cash equivalents	**139**	**292**
Debtors (excluding prepayments)	**-**	**-**
Total	**139**	**292**
Financial liabilities measured at amortised cost		
Creditors	**32**	**33**
Accruals	**61**	**50**
Total	**93**	**83**

Fixed asset investments (see Note 7) are valued at fair value. Unquoted investments are carried at fair value as determined by the Directors in accordance with the IPEVC guidelines. The fair value of all other financial assets and liabilities is represented by their carrying value in the balance sheet. The Directors believe that the fair value of the assets held at the year-end is equal to their book value.

The Company's creditors and debtors are initially recognised at fair value, which is usually the transaction price, and then thereafter at amortised cost.

15. Financial Risk Management

In carrying on its investment activities, the Company is exposed to various types of risk associated with the financial instruments and markets in which it invests. The most significant types of financial risk facing the

Company are market risk, credit risk and liquidity risk. The Company's approach to managing these risks is set out below together with a description of the nature and amount of the financial instruments held at the Balance Sheet date.

Market risk

The Company's strategy for managing investment risk is determined with regard to the Company's investment objective, as outlined on page 18. The management of market risk is part of the investment management process. The Company's portfolio is managed with regard to the possible effects of adverse price movements and with the objective of maximising overall returns to shareholders in the medium term. Investments in unquoted companies, by their nature, usually involve a higher degree of risk than investments in companies quoted on a recognised stock exchange, though the risk can be mitigated to a certain extent by diversifying the portfolio across business sectors and asset classes. The overall disposition of the Company's assets is regularly monitored by the Board.

Details of the Company's investment portfolio at the Balance Sheet date are set out on pages 22 to 32.

54.9% (2023: 34.2%) by value of the Company's net assets comprise investments in unquoted companies held at fair value. The valuation methods used by the Company for these assets include the price of recent transactions, earnings or revenue multiples, discounted cashflows and net assets. A 10% overall increase in the valuation of the unquoted investments at 29 February 2024 (28 February 2023) would have increased net assets and the total return for the year by £405,400 (2023: £311,800) disregarding the impact of the performance fee; an equivalent change in the opposite direction would have reduced net assets and the total return for the year by the same amount.

44.4% (2023: 63.4%) by value of the Company's net assets comprises equity securities quoted on AIM. A 10% increase in the bid price of these securities as at 29 February 2024 (28 February 2023) would have increased net assets and the total return for the year by £327,300 (2023: £578,900) disregarding the impact of the performance fee; a corresponding fall would have reduced net assets and the total return for the year by the same amount.

Credit risk

There were no significant concentrations of credit risk to counterparties at 29 February 2024 or 28 February 2023. Cash is mainly held by NatWest plc which is an A-rated financial institution. Consequently, the Directors consider that the credit risk associated with cash deposits is low.

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Board carries out a regular review of counterparty risk. The carrying values of financial assets represent the maximum credit risk exposure at the Balance Sheet date.

Liquidity risk

The Company's financial assets include investments in unquoted equity securities which are not traded on a recognised stock exchange and which generally are illiquid. They also include investments in AIM-quoted companies, which, by their nature, involve a higher degree of risk than investments on the main market. As a result, the Company may not be able to realise some of its investments in these instruments quickly at an amount close to their fair value in order to meet its liquidity requirements.

The Company's liquidity risk is managed and monitored on a continuing basis by the Board in accordance with policies and procedures laid down by the Board.

Geo-political and economic risks

The Group continues to face material market volatility as a result of the response macroeconomic pressures and Covid debt servicing and repayment. In addition, the disruption in global supply chains and increased costs from inflationary pressures have been exacerbated by military action in Ukraine and Gaza. Such increased costs of living and the availability (and increased cost) of raw materials may also have an indirect impact on businesses in which the Group has invested in, hindering growth, financing or operations. Similarly, the threat of further inflation may impact on the performance and profitability of our investees. Consequently, any change of governmental, economic, fiscal, monetary or political policy, and in particular any spending cuts or material increases in interest rates could affect, directly or indirectly, the performance of the Group (as a result of the performance of its underlying investments) and hence the value of, and returns from, the Group's shares.

As noted above the post pandemic effects of Covid-19 have had an impact on economic conditions globally and may continue to affect the performance of some companies in which the Group has invested.

16. Control

Oxford Technology 2 Venture Capital Trust Plc is not under the control of any one party or individual.

17. Events after the Balance Sheet Date

There are no events to report after the balance sheet date.

Oxford Technology 2 Venture Capital Trust Plc - Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting ("AGM") of Oxford Technology 2 Venture Capital Trust Plc (company number:3928569) will be held at **The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA at 2pm on Tuesday 9 July 2024** for the purpose as set out below:

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

Ordinary Resolutions

1. That the Annual Report and Accounts for the period to 29 February 2024 be approved.

2. That the Directors' Remuneration Report be approved.

3. That the Directors' Remuneration Policy be approved.

4. That Mr Richard Roth, who retires at the Annual General Meeting in accordance with the guidelines in AIC Code of Corporate Governance be re-appointed as a Director.

5. That Mr Alex Starling, who retires at the Annual General Meeting in accordance with the guidelines in AIC Code of Corporate Governance be re-appointed as a Director.

6. That Mr Robin Goodfellow, who retires at the Annual General Meeting in accordance with the guidelines in AIC Code of Corporate Governance be re-appointed as a Director.

7. That Mr David Livesley, who retires at the Annual General Meeting in accordance with the guidelines in AIC Code of Corporate Governance be re-appointed as a Director.

8. That Johnsons Financial Management Limited, Chartered Accountants, be re-appointed as Auditors and that the Directors be authorised to determine their remuneration.

9. That the Company continues in being as a Venture Capital Trust.

10. AUTHORITY TO ALLOT SHARES IN THE COMPANY
    That the Directors be and are generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 ("Act") to exercise all the powers of the Company to allot shares or grant rights ("Rights") to subscribe for, or convert any security into, shares in the capital of the Company up to a maximum number of 543,165 OT1 shares, 533,188 OT2 shares, 625,459 OT3 shares and 1,082,674 OT4 shares (representing approximately 10% of the ordinary share capital of each share class in issue at today's date) provided that such authority shall expire at the later of the conclusion of the Company's next Annual General Meeting following the passing of this Resolution and the expiry of 15 months from the passing of this Resolution (unless previously revoked, varied or extended by the Company in a general meeting, but so that such authority allows the Company to make offers or agreements before the expiry thereof, which would or might require relevant securities to be allotted after the expiry of such authority).

11. AUTHORITY TO BUY BACK SHARES IN THE COMPANY
    That the Company be and hereby is empowered to make one or more market purchases within the meaning of Section 693(4) of CA 2006 of its own shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

    11.1 The aggregate number of shares which may be purchased shall not exceed 543,165 OT1 shares, 533,188 OT2 shares, 625,459 OT3 shares and 1,082,674 OT4 shares;

    11.2 the minimum price which may be paid per share is their nominal value (being 1p);

11.3 the maximum price which may be paid per share is an amount equal to the higher of (i) 105% of the average of the middle market quotation per share (of the relevant class) taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which such share is to be purchased; and (ii) the amount stipulated by Article 5(6) of Market Abuse Regulation (596/2014/EU) (as such Regulation forms part of UK law as amended);

11.4 the authority conferred by this resolution 11 shall expire (unless renewed, varied or revoked by the Company in general meeting) 15 months following the date of the passing of this resolution; and

11.5 the Company may make a contract to purchase shares under the authority conferred by this resolution 11 prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of such shares.

Special Resolution

12. AUTHORITY TO ALLOT SHARES ON A NON-RIGHTS ISSUE BASIS
That the Directors be empowered, pursuant to section 570(1) of the Act, to allot or make offers or agreements to allot equity securities (as defined in s560(1) of the said Act) for cash pursuant to the authority referred to in Resolution 10 as if s561(1) of the Act did not apply to any such allotments and so that:

a. reference to allotment in this Resolution shall be construed in accordance with s560(2) of the Act; and

b. the power conferred by this Resolution shall enable the Company to make any offer or agreement before the expiry of the said power which would or might require equity securities to be allotted after the expiry of the said power and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding the expiry of such power

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

By Order of the Board
James Gordon
Company Secretary
15 April 2024

Registered Office: The Magdalen Centre, Oxford Science Park, Oxford OX4 4GA

Notes:

1. Resolutions 1 to 11 will be proposed as Ordinary Resolutions. Resolution 12 will be proposed as a Special Resolution.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend, speak and vote on his or her behalf. A proxy need not also be a member but must attend the meeting to represent the appointer. Details of how to appoint the Chairman of the meeting or another person as a proxy using the proxy card accompanying this notice ("Proxy Form") are set out in the notes on the Proxy Form. If the member wishes his or her proxy to speak on their behalf at the meeting then the member will need to appoint their own choice of proxy (not the Chairman) and give their instructions directly to the proxy. To be valid, a Proxy Form must be lodged with the Company's Registrar, **Neville Registrars, Neville House, Steelpark Road,**

Halesowen B62 8HD, at least 48 hours **(working days)** before the meeting, being 2pm on 5 July 2024.
A Proxy Form for use by members is attached. Completion of this Proxy Form will not prevent a member from attending the meeting.

3. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, entitlement to attend and vote at the meeting and the number of votes which may be cast there at will be determined by reference to the Register of Members of the Company at 6pm on the day which is two working days before the day of the meeting or adjourned meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted so as to be received by the issuer's agent ID 7RA11 by 2pm on 5 July 2024.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

6. CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings

7. As at 12 April 2024 (being the last business day prior to the publication of this notice), the Company's issued share capital comprised 27,844,888 ordinary shares of 1p each, all of which carry one vote each. Therefore, the total voting rights in the Company as at 12 April 2024 was 27,844,888.

8. Copies of the directors' letters of appointment, the Register of Directors' Interests in shares of the Company and copies of the existing articles of association of the Company will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

9. If a corporate shareholder has appointed a corporate representative, the corporate representative will have the same powers as the corporation could exercise if it were an individual member of the Company. If more than one corporate representative has been appointed, on a vote on a show of hands on a resolution, each representative will have the same voting rights as the corporation would be entitled to. If more than one authorised person seeks to exercise a power in respect of the same shares, if they purport to exercise the power in the same way, the power is treated as exercised; if they do not purport to exercise the power in the same way, the power is treated as not exercised.

10. At the meeting, Shareholders have the right to ask questions relating to the business of the meeting and the Company is obliged under section 319A of the Act to answer such questions, unless; to do so would interfere unduly with the preparation of the meeting or would involve the disclosure of confidential information, if the information has been given on the Company's website, www.oxfordtechnologyvct.com in the form of an answer to a question, or if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

11. Further information, including the information required by section 311A of the CA 2006, regarding the meeting is available on the Company's website, www.oxfordtechnologyvct.com

Oxford Technology 2 Venture Capital Trust Plc Proxy Form

Annual General Meeting – 9 July 2024 at 2pm

I/We …………………………………………...…………………………………..…………………..

Of (address)………………………………..…………………………………………………..………………..

Being a member of Oxford Technology 2 Venture Capital Trust Plc, hereby appoint the Chairman of the meeting, or,

Name of Proxy …………………………………………………………………………………..……………..

No of Shares (All Share Classes added together) ……………………………..…………….…….…….

As my/our proxy and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 9 July 2024, and at any adjournment thereof. The proxy will vote as indicated below in respect of the resolutions set out in the notice of meeting.

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

	For	**Against**	**Withheld**
1. To approve the Annual Report and Accounts			
2. To approve the Directors' Remuneration Report			
3. To approve the Directors' Remuneration Policy			
4. To re-elect Richard Roth as a Director			
5. To re-elect Alex Starling as a Director			
6. To re-elect Robin Goodfellow as a Director			
7. To re-elect David Livesley as a Director			
8. To approve the re-appointment of Johnsons Financial Management Limited as auditors and authorisation of Directors to fix remuneration			
9. To approve that the Company continues as a VCT			
10. To approve the Directors' general authority to allot shares			
11. To approve the Company's authority to make market purchases of its own shares			
12. To approve the allotment of shares on a non-rights issue basis			

Signature: Date:

Proxy Form – Notes
Annual General Meeting – 9 July 2023 at 2pm

1. **To be valid, the Proxy Form must be received by the Registrars of Oxford Technology 2 Venture Capital Trust Plc at Neville Registrars Limited, Neville House, Steelpark Road, Halesowen, B62 8HD, no later than 48 hours (working days) before the commencement of the meeting, being 2pm on 5 July 2024.**

2. Where this form of proxy is executed by a corporation it must be either under its seal or under the hand of an officer or attorney duly authorised.

3. Every holder has the right to appoint some other person(s) of their choice, who need not be a Shareholder, as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided. If the proxy is being appointed in relation to less than your full voting entitlement, please enter next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this Proxy Form has been issued in respect of a designated account for a Shareholder, the full voting entitlement for that designated account.)

4. To appoint more than one proxy, you may photocopy this form. Please indicate next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

5. The 'Vote Withheld' option is provided to enable you to abstain on any particular resolution. However, it should be noted that a 'Vote Withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'For' and 'Against' a resolution.

6. If the Proxy Form is signed and returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to whether and how he/she votes.

7. The address on the envelope containing this notice is how your address appears on the Register of Members. If this information is incorrect, please ring the Registrar's helpline on 0121 585 1131.

8. The completion and return of this form will not preclude a member from attending the meeting and voting in person.

Shareholder Information

Financial Calendar
The Company's financial calendar is as follows:

9 July 2024	- Annual General Meeting
November 2024	- Half-yearly results to 31 August 2024 published
January 2025	- Quarterly Update
May 2025	- Annual results for year to 28 February 2025 announced

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

Share Price and RNS
The Company's share prices are published daily on the London Stock Exchange's website (www.londonstockexchange.com) using codes OT1 for the OT1 Share Class, OXH for the OT2 Share Class, OT3 for the OT3 Share Class and OT4 for the OT4 Share Class. All RNSs will only be issued under the OXH banner, irrespective of which Share Class is referred to.

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

Redmayne Bentley – York Office 0800-5420055 / 01904-646362
Paul Lumley paul.lumley@redmayne.co.uk
Chris Steward chris.steward@redmayne.co.uk

If you do contact Redmayne Bentley, you will require your National Insurance Number and a valid share certificate if selling. There may be tax implications in respect of all or part of your holdings, so shareholders should contact their independent financial adviser if they have any queries.

Shareholder Scams
We are aware that some of our shareholders are receiving unsolicited phone calls or correspondence concerning investment matters. These are usually from overseas based 'brokers' who target UK shareholders, offering to buy VCT shares off them at an inflated price in return for upfront payment. Alternatively, they may offer to sell shares that turn out to be worthless or non-existent. Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares. You can check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you is authorised by the FCA. For further information on share fraud and boiler room scams or to report a fraudulent call, please visit the FCA website at www.fca.org.uk/scamsmart/how-avoid-investment-scams.

Notification of change of address/bank account/email address
Communications with shareholders are mailed to the registered address held on the share register. In the event of a change of address or any other amendment (eg change of bank account) this should be notified to the Company's Registrar, Neville Registrars Limited, under the signature of the registered holder. Any change in email address should be sent to OTM, at vcts@oxfordtechnology.com.

Other information for Shareholders
Previously published Annual Reports and Half-yearly Reports are available for viewing on the Company's website at www.oxfordtechnologyvct.com as well as RNS histories and investee summaries.

Company Information – Directors and Advisers

Board of Directors
Richard Roth (Chairman)
Robin Goodfellow
David Livesley
Alex Starling

Accountants
Wenn Townsend
30 St Giles
Oxford
OX1 3LE

Investment Manager & Registered Office
OT2 Managers Ltd
Magdalen Centre
Oxford Science Park
Oxford OX4 4GA
Tel: 01865 784466

Independent Auditor
Johnsons Financial Management Limited
1-2 Carven Road
Ealing
London W5 2UA

Investment Adviser
Oxford Technology Management
Tel: 01865 784466
Email : vcts@oxfordtechnology.com

Registrars
Neville Registrars
Neville House
Steelpark Road
Halesowen B62 8HD
Tel: 0121 585 1131

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

Bankers
NatWest Bank
121 High Street
Oxford
OX1 4DD

Company Registration Number
3928569

Legal Entity Identifier
2138002COY2EXJDHWB30

Financial Adviser & LSE Sponsor
BDO LLP
55 Baker Street
London
W1U 7EU

Website
www.oxfordtechnologyvct.com

Legal Adviser
Hill Dickinson LLP
50 Fountain Street
Manchester M2 2AS

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