

British Smaller Companies VCT2 plc (“the Company”)

Purchase of Own Securities and Total Voting Rights

The Company announces that on 30 October 2013 it purchased 145,000 ordinary shares of 10 pence each at a price of 59.10 pence per share. These shares will be held in Treasury.

If these shares had been purchased prior to the quarter ended 30 September 2013, and on the assumption that there were no other alterations, the unaudited Net Asset Value per ordinary share of the Company at that date would have been unaltered at 65.6 pence per ordinary share.

The Company’s issued share capital now consists of 46,443,563 ordinary shares with voting rights. In addition, the Company now holds 1,777,722 shares in Treasury.

The above figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA’s Disclosure and Transparency Rules.

In addition, in accordance with DTR5.6, during the month of October 2013 the Company has only repurchased the shares detailed in this announcement. Therefore, the total number of voting rights and number of shares held in treasury as at 31 October 2013 are as stated in this announcement.

31 October 2013

For further information, please contact:

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Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 0207 496 3000

British Smaller Companies VCT2 plc
Interim Management Statement
For the quarter ended 30 September 2013

British Smaller Companies VCT2 plc (the "Company") presents its interim management statement for the quarter ended 30 September 2013. The statement also includes relevant financial information between the end of the quarter and the date of this statement. This constitutes the Company's second interim management statement for the financial year ending 31 December 2013, as required by Rule 4.3 of the Disclosure and Transparency Rules. A copy of this interim management statement can be found at www.yfmep.com.

Performance

The total return at 30 September 2013, calculated by reference to the Net Asset Value (NAV) per ordinary share and the cumulative dividends paid per ordinary share, was 104.6 pence per ordinary share compared to 102.3 pence per ordinary share at 30 June 2013. Cumulative dividends represent 39.0 pence per ordinary share (30 June 2013: 37.0 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 September 2013 was 65.6 pence (30 June 2013: 65.3 pence per ordinary share) representing an increase of 2.3 pence per ordinary share prior to the payment of the interim dividend of 2.0 pence per ordinary share on 27 September 2013. The increase in NAV per ordinary share is principally due to the net upward movement, in both the AIM quoted and unquoted portfolio valuations seen during the quarter.

The number of ordinary shares in issue at 30 September 2013 was 46,588,563 (30 June 2013: 46,371,537). In addition, at 30 September 2013, the Company held 1,632,722 ordinary shares in treasury (30 June 2013: 1,632,722).

Share Issues

During the period the Company has issued 217,026 ordinary shares at a price of 60.14 pence per share, pursuant to the Company's Dividend Re-investment Scheme (DRIS).

Net assets at 30 September 2013 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	12,064	39.5%
Quoted investments at bid price	2,403	7.9%
Gilt investments	898	2.9%
Total investments	15,365	50.3%
Cash and cash equivalents	6,926	22.6%
Cash on fixed term deposit	8,000	26.2%
Other net current assets	275	0.9%
Net assets	30,566	100%

The investment portfolio at 30 September 2013 was comprised as follows:

	Carrying cost	Valuation	Valuation as a % of
	£000	£000	net assets
Displayplan Holdings Limited	700	2,119	6.93%
Douglas Gill International Limited	1,870	1,870	6.12%
Seven Technologies Holdings Limited	1,238	1,548	5.06%
Deep-Secure Ltd	500	1,000	3.27%
Immunobiology Limited	1,932	987	3.23%
Insider Technologies (Holdings) Limited	780	806	2.64%
Bagel Nash Group Limited	807	757	2.48%
Bluebell Telecom Group Limited	484	721	2.36%
Waterfall Services Limited	192	587	1.92%
PowerOasis Limited	567	567	1.86%
Iomart Group plc	149	514	1.68%
Pressure Technologies plc	201	454	1.49%
Harvey Jones Holdings Limited	389	443	1.45%
Hargreaves Services plc	325	350	1.15%
RMS Group Holdings Limited	70	324	1.06%
Selima Limited	300	270	0.88%
EKF Diagnostics Holdings plc	224	248	0.81%
AB Dynamics plc	149	220	0.72%
Vianet Group plc	242	165	0.54%
Cambridge Cognition Holdings plc	240	149	0.49%
Brady Public Limited Company	134	134	0.44%
Optos Public Limited Company	80	128	0.42%
Tissuemed Limited	48	60	0.20%
Allergy Therapeutics plc	350	41	0.13%
Ellfin Home Care Limited	317	5	0.02%
TeraView Limited	375	-	0.00%
Total Quoted and Unquoted	12,663	14,467	47.3%
Gilt investments	888	898	2.9%
Total investments	13,551	15,365	50.3%

During the three months ended 30 September 2013 the Company made three investments totalling £2.47 million. These comprised one new investment of £1.87 million into Douglas Gill International Limited, a specialist provider of sailing clothing and equipment, and £0.6 million of follow-on investment into two existing portfolio companies, Bagel Nash Group Limited and Hargreaves Services plc.

In the 3 months to 30 September 2013 cash proceeds of £1.28 million were received relating to the sale of the Company's holding in Digital Healthcare Limited, generating a profit on the previous quarter's carrying value of £0.3 million. In addition £0.2 million of proceeds were

received from the part disposal of the Company's holding in Pressure Technologies plc which gave rise to a profit on cost of £0.09 million in the quarter

Since the end of the quarter the Company has completed one further investment of £1.15 million into GTK Limited, a global provider and manufacturer of electronic solutions.

Portfolio Performance

Over the 3 months to 30 September 2013 the portfolio saw an overall increase in unrealised valuations of £0.83 million equating to a 6.7% increase. This comprised an increase in the value of a number of portfolio companies following strong trading results including Displayplan Holdings Limited (up £0.285 million), Pressure Technologies plc (up £0.27 million) and Seven Technologies Holdings Limited (up £0.17 million) together with resilient performances across much of the Company's remaining unquoted and AIM portfolio.

The Board continues to follow a policy of maintaining a diversified portfolio: as at 30 September 2013 only three investments represented more than 5 per cent each of the NAV of the Company with the largest investment comprising 6.9 per cent.

Outlook

The Board believes that the current economic climate continues to create investment opportunities in the short to medium term in well run and managed UK businesses that need capital to expand. Experience suggests that cautious investments made in the low point of the economic cycle have resulted in the highest portfolio returns. Following the increase in the investment limit applying to venture capital trusts to £5 million per investment in any one year there has been an increase in the number of investment opportunities presented to the Company. As a result a number of investment opportunities are currently being assessed and the Company has recently announced its intention to increase its capacity to invest in these opportunities.

25 October 2013

For further information please contact:

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British Smaller Companies VCT2 plc (“the Company”)

YFM Private Equity Limited (“YFM”) - Management Arrangements – Change of Ownership

YFM has been the Manager of the Company since inception.

On 30 September 2013 YFM was acquired by YFM Equity Partners LLP, a partnership set up by the YFM management team to acquire YFM from its ultimate parent company, Greater London Enterprise Limited. YFM Equity Partners LLP is a fully independent, owner managed business that will carry on YFM’s 30-year tradition of investing in established fast growing businesses.

The Company will continue its strategy of investing in predominantly unquoted businesses providing development capital and capital to fund change of ownership situations. A good example is the recent investment the Company made to fund the management buy-out of technical sailing brand Gill Marine.

For further information, please contact:

Investment Adviser to the Companies

YFM Private Equity Limited

David Hall

Telephone: 0113 294 5039

British Smaller Companies VCT2 plc

Payment of Interim Dividend and Allotment of Shares

British Smaller Companies VCT2 plc (“the Company”) announces that on 27 September 2013 it paid a gross interim dividend of 2.0 pence per ordinary share to shareholders on the register of members of the Company as at the record date of 30 August 2013 (“Interim Dividend”).

The Company further announces that on 27 September 2013 it allotted 217,026 ordinary shares of 10 pence each pursuant to its dividend reinvestment scheme (“Dividend Reinvestment Scheme”) at a price of 60.14 pence per share to shareholders of the Company who elected to receive shares instead of the Interim Dividend. Of the Interim Dividend paid by the Company, 14 per cent was as a result reinvested in shares in the Company via the Dividend Reinvestment Scheme.

Application is now being made for the ordinary shares which were allotted on 27 September 2013 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, and dealings are expected to commence on or around 4 October 2013.

Following such allotment the Company’s issued share capital consists of 46,588,563 ordinary shares with voting rights (“Voting Capital”) and 1,632,722 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 294 5039
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**British Smaller Companies VCT plc and British Smaller Companies VCT2 plc
(together “the Companies”)**

Statement re: proposed Joint Fundraising

The Companies today announce that they are planning to raise up to £20 million in aggregate by way of a joint prospectus offer of new ordinary shares for subscription (“the Offer”) in order to increase their investment capacity. The proceeds will be allocated between the Companies in accordance with the terms set out in the prospectus.

Applications will be considered on a first come first served basis subject to the directors’ discretion. Investors will be permitted to make applications for new shares in either or both of the 2013/14 and 2014/15 tax years and to invest in either or both of the two Companies. It is anticipated that the Offer will remain open until 5 April 2014 in respect of the 2013/14 tax year and until late April 2014 in respect of the 2014/15 tax year, unless fully subscribed at an earlier date and subject to the directors’ right to close the Offer at any time.

The full terms of the offer will be set out in a detailed prospectus to be approved by the UK Listing authority and is expected to be issued in December 2013. The Offer will be subject to the approval of the shareholders of each of the Companies who will receive a circular explaining the details of the Offer in due course.

For further information please contact:

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British Smaller Companies VCT 2 plc

Unaudited interim Results and Interim Management Report

For the 6 months ended 30 June 2013

British Smaller Companies VCT 2 plc (“the Company”) today announces its unaudited interim results for the six months to 30 June 2013.

Chairman’s Statement

I am pleased to report a strong performance for your Company. In the six months to 30 June 2013 the Company has seen an increase in Net Asset Value of 3.5 per cent per ordinary share before the payment of the 2.5 pence per ordinary share final dividend. This growth was generated primarily from an increase in valuations across the unquoted investment portfolio. In April 2013 the Company completed a successful joint fundraising with British Smaller Companies VCT plc, raising net proceeds of £3.3 million in the six months to 30 June 2013 (£5.4 million since its launch in November 2012).

Financial Results

In the six months since 31 December 2012 the Total Return, calculated by reference to Net Asset Value plus cumulative dividends, has increased by 2.3 pence per ordinary share.

The Net Asset Value per ordinary share grew by 2.3 pence to 67.8 pence in the last six months prior to the payment of the final dividend of 2.5 pence per ordinary share, giving a net reduction in the Net Asset Value per ordinary share of 0.2 pence, shown in the table below.

Net Asset Value

	Pence/Ordinary share
31 December 2012	65.5
Net increase in portfolio	2.4
Other decrease in value	(0.2)
Net increase in value	2.2
Buy back of shares	0.1
Dividends paid in period	(2.5)
30 June 2013	65.3

The net gain on the investment portfolio was £1.10 million, representing a 2.4 pence per ordinary share increase in Net Asset Value, and an increase of 9.7 per cent on the opening December 2012 portfolio value of £11.4 million. This is made up of an 11.8 per cent increase from the unquoted investments and a 1.5 per cent increase from quoted securities.

I am particularly pleased to note that, of the final dividend of 2.5 pence per ordinary share paid in June 2013, 15 per cent was re-invested via The Company’s Dividend Re-investment Scheme

Investment Portfolio

The Company currently has an active portfolio of 26 investments, 16 of which are unquoted and the remainder are quoted on AIM. At 30 June 2013 the investment portfolio had a value of £12.38 million consisting of £10.35 million (83.6 per cent) in the unquoted portfolio and £2.03 million (16.4 per cent) in the AIM portfolio.

Good progress has been made across the portfolio with profit growth despite the continued low growth economic environment. The most significant movements in valuations were DisplayPlan Holdings Limited (increase of £0.33 million), Bluebell Telecom Group (increase of £0.19 million), Seven Technologies Holdings Limited (increase £0.14 million), and Waterfall Services Limited (increase of £0.12 million).

New Investments

In the 6 months to 30 June 2013 the Company has completed one new investment and two follow on investments totalling £0.95 million. The details of which are set out below:

- In May 2013 the Company invested £0.15 million as part of a £5.0 million AIM market placing by AB Dynamics plc, a designer, manufacturer and supplier of advanced testing and measurement products to the global automotive industry.
- In June 2013 a significant follow-on investment of £0.74 million was made into Seven Technologies Holdings Limited, a manufacturer of specialist electronic and communication equipment, as part of the funding package for its £7.0 million acquisition of Datong plc, an international supplier of specialist communication products.
- In March 2013 £0.06 million was invested into existing portfolio company PowerOasis Limited, a provider of power management solutions to the mobile telecommunications sector, as part of a £3.0 million funding round led by a strategic investor.

Since 30 June 2013 an additional £0.58 million has been invested, of which £0.38 million was invested to support the refinancing and rollout of bakery and retail chain Bagel Nash Group Limited, an existing portfolio company, with the remaining £0.2 million invested into existing AIM listed portfolio company Hargreaves Services plc.

Disposal of Investments

During the six months to 30 June 2013 the Company received proceeds from disposals, repayments of loans and deferred consideration of £1.15 million which resulted in a small gain on disposal of investments of £0.01 million.

The most significant contributor to this was a loan repayment of £0.70 million as part of a refinancing package into Seven Technologies Holdings Limited ahead of the purchase of Datong plc.

The Company also realised three of its AIM investments over the period; Tikit Group plc, May Gurney Integrated Services plc and 2Ergo Group plc, generating proceeds of £0.36 million, and a gain over the 31 December 2012 valuation of £0.01 million.

Deferred consideration of £0.09 million in respect of the trade sale of DXS Limited in 2009 was received. This brings the total return from this investment to £2.73 million, representing a multiple of 16.7x on capital invested.

Following 30 June 2013 the Company fully realised its investment in healthcare software provider Digital Healthcare Limited via a trade sale to Emis Group plc realising proceeds of £1.26 million, an increase over the 30 June 2013 valuation of £0.24 million. The Company also part realised its investment in Pressure Technologies plc generating proceeds of £0.1 million.

Shareholder Relations

Dividends

Your Board remains committed to achieving the objective of a constant and increasing dividend stream over time. Following the 2012 year end a dividend 2.5 pence was paid on 5 June 2013. This commitment has been continued in these interim results and your Board is pleased to announce an interim dividend of 2.0 pence per ordinary share, to be paid on 27 September 2013 to shareholders on the register at 30 August 2013.

Shareholder Workshops

Following the success of the Company's 18th Shareholder workshop in February 2013, the Company is pleased to announce that its next workshop will be held at The Central Hall, Westminster, London on 12 February 2014.

Fundraising

Following the joint offer for subscription with British Smaller Companies VCT plc, published on 19 November 2012, your Board is pleased to announce the offer was fully subscribed and raised a total of £5.37 million net of costs. This leaves the Company well placed to take advantage of the recent changes to UK legislation which has increased the maximum amount VCT's are able to invest in any one company to £5 million per year.

Outlook

The last six months have seen the continuation of the low economic growth conditions of recent years. Despite this many of the portfolio companies have delivered improved results building on their performances of recent years.

The current pipeline of new investment opportunities remains strong and has been increasing, although the timescales to convert from opportunity to investment are significant. The changes in EU restrictions on qualifying investments, which include increasing the amount that can be invested into a business to £5 million in any one year, should also lead to an increase in the volume and scale of investment opportunities for the Company in the future.

The Board continues to be of the opinion that the forthcoming period will see many good investment opportunities, both for the portfolio businesses and for new investments. It was with this in mind that we increased the investment capacity of the Company and we will consider reviewing the need to increase funds further as the pipeline of investment opportunities is converted.

Principal Risks & Uncertainties

There has been no change to the principal risks and uncertainties facing the Company since the publication of the financial statements for the year ended 31 December 2012. In summary, the principal risks are:

- Economic;
- Investment and strategic;
- Loss of approval as a Venture Capital Trust;
- Regulatory;
- Reputational;
- Operational;
- Financial;
- Market/Liquidity risk.

Full details of the principal risks can be found in the financial statements for the year ended 31 December 2012 on pages 29 and 30, a copy of which is available at www.yfmep.com

Richard Last

Chairman

21 August 2013

Unaudited Statement of Comprehensive Income

For the 6 months ended 30 June 2013

	Notes	Unaudited 6 months ending 30 June 2013			Unaudited 6 months ending 30 June 2012		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gain on disposal of investments		-	9	9	-	76	76
Gains on investments held at fair value		-	1,097	1,097	-	876	876
Income	2	365	-	365	258	-	258
Administrative expenses:							
Fund Management fee		(68)	(204)	(272)	(50)	(150)	(200)
Other expenses		(168)	-	(168)	(161)	-	(161)
		(236)	(204)	(440)	(211)	(150)	(361)
Profit before taxation		129	902	1,031	47	802	849
Taxation	3	-	-	-	-	-	-
Profit for the period		129	902	1,031	47	802	849
Total comprehensive income for the period attributable to equity Shareholders		129	902	1,031	47	802	849
Basic and diluted earnings per ordinary share	5	0.30p	2.06p	2.36p	0.13p	2.24p	2.37p

The Total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The supplementary Revenue and Capital columns are prepared under the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') 2009 published by the Association of Investment Companies.

In May 2012 the Association of Investment Companies (AIC) replaced the Total Expense Ratio (TER%) it publishes with the "on-going charges percentage", calculated as the annual on-going charges (excluding irrecoverable VAT, performance fees and trail commission) over average undiluted Net Asset Value in the period. As at 30 June 2013, this benchmark (annualised) is currently 2.7 per cent (30 June 2012: 2.8 per cent). No performance fees have been paid in the current or previous period, and thus no adjusted figure including such fees has been presented.

In order to provide Shareholders with comparable data to prior periods and to assist understanding of the fund management agreement in place the Company has chosen to also disclose the TER%. This is calculated as the annual on-going charges (excluding trail commission and irrecoverable VAT) over Total Net Assets as at the relevant period end and is currently capped at 3.25 per cent, whereby excess costs over this value are absorbed by the Fund Manager. The annualised TER% as at 30 June 2013 is 2.6 per cent (30 June 2012: 2.5 per cent).

Unaudited Balance Sheet

As at 30 June 2013

	Unaudited 6 months ended 30 June 2013	Unaudited 6 months ended 30 June 2012	Audited year ended 31 December 2012
	£000	£000	£000
Notes			
Assets			
Non-current assets			
Investments	12,377	13,044	11,363
Fixed income government securities	901	918	912
Financial assets at fair value through profit or loss	13,278	13,962	12,275
Trade and other receivables	108	68	198
	13,386	14,030	12,473
Current assets			
Trade and other receivables	114	315	423
Cash on fixed term deposit	3,500	-	7,048
Cash and cash equivalents	13,393	12,085	7,484
	17,007	12,400	14,955
Liabilities			
Current liabilities			
Trade and other payables	(135)	(426)	(276)
Net current assets	16,872	11,974	14,679
Net assets	30,258	26,004	27,152
Shareholders' equity			
Share capital	4,800	3,942	4,271
Share premium account	4,835	12,993	14,806
Capital redemption reserve	88	88	88
Merger reserve	5,525	5,525	5,525
Other reserve	2	2	2
Capital reserve	285	2,120	3,154
Investment holding losses	(2,149)	(2,778)	(4,919)
Special reserve	16,743	4,112	4,071
Revenue reserve	129	-	154
Total Shareholders' equity	30,258	26,004	27,152
Net Asset Value per ordinary share	6	65.3p	68.0p
		65.5p	

Signed on behalf of the Board

Richard Last

Chairman

21 August 2013

Unaudited Statement of Changes in Equity For the 6 months ended 30 June 2013

	Share capital	Share premium account	Merger reserve	*Other reserves	Capital reserve	Investment holding gains (losses) reserve	Special reserve	Revenue reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 December 2011	2,426	4,427	5,525	90	2,630	(3,665)	4,255	294	15,982
<i>Revenue return for the period</i>	-	-	-	-	-	-	-	47	47
<i>Capital expenses</i>	-	-	-	-	(150)	-	-	-	(150)
<i>Investment holding loss on investments held at fair value</i>	-	-	-	-	-	876	-	-	876
<i>Realisation of investments in the period</i>	-	-	-	-	76	-	-	-	76
Total comprehensive income for the period	-	-	-	-	(74)	876	-	47	849
<i>Issue of share capital</i>	1,514	9,149	-	-	-	-	-	-	10,663
<i>Issue of Shares - DRIS</i>	2	11	-	-	-	-	-	-	13
<i>Issue costs</i>	-	(594)	-	-	-	-	-	-	(594)
<i>Purchase of own shares</i>	-	-	-	-	-	-	(143)	-	(143)
<i>Dividends</i>	-	-	-	-	(425)	-	-	(341)	(766)
Total transactions with shareholders	1,516	8,566	-	-	(425)	-	(143)	(341)	9,173
Realisation of prior year investment holding losses	-	-	-	-	(11)	11	-	-	-
At 30 June 2012	3,942	12,993	5,525	90	2,120	(2,778)	4,112	-	26,004
<i>Revenue return for the period</i>	-	-	-	-	-	-	-	107	107
<i>Capital expenses</i>	-	-	-	-	(192)	-	-	-	(192)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	-	(1,498)	-	-	(1,498)
<i>Gain on disposal of investments in the period</i>	-	-	-	-	1,586	-	-	-	1,586
Total comprehensive income for the period	-	-	-	-	1,394	(1,498)	-	107	3
<i>Issue of share capital</i>	314	1,866	-	-	-	-	-	-	2,180
<i>Issue costs</i>	-	(132)	-	-	-	-	-	-	(132)
<i>Purchase of own shares</i>	-	-	-	-	-	-	(41)	-	(41)
<i>Issue of Shares - DRIS</i>	15	79	-	-	-	-	-	-	94
<i>Dividends</i>	-	-	-	-	(1,003)	-	-	47	(956)
Total transactions with shareholders	329	1,813	-	-	(1,003)	-	(41)	-	1,145
Realisation of prior year investment holding gains	-	-	-	-	537	(537)	-	-	-
Realisation of negative goodwill	-	-	-	-	106	(106)	-	-	-
At 31 December 2012	4,271	14,806	5,525	90	3,154	(4,919)	4,071	154	27,152

Unaudited Statement of Changes in Equity For the 6 months ended 30 June 2013

	Share capital	Share premium account	Merger reserve	*Other reserves	Capital reserve	Investment holding gains (losses) reserve	Special reserve	Revenue reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 31 December 2012	4,271	14,806	5,525	90	3,154	(4,919)	4,071	154	27,152
<i>Revenue profit for the period</i>	-	-	-	-	-	-	-	129	129
<i>Capital expenses</i>	-	-	-	-	(204)	-	-	-	(204)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	-	1,097	-	-	1,097
<i>Gain on disposal of investments in the period</i>	-	-	-	-	9	-	-	-	9
Total comprehensive income for the period	-	-	-	-	(195)	1,097	-	129	1,031
<i>Issue of ordinary Share capital</i>	504	2,964	-	-	-	-	-	-	3,468
<i>Issue of Shares - DRIS</i>	25	130	-	-	-	-	-	-	155
<i>Issue costs of ordinary shares</i>	-	(160)	-	-	-	-	-	-	(160)
<i>Purchase of own shares</i>	-	-	-	-	-	-	(224)	-	(224)
<i>Dividends</i>	-	-	-	-	(1,001)	-	-	(154)	(1,155)
<i>Cancellation of Share Premium</i>	-	(12,905)	-	-	-	-	12,896	-	(9)
Total transactions with Shareholders	529	(9,971)	-	-	(1,001)	-	(12,672)	(154)	2,075
Realisation of prior year investment holding losses	-	-	-	-	(1,673)	1,673	-	-	-
At 30 June 2013	4,800	4,835	5,525	90	285	(2,149)	16,743	129	30,258

* Other reserves include the capital redemption reserve and treasury reserve, which are non-distributable.

Statement of Cash Flows
For the 6 months ended 30 June 2013

	Unaudited 6 months ended 30 June 2013 £000	Unaudited 6 months ended 30 June 2012 £000	Audited year ended 31 December 2012 £000
Net cash inflow (outflow) from operating activities	90	17	(354)
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Cash flows from investing activities			
Purchase of financial assets at fair value through profit or loss	(954)	(2,467)	(4,867)
Proceeds from sale of financial assets at fair value through profit or loss	1,062	1,238	5,239
Cash placed on fixed term deposit	-	-	(7,048)
Cash maturing on fixed term deposit	3,548	-	-
Deferred consideration	90	48	99
Net cash from (used in) investing activities	3,746	(1,181)	(6,577)
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Cash flows from financing activities			
Issue of ordinary shares	3,412	10,663	12,743
Cost of ordinary shares	(106)	(594)	(605)
Purchase of own shares	(224)	(143)	(184)
Dividends paid	(1,000)	(753)	(1,615)
Share Premium Cancellation costs	(9)	-	-
Net cash from financing activities	2,073	9,173	10,339
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Net increase in cash and cash equivalents	5,909	8,009	3,408
Cash and cash equivalents at the beginning of the period	7,484	4,076	4,076
Cash and cash equivalents at the end of the period	13,393	12,085	7,484

Notes to the Unaudited Financial Statements

1. General information, basis of preparation and principal accounting policies

These half year statements have been approved by the directors whose names appear at note 8, each of whom has confirmed that to the best of his knowledge:

- The Interim Management Report includes a fair review of the information required by rules 4.2.7 and 4.2.8 of the Disclosure Rules and the Transparency Rules.
- The half year statements have been prepared in accordance with IAS 34 'Interim financial reporting' and the Disclosure and Transparency Rules of the Financial Services Authority.

The half year statements are unaudited and have not been reviewed by the auditors pursuant to the Auditing Practices Board (APB) guidance on Review of Interim Financial Information. They do not constitute full financial statements as defined in section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2012 do not constitute full financial statements and have been extracted from the Company's financial statements for the year ended 31 December 2012. Those accounts were reported upon without qualification by the auditors and have been delivered to the Registrar of Companies.

The accounting policies and methods of computation followed in the half year statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 December 2012.

The financial statements for the year ended 31 December 2012 were prepared in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. Where guidance set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies in January 2009 ("SORP") is consistent with the requirements of IFRS, the financial statements have been prepared in compliance with the recommendations of the SORP.

Other standards and interpretations have been issued which will be effective for future reporting periods but have not been adopted early in these financial statements. These include the new standards IFRS10, IFRS12 and IFRS13 in addition to amendments to IFRS 1, IFRS 7, IFRS 9, IAS 1, IAS 19, IAS 27, IAS 28 and IAS 32. A full impact assessment has not yet been completed in order to assess whether these new standards will have a material impact on the financial statements.

Going Concern: The directors have carefully considered the issue of going concern and are satisfied that the Company has sufficient resources to meet its obligations as they fall due for a period of at least twelve months from the date these half year statements were approved.

As at 30 June 2013 the Company held cash balances, investments in fixed income government securities and fixed term deposits with a combined value of £17,794,000. Cash flow projections show the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buy-backs and the dividend policy. The directors therefore believe that it is appropriate to continue to apply the going concern basis of accounting in preparing these half year statements.

Notes to the Unaudited Financial Statements

2. Income

	Unaudited 6 months ended 30 June 2013	Unaudited 6 months ended 30 June 2012
	£000	£000
Income from investments		
- Dividends from unquoted companies	28	3
- Dividends from AIM quoted companies	22	22
	50	25
- Interest on loans to unquoted companies	187	147
- Fixed interest Government securities	10	11
Income from investments held at fair value through profit or loss	247	183
Interest on bank deposits	118	75
	365	258

Notes to the Unaudited Financial Statements

3. Taxation

	Unaudited 6 months ended 30 June 2013			Unaudited 6 months ended 30 June 2012		
	Revenue	Capital	Total	Revenue	Capital	Total
	£000	£000	£000	£000	£000	£000
Profit before taxation	129	902	1,031	47	802	849
Profit before taxation multiplied by standard small company rate of corporation tax in UK of 20% (2012: 20%)	26	180	206	9	160	169
Effect of:						
UK dividends received	(10)	-	(10)	(5)	-	(5)
Non taxable profits on investments	-	(221)	(221)	-	(200)	(200)
Excess management expenses	(16)	41	25	(4)	40	36
Tax (credit) / charge	-	-	-	-	-	-

The Company has no provided, or unprovided, deferred tax liability in either year.

Deferred tax assets in respect of losses have not been recognised as the directors do not currently believe that it is probable that sufficient taxable profits will be available against which the assets can be recovered.

Due to the Company's status as a venture capital trust, and the continued intention to meet the conditions required to comply with Chapter 3 Part 6 of the Income Tax Act 2007, the Company has not provided deferred tax on any capital gains or losses arising on the revaluation or realisation of investments.

Notes to the Unaudited Financial Statements

4. Dividends

Amounts recognised as distributions to equity holders in the period:

	Unaudited 6 months ended 30 June 2013			Unaudited 6 months ended 30 June 2012			Audited Year ended 31 December 2012		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Final paid – 2.5p per Ordinary share. Paid 5 June 2013	154	1,001	1,155	-	-	-	-	-	-
Final paid - 2.0p per Ordinary share. Paid 22 May 2012	-	-	-	341	425	766	294	472	766
Interim paid - 2.0p per ordinary share. Paid 26 October 2012	-	-	-	-	-	-	-	765	765
Special paid - 0.5p per ordinary share. Paid 26 October 2012	-	-	-	-	-	-	-	191	191
	154	1,001	1,155	341	425	766	294	1,428	1,722

An interim dividend of 2.0 pence per ordinary share, amounting to £927,000, is proposed. The dividend has not been recognised in these half year financial statements as the obligation did not exist at the balance sheet date.

5. Basic and Diluted Earnings per Ordinary Share

The basic and diluted earnings per ordinary share is based on the profit after tax attributable to equity Shareholders of £1,031,000 (30 June 2012: profit of £849,000) and 43,683,833 (30 June 2012: 35,885,606) ordinary shares being the weighted average number of ordinary shares in issue during the period.

The basic and diluted revenue return per ordinary share is based on the revenue profit attributable to equity Shareholders of £129,000 (30 June 2012: £47,000) and 43,683,833 (30 June 2012: 35,885,606) ordinary shares being the weighted average number of ordinary shares in issue during the period.

The basic and diluted capital return per ordinary share is based on the capital profit attributable to equity Shareholders of £902,000 (30 June 2012: profit of £802,000) and 43,683,833 (30 June 2012: 35,885,606) ordinary shares being the weighted average number of ordinary shares in issue during the period.

During the period the Company allotted 254,976 new ordinary shares in respect of its dividend re-investment scheme and 5,038,678 new ordinary shares under the joint offer for subscription with British Smaller Companies VCT plc.

The Company has repurchased 379,961 of its own shares in the period and these shares are held in treasury. The total of 1,632,722 treasury shares has been excluded in calculating the weighted average number of ordinary shares during the period. The Company has no securities that would have a dilutive effect and hence basic and diluted earnings per ordinary Share are the same.

6. Basic and Diluted Net Asset Value per Ordinary Share

The basic and diluted Net Asset Value per ordinary share is calculated on attributable assets of £30,258,000 (30 June 2012 and 31 December 2012: £26,004,000 and £27,152,000 respectively) and 46,371,537 (30 June 2012 and 31 December 2012: 38,243,718 and 41,457,844 respectively) ordinary shares in issue at 30 June 2013.

The 1,632,722 (30 June 2012: 1,178,356) treasury shares have been excluded in calculating the number of ordinary shares in issue at 30 June 2013. The Company has no securities that would have a dilutive effect and hence basic and diluted Net Asset Value per ordinary share are the same.

7. Total Return

Total Return per share is calculated on cumulative dividends paid of 37.0 pence per ordinary share (30 June 2012: 32.0 pence per ordinary share and 31 December 2012: 34.5 pence per ordinary share) plus the Net Asset Value as calculated in note 6.

8. Directors

The directors of the Company are: Mr R Last, Mr R M Pettigrew, and Mr P C Waller.

9. Related Parties

YFM Private Equity Limited (“the Manager”) provides fund management, secretarial and administrative services to the Company. Under the management agreement, the Manager receives a fee of 2.5 per cent of the Net Asset Value of the Company up to £16 million, 1.5 per cent of Net Asset Value of the Company in excess of £16 million and up to £26.667 million and to 2.0 per cent in respect of any Net Asset Value of the Company in excess of £26.667 million, calculated at half-yearly intervals as at 30 June and 31 December. The effective fee rate paid to the Fund manager for the period 30 June 2013 is 1.8% of the Company’s Net

Asset Value as at 30 June 2013. Under the same agreement the Manager also provides administrative and secretarial services to the Company for a fee of £46,000 per annum as adjusted for changes in the Retail Price Index. During the period the Company has incurred management fees of £272,000 and secretarial fees of £29,000 payable to the Manager.

Under the terms of the joint offer with British Smaller Companies VCT plc launched on 16 November 2012 (which closed on 30 April 2013), the Manager was entitled to 5.5 per cent of gross subscriptions (before any early investment incentive and re-investment of intermediary commission) for all applications received on or before 28 December 2012. After this date the Manager was entitled to 5.5 per cent of gross subscriptions from execution brokers and 3.5 per cent of gross subscriptions for applications received directly from applicants or through intermediaries offering financial advice. This amounted to £279,491 in total of which £159,591 was received in the six months to 30 June 2013.

The Manager met all costs and expenses arising from these offers out of these fees, including any early investment incentive and any payment or re-investment of initial intermediary commissions (excluding permissible trail commission, which will continue to be met by the Company).

10. Other Information

Copies of the interim report can be obtained from the Company's registered office: Saint Martins House, 210-212 Chapeltown Road, Leeds, LS7 4HZ or from the Manager's website: www.yfmep.com.

11. Interim Dividend for the six months ended 30 June 2013

Further to the announcement of its interim results for the 6 months to 30 June 2013, the Company confirms that an interim dividend of 2.0 pence per ordinary share ("Interim Dividend") will be paid on 27 September 2013 to those Shareholders on the Company's register at the close of business on 30 August 2013. The ex-dividend date for the Interim Dividend will be 28 August 2013.

12. Dividend re-investment scheme ("DRIS")

The Company operates a dividend reinvestment scheme ("DRIS"). The latest date for receipt of DRIS elections so as to participate in the DRIS in respect of the Interim Dividend is the close of business on 13 September 2013.

For further information, please contact:

David Hall	YFM Equity Partners Limited	Tel: 0113 294 5039
Matthew Thomas	Nplus 1 Singer Advisory LLP	Tel: 0207 496 3000

British Smaller Companies VCT2 plc (“the Company”)

Purchase of Own Securities and Total Voting Rights

The Company announces that today it purchased 100,000 ordinary shares of 10 pence each at a price of 57.87 pence per share. These shares will be held in Treasury.

If these shares had been purchased prior to the quarter ended 31 March 2013, and on the assumption that there were no other alterations, the unaudited Net Asset Value per ordinary share of the Company at that date would have been unaltered at 66.8 pence per ordinary share.

The Company’s issued share capital now consists of 46,371,537 ordinary shares with voting rights. In addition, the Company holds 1,632,722 shares in Treasury.

The above figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

19 June 2013

For further information, please contact:

David Hall	YFM Equity Partners Limited	Tel: 0113 294 5039
Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 0207 496 3000

British Smaller Companies VCT2 plc

Allotment of Shares

British Smaller Companies VCT2 plc (“the Company”) announces that on 5 June 2013 it allotted 254,976 ordinary shares of 10 pence each pursuant to its dividend reinvestment scheme at a price of 61.09 pence per share to shareholders of the Company who elected to receive shares instead of the final cash dividend of 2.5 pence per ordinary share to be paid by the Company in respect of the financial year ended 31 December 2012.

Application is now being made for the ordinary shares which were allotted on 5 June 2013 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, and dealings are expected to commence on or around 12 June 2013.

Following such allotment the Company’s issued share capital consists of 46,471,537 ordinary shares with voting rights (“Voting Capital”) and 1,532,722 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 294 5039
Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

BRITISH SMALLER COMPANIES VCT2 PLC
RESULT OF ANNUAL GENERAL MEETING

British Smaller Companies VCT2 plc (“the Company”) announces that at the Annual General Meeting of the Company held on 20 May 2013 all the resolutions proposed at the meeting (“Resolutions”) were duly passed.

The full text of the Resolutions was included in the notice of the Annual General Meeting contained within the Company’s Annual Report for the year ended 31 December 2012, a copy of which is available on the website of the Company’s Fund Manager at www.yfmep.com. Details of the proxy votes lodged in advance of the Annual General Meeting are also available on the Fund Manager’s website.

In accordance with the Company’s obligations under Listing Rule 9.6.2, copies of the Resolutions passed at the Annual General Meeting have been submitted to the National Storage Mechanism and will shortly be available for viewing at www.hemscott.com/nsm.do.

20 May 2013

For further information, please contact:

David Hall	YFM Private Equity	Tel: 0113 294 5055
Matthew Thomas	NPlus1 Singer Advisory LLP	Tel: 020 7496 3000

BRITISH SMALLER COMPANIES VCT2 PLC (“the Company”)

Annual General Meeting held on 20 May 2013

Note of Proxies Received

The Company announces that all the resolutions put to the shareholders of the Company ('Resolutions') at its Annual General Meeting held on 20 May 2013 were duly passed.

The full text of the Resolutions were contained in the notice of the Annual General Meeting dated 28 March 2013, a copy of which is also available on this website (please see pages 66-68 of the Company's annual report and accounts for the year ended 31 December 2012).

ORDINARY RESOLUTIONS

Resolution 1

2,917,299 proxy votes were received on this resolution: 2,656,145 in favour, 37,411 against, 223,743 at the Chairman's discretion and no votes withheld.

Resolution 2

2,917,299 proxy votes were received on this resolution: 2,693,556 in favour, none against, 223,743 at the Chairman's discretion and none withheld.

Resolution 3

2,917,299 proxy votes were received on this resolution: 2,536,457 in favour, 70,406 against, 223,743 at the Chairman's discretion and 86,693 withheld.

Resolution 4

2,917,299 proxy votes were received on this resolution: 2,598,004 in favour, 55,745 against, 223,743 at the Chairman's discretion and 39,807 withheld.

Resolution 5

2,917,299 proxy votes were received on this resolution: 2,594,128 in favour, 59,621 against, 223,743 at the Chairman's discretion and 39,807 withheld.

Resolution 6

2,917,299 proxy votes were received on this resolution: 2,609,029 in favour, 44,720 against, 223,743 at the Chairman's discretion and 39,807 withheld.

Resolution 7

2,917,299 proxy votes were received on this resolution: 2,597,800 in favour, 79,702 against, 223,743 at the Chairman's discretion and 16,054 withheld.

Resolution 8

2,917,299 proxy votes were received on this resolution: 2,606,854 in favour, 82,386 against, 223,743 at the Chairman's discretion and 4,316 withheld.

SPECIAL RESOLUTION

Resolution 9

2,917,299 proxy votes were received on this resolution: 2,552,139 in favour, 105,528 against, 249,060 at the Chairman's discretion and 10,572 withheld.

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

British Smaller Companies VCT2 plc

Offers for Subscription: Allotment of Shares

British Smaller Companies VCT2 plc (the “Company”) and British Smaller Companies VCT plc initially sought to raise up to a maximum of £15 million by way of joint offers for subscription of up to 7,374,101 ordinary shares of 10 pence each in the Company and 10,485,934 ordinary shares of 10 pence each in British Smaller Companies VCT plc (“Offers for Subscription”). Full details of the Offers for Subscription are contained in a prospectus issued by the Company and British Smaller Companies VCT plc on 16 November 2012 (the “Prospectus”). On 4 April 2013 the Board (and the Board of British Smaller Companies VCT plc) exercised their discretion under the terms of the Prospectus to increase the size of the Offers for Subscription beyond the original £15million to £20million, in aggregate.

The Company announces that on 30 April 2013 it allotted an aggregate of 610,380 ordinary shares of 10 pence each, of which 51,801 were allotted at the offer price of 68.00 pence per ordinary share (for applications received through intermediaries offering financial advice and direct applications) and 558,579 were allotted at the offer price of 69.50 pence per ordinary share (for applications received through intermediaries not offering financial advice). These allotments were made in respect of valid subscriptions received on or before 11.00am on 30 April 2013, for the tax year 2013/2014 pursuant to the Offers for Subscription, and are the final allotments to be made under the Offers for Subscription which are now closed.

The Company and British Smaller Companies VCT plc have in total raised gross proceeds of £16.0 million under the Offers for Subscription and after taking into consideration the costs of the Offers for Subscription this gives net total proceeds of approximately £15.2 million. The Company has raised net proceeds of £5.4 million and British Smaller Companies VCT plc has raised net proceeds £9.8 million. The Offers for Subscription have now closed.

Applications are now being made by the Company for the ordinary shares which were allotted on 30 April 2013 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange’s main market for listed securities, and dealings are expected to commence on or around 7 May 2013.

Following the allotment of 610,380 ordinary shares, the Company’s issued share capital consists of 46,216,561 ordinary shares with voting rights (“Voting Capital”) and 1,532,722 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA’s Disclosure and Transparency Rules.

While the Offers for Subscription have now closed, a copy of the Prospectus has been submitted to the National Storage Mechanism and is still available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. Also, it can still be viewed on the Company's website <http://www.yfmep.com>.

1 May 2013

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 294 5055
Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 0203 7496 3000

British Smaller Companies VCT2 plc (“the Company”)

Interim Management Statement

For the quarter ended 31 March 2013

British Smaller Companies VCT2 plc presents its interim management statement for the period from 1 January 2013 to 31 March 2013, including relevant financial information from the end of that period to 30 April 2013, being the date of this announcement. This constitutes the Company’s first interim management statement for the financial year ending 31 December 2013, as required by Rule 4.3 of the Disclosure and Transparency Rules. A copy of this interim management statement can be found at www.yfmep.com.

The total return at 31 March 2013, calculated by reference to the net asset value per ordinary share and the cumulative dividends paid per ordinary share, was 101.3 pence per ordinary share. In the quarter there has been an increase of 1.3 pence per ordinary share in the total return to shareholders (equivalent to 1.3%) mainly as a result of the increase in valuation seen in the Company’s unquoted investment portfolio.

The unaudited net asset value per ordinary share as at 31 March 2013 was 66.8 pence representing an increase of 1.3 pence per ordinary share (equivalent to 2%) from 65.5 pence per ordinary share as at 31 December 2012. These figures are before any provision for the proposed final dividend of 2.5 pence per ordinary share in respect of the year to 31 December 2012. This level of dividend is an increase of 0.5 pence per ordinary share on the 2011 final dividend. If the final dividend is approved at the Company’s Annual General Meeting on 20 May 2013 it will be paid on 5 June 2013 to shareholders on the register as at 3 May 2013.

The number of ordinary shares in issue at 31 March 2013 was 41,457,844 (31 December 2012: 41,457,844). In addition, at 31 March 2013, the Company held 1,252,761 ordinary shares in treasury (31 December 2012: 1,252,761).

Net assets at 31 March 2013 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	9,930	35.9
Quoted investments at bid price	1,669	6.0
Gilt investments	915	3.3
Total investments	12,514	45.2
Cash and cash equivalents	7,702	27.8
Cash on fixed term deposit	7,048	25.5
Other net current assets	414	1.5
Net assets	27,678	54.8

The above cash balance includes £2.1 million relating to the allotment of shares on 31 December 2012.

The ten largest investments by valuation at 31 March 2013 were as follows:

	£000	% of net assets
Displayplan Holdings Limited	1,638	5.9
Seven Technologies Holdings Limited	1,167	4.2
Digital Healthcare Limited	1,059	3.8
Immunobiology Limited	987	3.6
Deep-Secure Limited	983	3.6
Insider Technologies (Holdings) Limited	806	2.9
Bluebell Telecoms Group Limited	608	2.2
PowerOasis Limited	567	2.0
Waterfall Services Limited	434	1.6
Harvey Jones Holdings Limited	419	1.5
	8,668	31.3
Other investments	2,931	10.6
Gilt investments	915	3.3
Total investments	12,514	45.2

During the three months ended 31 March 2013 the Company made one follow-on investment of £0.07 million into existing portfolio company PowerOasis Limited, a provider of energy management solutions to telecoms infrastructure operators. This investment was part of a significant \$5 million investment round led by a strategic trade investor.

In the 3 months to 31 March 2013 aggregate cash proceeds of £0.41 million were received relating to the sale of the Company's holdings in Tikit Group plc and May Gurney Integrated Services plc generating a profit on cost of £0.07 million in the quarter.

Following the end of the quarter, on 5 April 2013 the Company issued 4,428,298 new ordinary shares as part of the linked offer with British Smaller Companies VCT plc, raising £2,907,109 million net of costs. Unquoted portfolio business Cambridge Cognition Limited has also achieved a successful listing on the AiM market raising £5m to fund sales growth of its cognitive testing software.

On 18 April 2013 the Company purchased 279,961 ordinary shares at a price of 59.20 pence per ordinary share. These shares are held in treasury.

Performance

The portfolio value increased by 1.4 pence per ordinary share in the quarter although growth in net asset value per ordinary share was slightly lower at 1.3 pence including other costs. The majority of this increase is attributed to the unquoted investments with several investee companies reporting profit growth in the period.

Outlook

The Board believes that the current economic climate will continue to create investment opportunities in the short to medium term in well run and managed UK businesses that need capital to expand but are facing a shortage of finance. History has shown us that cautious investments made in the low point of the economic cycle have resulted in the highest portfolio returns. Additionally the investment limit applying to venture capital trusts has been increased to £5 million per investment in any one year. A number of investment opportunities are currently being assessed for investment and the Company is well placed to take advantage of these following the recent new share issue.

30 April 2013

For further information please contact:

David Hall YFM Private Equity Limited
Matt Thomas N+1 Singer

Tel: 0113 294 5039
Tel: 0207 496 3000

British Smaller Companies VCT2 plc (“the Company”)

Purchase of Own Securities and Total Voting Rights

The Company announces that on 18 April 2013 it purchased 279,961 ordinary shares of 10 pence each at a price of 59.20 pence per share. These shares will be held in Treasury.

If these shares had been purchased prior to the quarter ended 31 December 2012, and on the assumption that there were no other alterations, the unaudited Net Asset Value per ordinary share of the Company at that date would have been unaltered at 65.5 pence per ordinary share.

The Company’s issued share capital now consists of 45,606,181 ordinary shares with voting rights. In addition, the Company holds 1,532,722 shares in Treasury.

The above figure may be used by Shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FSA’s Disclosure and Transparency Rules.

19 April 2013

For further information, please contact:

David Hall
Matthew Thomas

YFM Equity Partners Limited
Nplus1 Singer Advisory LLP

Tel: 0113 294 5039
Tel: 0207 496 3000

British Smaller Companies VCT2 plc

Offers for Subscription: Allotment of Shares

British Smaller Companies VCT2 plc (the "Company") and British Smaller Companies VCT plc initially sought to raise up to a maximum of £15 million by way of joint offers for subscription of up to 7,374,101 ordinary shares of 10 pence each in the Company and 10,485,934 ordinary shares of 10 pence each in British Smaller Companies VCT plc ("Offers for Subscription"). Full details of the Offers for Subscription are contained in a prospectus issued by the Company and British Smaller Companies VCT plc on 16 November 2012 (the "Prospectus"). On 4 April 2013 the Board exercised its discretion under the terms of the Prospectus to increase the size of the Offers for Subscription beyond its original £15m to £20 million, in aggregate.

The Company announces that on 5 April 2013 it allotted an aggregate of 4,428,298 ordinary shares of 10 pence each, of which 2,236,692 were allotted at the offer price of 68.00 pence per ordinary share (for applications received through intermediaries offering financial advice and direct applications) and 2,191,606 were allotted at the offer price of 69.50 pence per ordinary share (for applications received through intermediaries not offering financial advice). These allotments were made in respect of valid subscriptions received after 28 December 2012 and on or before 11.00am on 5 April 2013, for the tax year 2012/2013 pursuant to the Offers for Subscription.

Richard Last, Chairman of the Company, and Peter Waller, non-executive Director of the Company, have been allotted 4,940 and 2,450 ordinary shares of 10 pence each respectively in the Company which takes their total respective shareholdings to 120,912 and 17,156 ordinary shares in the Company.

The Company and British Smaller Companies VCT plc in total has raised gross proceeds £14.8 million under the Offers for Subscription. The Company has raised £5.2 million and British Smaller Companies VCT plc has raised £9.6 million.

Applications are now being made by the Company for the ordinary shares which were allotted on 5 April 2013 to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities, and dealings are expected to commence on or around 12 April 2013.

Following the allotment of 4,428,298 ordinary shares, the Company's issued share capital consists of 45,886,142 ordinary shares with voting rights ("Voting Capital") and 1,252,761 shares held in Treasury.

The above statement of Voting Capital may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in the Company under the FCA's Disclosure and Transparency Rules.

The 2012/2013 Offers for Subscription are now closed and the 2013/14 Offers for Subscription will remain open until 11:00 am on 30 April 2013, unless maximum subscription is reached before this date or the directors exercise their discretion to extend the Offer period.

A copy of the Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. It can also be viewed on the Company's website <http://www.yfmep.com>.

8 April 2013

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 294 5055
Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 0203 7496 3000

British Smaller Companies VCT2 plc

Increase of Size of Offer for Subscription

The Board of British Smaller Companies VCT2 plc (the "Company") is pleased to announce that the Company and British Smaller Companies VCT plc ("BSC") (together "the Companies") have received applications under the joint offer for subscription in the Companies launched on 16 November 2012 ("Offers for Subscription") approaching the original capacity of up to a maximum of £15 million, in aggregate, of funds raised.

Full details of the Offers for Subscription are contained in a prospectus issued by the Companies on 16 November 2012 (the "Prospectus"). As stated (and as defined) in the Prospectus the Offer Price per ordinary share of 10 pence in the capital of the Company, for applications received after 28 December 2012 and on or before 30 April 2013 (or such other date as the directors of the Companies should choose to extend the Offers for Subscription), is either 68.00 pence per ordinary share (for applications received through intermediaries offering financial advice and for direct applications) or 69.50 pence per ordinary share (for applications received through intermediaries not offering financial advice).

In accordance with the Prospectus, the Boards of the Companies have exercised their discretion to extend the maximum subscription under the Offers for Subscription beyond the original £15 million to £20 million, in aggregate.

As previously announced the 2012/13 Offers for Subscription will close at 11:00 am on Friday, 5 April 2013. The 2013/14 Offers for Subscription will remain open until 11:00 am on 30 April 2013, unless maximum subscription is reached before this date or the directors of the Companies choose to extend the offer period.

A copy of the Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.hemscott.com/nsm.do>. It can also be viewed on the Companies' website <http://www.yfmep.com>.

4 April 2013

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 294 5055
Matthew Thomas	Nplus1 Singer Advisory LLP	Tel: 0203 7496 3000

BRITISH SMALLER COMPANIES VCT2 PLC Annual Financial Report

Announcement for

the Year to 31 December 2012

British Smaller Companies VCT2 plc (“the Company”) today announces its audited results for the year to 31 December 2012.

Whilst the general economic backdrop has remained challenging the total return to Shareholders has increased by 1.5% in the year. The financial highlights are:

- An increase in the proposed final dividend to 2.5 pence per ordinary share
- An increase in Net Asset Value of 2.2 per cent prior to the payment of dividends
- The investment portfolio has increased in value by 10.3 per cent over the year
- Dividends for the year total 4.5 pence per ordinary share. This brings cumulative dividends paid to Shareholders at 31 December 2012 to 34.5 pence per ordinary share.
- Average annual dividend of 4.8 pence per ordinary share over 5 years, representing a yield of 8.2% on the share price at 31 December 2012.
- An increase in Total Return of 1.5 per cent to 100.0 pence per ordinary share

Chairman’s Statement

I am pleased to report an increase in Net Asset Value per ordinary share of 1.5 pence in the year to December 2012 prior to the payment of dividends totalling 4.5 pence per ordinary share which includes a special dividend of 0.5 pence per ordinary share. This is another solid performance against the backdrop of ongoing economic challenges and represents a 2.2 per cent increase on the opening Net Asset Value for the year. The Total Return as at 31 December 2012 increased by 1.5 per cent to 100.0 pence per ordinary share. During the year the Company made new investments of £4.44 million.

In April 2012 the Company completed a successful offer for subscription, raising gross proceeds of over £10 million and on 16 November 2012 announced a further fundraising by way of joint offers for subscription with British Smaller Companies VCT plc. I am pleased to report that the Company has made a first allotment of 3,136,695 shares raising total gross proceeds of £2.18 million under the offers. The offer in relation to the 2012/2013 tax year remains open until 11:00 am on Friday 5 April 2013, and the offer in relation to the 2013/2014 tax year closes on 30 April 2013, but may close early in the event of full subscription.

The special dividend of 0.5 pence per ordinary share paid in October 2012 followed two profitable disposals of the investments in Primal Pictures Limited and Sirigen Group Limited, from the unquoted portfolio. The total dividends paid in the year of 4.5 pence per ordinary share brings the cumulative dividends paid since the Company’s inception to 34.5 pence per ordinary share.

Financial Results

The movement in Net Asset Value per ordinary share and the dividends paid in the year can be summarised as follows:

	Pence/ordinary share
31 December 2011	68.5
Net increase in value	2.1
Buy-back of shares	0.1
Issue of new shares	(0.7)
Ordinary dividends paid	(4.0)
Special dividend paid	(0.5)

31 December 2012 **65.5**

During the 12 months to 31 December 2012 the Company realised a gain on investments of £2.252 million compared to original cost and an uplift of £1.662 million on the opening value. This comprises:

	Net proceeds from sales of investments £000	Cost of investment £000	Opening value 1 January 2012 £000	Gain on opening value £000	Profit on cost £000
Sale of Quoted and Unquoted investments	4,111	2,214	2,675	1,436	1,897
Deferred Proceeds received	99			99	99
Total Cash Proceeds	4,210	2,214	2,675	1,535	1,996
Deferred Proceeds accrued	197		65	132	197
Total Proceeds	4,407	2,214	2,740	1,667	2,193
Fixed Income Securities	1,127	1,068	1,132	(5)	59
Total	5,534	3,282	3,872	1,662	2,252

The proceeds from these disposals have allowed for the payment of a capital dividend of 3.7 pence per ordinary share (£1.428 million) with the remaining dividend of 0.8 pence per ordinary share (£0.294 million) being paid from revenue.

In the 12 months since 31 December 2011 the Total Return, calculated by reference to Net Asset Value plus cumulative dividends, has increased by 1.5 per cent, and over the last 2 years it has increased by 5.9 per cent. Over the same two year period this compares to a 5.8 per cent increase in the FTSE™ Small Cap Share index and a fall of 24.3 per cent in the FTSE All Share™ index.

Cumulative dividends at 31 December 2012 amounted to 34.5 pence per ordinary share. The Net Asset Value per ordinary share as at 31 December 2012 was 65.5 pence per ordinary share.

Investment Portfolio

Including the deferred proceeds received during the year the effective net gain on the investment portfolio was £1.05 million equivalent to 2.1 pence per ordinary share, an increase of 10.3 per cent on the opening 31 December 2011 portfolio value, which comprises profits on disposals during the year of £1.44 million, deferred consideration gains of £0.23 million and a reduction in residual portfolio value of £0.62 million.

There are currently thirty active companies in the portfolio of which nineteen are unquoted and the remaining eleven are quoted and traded on AIM on the London Stock Exchange. This compares to twenty nine companies at the end of 2011. The current value of the unquoted portfolio is £9.357 million, whilst the AIM quoted portfolio is valued at £2.006 million - these represent 82.3 per cent and 17.7 per cent of the total portfolio respectively.

During the year strong profits were generated from a number of disposals, although despite progress in many of the underlying businesses, the current carrying value of the residual portfolio has reduced by £0.62 million after allowing for the impact of investment disposals and deferred consideration payments. This figure comprises an increase of £0.17 million in the value of AIM investments, a fall in value of £0.79 million in respect of unquoted investments. The gilt portfolio has remained stable with a marginal decrease in the value of £0.01 million.

Good progress has however been made by a number of our portfolio businesses which have seen profits grow despite the challenging economic environment.

- Since the initial investment in DisplayPlan Holdings Limited in January 2012 the business has had a very strong first year of trading and the value of the Company's investment has increased by £0.80 million to £1.50 million.
- Humber-based stevedoring and logistics operator, RMS Group Holdings Limited, has delivered another year of good profits, enabling the Company's remaining debt to be repaid in full and increasing the value of the remaining investment by £0.12 million.
- Several of the Company's quoted investments also reported good results with value increases seen by Iomart Group plc (up £0.13 million), Tikit Group plc (up £0.08 million) and Brady plc (£0.65 million). Subsequent to the year end the Company realised its investment in Tikit Group plc crystallising a further gain of £0.08 million.
- The largest negative changes in valuation were seen at Immunobiology Limited (£0.51 million) due to the pricing of a new £3.0 million investment round which was led by the Company, and Digital Healthcare Limited (£0.48 million) which is now profitable and consequently valued on an earnings basis although this has resulted in a lower valuation compared to the previous valuation method which was linked to the prior investment round price.

New Investments

2012 has been an active year for investments with the Company completing nine investments totalling £4.44 million compared to £2.78 million in 2011. This comprised four new investments in unquoted companies, one new investment into an AIM quoted company and four follow-on investments into existing portfolio companies.

The five new investments were:

- £1.26 million was invested to support the expansion plans of Seven Technologies Holdings Limited, a Northern Irish engineering business which specialises in developing bespoke electronics and communications applications for operation in inhospitable environments.
- £0.70 million was invested into DisplayPlan Holdings Limited as part of the buyout of this UK-based retail display group from its US parent company.
- £0.78 million was invested to fund the buyout of Insider Technologies (Holdings) Limited, an established provider of monitoring and scheduling software to the financial services and national security sectors.
- £0.30 million was invested into the buyout of Selima Limited, an established payroll & HR software services provider.
- £0.13 million was invested into AIM-quoted Hargreaves Services plc, the UK's largest solid fuel production and bulk haulage company.

The largest further investment into the portfolio was £0.90 million as part of a £3.0 million investment round into vaccine platform technology development business Immunobiology Limited. The Company led this round which included £1.0 million from a new external investor and this funding provides a clear path to achieve human trial results for its leading meningitis product to validate this innovative technology.

Disposal of Investments

During the year the Company received proceeds from disposals and deferred consideration of £4.21 million with a further £0.2 million deferred consideration included in accrued income, representing a profit on cost of £2.19 million and an uplift on the opening value of £1.66 million, including a small £0.01 million loss on sales from the gilt portfolio. The two most significant disposals from the unquoted portfolio were:

- Primal Pictures Limited was sold to a UK-listed media group in August 2012, delivering total cash proceeds for the year of £2.01 million and a profit on disposal of £0.93 million. The profit on cost during the life of the investment was £1.11 million and represents a multiple on cost of 2.24x. A further £0.01 million has been included in accrued income in respect of expected deferred consideration.
- Sirigen Group Limited was sold to a US-based international healthcare group in August 2012, generating cash proceeds of £1.45 million and a profit on disposal of £0.53 million. This represents a profit on initial investment cost of £0.93 million and a multiple of 2.80x. The Company is also entitled to significant further deferred consideration payments of up to

£0.6 million but only £0.11 million has been taken as profit as at December 2012.

In the 12 months to December 2012 the Company has received £0.05 million of deferred proceeds in respect of the trade sale of DxS Limited in 2009, bringing the total amount received from this investment to £2.64 million, representing a multiple of 16.17x on capital invested.

Shareholder Relations

Dividends

Your Board remains committed to achieving the objective of a consistent and increasing dividend stream over time. The Company paid dividends of 4.5 pence per ordinary share in the year and your Board is pleased to propose a final dividend of 2.5 pence per ordinary share. If approved at the Annual General Meeting, the dividend will be paid on 5 June 2013 to shareholders on the register as at 3 May 2013.

Fundraising

Following an offer for subscription published on 26 October 2011 your Board is pleased to report the offer was fully subscribed and raised a total of £10 million net of costs.

The recent changes to UK legislation implemented with effect from 6 April 2012 have increased the ability of Venture Capital Trusts to invest in growing British businesses. This together with the restricted supply of other forms of finance has combined to make this an attractive investment environment for those such as VCTs that are able to take a medium term view. In particular businesses now have the ability to receive investment of up to £5 million in any one year from Venture Capital Trusts, which is an increase of £3 million over the previous limit. The Company is therefore seeking to increase further its investment capacity by £5 million through joint offers with British Smaller Companies VCT plc. The offer in relation to the 2012/2013 tax year remains open until 11:00am on Friday 5 April 2013 and the offer in relation to the 2013/2014 tax year remains open until 11:00am on Tuesday 30 April 2013 but may close earlier in the event of full subscription.

Following an excellent response to the offers, an initial allotment of 3,136,695 new ordinary shares was made on 31 December 2012. As at the date of this report the Company has received applications of £5.96 million under the joint offers.

Share Buy-Back Policy

Following a review of the Share buy-back policy, the Board is please to advise that, as of 2 April 2013, the rate of discount to Net Asset Value at which ordinary shares are bought by the Company will be reduced to no more than 10 per cent from the previously stated 15 per cent.

Shareholder Relations

Your Board remains committed to enhancing Shareholder communications and continues to hold Shareholder workshops where investors are invited to meet members of the Board, representatives from YFM Private Equity Limited, the Company's Fund Manager, and the CEOs of one or more of our investee companies. Our 18th Shareholder workshop was held at Lord's Cricket Ground in London on 6 February 2013 and achieved the highest ever attendance with approaching 200 Shareholders attending. Presentations at the workshop were made by David Hall on behalf of the

Company's Fund Manager, as well as the CEOs of investee companies Selima Limited and DisplayPlan Holdings Limited and independent analyst and commentator Martin Churchill. Ten separate afternoon "Meet the Manager" sessions were attended by over 50 Shareholders.

The Annual General Meeting of the Company will be held at 12.00 noon on 20 May 2013 at 33 St James Square, London, SW1Y 4JS.

Subsequent Events

Since the year end the Company has disposed of its holding in AIM quoted Tikit Group plc, supplier of enterprise software to UK legal practices, on its trade sale to British Telecommunications plc which completed in January 2013. The Company received £0.27 million of cash proceeds for the sale of its shares, representing a profit on original cost of £0.08 million.

In March 2013 a further investment of £0.07 million was made into existing portfolio company PowerOasis Limited, provider of energy management solutions to telecoms infrastructure operators. This investment was part of a significant \$5 million investment round led by a strategic trade investor.

On 16 March 2013, the amount standing to the credit of the share premium account as at 5 April 2012 was cancelled pursuant to an order of court following the passing of a special resolution. The credit arising of £12,905,041 has been transferred to a Special Reserve, which shall be applied in any manner in which the Company's profits available for distribution are able to be applied. Following the cancellation, the total distributable reserves of the Company will increase to £20,284,000.

Following the acquisition of May Gurney Integrated Services plc by Costain Group plc on 26 March 2013 the Company disposed of its full shareholding of 39,000 shares for 2.42 per share raising total proceeds of £0.09 million.

Outlook

The uncertain economic conditions have continued throughout the year and it is clear that the UK economy is likely to continue to experience flat or very low growth for some time to come. However the portfolio companies on the whole remain well funded and have clear strategies to maximise the new market opportunities they now see. This Company remains well placed to continue to support our portfolio companies and take advantage of investment opportunities that may arise in the short term.

The Company's new investment activity is focussed on small UK businesses with clearly differentiated business models, whether through an established brand or a niche position in a growing market, or innovative application of services and products. The investments made during 2012 clearly demonstrate this approach and have further increased the diversification of the portfolio, the largest investment representing less than 6 per cent of Net Asset Value.

The Board remains of the opinion that the ongoing economic challenges will provide many good investment opportunities and that this investment strategy can provide good returns throughout the economic cycles. It was with this in mind that we have sought to further increase the investment capacity of the Company this year.

Richard Last

Chairman

28 March 2013

Fund Manager's Review

Introduction

The Company is increasing its investment capacity to take advantage of the further investment opportunities over the coming months. The increase to £5 million in the amount of investment that companies can now receive from Venture Capital Trusts may well lead to an increase in investment demand over and above that seen in 2012. As a result the Board announced in November 2012 joint offers for subscription with British Smaller Companies VCT plc to be able to take advantage of opportunities as and when they arise.

In spite of a continuation of the challenging economic environment, there has been considerable further progress made by many of the businesses in the Company's portfolio during the year. The overall value gain from the portfolio was £1.05 million, an increase of 10.3 per cent on the opening 31 December 2011 portfolio value, which comprises profits on disposals during the year of £1.44 million, deferred consideration gains of £0.23 million and a reduction in the residual portfolio value of £0.62 million.

Significant Investment Movements

- Following the investment in sales resource in 2011 Primal Pictures Limited was able to further meet the commercial market demand for its new educational product which was instrumental in closing the trade sale during the year.
- Sirigen Group Limited made further progress in integrating its innovative fluorescent marking technology into a number of commercial products leading to the sale during the year to one of its key customers.
- Following the buyout in January 2012 of retail display group, DisplayPlan Holdings Limited, the management team were able to deliver some significant customer gains in their first year of independence.
- After a protracted period Immunobiology Limited closed a £3.0 million investment round in August 2012 to fund clinical trials for its leading meningitis vaccine.
- Bagel Nash Group Limited has begun the retail rollout of its bagel and coffee bars based in the north of England increasing the number of outlets from 11 to 15, and is now seeking to expand its baking capacity.
- Following the acquisition of its competitor in the UK retinal screening market, Digital Healthcare Limited delivered a profitable year in spite of significant pricing pressures from the NHS body governing the national diabetic screening programme.

- TeraView Limited, a developer of innovative commercial applications utilising its leading terahertz technology, fell short of its revenue projections leading to a re-evaluation of the commercial strategy led by the company's non-executive director.
- Quoted business Iomart Group plc continued to report strong progress of its strategy to consolidate the fragmented outsourced IT hosting market.

Summary

Investment activity levels have increased with nine investments during the year totalling £4.44 million (plus capitalised interest of £0.1 million).

The Company has made four full disposals during the year from the un-quoted portfolio and four part disposals from the quoted portfolio generating £4.11 million of cash proceeds, with a further £0.3 million of deferred consideration recognised.

Cash and gilt investments at 31 December 2012 were £15.44 million representing 56.88 per cent of net assets, which compares to £5.69 million (35.63 per cent of net assets) at 31 December 2011.

Portfolio Overview

Overall, the quoted and unquoted portfolio increased by £1.15 million to a total of £11.36 million from £10.21 million. Netting off the additions of £4.45 million and carrying value of disposals of £2.68 million from the opening December 2011 value, the net portfolio value movement of the residual portfolio over the year was a decrease of £0.62 million.

Overall the portfolio remains well funded and positioned for value growth as economic conditions improve and current strategies are implemented to capitalise on the changing market conditions.

	Quoted and unquoted portfolio £000	Deferred proceeds £000	Total £000
1 January 2011	10,209	65	10,274
Additions	4,445	-	4,445
Valuation changes			
Unquoted	(788)	-	(788)
Quoted	173	-	173
Proceeds	(4,112)	(99)	(4,211)
Profit on disposal	1,436	231	1,667
31 December 2012	11,363	197	11,560

The £99,000 of deferred proceeds relates to further cash payments from the sale of DxS Limited to Qiagen in 2009 and from the sale of Primal Pictures Limited in August 2012. There are expected future payments which have been included in the net assets at a total of £198,000 which comprise of £70,000 in relation to DxS Limited, £18,000 relating to Primal Pictures Limited and £110,000 relating to Sirigen Group Limited. This value compares to a maximum entitlement to deferred proceeds of £741,000.

Including the deferred proceeds the effective net movement in the opening December 2011 value of the Company's portfolio was an increase of £1.05 million. This can be analysed as:

	2012	
	£000	%
Quoted	173	1.52
Unquoted	(788)	(6.93)
Profit on disposal	1,436	12.64
Deferred proceeds	231	2.03
Total Value Movement	1,052	9.26

The £788,000 reduction in value of the unquoted portfolio principally relates to three investments, Immunobiology Limited, Digital Healthcare Limited and TeraView Limited. The portfolio is now well diversified with the biggest single investment representing less than 6 per cent of the Net Asset Value and mainly consisting of investments in profitable businesses (70 per cent by number and 83 per cent by value).

The quoted portfolio increase was in line with the overall movements in the quoted markets over the same period.

The investment portfolio held at the year end can be analysed into the following categories:

NON LISTED INVESTMENTS	£000
Non Qualifying	831
Qualifying	8,526
	<hr/>
	9,357
AIM LISTED INVESTMENTS	
Non Qualifying	1,362
Qualifying	644
	<hr/>
	2,006
TOTAL INVESTMENTS	<hr/>
	11,363

Investment Activity

During the year the Company made a total of nine investments (£4.44 million), comprising five new investments and four follow-on investments into existing companies:

	£million
<i>New Investments</i>	
Seven Technologies Holdings Limited	1.26
Insider Technologies (Holdings) Limited	0.78
DisplayPlan Holdings Limited	0.70
Selima Limited	0.30
Hargreaves Services plc	0.13
<i>Follow-on Investments</i>	
Immunobiology Limited	0.90
Vianet Group Plc	0.16
EKF Diagnostics Holdings plc	0.15
Sirigen Group Limited	0.06
Total Investments	4.44
<i>Capitalised Interest</i>	
Bagel Nash Group Limited (Capitalised Interest)	0.01
TOTAL	4.45

- Seven Technologies Holdings Limited is a Northern Ireland based engineering business specialising in developing bespoke electronics and communications applications for use in inhospitable environments.
- Insider Technologies (Holdings) Limited is an established provider of monitoring and scheduling software to the financial services and national security sectors.
- DisplayPlan Holdings Limited is a designer and importer of permanent retail point of purchase display equipment.
- Selima Limited is an established payroll & HR software services provider with clients in both the public and private sectors.
- Hargreaves Services plc is quoted on the AIM market and is the UK's largest solid fuel producer and bulk haulage company.

In addition to the above investments the Company made four additional investments into existing portfolio companies totalling £1.27 million. The most significant of these was a £0.9 million investment into Immunobiology Limited as part of the recent £3.0 million funding round. Although the valuation of this round was heavily discounted to previous investment rounds and impacted the historic value of the Company's investment, as a significant investor in the round the Company was a beneficiary of this pricing and now holds a 23 per cent shareholding in a business which could have significant value if it can demonstrate the efficacy of its new platform vaccine technology.

Disposals

In the last 12 months the Company has made a number of significant full and partial disposals from both the quoted AIM and unquoted investment portfolio. In total the Company has received over £4.11 million in cash proceeds this year. This has resulted in £1.44 million of realised gains over opening value in the year and profit on cost of £1.90 million resulting in an average return multiple on cost of 1.86x.

The two most significant disposals were Primal Pictures Limited and Sirigen Group Limited which achieved sale returns of 2.24 and 2.80 on cost.

Primal Pictures Limited: An award-winning digital e-learning company providing the world's most complete and medically accurate 3D human anatomy medical software used by educators, professionals, practitioners, and students around the world. Their 3D anatomical images of the human body are used by over 500,000 students in 77 per cent of the top 200 medical universities and educational centres of excellence world-wide.

This has been a long term investment for the Company, investing in 1999 and 2001 in a loss-making technology business seeking to achieve a stock market flotation. After the initial strategy failed, YFM worked closely with the company through a series of management changes and successfully repositioned the business as a provider of online educational products. We appointed corporate

finance advisors in 2011 who helped deliver the successful sale in August 2012 to Informa plc who recognised the potential to leverage Primal's technology within their existing products and distribution channels. On completion of the sale David Carmen, Chairman of Primal Pictures, stated "YFM has been a strong partner through a period of significant change and was ultimately instrumental in enabling us all to achieve this successful result."

Sirigen Group Limited: Founded in 2004, Sirigen uses Nobel-prize winning science to produce light harvesting polymers which have a wide range of applications in research, medical diagnostics and life sciences. Since its initial investment in October 2010 YFM has worked hard to strengthen the company's management team, introducing new chairman David Evans, former Chairman of DxS Limited.

Following a clear strategy of proving commercial applications for the technology, the business was ultimately acquired by one of its customers, a US based company Becton, Dickinson & Company, a leading global medical technology company. Sirigen's patented technology will enable them to develop unique dyes and antibody specificity releases over the next two years to significantly expand its life science research reagent portfolio. David commented "I have worked with YFM now on several occasions and see them as a strong partner, always taking a practical and pragmatic approach."

The holding in AIM-quoted Patsystems plc was realised via a trade sale in January 2012 to ION Group plc which realised £0.16 million of cash proceeds. Partial disposals were also achieved from four other quoted holdings; Brady plc (£0.16 million), Iomart Group plc (£0.11 million), May Gurney Integrated Services plc (£0.05 million) and Tikit Group plc (£0.02 million). A small legacy holding in Oxis Energy Limited was also disposed of for a nominal sum during a further funding round. In total these other disposals represented a value gain on disposal of £0.04 million.

Conclusion and Outlook

The year under review has seen a continuation of some of the previous challenging market conditions. In spite of this, further value growth has been achieved in the year and the portfolio is increasingly diverse and well-funded to deliver further value gains over the coming years.

Cash reserves remain strong and will be boosted with the funds raised from the new share issue, so the Company is well placed to take advantage of the gradually increasing investment rates, to continue to support the portfolio and maintain historic dividend levels.

David Hall
YFM Private Equity Limited
28 March 2013

Principal Risks, Risk Management and Regulatory Environment.

The Board believes that the principal risks faced by the Company are:

Economic – events such as recession and interest rate fluctuations could affect smaller investee companies' performance and valuations.

Mitigation - the Company has a clear investment policy and a diversified portfolio operating in a range of sectors. The Fund Manager actively monitors investee performance which provides quality information for the monthly review of the portfolio.

Investment and Strategic – Inappropriate strategy, poor asset allocation or consistently weak stock allocation may lead to under performance and poor returns to Shareholders. The quality of enquiries, investments, investee company management teams and monitoring and the risk of not identifying investee under performance might also lead to under performance and poor returns to Shareholders.

Mitigation - The Board reviews strategy annually. At each of the (at least) quarterly Board meetings the directors review the appropriateness of the Company's objectives and stated strategy in response to changes in the operating environment and peer group activity. The Fund Manager carries out due diligence on potential investee companies and their management teams and utilises external reports where appropriate to assess the viability of investee businesses before investing. Wherever possible a non-executive director will be appointed to the board of the investee.

Loss of Approval as a VCT - the Company must comply with Chapter 3 Part 6 of the Income Tax Act 2007 which allows it to be exempted from capital gains tax on investment gains. Any breach of these rules may lead to the Company losing its approval as a VCT, qualifying Shareholders who have not held their shares for the designated holding period having to repay the income tax relief they obtained and future dividends paid by the Company becoming subject to tax. The Company would also lose its exemption from corporation tax on capital gains.

Mitigation - one of the Key Performance Indicators monitored by the Company is the compliance with legislative tests.

Regulatory – the Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority and International Financial Reporting Standards as adopted by the European Union. Breach of any of these might lead to suspension of the Company's Stock Exchange listing, financial penalties or a qualified audit report.

Mitigation - The Fund Manager has procedures in place to ensure recurring Listing Rules requirements are met and actively consults with brokers, solicitors and external compliance advisors as appropriate.

Reputational – inadequate or failed controls might result in breaches of regulations or loss of Shareholder trust.

Mitigation - The Board is comprised of directors with suitable experience and qualifications who report annually to the Shareholders on their independence. The Fund Manager is well-respected with a proven track record and has a formal recruitment process to employ experienced investment staff. Allocation rules, relating to co-investments with other funds managed by the Fund Manager, have been agreed between the Fund Manager and the Company. Advice is sought from external advisors where required. Both the Company and the Fund Manager maintain appropriate insurances.

Operational – failure of the Fund Manager’s and administrator’s accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.

Mitigation - The Fund Manager has a documented disaster recovery plan.

Financial – inadequate controls might lead to misappropriation of assets. Inappropriate accounting policies might lead to misreporting or breaches of regulations.

Market/Liquidity – lack of liquidity in both the venture capital and public markets. Investment in AIM quoted and unquoted companies, by their nature, involve a higher degree of risk than investment in companies trading on the main market. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. In addition, the market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.

Mitigation - overall liquidity risks are monitored on an ongoing basis by the Fund Manager and on a quarterly basis by the Board. Sufficient investments in cash and fixed income securities are maintained to pay expenses as they fall due.

The Board seeks to mitigate its principal risks by setting policy, regularly reviewing performance and monitoring progress and compliance. In the mitigation and management of these risks, the Board applies rigorously the principles detailed in section C.2: "Risk Management & Internal Control" of The UK Corporate Governance Code issued by the Financial Reporting Council in June 2010.

Responsibility statements of the directors in respect of the annual financial report

The Annual Report and Accounts contains the following statements regarding responsibility for the Directors' Report and financial statements included in the Annual Report and Accounts from which the information in this Announcement has been extracted (references in the following statements are to sections of the Annual Report and Accounts).

The directors confirm, to the best of their knowledge, that:

- the financial statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the business review included within the Chairman's Statement, Fund Manager's Review and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with the principal risks and uncertainties that it faces.

Statement of Comprehensive Income

For the year to 31 December 2012

	Notes	2012			2011		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gain on disposal of investments		-	1,662	1,662	-	225	225
(Losses) profits on investments held at fair value		-	(622)	(622)	-	1,112	1,112
Income	2	594	-	594	349	-	349
Administrative expenses:							
Fund Management fee		(116)	(346)	(462)	(86)	(259)	(345)
Other expenses		(320)	-	(320)	(301)	-	(301)
		(436)	(346)	(782)	(387)	(259)	(646)
Profit (loss) before taxation		158	694	852	(38)	1,078	1,040
Taxation	3	(4)	4	-	-	-	-
Profit (loss) for the year		154	698	852	(38)	1,078	1,040
Total comprehensive income (loss) for the year		154	698	852	(38)	1,078	1,040
Basic and diluted earnings (loss) per							
Ordinary share	5	0.43p	1.96p	2.39p	(0.17)p	4.92p	4.75p

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. The supplementary revenue and capital columns are prepared under the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP') 2009 published by the Association of Investment Companies.

Balance Sheet

At 31 December 2012

	Notes	2012	2011
		£000	£000
Assets			
Non-current assets			
Investments		11,363	10,209
Fixed income government securities		912	1,618
Financial assets at fair value through profit or loss		12,275	11,827
Trade and other receivables		198	65
		12,473	11,892
Current assets			
Trade and other receivables		423	242
Cash on fixed term deposit		7,048	-
Cash and cash equivalents		7,484	4,076
		14,955	4,318
Liabilities			
Current liabilities			
Trade and other payables		(276)	(228)
Net current assets		14,679	4,090
Net assets		27,152	15,982
Shareholders' equity			
Share capital		4,271	2,426
Share premium account		14,806	4,427
Capital redemption reserve		88	88
Other reserve		2	2
Merger reserve		5,525	5,525
Capital reserve		3,154	2,630
Investment holding losses		(4,919)	(3,665)
Special reserve		4,071	4,255
Revenue reserve		154	294
Total Shareholders' equity		27,152	15,982
Net asset value per ordinary share	6	65.5p	68.5p

Statement of Changes In Equity
For the year to 31 December 2012

	Share capital	Share premium account	*Other reserves	Merger reserve	Capital reserve	Investment holding (losses) gains	Special reserve	Revenue reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 December 2010	1,785	810	90	5,525	3,587	(4,763)	4,463	332	11,829
<i>Revenue return for the year</i>	-	-	-	-	-	-	-	(38)	(38)
<i>Capital expenses</i>	-	-	-	-	(259)	-	-	-	(259)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	-	1,112	-	-	1,112
<i>Realisation of investments in the year</i>	-	-	-	-	225	-	-	-	225
Total comprehensive income for the year	-	-	-	-	(34)	1,112	-	(38)	1,040
<i>Issue of share capital</i>	640	3,862	-	-	-	-	-	-	4,502
<i>Issue costs</i>	-	(250)	-	-	-	-	-	-	(250)
<i>Purchase of own shares</i>	-	-	-	-	-	-	(208)	-	(208)
<i>Issue of shares - DRIS</i>	1	5	-	-	-	-	-	-	6
<i>Dividends</i>	-	-	-	-	(937)	-	-	-	(937)
Total transactions with owners	641	3,617	-	-	(937)	-	(208)	-	3,113
<i>Realisation of prior year investment holding gains</i>	-	-	-	-	14	(14)	-	-	-
Balance at 31 December 2011	2,426	4,427	90	5,525	2,630	(3,665)	4,255	294	15,982
<i>Revenue return for the year</i>	-	-	-	-	-	-	-	154	154
<i>Capital expenses</i>	-	-	-	-	(342)	-	-	-	(342)
<i>Investment holding loss on investments held at fair value</i>	-	-	-	-	-	(622)	-	-	(622)
<i>Realisation of investments in the year</i>	-	-	-	-	1,662	-	-	-	1,662
Total comprehensive income for the year	-	-	-	-	1,320	(622)	-	154	852
<i>Issue of share capital</i>	1,828	11,015	-	-	-	-	-	-	12,843
<i>Issue costs**</i>	-	(726)	-	-	-	-	-	-	(726)
<i>Purchase of own shares</i>	-	-	-	-	-	-	(184)	-	(184)
<i>Issue of shares - DRIS</i>	17	90	-	-	-	-	-	-	107
<i>Dividends</i>	-	-	-	-	(1,428)	-	-	(294)	(1,722)
Total transactions with owners	1,845	10,379	-	-	(1,428)	-	(184)	(294)	10,318
<i>Realisation of Negative Goodwill</i>	-	-	-	-	106	(106)	-	-	-
<i>Realisation of prior year investment holding gains</i>	-	-	-	-	526	(526)	-	-	-
Balance at 31 December 2012	4,271	14,806	90	5,525	3,154	(4,919)	4,071	154	27,152

*Other reserves include the capital redemption reserve and other reserve, which are non-distributable. The other reserve was created upon the exercise of warrants and the capital redemption reserve was created for the purchase and cancellation of own shares.

** Issue costs include both fundraising costs and costs incurred from the Company's dividend re-investment scheme.

The merger reserve was created to account for the difference between the nominal and fair value of shares issued as consideration for the acquisition of the assets and liabilities of British Smaller Technology Companies VCT plc. The reserve was created after meeting the criteria under section

131 of the Companies Act 1985 and provisions of the Companies Act 2006 for merger relief. The merger reserve is a non-distributable reserve.

The special reserve was created following the approval of the Court and a resolution of the Shareholders to cancel the Company's share premium account and is available for other corporate purposes of the Company. The capital reserve includes gains and losses compared to cost on the realisation of investments, capital expenses, together with the related taxation effect and capital dividends paid to Shareholders. This is a distributable reserve. The investment holding (losses) gains reserve includes increases and decreases in the valuation of investment held at fair value. This is a non-distributable reserve.

The special reserve, capital reserve and revenue reserve are all distributable reserves. These reserves total £7,379,000 (2011: £7,179,000) representing an increase of £200,000 (2011: £1,203,000 decrease) during the year. This change arises from the revenue profit in the year of £154,000 (2011: £38,000 loss), movements in the capital reserve relating to the realisation of investments and capital expenses of £1,846,000 profit (2011: £20,000 loss), dividends of £1,722,000 (2011: £937,000), purchase of shares of £184,000 (2011: £208,000) and the realisation of negative goodwill of £106,000 (2011:nil). The directors also take into account the level of the investment holding (losses) gains reserve when determining the level of dividend payments.

Statement of Cash Flows
For the year ended 31 December 2012

	2012	2011
	£000	£000
Net cash outflow from operating activities	(354)	(174)
<hr/>		
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(4,867)	(3,970)
Proceeds from sale of financial assets at fair value through profit or loss	5,239	4,276
Cash placed on fixed term deposit	(7,048)	-
Deferred consideration	99	322
Net cash (outflow) inflow from investing activities	(6,577)	628
<hr/>		
Cash flows from financing activities		
Issue of share capital	12,743	4,502
Issue costs	(605)	(250)
Purchase of own shares	(184)	(208)
Dividends paid	(1,615)	(931)
Net cash inflow from financing activities	10,339	3,113
<hr/>		
Net increase in cash and cash equivalents	3,408	3,567
Cash and cash equivalents at beginning of the year	4,076	509
Cash and cash equivalents at the end of the year	7,484	4,076

Reconciliation of Profit before Taxation to Net Cash Outflow from
Operating Activities

	2012	2011
	£000	£000
Profit before taxation	852	1,040
Increase in trade and other payables	26	177
Increase in trade and other receivables	(181)	(49)
Gains on disposal of investments in the year	(1,662)	(225)
Losses (profits) on investments held at fair value	622	(1,112)
Capitalised interest	(11)	(5)
Net cash outflow from operating activities	(354)	(174)

Notes

1. Basis of Accounting

This announcement of the annual results of the Company for the year ended 31 December 2012 has been prepared using accounting policies consistent with those adopted in the full audited financial statements which have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention as modified by the measurement of investments at fair value through profit or loss.

The accounts have been prepared in compliance with the recommendations set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies in January 2009 (SORP) to the extent that they do not conflict with IFRSs as adopted by the European Union.

Segmental reporting has been determined by the directors based upon the reports reviewed by the Board. The directors are of the opinion that the Company has engaged in a single operating segment - investing in equity and debt securities within the United Kingdom - and therefore no reportable segmental analysis is provided.

2. Income

	2012	2011
	£000	£000
Dividends from unquoted companies	8	11
Dividends from AIM quoted companies	44	37
Interest on loans to unquoted companies	339	146
Fixed interest Government securities	20	88
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Income from investments held at fair value through profit or loss	411	282
Interest on bank deposits	183	67
<hr/>		
	594	349
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3. Taxation

	2012			2011		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Corporation tax at 20 per cent (2011: 21 per cent)	-	-	-	-	-	-
Profit (loss) before taxation	158	694	852	(38)	1,078	1,040
Profit (loss) before taxation multiplied by standard small company rate of corporation tax in UK of 20 per cent (2011: 21 per cent)	32	139	171	(8)	216	208
Effect of:						
UK dividends received	(10)	-	(10)	(10)	-	(10)
Non taxable profits on investments	-	(208)	(208)	-	(267)	(267)
Excess management expenses	(18)	65	47	18	51	69
Tax charge (credit)	4	(4)	-	-	-	-

The Company has no provided or unprovided deferred tax liability in either year.

Deferred tax assets of £500,000 calculated at 20 per cent (2011: £452,000 calculated at 20 per cent) in respect of unrelieved management expenses (£2.502 million as at 31 December 2012 and £2.226 million as at 31 December 2011) have not been recognised as the directors do not currently believe that it is probable that sufficient taxable profits will be available against which assets can be recovered.

Due to the Company's status as a venture capital trust and the continued intention to meet with the conditions required to comply with Section 274 of the Income Tax Act 2007, the Company has not provided for deferred tax on any capital gains or losses arising on the realisation or disposal of investments.

4. Dividends

Amounts recognised as distributions to equity holders in the period:

	2012			2011		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Final dividend for the year ended 31 December 2011 of 2.0p (2010 year end: 2.0p) per ordinary share	294	472	766	-	467	467
Interim dividend for the year ended 31 December 2012 of 2.0p (2011: 2.0p) per ordinary share	-	765	765	-	470	470
Special dividend of 0.5 pence per ordinary share	-	191	191	-	-	-
	294	1,428	1,722	-	937	937
Shares issued under DRIS			(107)			(6)
Dividends paid in Statement of Cash Flows			1,615			931

The final year-end dividend of 2.0 pence per ordinary share in respect of the year to 31 December 2011 was paid on 22 May 2012 to Shareholders on the register at 20 April 2012.

The interim dividend of 2.0 pence per ordinary share and special dividend of 0.5 pence per ordinary share were paid on 26 October 2012 to Shareholders on the register as at 28 September 2012.

A final dividend of 2.5 pence per ordinary share in respect of the year to 31 December 2012 is proposed. This dividend has not been recognised in the year ended 31 December 2012 as the obligation did not exist at the balance sheet date.

5. Basic and Diluted Earnings (Loss) per Ordinary Share

The basic and diluted earnings (loss) per ordinary share is based on the profit after tax attributable to Shareholders of £852,000 (2011: £1,040,000 profit) and 35,591,107 (2011: 21,906,793) ordinary shares being the weighted average number of ordinary shares in issue during the year.

The basic and diluted revenue earnings (loss) per ordinary share is based on the profit for the year attributable to Shareholders of £154,000 (2011: £38,000 loss) and 35,591,107 (2011: 21,906,793) ordinary shares being the weighted average number of ordinary shares in issue during the year.

The basic and diluted capital earnings per ordinary share is based on the capital profit for the year attributable to Shareholders of £698,000 (2011: £1,078,000 profit) and 35,591,107 (2011: 21,906,793) ordinary shares being the weighted average number of ordinary shares in issue during the year.

During the year the Company issued 18,450,681 ordinary shares. The Company has also repurchased 323,639 of its own shares which are held in treasury. The treasury shares have been excluded in calculating the weighted average number of ordinary shares for the period that they were treasury shares.

The only potentially dilutive shares are those shares which, subject to certain criteria being achieved in the future, may be issued by the Company to meet its obligations under the investment management agreement. No such shares have been issued or are currently expected to be issued. There are, therefore, considered to be no potentially dilutive shares in issue at 31 December 2012 or 31 December 2011. Consequently, basic and diluted earnings per ordinary share, basic and diluted revenue return per ordinary share and basic and diluted capital return per ordinary share are the same for the years ended 31 December 2012 and 31 December 2011.

6. Basic and Diluted Net Asset Value per Ordinary Share

The basic and diluted Net Asset Value per ordinary share is calculated on attributable assets of £27,152,000 (2011: £15,982,000) and 41,457,844 (2011: 23,330,802) ordinary shares in issue at the year end.

The treasury shares have been excluded in calculating the number of ordinary shares in issue at 31 December 2012.

The only potentially dilutive shares are those shares which, subject to certain criteria being achieved in the future, may be issued by the Company to meet its obligations under the investment management agreement. No such shares have been issued or are currently expected to be issued. There are therefore considered to be no potentially dilutive shares in issue at 31 December 2012 or 31 December 2011. Consequently, basic and diluted Net Asset Value per ordinary share is the same for the year ended 31 December 2012 and 31 December 2011.

7. Total Return per Ordinary Share

The Total Return per ordinary share is calculated on cumulative dividends paid of 34.5 pence per ordinary share (2011: 30.0 pence per ordinary share) plus the Net Asset Value as calculated per note 6.

8. Related Party Transactions

The Company has not entered into any related party transactions that have had a material impact on its financial position or performance in the year to 31 December 2012. Full details of related party transactions are shown in note 17 to the Annual Report and Accounts which can be obtained as described in note 11.

9. Events after the Balance Sheet Date

Since the year end the Company has disposed of its holding in AIM quoted Tikit Group plc, supplier of enterprise software to UK legal practices, on its trade sale to British Telecommunications plc which completed in January 2013. The Company received £0.27 million of cash proceeds for the sale of its shares, representing a profit on original cost of £0.08 million.

In March 2013 a further investment of £0.07 million was made into existing portfolio company PowerOasis Limited, provider of energy management solutions to telecoms infrastructure operators. This investment was part of a significant \$5 million investment round led by a strategic trade investor.

On 16 March 2013, the amount standing to the credit of the share premium account as at 5 April 2012 was cancelled pursuant to an order of court following the passing of a special resolution. The credit arising of £12,905,041 has been transferred to a Special Reserve, which shall be applied in any manner in which the Company's profits available for distribution are able to be applied. Following the cancellation, the total distributable reserves of the Company will increase to £20,284,000.

10. Financial Information

The financial information set out here for the year ended 31 December 2012 does not constitute full statutory financial statements as defined in section 435 of the Companies Act 2006 but has been extracted from the Company's financial statements for that period. Statutory accounts for the year ended 31 December 2012 will be delivered to the Registrar of Companies following the Company's Annual General Meeting on 20 May 2013. Those accounts were reported upon without qualification by the independent auditor and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

11. Annual Report and Accounts

Copies of the Annual Report and Accounts for the year ended 31 December 2012 have been submitted to the National Storage Mechanism and will shortly be available to the public for viewing online at www.hemscott.com/msn/do. They can also shortly be viewed on the Fund Manager's website at www.yfmep.com. Hard copies of the Annual Report and Accounts for the Year ended 31 December 2012 will be distributed by post to Shareholders and will be available thereafter to members of the public from the Company's registered office.

12. Directors

The directors of the Company are: Mr R Last, Mr RM Pettigrew and Mr PC Waller.

13. Annual General Meeting

The Annual General Meeting of the Company will be held at 33 St James Square, London, SW1Y 4JS, on 20 May 2013 at 12.00 noon.

14. Final Dividend for year ended 31 December 2012

Further to the announcement of its final results for the year ended 31 December 2012, British Smaller Companies VCT2 plc ("the Company") confirms that, subject to its approval by shareholders at the forthcoming Annual General Meeting to be held on 20 May 2013, the final dividend of 2.5 pence per ordinary share will be paid on 5 June 2013 to those shareholders on the Company's register at the close of business on 3 May 2013 ("Final Dividend"). The ex-dividend date will be 1 May 2013.

15. Dividend re-investment scheme ('DRIS')

The Company operates a dividend reinvestment scheme ("DRIS"). The latest date for receipt of DRIS elections so as to participate in the DRIS in respect of the Final Dividend is the close of business on 21 May 2013.

For further information, please contact:

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