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IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

THIS DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS RULES MADE UNDER FSMA AND HAS BEEN APPROVED BY THE FINANCIAL CONDUCT AUTHORITY ("FCA") IN ACCORDANCE WITH FSMA AND CONSTITUTES A SUPPLEMENTARY PROSPECTUS (THE "SUPPLEMENTARY PROSPECTUS") ISSUED BY BRITISH SMALLER COMPANIES VCT PLC ("BSC") AND BRITISH SMALLER COMPANIES VCT2 PLC ("BSC2") (BSC AND BSC2 TOGETHER THE "VCTS"). THIS SUPPLEMENTARY PROSPECTUS IS SUPPLEMENTAL TO AND SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 27 NOVEMBER 2018 ISSUED BY THE VCTS (THE "PROSPECTUS"), SUCH PROSPECTUS CONTAINING OFFERS FOR SUBSCRIPTION OF ORDINARY SHARES IN THE CAPITAL OF EACH OF THE VCTS ("OFFER SHARES") TO RAISE UP TO £30 MILLION, IN AGGREGATE, WITH AN OVER-ALLOTMENT FACILITY OF A FURTHER £5 MILLION, IN AGGREGATE ("THE OFFERS"). EXCEPT AS EXPRESSLY STATED HEREIN, OR UNLESS THE CONTEXT OTHERWISE REQUIRES, THE DEFINITIONS USED OR REFERRED TO IN THE PROSPECTUS ALSO APPLY IN THIS SUPPLEMENTARY PROSPECTUS.

PERSONS RECEIVING THIS DOCUMENT SHOULD NOTE THAT HOWARD KENNEDY CORPORATE SERVICES LLP IS ACTING FOR THE VCTS AND NO-ONE ELSE IN CONNECTION WITH THE OFFERS AND THIS SUPPLEMENTARY PROSPECTUS AND, SUBJECT TO ITS RESPONSIBILITIES AND LIABILITIES IMPOSED BY FSMA OR THE REGULATORY REGIME ESTABLISHED HEREUNDER, WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CUSTOMERS OF HOWARD KENNEDY CORPORATE SERVICES LLP OR FOR PROVIDING ADVICE IN CONNECTION WITH THE OFFERS. HOWARD KENNEDY CORPORATE SERVICES LLP IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.

THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE PROSPECTUS DIRECTIVE, ENGLISH LAW AND THE RULES OF THE UKLA AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND.

Each VCT and the Directors of each of the VCTS accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of each VCT and its Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

British Smaller Companies VCT PLC
(Incorporated in England and Wales with registered number 03134749)

British Smaller Companies VCT2 PLC
(Incorporated in England and Wales with registered number 04084003)

Events arising since publishing the Prospectus

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and Section 87G FSMA following the publication by BSC2 of the annual reports and accounts for the year ended 31 December 2018. The Prospectus Rules and section 87G FSMA require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes, the later of the closure of the Offers and the time when trading in the Offer Shares issued under the Offers on the London Stock Exchange begins), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus. This Supplementary Prospectus has been approved for publication by the FCA.

Save as otherwise amended in this Supplementary Prospectus, the Offers are being made on the terms and subject to the conditions set out in full in the Prospectus. Investors who have already submitted Application

Forms for Offer Shares in the VCTs, and who have not yet received an allotment of those Offer Shares, may withdraw such applications under section 87Q(4)–(6) of FSMA, with the VCTs accepting withdrawals of such applications until 5pm on 28 March 2019. Investors should seek their own legal advice in regard to such withdrawal rights. Investors who wish to withdraw their applications for Offer Shares should contact YFM Private Equity Limited on telephone number 0113 261 6478 (no investment advice can be given). Withdrawals of applications can only be made by telephone.

Copies of this Supplementary Prospectus and the Prospectus may be viewed on the National Storage Mechanism (NSM) of the UKLA at <http://www.morningstar.co.uk/uk/NSM> and this Supplementary Prospectus and the Prospectus are available free of charge from the registered office of the VCTs at 5th Floor, Valiant Building, 14 South Parade, Leeds LS1 5QS.

1 Significant new factor

On 22 March 2019, BSC2 announced its financial results for the year ended 31 December 2018 (the “BSC2 Accounts”). BSC2’s auditors, BDO LLP, have reported on the BSC2 Accounts without qualification and without statements under sections 495 to 497 Companies Act 2006.

The BSC2 Accounts were prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and contain a description of BSC2’s financial condition, changes in financial condition and results of operation for the financial year ended 31 December 2018 and are being incorporated by reference into this Supplementary Prospectus. In the BSC2 Accounts, BSC2 reported that as at 31 December 2018 its net assets were £64,054,000, giving a net asset value per Share of 59.9p.

Copies of the BSC2 Accounts are available on BSC2’s website (<http://www.bscfunds.com>). The parts of the BSC2 Accounts which are not incorporated into this Supplementary Prospectus by reference are either not relevant for investors or are covered elsewhere in this Supplementary Prospectus or the Prospectus.

2 Documents incorporated by reference

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

The information set out below relating to BSC2 is incorporated by reference in this document and is available as indicated above.

As a result of the publication of the BSC2 Accounts, the financial information relating to BSC2 in Part 4 of the Registration Document (“Financial Information on the VCTs”) is hereby supplemented as follows:

Information incorporated by reference	Page references of the BSC2 Accounts
Financial Summary and Highlights	Page 2
Chairman’s Statement	Page 5
Objectives and Key Policies	Page 9
Investment Policy	Page 9
Processes and Operations	Page 10
Key Performance Indicators	Page 11
Investment Performance	Page 14

Risk Factors	Page 28
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Directors	Page 31
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Corporate Governance	Page 37
Directors' Remuneration Report	Page 43
Directors' Responsibilities Statement	Page 46
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Balance Sheet	Page 53
Statement of Changes in Equity	Page 54
Statement of Cash Flows	Page 56
Notes to the Financial Statements	Page 57
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Operating and Financial Review

Total Net Assets (£000)	64,054
Change in Net Assets Value (£000)	4,998
Net Asset Value per Share	59.9p
Dividends paid per Share	3.0p
Cumulative Dividends paid per Share	58.5p

3 Supplements to the Summary

As a result of the publication of the BSC2 Accounts, the Summary is hereby supplemented as follows:

B7	Selected key financial information	BSC2	31 December 2018*
		Net Assets (£'000)	64,054
		Net Asset Value per Share (p)	59.9
		Total Return per Share (p)	118.4
		Cumulative dividends paid per Share (p)	58.5
		*Audited	
B10	Description of the nature of any qualifications in the audit	Not applicable. There were no qualifications in the audited financial statements for BSC2 for the year ended 31 December 2018.	

	report on historical financial information	
B45	Portfolio	As at 31 December 2018, BSC2's portfolio comprised, by value, £38.1 million.
B46	Net Asset Value	The audited Net Asset Value per BSC2 Ordinary Share as at 31 December 2018 was 59.9p.

4. Supplement to the Registration Document

As a result of the publication of the BSC2 Accounts, the final paragraph of page 25 of the Registration Document (Part 4: "Financial Information on the VCTs") is hereby supplemented as follows:

Save for the publication of the BSC2 Accounts, there have been no significant changes in the financial or trading position of BSC2 since the publication of the Prospectus.

26 March 2019