

British Smaller Companies VCT plc
Unaudited Interim Results and Interim Management Report
For the 6 months ended 30 September 2015

British Smaller Companies VCT plc ("the Company") today announces its unaudited interim results for the six months to 30 September 2015.

Financial Highlights

- Increase in total return of 6.5 pence per ordinary share to 204.0 pence per ordinary share (197.5 pence per ordinary share as at 31 March 2015).
- Increase in net asset value per share ("NAV") to 105.3 pence per ordinary share prior to the payment of dividends during the period totalling 7.0 pence per ordinary share. This growth was 6.6 per cent of the opening NAV of 98.8 pence per ordinary share.
- Total cumulative dividends paid since inception of 105.7 pence per ordinary share.
- The underlying growth in the overall investment portfolio was £5.6 million. This included £2.6 million of unrealised value growth and £3.0 million of gain over the opening value from disposals.
- Proceeds of £8.5 million generated from the portfolio.
- 94 per cent invested in qualifying holdings compared to the minimum 70 per cent VCT tax rule test.

Chairman's Statement

The relatively benign economic environment in the UK economy during 2014 and 2015 has continued to benefit your Company. However since my last Statement in June the government has issued a second budget which contained further proposals in respect of legislation that will impact venture capital trusts.

The Company's portfolio has continued to deliver strong returns, with the overall value of your Company's investments increasing by £5.6 million since the start of the year. This is despite the trading challenges for those investee companies exporting to Europe where businesses have had to increase volumes to counteract the strong pound. It was particularly pleasing to be able to crystallise a gain on the disposal of our investment in President Engineering Group Ltd which delivered an increase of £3.08 million over the opening carrying value, and following which the Company paid a special dividend of 3.5 pence per ordinary share.

The Summer budget set out further proposed changes to the legislation of venture capital trusts which is referred to in more detail later. For much of the summer period the regulatory environment was not fully clear.

Your Board took the view that they would only complete new investments where they could obtain advanced assurance from HMRC. The consequence was that over the first half of the year your Company did not complete any new investments. I am however pleased to report that since the end of the period the legislation has been clarified and was enacted on 18 November 2015. Final guidance notes are expected to be released shortly. Nonetheless, HMRC have begun to provide advanced assurances and your Company completed its first investment, £2.0 million into KeTech Enterprises Limited, under these new rules in November 2015. Two further investments totalling £2.5 million have also now received advanced assurance and we hope to complete them shortly.

Financial Results and Dividends

Good progress has been made by many of the portfolio companies resulting in a value gain of £5.6 million, equivalent to an increase in value to shareholders of 6.1 pence per ordinary share.

This performance and an improvement in the Company's income has increased the Company's total return by 6.5 pence per ordinary share in the six months to 30 September 2015, from 197.5 pence per ordinary share to 204.0 pence per ordinary share. This equates to an increase of 6.6 per cent on the opening net asset value at 31 March 2015.

During the period a final dividend in respect of the year ended 31 March 2015 of 3.5 pence per ordinary share was paid, which, when taken together with the special dividend of 3.5 pence per ordinary share brings cumulative dividends paid to 105.7 pence per ordinary share.

In addition to the dividends paid during the period to 30 September 2015 the Board has proposed an interim dividend of 2.0 pence per ordinary share, which will take dividends paid in the financial year to 9.0 pence per ordinary share, compared to 8.0 pence last year and representing a return of 9.1% on the net asset value per share

at 30 September 2015. The interim dividend will be paid on 15 January 2016 to shareholders on the register on 11 December 2015.

The movements in net asset value per ordinary share and the dividends paid in the six months to 30 September 2015 are shown in the table below.

Net Asset Value	Pence per ordinary share	£000
NAV at 31 March 2015	98.8	87,720
Net underlying increase in portfolio	6.1	5,582
Net income	0.5	476
Purchase of own shares	0.1	(316)
Issue of new shares	(0.2)	2,766
Dividends paid	6.5 (7.0)	8,508 (6,341)
	(0.5)	2,167
NAV at 30 September 2015	98.3	89,887
Cumulative dividends paid	105.7	
Total Return	204.0	

Regulatory Changes

By way of background. The changes that have been introduced this year to the regulations surrounding VCTs (and EIS) have arisen as a result of an EU review of the use of state aided investment in the UK. The EU has a set of guidelines, Risk Capital Finance (RCF) which sets out the operating framework for investment schemes that receive state aid. In the case of VCTs the income tax reliefs received are classified as state aid.

The UK legislation that has now been enacted as part of the Finance Act includes changes to reflect the requirements of the RCF and VCTs have to comply with both the UK legislation and the RCF and are subject to review by both HMRC and HM Treasury and the EU.

The principal changes that have been made are to the definitions of Qualifying Investments and what VCTs are able to do with non-qualifying money.

In summary Qualifying Investments can be made into both younger companies, those less than ten years old if classed as knowledge intensive, or seven years old if not, and into older companies where the VCT investment is either not the first state aided investment the company has received (if they received such money within seven years of first trading) or if the VCT investment is "substantial in relation to the size of the company" and the monies are used to fund the company's growth plans.

There are also restrictions on the use of funds prior to them being invested in Qualifying Investments; this is known in the legislation as the liquidity test. This is restricted to shares or securities on a regulated market; certain liquid funds and of course cash. Notably AIM is excluded as it is not a regulated market, which means new non-qualifying investments on AIM will not be allowed.

Impact of the Regulatory Changes

Existing portfolio

The new rules apply to all investments from the date of Royal Assent on 18 November 2015. Your Board has worked closely with its Adviser to review the existing portfolio in the light of the new legislation and does not believe that it will have any material impact on the portfolio.

New investments

The Company has always had a policy of investing in small companies to support their growth plans and will be able to continue to follow this policy under the new legislation. The Board believes that the overall pool of potential investments available to the VCT market as a whole will be restricted from previous levels.

Your Board has taken a cautious approach to the new legislation with a policy of only completing investments for which HMRC advanced assurance has been given, which itself is only granted for investments that meet the Qualifying Investment test. It is encouraging that as the legislation has been finalised advance assurances are now being given and we are seeing the flow of investment activity resume.

HMRC's detailed guidance is planned to be issued shortly which will reduce the level of uncertainty and is expected to further increase the number of advanced assurances that can be given.

Shareholder Relations and Award

As part of its review of costs, and in line with current Environmental, Social & Corporate Governance, the Company is committed to promoting electronic communications with shareholders. The Board has recently implemented an electronic communications policy, whereby documents such as the annual report will in future be disseminated via the website www.bscfunds.com rather than by post, saving on printing costs and being more environmentally friendly. I am pleased to report that this policy has been well received by shareholders with the majority opting to receive electronic communications.

In addition the website www.bscfunds.com has recently been refreshed with the emphasis on providing a comprehensive level of information in a user-friendly format.

I am delighted that the readers of Investors Chronicle and FT voted your Company Best VCT at their Investment and Wealth Management Awards 2015.

Fundraising

The Company has a number of potential investments in the pipeline and its Adviser is continuing to build the pipeline of investments for 2016. Your Board currently intends to launch a non-prospectus share offer before the end of the current tax year, which will be limited, by EU Regulation, to €5.0 million (approximately £3.5 million).

Outlook

There continue to be a number of opportunities to add value across a range of sectors and businesses and the Company's existing investments are delivering good growth. The portfolio has continued to deliver good returns, and with recent investment completions adding to the portfolio your Board believes that the prospects remain good for the Company.

Whilst the introduction of the most recent legislation will have the impact of reducing the overall pool of investments for the VCT industry as a whole, your Company has available funds to invest and a good pipeline of opportunities and will seek to ensure that its future resources match the available investment opportunities. Your Board will continue to take a cautious approach to protect the tax status of investors and maintain the strong long-term investment record.

I look forward to welcoming shareholders at our next Shareholder Workshop in Spring 2016 and would like to take this opportunity to thank shareholders for their continued support.

Helen Sinclair
Chairman

27 November 2015

Objectives and Strategy

The Company's objective is to provide investors with an attractive long-term tax free dividend yield whilst seeking to maintain the capital value of their investment and maintain the Company's status as a venture capital trust.

The investment strategy of the Company is to create a portfolio with a mix of companies operating in traditional industries and those that offer opportunities in the development and application of innovation. The Company invests in UK businesses across a broad range of sectors including but not limited to Software, IT & Telecommunications, Business Services, Manufacturing & Industrial Services, Retail & Brands and Healthcare in VCT qualifying and non-qualifying unquoted securities.

Investment Review

The Company's portfolio remains well diversified and, at 30 September 2015, had a value of £55.24 million (excluding the gilt portfolio) consisting of £52.67 million (95 per cent) in unquoted investments and £2.57 million (5 per cent) in quoted investments. The largest single investment represents just 9 per cent of the net asset value.

Over the six months to 30 September 2015 the portfolio saw a value gain of £5.58 million, which comprises a £2.20 million gain from unquoted investments, a gain of £0.34 million from quoted investments, in line with the total AIM market over the period and a £3.04 million realised gain over the opening value from disposals, which was dominated by the realisation of President Engineering Group Ltd in July 2015. Good progress continues to be made across the portfolio to position businesses to grow and realise further shareholder value. There has been strong profit growth from some investee companies as well as some strategic and organisational restructuring of others to enable them to maximise profits in the year ahead.

The most significant movements in valuations in the period were:

- GO Outdoors Topco Limited (increase of £1.42 million).
- Intelligent Office (via IO Outsourcing Limited) (increase of £0.69 million).
- Insider Technologies (Holdings) Limited (increase of £0.40 million) prior to its sale in October 2015.
- The Heritage Window Company Holdco Limited (decrease of £0.47 million).

New and Follow-on Investments

In the six months to 30 September 2015 the Company has invested a total of £2.50 million into five companies preparing to trade. Since the period end the Company has invested £2.00 million into KeTech Enterprises Limited and made two follow-on investments totalling £0.90 million to support Springboard Research Holdings Limited and The Heritage Window Company Holdco Limited.

Realisation of Investments

In the six months to 30 September 2015 the Company received proceeds from disposals of investments and repayments of loans (excluding the gilt portfolio) of £8.47 million. Of this £7.89 million of proceeds were realised from the sale of shares in the portfolio resulting in a gain on disposal of investments of £3.04 million. The remaining £0.58 million relates to repayment of loans at cost.

The majority of the proceeds and gain on the sale of shares arose from the sale of the Company's investment in President Engineering Group Ltd. Proceeds from the sale were £7.23 million, a profit on the 31 March 2015 carrying value of £3.08 million, and a profit on cost of £7.13 million.

A detailed analysis of all investments sold in the period to 30 September 2015 can be found in note 6 below.

Investment Portfolio

As at 30 September 2015 the top ten investments had a combined value of £31.72 million, 57 per cent of the total portfolio.

Sector	Name of Company	Date of initial Investment	Current cost £000	Realised proceeds to Date £000	Investment Valuation At 30 September 2015 £000	Valuation plus proceeds to Date £000
Retail	GO Outdoors Topco Limited	May 98	245	7,792	7,906	15,698
Business services	Intelligent Office (via IO Outsourcing Limited)	May 14	2,934	-	4,588	4,588
Business services	DisplayPlan Holdings Limited	Jan 12	542	986	3,455	4,441
Healthcare	Mangar Health Limited	Jan 14	2,460	-	3,038	3,038
Retail	Gill Marine Holdings Limited	Sep 13	2,500	-	2,358	2,358
Manufacturing	GTK (Holdco) Limited	Oct 13	1,237	513	2,236	2,749
Retail	Harvey Jones Holdings Limited	May 07	1,984	699	2,200	2,899
Business services	ACC Aviation (via Newacc (2014) Limited)	Nov 14	2,068	-	2,068	2,068
Software	Business Collaborator Limited	Nov 14	2,010	-	2,010	2,010
Business services	Springboard Research Holdings Limited	Oct 14	1,862	-	1,862	1,862
Top 10 Investments			17,842	9,990	31,721	41,711
Remaining Unquoted Portfolio						
Manufacturing	Cambrian Park & Leisure Homes Limited (via Cambrian Lodges Holdings Limited)	Oct 14	1,725	75	1,833	1,908
Telecoms	Seven Technologies Holdings Limited	Apr 12	1,984	1,524	1,688	3,212
Manufacturing	Leengate Holdings Limited	Dec 13	1,401	-	1,677	1,677
Retail	Ness (Holdings) Limited	Mar 15	1,509	-	1,509	1,509
Manufacturing	The Heritage Window Company Holdco Limited	Sep 15	1,903	-	1,427	1,427
Business services	Macro Art Holdings Limited	Jun 14	1,136	124	1,241	1,365
Software	Insider Technologies (Holdings) Limited	Aug 12	1,170	-	1,157	1,157
Manufacturing	Wakefield Acoustics (via Malvar Engineering Limited)	Dec 14	1,080	-	1,080	1,080
Industrial	RMS Group Holdings Limited	Jul 07	180	897	1,036	1,933
Investment	Fairlight Bridge Limited	Apr 12	1,000	-	1,000	1,000
Software	Selima Holding Company Limited	Mar 12	600	-	814	814
Retail & Manufacture	Bagel Nash Group Limited	Jul 11	1,011	230	799	1,029
Other investments £0.75 million and below			6,787	264	5,688	5,952
Total unquoted investments			39,328	13,104	52,670	65,774

Quoted Portfolio						
Support services	Mattioli Woods plc	Nov 05	201	393	919	1,312
Other investments £0.75 million and below			1,272	1,169	1,650	2,819
Total quoted investments			1,473	1,562	2,569	4,131
Total portfolio			40,801	14,666	55,239	69,905
Full disposals since March 2002			21,589	39,248	-	39,248
Full disposals to March 2002			5,748	1,899	-	1,899
Total investment portfolio			68,138	55,813	55,239	111,052

Principal Risks and Uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Accounts for the year ended 31 March 2015. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007.

In summary, the principal risks are:

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

Full details of the principal risks can be found in the financial statements for the year ended 31 March 2015 on pages 30 and 31, a copy of which is available at www.bscfunds.com

Directors' Responsibilities Statement

The directors of British Smaller Companies VCT plc confirm that, to the best of their knowledge, the condensed set of financial statements in this interim report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the EU, and give a fair view of the assets, liabilities, financial position and profit and loss of British Smaller Companies VCT plc, and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The directors of British Smaller Companies VCT plc are listed in note 8 of these interim financial statements.

By order of the Board

Helen Sinclair
Chairman

27 November 2015

Unaudited Statement of Comprehensive Income for the six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015			Unaudited Six months ended 30 September 2014		
		Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Gain on disposal of investments		-	3,043	3,043	-	26	26
Gain on investments held at fair value		-	2,539	2,539	-	443	443
Income	2	1,617	-	1,617	952	-	952
Total income		1,617	5,582	7,199	952	469	1,421
Administrative expenses:							
Investment Adviser's fee		(219)	(658)	(877)	(155)	(466)	(621)
Other expenses		(264)	-	(264)	(223)	-	(223)
		(483)	(658)	(1,141)	(378)	(466)	(844)
Profit before taxation		1,134	4,924	6,058	574	3	577
Taxation	3	(133)	133	-	(82)	82	-
Profit for the period		1,001	5,057	6,058	492	85	577
Total comprehensive income for the period		1,001	5,057	6,058	492	85	577
Basic and diluted earnings per ordinary share	5	1.11p	5.61p	6.72p	0.76p	0.13p	0.89p

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 ('IFRSs'). 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') 2014 published by the Association of Investment Companies.

Unaudited Balance Sheet as at 30 September 2015

		Unaudited 30 September 2015	Unaudited 30 September 2014	Audited 31 March 2015
	Notes	£000	£000	£000
Assets				
Non-current assets				
Investments		55,239	47,228	55,529
Fixed income government securities		1,446	2,405	2,438
Financial assets at fair value through profit or loss	6	56,685	49,633	57,967
Trade and other receivables		825	361	603
		57,510	49,994	58,570
Current assets				
Trade and other receivables		396	325	497
Cash on fixed term deposit		3,003	3,013	-
Cash and cash equivalents		29,213	11,986	29,775
		32,612	15,324	30,272
Liabilities				
Current liabilities				
Trade and other payables		(235)	(414)	(1,122)
Net current assets		32,377	14,910	29,150
Net assets		89,887	64,904	87,720
Shareholders' equity				
Share capital		9,499	6,853	9,205
Share premium account		23,408	27,211	20,936
Capital redemption reserve		221	221	221
Capital reserve		40,165	13,376	40,334
Investment holding gains (losses) - net		14,990	16,541	15,735
Revenue reserve		1,604	702	1,289
Total shareholders' equity		89,887	64,904	87,720
Net asset value per ordinary share	7	98.3p	99.1p	98.8p

Signed on behalf of the Board

Helen Sinclair
Chairman
27 November 2015

Unaudited Statement of Changes in Equity for the six months ended 30 September 2015

	Share capital	Share premium	Capital redemption reserve	Capital reserve	Investment holding gains (losses) reserve	Revenue reserve	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 31 March 2014	6,386	23,165	221	16,535	15,879	398	62,584
<i>Revenue profit before taxation</i>	-	-	-	-	-	574	574
<i>Capital expenses</i>	-	-	-	(466)	-	-	(466)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	443	-	443
<i>Realisation of investments</i>	-	-	-	26	-	-	26
<i>Taxation</i>	-	-	-	82	-	(82)	-
Total comprehensive income for the period	-	-	-	(358)	443	492	577
<i>Issue of ordinary share capital</i>	418	3,875	-	-	-	-	4,293
<i>Issue of shares – DRIS</i>	49	412	-	-	-	-	461
<i>Issue costs of ordinary share capital</i>	-	(241)	-	-	-	-	(241)
<i>Purchase of own shares</i>	-	-	-	(484)	-	-	(484)
<i>Dividends</i>	-	-	-	(2,098)	-	(188)	(2,286)
Total transactions with owners	467	4,046	-	(2,582)	-	(188)	1,743
Realisation of prior year investment holding losses	-	-	-	(219)	219	-	-
At 30 September 2014	6,853	27,211	221	13,376	16,541	702	64,904
<i>Revenue profit before taxation</i>	-	-	-	-	-	952	952
<i>Capital expenses</i>	-	-	-	(1,052)	-	-	(1,052)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	2,025	-	2,025
<i>Realisation of investments</i>	-	-	-	1,541	-	-	1,541
<i>Taxation</i>	-	-	-	21	-	(21)	-
Total comprehensive income for the period	-	-	-	510	2,025	931	3,466
<i>Issue of ordinary share capital</i>	2,275	20,893	-	-	-	-	23,168
<i>Issue of shares – DRIS</i>	77	628	-	-	-	-	705
<i>Issue costs of ordinary shares</i>	-	(985)	-	(146)	-	-	(1,131)
<i>Purchase of own shares</i>	-	-	-	(194)	-	-	(194)
<i>Dividends</i>	-	-	-	(2,845)	-	(344)	(3,189)
<i>Share premium cancellation</i>	-	(26,811)	-	26,802	-	-	(9)
Total transactions with owners	2,352	(6,275)	-	23,617	-	(344)	19,350
Realisation of prior year investment holding gains	-	-	-	2,831	(2,831)	-	-
At 31 March 2015	9,205	20,936	221	40,334	15,735	1,289	87,720
<i>Revenue profit before taxation</i>	-	-	-	-	-	1,134	1,134
<i>Capital expenses</i>	-	-	-	(658)	-	-	(658)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	-	2,539	-	2,539

<i>Realisation of investments</i>	-	-	-	3,043	-	-	3,043
<i>Taxation</i>	-	-	-	133	-	(133)	-
Total comprehensive income for the period	-	-	-	2,518	2,539	1,001	6,058
<i>Issue of ordinary share capital</i>	139	1,265	-	-	-	-	1,404
<i>Issue of shares – DRIS</i>	155	1,289	-	-	-	-	1,444
<i>Issue costs of ordinary shares</i>	-	(82)	-	-	-	-	(82)
<i>Purchase of own shares</i>	-	-	-	(316)	-	-	(316)
<i>Dividends</i>	-	-	-	(5,655)	-	(686)	(6,341)
Total transactions with owners	294	2,472	-	(5,971)	-	(686)	(3,891)
Realisation of prior year investment holding gains	-	-	-	3,284	(3,284)	-	-
At 30 September 2015	9,499	23,408	221	40,165	14,990	1,604	89,887

Reserves available for distribution

Under the Companies Act 2006 the capital reserve and the revenue reserve are distributable reserves. The table below shows the amount available for distribution.

	Capital reserve £000	Revenue reserve £000	Total £000
Distributable reserves as above	40,165	1,604	41,769
Less cancelled share premium	(2,093)	-	(2,093)
Less Interest and dividends receivable in future	-	(918)	(918)
Reserves available for distribution*	38,072	686	38,758

*. The revenue reserve of £686,000 is only distributable once these interim financial statements are filed at Companies House.

The capital reserve (£40,165,000) and the revenue reserve (£1,604,000) are both distributable reserves. These reserves total £41,769,000 (30 September 2014: £14,078,000 and 31 March 2015: £41,623,000), representing an increase of £146,000 in the period since 31 March 2015 (30 September 2014: £27,690,000 increase). The directors also take into account the level of investment holding gains (losses) reserve and the future requirements of the Company when determining the level of dividend payments.

Of the potentially distributable reserves of £41,769,000 shown above, £825,000 relates to interest which will become distributable once realised in 2018 and 2019, £93,000 relates to preference dividends that will become distributable on the realisation of the investment, and £2,093,000 of cancelled share premium which will become distributable on 1 April 2018.

On filing these interim financial statements at Companies House, the reserves available for distribution will be £38,758,000.

Unaudited Statement of Cash Flows for the six months ended 30 September 2015

	Notes	Unaudited Six months ended 30 September 2015 £000	Unaudited Six months ended 30 September 2014 £000	Audited Year ended 31 March 2015 £000
Profit before taxation		6,058	577	4,043
Increase in trade and other receivables		(121)	(230)	(712)
(Decrease) increase in trade and other payables		(586)	(332)	277
Profit on disposal of investments		(3,043)	(26)	(2,468)
Profit on investments held at fair value		(2,539)	(443)	(1,567)
Capitalised interest and dividends		(93)	(6)	(8)
Net cash outflow from operating activities		(324)	(460)	(435)
Cash flows from investing activities				
Purchase of financial assets		(2,500)	(8,773)	(19,981)
Proceeds from sale of financial assets		9,457	1,815	8,326
Cash maturing from fixed term deposit		-	2,000	2,000
Cash placed on fixed term deposit		(3,003)	(3,013)	-
Net cash inflow (outflow) from investing activities		3,954	(7,971)	(9,655)
Cash flows from financing activities				
Issue of ordinary shares		1,404	4,222	26,953
Cost of ordinary share issues		(383)	(521)	(868)
Purchase of own shares		(316)	(489)	(956)
Dividends paid	4	(6,341)	(2,218)	(5,383)
Shares issued under DRIS		1,444	461	1,166
Share premium reduction costs		-	-	(9)
Net cash (outflow) inflow from financing activities		(4,192)	1,455	20,903
Net (decrease) increase in cash and cash equivalents		(562)	(6,976)	10,813
Cash and cash equivalents at the beginning of the period		29,775	18,962	18,962
Cash and cash equivalents at the end of the period		29,213	11,986	29,775

Explanatory Notes to the Unaudited Condensed 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 their 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 Conduct Authority.

The half year statements are unaudited and have not been reviewed by the auditors pursuant to the Financial Reporting Council's 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 March 2015 do not constitute full financial statements and have been extracted from the Company's financial statements for the year ended 31 March 2015. 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 March 2015.

The financial statements for the year ended 31 March 2015 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 amendments to IFRS 9, 10, 11 and 15, and amendments to IAS 27 and 28. The impact of the new accounting standards and amendments applicable to the Company is not expected to be material to 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 September 2015 the Company held cash balances and fixed term deposits with a combined value of £32,216,000. 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.

2. Income

	Unaudited 6 months ended 30 September 2015 £000	Unaudited 6 months ended 30 September 2014 £000
Income from investments		
- Dividends from unquoted companies	429	143
- Dividends from AIM quoted companies	38	22
	467	165
- Interest on loans to unquoted companies	1,007	676
- Fixed interest Government securities	12	22
Income from investments held at fair value through profit or loss	1,486	863
Interest on bank deposits	131	89
	1,617	952

In addition an amount of £5,000 (30 September 2014: £110,000) of income in relation to loan interest has not been recognised due to uncertainty over its future receipt.

3. Taxation

	Unaudited 6 months ended 30 September 2015			Unaudited 6 months ended 30 September 2014		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Profit before taxation	1,134	4,924	6,058	574	3	577
Profit before taxation multiplied by standard small company rate of corporation tax in UK of 20% (2014: 20%)	227	985	1,212	115	-	115
Effect of:						
UK dividends received	(94)	-	(94)	(33)	-	(33)
Non-taxable profits on investments	-	(1,116)	(1,116)	-	(94)	(94)
Excess management expenses	-	(2)	(2)	-	12	12
Tax charge (credit)	133	(133)	-	82	(82)	-

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

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.

4. Dividends

Amounts recognised as distributions to shareholders in the period:

	Unaudited 6 months ended 30 September 2015			Unaudited 6 months ended 30 September 2014			Audited Year ended 31 March 2015		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Final dividend for the year ended 31 March 2015 of 3.5p (2014 year end 3.5p) per ordinary share	686	2,471	3,157	188	2,098	2,286	188	2,098	2,286
Special interim dividend for the year ended 31 March 2016 of 3.5p per ordinary share	-	3,184	3,184	-	-	-	-	-	-
Interim dividend for the year ended 31 March 2015 of 2.0p	-	-	-	-	-	-	344	2,845	3,189
	686	5,655	6,341	188	2,098	2,286	532	4,943	5,475
Unclaimed dividends			-			(68)			(92)
Dividend - net		6,341				2,218			5,383

An interim dividend of 2.0 pence per ordinary share, amounting to approximately £1.83 million 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 and Changes in Share Capital

The basic and diluted earnings per ordinary share is based on the profit after tax attributable to equity shareholders of £6,058,000 (30 September 2014: £577,000) and 90,082,409 (30 September 2014: 64,778,209) 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 £1,001,000 (30 September 2014: £492,000) and 90,082,409 (30 September 2014: 64,778,209) 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 return attributable to equity shareholders of £5,057,000 (30 September 2014: £85,000) and 90,082,409 (30 September 2014: 64,778,209) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

During the period the Company allotted 1,553,318 new ordinary shares in respect of its dividend reinvestment scheme and 1,385,722 new ordinary shares under the offer for subscription alongside British Smaller Companies VCT2 plc.

The Company has repurchased 364,332 of its own shares in the period and these shares are held in the capital reserve. The total of 3,589,655 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. Financial Assets at Fair Value Through Profit and Loss

IFRS 13, in respect of financial instruments that are measured in the balance sheet at fair value, requires disclosure of fair value measurements by level within the following fair value measurement hierarchy:

- Level 1: quoted prices in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1 and comprise AIM quoted investments or government securities and other fixed income securities classified as held at fair value through profit and loss.
- Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Company held no such instruments in the current or prior year.
- Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

All of the Company's unquoted investments are included in Level 3.

Each investment is reviewed at least quarterly to ensure that it has not ceased to meet the criteria of the level in which it was included at the beginning of each accounting period. There have been no transfers between these classifications in the period (30 September 2014: None). The change in fair value for the current and previous year is recognised through profit and loss.

All items held at fair value through profit and loss were designated as such upon initial recognition and are subject to a reoccurring valuation on at least a quarterly basis.

Valuation of Investments

Initial Measurement: Financial assets are initially measured at fair value. The best estimate of the initial fair value of a financial asset that is either quoted or not quoted in an active market is the transaction price (i.e. cost).

Subsequent Measurement: The International Private Equity and Venture Capital (IPEVC) Valuation Guidelines ("the Guidelines") identify six of the most widely used valuation methodologies for unquoted investments. The Guidelines advocate that the best valuation methodologies are those that draw on external, objective market based data in order to derive a fair value.

Full details of the methods used by the Company were set out on page 55 and 56 of the financial statements for the year ended 31 March 2015, a copy of which can be found at www.bsccfunds.com. Where investments are in quoted stocks, fair value is set at the market price.

The primary methods used for valuing non-quoted investments, and the key assumptions relating to them are:

Price of recent investment, reviewed for changes in fair value: the cost of the investment, adjusted for background factors specific to the investment, is taken as a reasonable assessment of the fair value for a period of up to one year. During this period performance is monitored for evidence of changes to this initial fair value. Valuations may be re-based following substantial investment by a third party when this offers evidence that there has been a change to fair value.

Earnings multiple: the appropriate sector FTSE® multiples are used as a market-based indication of the enterprise value of an investment company. A discount is applied to the multiple based on perceived market

interest in that company or sector and on any benefit that may be observed by holding a significant shareholding or superior rights.

Movements in investments at fair value through profit or loss during the six months to 30 September 2015 are summarised as follows:

IFRS 13 measurement classification	Level 3	Level 1		Level 1	
	Unquoted Investments	Quoted Equity Investments	Total Quoted and Unquoted	Fixed Income Securities	Total Investments
	£000	£000	£000	£000	£000
Opening cost	37,663	2,167	39,830	2,402	42,232
Opening valuation gain	14,997	702	15,699	36	15,735
Opening fair value at 1 April 2015	52,660	2,869	55,529	2,438	57,967
Additions at cost	2,500	-	2,500	-	2,500
Capitalised interest and dividends	93	-	93	-	93
Disposal proceeds	(7,881)	(592)	(8,473)	(984)	(9,457)
Net profit (loss) on disposal	3,096	(48)	3,048	(5)	3,043
Change in fair value	2,202	340	2,542	(3)	2,539
Closing fair value at 30 September 2015	52,670	2,569	55,239	1,446	56,685
Closing cost	39,328	1,473	40,801	1,423	42,224
Closing valuation gain	13,342	1,096	14,438	23	14,461
Closing fair value at 30 September 2015	52,670	2,569	55,239	1,446	56,685

There have been no individual fair value adjustments downwards during the period that exceeded five per cent of the total assets of the Company (31 March 2015: none).

The Company has completed investments totalling £2.50 million into five companies preparing to trade.

During the period one investment moved from being held at price of recent investment, reviewed for change in fair value, to an earnings multiple basis with the net impact being a gain of £108,000.

Level 3 valuations include assumptions based on non-observable data, such as discounts applied either to reflect changes in fair value of financial assets held at the price of recent investment, or to adjust earnings multiples.

IFRS 13 requires an entity to disclose quantitative information about the significant unobservable inputs used. Of the Company's Level 3 investments, 70 per cent are held on an earnings multiple basis, which have significant judgement applied to the valuation inputs. The table below sets out the range of Price Earnings ratios and discounts applied in arriving at investments valued on an earnings multiple basis. The remainder of Level 3 investments are held at cost, reviewed for change in fair value and the range of discounts applied is set out below.

	Manufacturing & Industrial Services	Retail & Brands	Software, IT and Telecomms	Healthcare	Business Services
Earnings multiple					
P/E Multiple Range	17.54-34.23	14.63-34.23	17.53-29.36	18.05	27.20
P/E Multiple Weighted Average	21.23	16.73	23.87	18.05	27.20
Combined P/E and/or Marketability Discount Range	52 - 70%	36 - 70%	44-60%	52%	60 – 70%
Combined P/E and/or Marketability Discount Weighted Average	60%	40%	55%	52%	67%

The standard also requires disclosure, by class of financial instruments, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to the fair value measurement. Each unquoted portfolio company has been reviewed in order to identify the sensitivity of the valuation methodology to using alternative assumptions. Where discounts have been applied (for example to Earnings levels or P/E ratios) alternatives have been considered which would still fall within the IPEVC Guidelines. For each unquoted investment, two scenarios have been modelled: more prudent assumptions (downside case) and more optimistic assumptions (upside case). Applying the downside alternatives the value of the unquoted investments would be £4.39 million or 8.3 per cent lower. Using the upside alternative the value would be increased by £5.59 million or 10.6 per cent.

Of the Company's equity investments 95.3 per cent are in unquoted companies held at fair value (31 March 2015: 94.8 per cent). The valuation methodology for these investments includes the application of externally

produced FTSE® multiples. Therefore the value of the unquoted element of the portfolio is also indirectly affected by price movements on the listed market. Those using an earnings multiple methodology include judgements regarding the level of discount applied to that multiple. A 10 per cent decrease in the discount applied would have increased the net assets attributable to the Company's shareholders and the total profit by £3.68 million (4.1 per cent of net assets). A change in the opposite direction would have decreased net assets attributable to the Company's shareholders and the total profit for the period by £3.57 million (4.0 per cent of net assets).

Of the Company's equity investments, 4.7 per cent are quoted on AIM (31 March 2015: 5.2 per cent). A five per cent increase in stock prices as at 30 September 2015 would have increased the net assets attributable to the Company's shareholders and the total profit for the period by £128,000 (31 March 2015: £143,000). An equal change in the opposite direction would have decreased the net assets attributable to the Company's shareholders and the total profit for the period by an equal amount.

Fixed income securities comprise UK Government stocks and are classified as financial assets through profit or loss. Their use is as temporary holdings until capital investment opportunities arise.

The following loan repayments and disposals took place during the period.

	Net proceeds from Sale	Cost	Opening carrying value as at 1 April 2015	Gain (loss) over opening carrying value	Profit (loss) on original cost
	£000	£000	£000	£000	£000
Loan repayments					
Bagel Nash Group Limited	60	60	60	-	-
Cambrian Park & Leisure Homes Limited	50	50	50	-	-
Macro Art Holdings Limited	68	68	68	-	-
President Engineering Group Ltd	400	400	400	-	-
	578	578	578	-	-
Equity disposals					
Cambridge Cognition plc*	133	203	136	(3)	(70)
Hargreaves Services plc*	216	310	239	(23)	(94)
President Engineering Group Ltd	7,234	100	4,159	3,075	7,134
Pressure Technologies plc*	243	182	265	(22)	61
Woodspeen Training plc	69	250	48	21	(181)
	7,895	1,045	4,847	3,048	6,850
Total proceeds from portfolio	8,473	1,623	5,425	3,048	6,850
Fixed Income Securities	984	979	989	(5)	5
Total	9,457	2,602	6,414	3,043	6,855

*Designates AIM quoted investments.

7. 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 £89,887,000 (30 September 2014 and 31 March 2015: £64,904,000 and £87,720,000 respectively) and 91,402,772 (30 September 2014 and 31 March 2015: 65,520,783 and 88,828,064 respectively) ordinary shares in issue at 30 September 2015.

The 3,589,665 (30 September 2014: 3,006,322 and 31 March 2015: 3,225,333) treasury shares have been excluded in calculating the number of ordinary shares in issue at 30 September 2015. 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.

8. Directors

The directors of the Company are:

Mrs H Sinclair (non-executive Chairman)
 Mr CWER Buchan (non-executive Director)
 Mr P S Cammerman (non-executive Director)

9. Post Balance Sheet Events

On 15 October 2015 the Company realised its investment in Insider Technologies (Holdings) Limited for proceeds of £1.16 million in line with the 30 September 2015 carrying value.

Since the period end the Company has invested £2.00 million into KeTech Enterprises Limited and made two follow-on investments totalling £0.90 million to support Springboard Research Holdings Limited and The Heritage Window Company Holdco Limited.

Since the period end the Company has also received loan repayments of £0.7 million.

10. Other Information

Copies of the interim report can be obtained from the Company's registered office: 5th Floor, Valiant Building, 14 South Parade, Leeds LS1 5QS or from www.bsccfunds.com.

11. Total Return

Total return per share is calculated on cumulative dividends paid of 105.7 pence per ordinary share (31 March 2015: 98.7 pence per ordinary share and 30 September 2014: 94.2 pence per ordinary share) plus the net asset value as calculated in note 7.

12. Interim Dividend for the six months ended 30 September 2015

Further to the announcement of its interim results for the 6 months to 30 September 2015, the Company confirms that an interim dividend of 2.0 pence per ordinary share ("Interim Dividend") will be paid on 15 January 2016 to those shareholders on the Company's register at the close of business on 11 December 2015. The ex-dividend date for the Interim Dividend will be 10 December 2015.

13. 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 30 December 2015.

For further information, please contact:

David Hall
Gillian Martin

YFM Equity Partners Limited
Nplus1 Singer Advisory LLP

Tel: 0113 244 1000
Tel: 0207 496 3000

British Smaller Companies VCT plc (“the Company”)

Purchase of Own Securities and Total Voting Rights

Further to the announcement made on 30 September 2015, the Company announces that on 30 September 2015 it purchased a further 1,000 ordinary shares of 10 pence each at a price of 86.83 pence per share. These shares will be held in treasury.

The last reported net asset value as at 30 June 2015 was 103.2 pence per share since when a final dividend payment of 3.5 pence per ordinary share and a special dividend payment of 3.5 pence per ordinary share have been paid, resulting in an ex-dividend net asset value of 96.2 pence per share.

If these shares had been purchased prior to the quarter ended 30 June 2015, the net asset value per ordinary share of the Company at that date would have been unaltered at 103.2 pence per ordinary share.

The Company’s issued share capital following the buy back consists of 91,402,772 ordinary shares of 10 pence each with voting rights. In addition, the Company holds 3,589,665 ordinary shares of 10 pence in treasury.

The above figure of 91,402,772 ordinary shares 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.

1 October 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
James Maxwell	Nplus1 Singer Advisory LLP	Tel: 0207 496 3000

British Smaller Companies VCT plc (the “Company”)

Payment of Special Dividend and Allotment of Shares

The Company announces that on 7 September 2015 it paid a special dividend (“Special Dividend”) of 3.5 pence per ordinary share to shareholders on the register of members of the Company as at the record date of 7 August 2015.

The Company further announces that on 7 September 2015 it issued and allotted 803,289 ordinary shares of 10 pence each (“Ordinary Shares”) pursuant to its dividend re-investment scheme (“Dividend Re-investment Scheme”) at a price of 91.39 pence per share to shareholders of the Company who elected to receive shares instead of the Special Dividend. Of the Special Dividend paid by the Company, 23 per cent was, as a result, re-invested in shares in the Company via the Dividend Re-investment Scheme.

As part of this allotment, Edward Buchan, a non-executive director of the Company, was allotted 751 Ordinary Shares in the Company. This takes his total shareholding to 20,362 Ordinary Shares representing 0.02% of the current issued Ordinary Shares.

As part of this allotment the employees of the investment adviser, YFM Private Equity Limited, have been allotted 6,172 Ordinary Shares bringing their aggregate total shareholding to 331,844 Ordinary Shares representing 0.36% of the current issued Ordinary Shares.

Application is now being made for the Ordinary Shares which were issued and allotted on 7 September 2015 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 21 September 2015.

Following such issue and allotment the Company’s issued share capital consists of 91,486,003 Ordinary Shares with voting rights (“Voting Capital”) and 3,506,434 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.

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
James Maxwell	Nplus 1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc (the “Company”)

Payment of Final Dividend and Allotment of Shares

The Company announces that on 4 August 2015 it paid a final dividend (“Final Dividend”) of 3.5 pence per ordinary share to shareholders on the register of members of the Company as at the record date of 3 July 2015.

The Company further announces that on 4 August 2015 it issued and allotted 750,029 ordinary shares of 10 pence each (“Ordinary Shares”) pursuant to its dividend re-investment scheme (“Dividend Re-investment Scheme”) at a price of 94.72 pence per share to shareholders of the Company who elected to receive shares instead of the Final Dividend. Of the Final Dividend paid by the Company, 22.5 per cent was, as a result, re-invested in shares in the Company via the Dividend Re-investment Scheme.

As part of this allotment, Edward Buchan, a non-executive director of the Company, was allotted 699 Ordinary Shares in the Company. This takes his total shareholding to 19,611 Ordinary Shares representing 0.02% of the current issued Ordinary Shares.

As part of this allotment the employees of the investment adviser, YFM Private Equity Limited, have been allotted 5,743 Ordinary Shares bringing their aggregate total shareholding to 325,672 Ordinary Shares representing 0.36% of the current issued Ordinary Shares.

Application is now being made for the Ordinary Shares which were issued and allotted on 4 August 2015 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 18 August 2015.

Following such issue and allotment the Company’s issued share capital consists of 90,963,815 Ordinary Shares with voting rights (“Voting Capital”) and 3,225,333 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.

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
James Maxwell	Nplus 1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc (“the Company”)
Interim Management Statement for the quarter
ended 30 June 2015

British Smaller Companies VCT plc presents its interim management statement for the quarter ended 30 June 2015. The statement also includes relevant financial information between the end of the quarter and the date of this statement. This statement constitutes the Company’s first interim management statement for the financial year ending 31 March 2016. A copy of this interim management statement can be found at www.bscfunds.com.

Proposed regulatory changes

There are a number of proposed changes emanating from the Summer budget that may restrict the pool of investments available to the VCT industry and the board is keeping these changes under review and will appraise shareholders in due course.

Performance

The total return at 30 June 2015, calculated by reference to the net asset value (“NAV”) per ordinary share and the cumulative dividends paid, was 201.9 pence per ordinary share (31 March 2015: 197.5 pence per ordinary share). Cumulative dividends represent 98.7 pence per ordinary share (31 March 2015: 98.7 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2015 was 103.2 pence per ordinary share (31 March 2015: 98.8 pence per ordinary share before taking account of the final dividend of 3.5 pence per share to be paid on 4 August), an increase in the quarter of 4.45%. The improvement in NAV per ordinary share is principally due to the increase in the value of the investment portfolio.

The overall movement in the valuation of investments in the quarter contributed 4.2 pence per share to the increase in the net asset value. The largest part of this increase related to the investment in President Engineering Group Limited which was sold shortly after the end of the period. As a result your board is recommending payment of a dividend of 3.5 pence per share per ordinary share to be paid on 7 September 2015

The significant level of investments over the last 18 months has enhanced income generation from the investment portfolio, with total income for the quarter increasing 84% year-on-year, leading to net income of £0.28m (0.3 pence per share).

Share issues

The number of ordinary shares in issue at 30 June 2015 was 90,213,786 (31 March 2015: 88,828,064). In addition, the Company held 3,225,333 shares (31 March 2015: 3,225,333 shares) in Treasury.

During the quarter the Company has issued a total of 1,385,722 ordinary shares at prices ranging from 99.26 to 101.58 pence per ordinary share, pursuant to the Company’s offers for Subscription with British Smaller Companies VCT2 plc.

The Company and British Smaller Companies VCT2 plc received an excellent response to the offers, which were fully subscribed on 24 March 2015 raising £40 million in aggregate, of which £24.6 million was raised by the Company.

Net assets

Net assets at 30 June 2015 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	58,571	62.9
Quoted investment at bid price	2,620	2.8
Total private equity investments	61,191	65.7
Fixed income securities	1,440	1.6
Total investments	62,631	67.3
Cash and cash equivalents	17,879	19.2
Short term deposits	11,944	12.8
Other net current assets	627	0.7
Net assets	93,081	100.0

Investment Portfolio

The ten largest investments by valuation and other investments at 30 June 2015 comprised the following:

	Cost £000	Valuation £000	Valuation as % of net assets %
President Engineering Group Ltd	400	7,534	8.1
GO Outdoors Topco Limited	245	6,775	7.2
Intelligent Office (via IO Outsourcing Limited)	2,934	4,376	4.7
DisplayPlan Holdings Limited	542	3,384	3.6
Mangar Health Limited	2,460	3,123	3.3
Gill Marine Holdings Limited	2,500	2,383	2.6
GTK (Holdco) Limited	1,237	2,199	2.4
ACC Aviation (via Newacc (2014) Limited)	2,068	2,068	2.2
Harvey Jones Holdings Limited	1,984	2,020	2.2
Business Collaborator Limited	2,010	2,010	2.2
Top ten investments	16,380	35,872	38.5
Other investments	25,004	25,319	27.2
Total private equity investments	41,384	61,191	65.7

In the quarter the Company received cash proceeds of £0.18 million relating to the repayment of capital from the Company's loan portfolio, and £0.42 million in respect of disposals of quoted shareholdings,

which were in line with their 31 March 2015 carrying value. In addition the Company received cash proceeds of £0.98 million from the sale of fixed income securities, also in line with their carrying value.

Portfolio Performance

Over the 3 months to 30 June 2015 the portfolio saw an overall increase in unrealised valuations of £3.74 million equating to a 6.9 per cent increase on the opening value. The largest value movements were President Engineering Group Ltd (up £3.08 million), which has now been realised, IO Outsourcing Limited (up £0.48 million) and Go Outdoors Topco Limited (up £0.29 million).

The Board continues to follow a policy of maintaining a diversified portfolio; as at 30 June 2015 only two investments represented more than five per cent. each of the Company's NAV with the largest investment (subsequently realised) comprising 8.1 per cent and the other 7.2 per cent.

Special dividend

Following the successful sale of the investment in President Engineering Group Ltd the directors are pleased to announce that the Company will pay a special dividend of 3.5 pence per share. The dividend will be paid on 7 September 2015 to all investors on the register on 7 August 2015 with an associated ex-dividend date of 6 August 2015. The Company operates a Dividend Re-Investment Scheme (DRIS) and the DRIS election date will be 21 August 2015. The Board reminds shareholders that they do have the option to opt into or out of the DRIS should they wish, and can contact the Registrars accordingly.

29 July 2015

For further information please contact:

David Hall YFM Private Equity Limited

Tel: 0113 244 1000

James Maxwell Nplus1 Singer Advisory LLP

Tel: 0207 496 3000

British Smaller Companies VCT plc (“the Company”)
Interim Management Statement for the quarter
ended 30 June 2015

British Smaller Companies VCT plc presents its interim management statement for the quarter ended 30 June 2015. The statement also includes relevant financial information between the end of the quarter and the date of this statement. This statement constitutes the Company’s first interim management statement for the financial year ending 31 March 2016. A copy of this interim management statement can be found at www.bscfunds.com.

Proposed regulatory changes

There are a number of proposed changes emanating from the Summer budget that may restrict the pool of investments available to the VCT industry and the board is keeping these changes under review and will appraise shareholders in due course.

Performance

The total return at 30 June 2015, calculated by reference to the net asset value (“NAV”) per ordinary share and the cumulative dividends paid, was 201.9 pence per ordinary share (31 March 2015: 197.5 pence per ordinary share). Cumulative dividends represent 98.7 pence per ordinary share (31 March 2015: 98.7 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2015 was 103.2 pence per ordinary share (31 March 2015: 98.8 pence per ordinary share before taking account of the final dividend of 3.5 pence per share to be paid on 4 August), an increase in the quarter of 4.45%. The improvement in NAV per ordinary share is principally due to the increase in the value of the investment portfolio.

The overall movement in the valuation of investments in the quarter contributed 4.2 pence per share to the increase in the net asset value. The largest part of this increase related to the investment in President Engineering Group Limited which was sold shortly after the end of the period. As a result your board is recommending payment of a dividend of 3.5 pence per share per ordinary share to be paid on 7 September 2015

The significant level of investments over the last 18 months has enhanced income generation from the investment portfolio, with total income for the quarter increasing 84% year-on-year, leading to net income of £0.28m (0.3 pence per share).

Share issues

The number of ordinary shares in issue at 30 June 2015 was 90,213,786 (31 March 2015: 88,828,064). In addition, the Company held 3,225,333 shares (31 March 2015: 3,225,333 shares) in Treasury.

During the quarter the Company has issued a total of 1,385,722 ordinary shares at prices ranging from 99.26 to 101.58 pence per ordinary share, pursuant to the Company’s offers for Subscription with British Smaller Companies VCT2 plc.

The Company and British Smaller Companies VCT2 plc received an excellent response to the offers, which were fully subscribed on 24 March 2015 raising £40 million in aggregate, of which £24.6 million was raised by the Company.

Net assets

Net assets at 30 June 2015 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	58,571	62.9
Quoted investment at bid price	2,620	2.8
Total private equity investments	61,191	65.7
Fixed income securities	1,440	1.6
Total investments	62,631	67.3
Cash and cash equivalents	17,879	19.2
Short term deposits	11,944	12.8
Other net current assets	627	0.7
Net assets	93,081	100.0

Investment Portfolio

The ten largest investments by valuation and other investments at 30 June 2015 comprised the following:

	Cost £000	Valuation £000	Valuation as % of net assets %
President Engineering Group Ltd	400	7,534	8.1
GO Outdoors Topco Limited	245	6,775	7.2
Intelligent Office (via IO Outsourcing Limited)	2,934	4,376	4.7
DisplayPlan Holdings Limited	542	3,384	3.6
Mangar Health Limited	2,460	3,123	3.3
Gill Marine Holdings Limited	2,500	2,383	2.6
GTK (Holdco) Limited	1,237	2,199	2.4
ACC Aviation (via Newacc (2014) Limited)	2,068	2,068	2.2
Harvey Jones Holdings Limited	1,984	2,020	2.2
Business Collaborator Limited	2,010	2,010	2.2
Top ten investments	16,380	35,872	38.5
Other investments	25,004	25,319	27.2
Total private equity investments	41,384	61,191	65.7

In the quarter the Company received cash proceeds of £0.18 million relating to the repayment of capital from the Company's loan portfolio, and £0.42 million in respect of disposals of quoted shareholdings,

which were in line with their 31 March 2015 carrying value. In addition the Company received cash proceeds of £0.98 million from the sale of fixed income securities, also in line with their carrying value.

Portfolio Performance

Over the 3 months to 30 June 2015 the portfolio saw an overall increase in unrealised valuations of £3.74 million equating to a 6.9 per cent increase on the opening value. The largest value movements were President Engineering Group Ltd (up £3.08 million), which has now been realised, IO Outsourcing Limited (up £0.48 million) and Go Outdoors Topco Limited (up £0.29 million).

The Board continues to follow a policy of maintaining a diversified portfolio; as at 30 June 2015 only two investments represented more than five per cent. each of the Company's NAV with the largest investment (subsequently realised) comprising 8.1 per cent and the other 7.2 per cent.

Special dividend

Following the successful sale of the investment in President Engineering Group Ltd the directors are pleased to announce that the Company will pay a special dividend of 3.5 pence per share. The dividend will be paid on 7 September 2015 to all investors on the register on 7 August 2015 with an associated ex-dividend date of 6 August 2015. The Company operates a Dividend Re-Investment Scheme (DRIS) and the DRIS election date will be 21 August 2015. The Board reminds shareholders that they do have the option to opt into or out of the DRIS should they wish, and can contact the Registrars accordingly.

29 July 2015

For further information please contact:

David Hall YFM Private Equity Limited

Tel: 0113 244 1000

James Maxwell Nplus1 Singer Advisory LLP

Tel: 0207 496 3000

British Smaller Companies VCT plc
Annual General Meeting on 29 July 2015
Note of Proxies Received

The full text of the AGM Resolutions were included in the notice of the Annual General Meeting dated 19 June 2015, a copy of which can be found on pages 76 and 77 of the Company's annual report and accounts for the year ended 31 March 2015.

In order to comply with the UK Code of Corporate Governance the proxy votes received on each resolution were:

ORDINARY RESOLUTIONS

	In favour	Chairman's discretion	Against	Withheld
Resolution 1 – To receive the Annual Report and Accounts	7,927,408	381,477	13,925	0
Resolution 2 – To approve a final dividend of 3.5p per ordinary share	7,934,252	381,477	7,081	0
Resolution 3 – To approve the Directors' Remuneration Report	7,170,065	387,535	669,216	95,994
Resolution 4 – To re-elect Ms H Sinclair as a director	7,717,078	383,513	202,059	20,160
Resolution 5 – To re-elect Mr C W E R Buchan as a director	7,793,729	381,477	122,718	24,886
Resolution 6 – To re-elect Mr P S Cammerman as a director	7,697,028	381,477	230,637	13,668
Resolution 7 – To re-appoint BDO LLP as auditor	7,856,710	381,477	47,333	37,290
Resolution 8 – To authorise the directors to allot shares (other than pursuant to the dividend re-investment scheme)	7,827,323	383,683	82,955	28,849

SPECIAL RESOLUTION

	In favour	Chairman's discretion	Against	Withheld
Resolution 9 – To waive pre-emption rights in respect of the allotment of shares (other than pursuant to the dividend re-investment scheme)	7,153,119	626,279	447,898	95,515

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 will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.

BRITISH SMALLER COMPANIES VCT PLC
Annual Financial Report Announcement for
the Year ended 31 March 2015

British Smaller Companies VCT plc (the "Company") today announces its audited results for the year to 31 March 2015.

Financial Highlights

- An increase in total return of 2.5 per cent to 197.5 pence per ordinary share.
- The Company invested a total of £19.06m into fifteen companies during the year, including £16.83 million into eleven new companies and £2.19 million of follow-on investment to support the existing portfolio.
- The portfolio now includes 20 unquoted companies with a value of £1.0 million or more.
- Successful realisation of the Company's investment in 2007 in Waterfall Services Limited. Over the period of your Company's investment total proceeds generated were £5.3 million on a £1.0 million investment generating a 5.3x return for your Company.
- Underlying growth in the investment portfolio of £4.04 million. This includes £2.47 million of unrealised value growth and £1.57 million of gain over the opening value from disposals.
- Realised profit from disposals of £4.30 million over the original cost.
- The cash position has been enhanced by the fundraising with British Smaller Companies VCT2 plc, which raised gross proceeds for the Company of £24.6 million.
- Total dividends paid during the year ended 31 March 2015 were 8.0 pence per ordinary share. This comprises a final dividend relating to the year to 31 March 2014 of 3.5 pence, a special interim dividend of 2.5 pence and an interim dividend for the year to 31 March 2015 of 2.0 pence per ordinary share.
- Proposed final dividend of 3.5 pence per ordinary share in respect of the year ended 31 March 2015.

Chairman's Statement

This year has seen your Company make new and further investments into the portfolio totalling £19.1 million, which included ten new unquoted investments, increasing the total number of investments to 38, and the value of investments at the end of the year to £55.5 million. This has enabled your Company to diversify further the portfolio's geographical and sector mix. The unquoted portfolio now contains 20 investments valued at £1 million or more, compared to 11 at 31 March 2014 with the largest single investment just 7.4 per cent of the Company's net asset value. This diversity has increased the income element derived from the portfolio, hopefully enhancing the resilience of future dividends.

Fundraising

In light of the continued strong demand for investment from UK businesses your Company launched a prospectus offer on 20 October 2014 alongside British Smaller Companies VCT2 plc, to increase its investment capacity. This received an excellent response and was fully subscribed with the Company raising £24.6 million and the offers raising £40.0 million in aggregate. The final allotment under the offers was made on 22 April 2015.

These funds will allow the Company to take advantage of the current pipeline of attractive investment opportunities.

Financial Results

The movement in net asset value per ordinary share and the dividends paid in the year to 31 March 2015 are summarised in the table below:

	Pence per ordinary share	£000
NAV at 31 March 2014	102.0	62,584
Net underlying increase in portfolio	4.6	4,035
Net income	-	8
Buy-back of shares	0.1	(678)
Issue of new shares	0.1	27,246
	4.8	30,611
Dividends paid	(8.0)	(5,475)
	(3.2)	25,136
NAV at 31 March 2015	98.8	87,720
Cumulative dividends paid	98.7	
Total Return	197.5	

In the year the total return (being net asset value plus cumulative dividends) increased by 4.8 pence per share to 197.5 pence. This was driven by an increase in the value of the investment portfolios of £4.04 million, an increase of 9.5 per cent over the opening value at 31 March 2014. This return comprises a gain on the revaluation of the portfolio of £2.47 million and a gain over the opening book value from the realisation of investments of £1.57 million. This is a particularly creditable result as it includes a value drop of £2.05 million from two portfolio businesses exposed to defence sector budget cuts. Strong value gains were seen across many portfolio businesses as a result of implementing clear growth strategies and improved profitability.

Following the successful sale of the investment in Waterfall Services Limited, the Company has paid total dividends of 8.0 pence per ordinary share, bringing the total cumulative dividends paid since inception to 98.7 pence per ordinary share. After dividends the net asset value per share was 98.8 pence.

The charts on page 12 of the annual report show in greater detail the movement in total return, net asset value and dividends paid over time.

These financial results have enabled your Company to continue to hold its ranking as a top-performing VCT, with Citywire reporting it as the third best performing VCT over the last ten years. (*Source: Citywire data as at 21 May 2015 - based on NAV performance*).

Shareholder Relations

Dividends

Your Board remains committed to achieving the objective of a consistent and, where possible, increasing dividend stream over time while seeking to maintain capital value. Dividends paid in the year comprise a final dividend of 3.5 pence per ordinary share in respect of the year ended 31 March 2014, an interim dividend of 2.0 pence per ordinary share and a special dividend of 2.5 pence per ordinary share in respect of the financial year just ended, totalling 8.0 pence per ordinary share. This represents 9.0 per cent of the opening share price and 7.8 per cent of the opening net asset value per ordinary share and brings the cumulative dividends paid to 98.7 pence per ordinary share.

The Board is pleased to propose a final dividend of 3.5 pence per ordinary share for the year ended 31 March 2015. This final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting and if approved will then be paid on 4 August 2015 to shareholders on the register at 3 July 2015.

DRIS

The Company operates a dividend re-investment scheme ("DRIS"), which gives shareholders the opportunity to re-invest any cash dividends. The DRIS is open to all shareholders, including those who invested under the recent share offers. Shareholders reinvested £1.2 million in the DRIS, which represented 21.3 per cent of the gross dividends paid in the year to 31 March 2015 demonstrating the benefits of the DRIS to the Company and shareholders alike.

Incentive fee

As a result of the increased level of dividend and maintenance of the net asset value above its target, an incentive fee of £0.6m (2014: £0.2m) is payable to YFM Private Equity Limited, in accordance with the terms of the Incentive Agreement (the details of which are set out on page 60 of the annual report)

This payment is linked to achieving both a consistent and increasing dividend (with a target dividend, below which no incentive fee is payable, adjusted for RPI annually) as well as maintaining growth in the net asset value above a hurdle.

Shareholder communications

Your Board remains committed to enhancing shareholder communications and holds shareholder workshops where investors are invited to meet members of the Board, representatives from the Investment Adviser and the CEOs of one or more of our investee companies. Our 20th shareholder workshop was held at Freemasons' Hall, London on 4 February 2015 and achieved the highest ever attendance with over 200 shareholders attending. Presentations at the workshop were made by Andrew Barker MD of Mangar International, Rachel McCorry CEO of IO Outsourcing, Michael Green Commercial Director and Matt Guise Sales Director of Macro Art. After lunch David Hall spoke on behalf of the Investment Adviser, followed by a Question and Answer session hosted by David Hall, David Bell and Paul Cannings, all of the Investment Adviser.

As part of its review of costs, and in line with current Environmental, Social & Corporate Governance, the Board has decided to implement an electronic communications policy, whereby documents such as the annual report will in future be disseminated via the website www.bscfunds.com rather than by post. This will save on printing costs and be more environmentally friendly.

In addition we are refreshing the Company's website. The emphasis is on providing a comprehensive level of information in a user-friendly format. This new site will be launched in the next few weeks.

The Annual General Meeting of the Company will be held at 12.00 noon on 29 July 2015 at Avanta, Soho Room, 25 Sackville Street, London W15 3AX. Full details of the agenda for this meeting are included in the Notice of the Annual General Meeting on page 76 of the annual report.

Regulatory

On 20 July 2014 the Financial Conduct Authority approved the Company's application to become a Self-managed Alternative Investment Fund as defined under the new Alternative Investment Fund Manager's Directive following the implementation of the EU's directive on self-managed investment funds. Following this the Company has retained responsibility for the custody of its investments. YFM

Private Equity Limited has continued to provide advisory and administrative services to the Company. I am pleased to report that The City Partnership (UK) Limited has been appointed as Company Secretary to the Company with effect from 1 December 2014.

Changes to Investment Advisory Agreement

Your Board has agreed with YFM Private Equity Limited (as Investment Adviser) a number of changes to the Investment Advisory and Incentive agreements for the benefit of the Company. In particular it has added clauses that:

- i. effective from 1 October 2013, determine a rebate to the Company if aggregate deal fees are above an agreed level, where there are fees paid by investee companies to the Investment Adviser at the point of investment;
- ii. effective from 1 October 2013, set a limit on annual monitoring and directors fees paid by investee companies to the Investment Adviser; and
- iii. effective from 1 April 2014, place a cap on the total performance incentive fee to be paid to the Investment Adviser in any one year.

Further details are set out on pages 59 and 60 of the annual report.

Your Board believes that these amendments should help to enhance returns to shareholders by limiting the absolute amount of fees charged to investee companies, and also smooth the payment of any particularly large incentive fees earned over several years.

Subsequent Events

Since the end of the reporting period, the Company has allotted a total of 1,385,722 ordinary shares on 22 April 2015 pursuant to the offer detailed under "Fundraising" earlier in this report.

Outlook

This year has seen an increase in the number of companies which the Company has been able to invest in and a large proportion of the funds raised in 2014's successful fundraising have now been deployed.

Demand for equity capital among smaller UK businesses remains strong and the success of the recent fundraising provides the Company with the funds to take advantage of the relatively positive economic conditions and also enables us to support growth and acquisition strategies in the existing portfolio.

The significant level of investments made during the year to 31 March 2015 has further increased the diversification of the portfolio, with the largest investment representing just 7.4 per cent of net asset value compared to 32.8 per cent four years ago. The growth in income generation from the portfolio should also add further resilience to future investment returns. The recent fundraising affords the opportunity to continue this strategy of portfolio diversification and increasing income generation.

Helen Sinclair
Chairman

Objectives and Key Policies

The Company's objective is to provide investors with an attractive long-term tax free dividend yield while seeking to maintain the capital value of their investment.

Investment Policy

The investment strategy of the Company is to create a portfolio with a mix of companies operating in traditional industries and those that offer opportunities in the development and application of innovation.

The legislation governing VCTs requires that at least 70 per cent by value of its holdings must be in qualifying holdings. The maximum value of any single investment is 15 per cent at the time of investment.

The Company invests in UK businesses across a broad range of sectors including, but not limited to, Software, IT & Telecommunications, Business Services, Manufacturing & Industrial Services, Retail & Brands and Healthcare, in VCT qualifying and non-qualifying unquoted and AIM traded securities.

The Company invests in a range of securities which may include ordinary and preference shares and fixed income securities, such as corporate bonds and gilts. Unquoted investments are structured so as to spread risk and enhance revenue yields, usually as a combination of ordinary shares, preference shares and loan stocks, while AIM securities are generally held in ordinary shares.

Borrowing

The Company funds the investment programmes out of its own resources and has no borrowing facilities for this purpose.

Co-investment

British Smaller Companies VCT plc and British Smaller Companies VCT2 plc (the "VCTs") have in aggregate first choice of all investment opportunities up to £4.5 million. Amounts above £4.5 million may be allocated one third to YFM's institutional co-investment fund and two thirds to the VCTs. Where there are opportunities for the VCTs to co-invest with each other, the proposed basis is 60 per cent to the Company and 40 per cent to British Smaller Companies VCT2 plc. The Board of the Company has discretion as to whether or not to take up, or in the circumstances where British Smaller Companies VCT2 plc does not take up its allocation, increase its allocation in such co-investment opportunities.

Asset Mix

Pending investment in VCT-qualifying and non-VCT qualifying unquoted or AIM traded securities, surplus cash is primarily held in interest bearing instant access, notice and fixed term bank accounts, UK Gilts and can also be invested in non-qualifying unquoted investments.

Remuneration Policy

The Company's policy on the remuneration of its directors, all of whom being non-executive directors, can be found on page 43 of the annual report.

Other Key Policies

Details of the Company's policies on the payment of dividends, the DRIS and the buy-back of shares are given on page 2 of the annual report. In addition to these the Company's anti-bribery and environmental and social responsibilities policies can be found on page 32 of the annual report.

Processes and Operations

The Investment Adviser is responsible for the sourcing and screening of initial enquiries, carrying out suitable due diligence investigations and making submissions to the Board regarding potential investments. Once approved, further due diligence is carried out as necessary and HMRC clearance is obtained for approval as a qualifying investment.

The Board approves all investment and divestment decisions save in that new investments up to £250,000 in companies whose shares are traded on AIM or a recognised UK exchange and where the decision is required urgently, in which case the Chairman of the Board of Directors, if appropriate, may act in consultation with the Investment Adviser, provided papers have first been circulated to the Chairman of the Investment Committee. With regard to the realisation of AIM holdings the Investment Adviser is authorised to implement the Company's exit strategy for the holding in question within parameters previously agreed by the directors.

The Board regularly monitors the performance of the portfolio and the investment requirements set by the relevant VCT legislation. Reports are received from the Investment Adviser regarding the trading and financial position of each investee company and senior members of the Investment Advisory Team regularly attend the Company's Board meetings. Monitoring reports are also received at each Board meeting on compliance with VCT regulations so that the Board can monitor that the venture capital trust status of the Company is maintained and take corrective action if appropriate.

The Board reviews the terms of YFM Private Equity Limited's appointment as Investment Adviser on a regular basis. Four changes since 31 March 2014 have been agreed:-

- i. effective from 1 October 2013 YFM Private Equity Limited has agreed that, where fees it receives from an investee company on the completion of new and follow-on investments to 31 March each year are above a set percentage of the amount invested, the excess will be rebated back to the Company;
- ii. effective from 1 October 2013 any annual monitoring or directors' fees received by the Investment Adviser from an investee company must be no greater than £40,000 per annum; and
- iii. effective from 1 April 2014, the amount of any incentive fee payable in any one year shall be capped such that, when combined with other costs, the Total Expense Ratio will not exceed 5.0 per cent of the net asset value after taking account of realised gains. Details of the performance incentive arrangement changes are given in note 3 on page 60 of the annual report; and
- iv. as a result of the Company becoming a Small Registered Alternative Investment Fund Manager, with effect from 20 July 2014 YFM Private Equity Limited became the Company's Investment Adviser.

YFM Private Equity Limited has performed investment management or advisory, administrative and secretarial duties for the Company since its inception on 28 February 1996. The principal terms of the agreement under which these services are performed are set out in note 3 on page 60 of the annual report.

Performance Incentive

The Investment Adviser will receive an incentive payment equal to 20 per cent of the amount by which dividends paid in the relevant accounting period exceed 4.0 pence per ordinary share (increasing in line with RPI) once cumulative dividends of 10.0 pence per ordinary share from 1 April 2009 have been paid. These incentive payments are subject to cumulative shortfalls in any prior accounting periods being made up and the average net asset value per ordinary share in the relevant accounting period being not less than 94.0 pence per ordinary share, as adjusted for the impact of share issues and buy-backs. More detail on the agreement as amended from time to time is given in note 3 on page 60 of the annual report.

No payment can be made in respect of the year to 31 March 2015 under the Incentive Agreement unless the average quarterly adjusted net asset value of the Company is a minimum of 92.7 pence per ordinary share and, in addition, at least 4.8 pence per ordinary share in dividends has been paid to shareholders. The total dividends paid in the year are 8.0 pence per ordinary share and the net asset

value per share at 31 March 2015 is 98.8 pence per share. As a result the Investment Adviser has met the targets for the year under review and a performance fee of £564,329 has accrued to the Investment Adviser (31 March 2014: £220,531). Payment is made five business days after the relevant Annual General Meeting at which the audited accounts are presented to shareholders.

In the opinion of the directors the continuing appointment of YFM Private Equity Limited as Investment Adviser is in the interests of the shareholders as a whole in view of its experience in managing venture capital trusts and in making, managing and exiting investments of the kind falling within the Company's investment policies.

Administration of the UK Fixed Income Securities Portfolio

Reporting to the Investment Adviser, this portfolio is managed by Brewin Dolphin Limited on a discretionary basis. The Board receives regular reports on the make-up and market valuation of this portfolio.

Key Performance Indicators

The commonly used benchmarks for performance of VCT's are total return, calculated as cumulative dividends paid plus net asset value, and dividends paid.

Total Return

The evaluation of comparative success of the Company's total return is by way of reference to the share price total return for approximately 60 generalist VCTs as published by the Association of Investment Companies ("the AIC"). This is the Company's stated benchmark index. A comparison and explanation of the calculation of this return is shown in the Directors' Remuneration Report on page 45 of the annual report.

Dividends Paid

The average dividend paid over the last 5 years (including the 18p special dividend paid in 2012) was 9.75p equivalent to a 9.9 per cent yield per annum.

Shareholder Returns

The table below shows the cumulative dividends, the total return on each fundraising round per ordinary share and the total return if a shareholder had opted to participate in the Company's DRIS. The cumulative dividend and total return figures in this table exclude the benefits of all tax reliefs whilst the last two columns include the benefit of tax reliefs as noted.

Tax year	Offer price Pence	Offer price net of initial tax relief Pence	Net asset value at 31 March 2015 Pence	Cumulative dividends paid since fundraising Pence	Total return since fundraising ¹ Pence	Overall return including tax relief since fundraising without participation in the DRIS ² Pence	Overall return including tax relief since fundraising with participation in the DRIS ³ Pence
1995/96 & 1996/97	100.0	80.0	98.8	98.7	197.5	217.5	274.6
1996/97 & 1997/98	100.0	80.0	98.8	95.7	194.5	214.5	273.7
1997/98 & 1998/99	105.0	84.0	98.8	92.0	190.8	211.8	273.5
2004/05 (C share ⁴)	100.0	60.0	111.1	72.2	183.3	223.3	275.7
2005/06	99.5	59.7	98.8	68.3	167.1	206.9	270.9
2006/07 & 2007/08	102.5	71.8	98.8	63.8	162.6	193.3	249.5
2007/08 & 2008/09	106.3	74.4	98.8	58.8	157.6	189.5	238.1
2009/10 & 2010/11	97.3	68.1	98.8	48.8	147.6	176.8	210.2
2010/11 & 2011/12	128.0	89.6	98.8	42.5	141.3	179.7	205.4
2011/2012	99.8	69.8	98.8	19.5	118.3	148.3	158.1
2012/13 & 2013/14	95.8	67.0	98.8	14.5	113.3	142.1	148.7
2013/14 & 2014/15	100.8	70.5	98.8	8.0	106.8	137.1	140.3
2014/15 & 2105/16	99.5	69.7	98.8	0.0	98.8	128.6	128.6

Notes

- ¹ This assumes that at the time of investment the tax relief given on the investment was not invested in shares of the Company.
- ² NAV plus cash dividends paid plus tax relief on the initial subscription.
- ³ NAV plus tax relief on the initial subscription plus additional tax relief and NAV on DRIS shares purchased. Assuming all dividends since inception were invested under terms of current DRIS.
- ⁴ All figures have been adjusted for conversion of C shares into ordinary shares in May 2007.

Expenses

The Board monitors expenses using the Ongoing Charges figure, as calculated in line with the AIC recommended methodology. This figure shows shareholders the annual operating expenses expressed as a percentage of the net asset value which, whilst based on historical information, provides an indication of the likely level of costs that will be incurred in managing the fund in the future.

	Year to 31 March 2015 (%)	Year to 31 March 2014 (%)
Ongoing Charges figure	2.29	2.26

Costs Cap Reduction

The Ongoing Charges figure replaces the Total Expense Ratio (TER%) previously reported. The TER% is calculated as the annual ongoing charges (excluding any performance related fees, trail commission payable to financial intermediaries, and VAT) over total net asset value as at the relevant period end and forms the basis of any expenses in excess of the operating costs cap described in note 3 on page 59 of the annual report. There was no breach of the expenses cap in the current or prior year. Following the final allotment in respect of the recent fundraising I am delighted to announce that the costs cap has been reduced from 3.25 per cent to 2.9 per cent.

Compliance with VCT Legislative Tests

The main business risk facing the Company is the retention of VCT qualifying status. The Board receives regular reports on compliance with the VCT legislative tests from its Investment Adviser. In addition the Board receives formal reports from its VCT Status Advisers, twice a year. The Board can confirm that during the period all of the VCT legislative tests have been met.

VCT Status Advisers

The Company's VCT Status Advisers are PricewaterhouseCoopers LLP and Robertson Hare LLP.

Under Chapter 3 Part 6 of the Income Tax Act 2007, in addition to the requirement for a VCT's ordinary share capital to be listed in the Official List on a European regulated market throughout the period, there are a further five specific tests that VCTs must meet following the initial three year provisional period:

Income Test

The Company's income in the period must be derived wholly or mainly (70 per cent) from shares or securities. The Company complied with this test in the period, with 94.0 per cent (2014: 92.7 per cent) of income being derived from such sources. Included within this calculation is £131,000 of interest income which has been fully provided against in the Statement of Comprehensive Income.

Retained Income Test

The Company must not retain more than 15 per cent of its income from shares and securities. The Company complied with this test in the period, with 0 per cent (2014: 13.6 per cent) of income being retained in the period subject to payment of the final dividend to be approved at the Annual General Meeting on 29 July 2015.

Qualifying Holdings Test

At least 70 per cent by value of the Company's investments must be represented throughout the period by shares or securities comprised in qualifying holdings of investee companies. The Company complied with this test, with 90.5 per cent (2014: 82.6 per cent) of value being in qualifying holdings.

Eligible Shares Test

At least 30 per cent of the Company's qualifying holdings must be represented throughout the period by holdings of non-preferential ordinary shares. The Company complied with this test, with 40.5 per cent (2014: 44.2 per cent) of value being in holdings of eligible shares.

For monies raised from 6 April 2011 onwards the eligible shares test highlighted above increases to at least 70 per cent of qualifying holdings that must be represented by eligible shares. The Company complied with this test, with 87.4 per cent of value being in holdings of eligible shares.

In addition, monies raised from share issues from 6 April 2012 onwards are not permitted to be used to finance buy-outs or otherwise to acquire existing shares. There is also an annual limit for each investee company which provides that they may not raise more than £5.0 million of state aid investment (including from VCTs) in the 12 months ending on the date of each investment.

The Board and Investment Adviser are mindful of these additional requirements and of balancing investments to ensure continued compliance.

Maximum Single Investment Test

The value of any one investment at any time in the period, must not represent more than 15 per cent of the Company's total investment value. This is calculated at the time of investment and further additions and therefore cannot be breached passively. The Company has complied with this test with the highest such value being 4.0 per cent (2014: 4.7 per cent).

Other

The Finance Bill 2014 contained conditions/restrictions with respect to the use of monies in respect of VCTs. In particular, no dividends can be paid out of cancelled share premium arising from shares allotted on or after 6 April 2014 until at least three financial years have elapsed. In the case of the Company this is 31 March 2018.

From the share premium cancellation of £26.80 million on 10 October 2014, £24.71 million will be available for distribution following the filing of the annual report and accounts and an additional £2.09 million will become distributable on 1 April 2018.

Investment Performance

Set out on page 15 of the annual report is a profile of the investment portfolio by age, value compared to cost and by investment instrument.

This illustrates the broad range of the investment portfolio, with almost half of the portfolio being held for more than 3 years, while 88 per cent is held at cost or above.

60 per cent of the portfolio's value is held in income generating financial instruments, enabling a greater proportion of the Company's future returns to derive from income rather than capital.

Also included on page 15 of the annual report is a profile of the investment portfolio by industry sector and financing stage.

Investment Review

The improving economic outlook and change in EU restrictions which increased the annual investment limit from £1 million to £5 million in a 12 month period for qualifying VCT investments are contributing to an increase in the volume and scale of investment opportunities with the trend continuing into 2015.

There has been considerable progress in many of the businesses in the Company's investment portfolio during the year. A total value gain of £4.04 million excluding movements due to new investments and realisations has enabled the Company to maintain its strong returns record and is further analysed below:

Investment portfolio	£000	%
Unquoted value gain	3,246	88.5
Quoted value loss	(810)	(20.1)
Gain on disposal over opening value	1,567	38.8
Total Value Movement excluding gilt portfolio	4,003	99.2
Gilt portfolio	32	0.8
Total Value Movement	4,035	100.0

At 31 March 2015 the investment portfolio was valued at £55.5 million (£39.9 million at 31 March 2014). Cash and gilt investments at 31 March 2015 were £32.2 million which includes £22.1 million from the recent fundraising and represents 36.7 per cent of net assets.

Significant Investment Movements

The main drivers of the £3.25 million net unrealised value gain from the unquoted portfolio were:

- Several businesses saw significant value gains following profit growth; IO Outsourcing Limited (value gain of £0.97 million), GTK (Holdco) Limited (value gain of £0.85 million), Mangar Health Limited (value gain of £0.82 million), President Engineering Group Ltd (value gain of £0.78 million), GO Outdoors Topco Limited (value gain of £0.53 million) and Leengate Holdings Limited (value gain of £0.38 million);
- Teraview Limited closed a \$10 million funding round including a US trade investor (value gain of £0.50 million); and
- Two businesses experienced a drop in profits due to exposure to defence sector budget cuts; Deep-Secure Ltd (down £1.06 million) and Seven Technologies Holdings Limited (down £0.99 million). There are now encouraging signs that these markets are improving.

The principal reason for the £0.81 million net reduction in the value of the quoted investments was a value fall of £0.61 million in Pressure Technologies plc impacted by the steep fall in the oil price during 2014, although some of this value has been recovered since the year end.

Investments

During the year ended 31 March 2015 the Company completed 15 investments located across the UK totalling £19.1 million, as detailed below.

	£million
New Investments	16.83
Follow-on Investments:	2.19
Total cash investments	19.02
Capitalised interest and non-cash proceeds	0.04
Total invested	19.06

The new investments during the year totalled £16.83 million:

- In May 2014 the Company invested £2.93 million to fund the management buyout of Intelligent Office UK Limited, a leading provider of business process outsourcing solutions to the UK legal sector.
- In June 2014 the Company provided £0.25 million of growth capital funding to Intamac Systems Limited, which develops technology for the connected home.
- In June 2014 the Company invested £1.26 million to fund the management buyout and growth capital for Macro Art Holdings Limited, a specialist wide-format digital printer.
- In September 2014 the Company funded the management buyout and provided development capital with an investment of £1.90 million into The Heritage Window Company Holdco Limited, a specialist manufacturer and supplier of slim line aluminium windows.
- In October 2014 the Company invested £0.25 million as part of an AIM placing to support the expansion of Gamma Communications plc, a leading provider of voice, data and mobile communication services to UK businesses.
- In October 2014 the Company invested £1.80 million to support the management buyout of Cambrian Park & Leisure Homes Limited, the largest holiday lodge builder in Wales.
- In October 2014 the Company invested £1.78 million to support the management buyout of Springboard Research Holdings Limited, a leading provider of retail performance monitoring and data services.
- In November 2014 the Company invested £2.07 million to support the management buyout and future growth plans of ACC Aviation, a specialist broker of leasing and chartering services to international airlines.
- In November 2014 the Company invested £2.01 million in backing the management buyout of market leading software company Business Collaborator Limited which facilitates design and management services within the construction sector.
- In December 2014 the Company invested £1.08 million in the management buyout of Wakefield Acoustics Limited, a specialist supplier of industrial acoustic solutions.
- In March 2015 the Company invested £1.50 million in Ness (Holdings) Limited, an established womenswear lifestyle brand selling clothing and accessories via a chain of 11 retail stores in Scotland and England.

Follow-on Investments

The £2.19 million of investments into existing portfolio companies during the year was dominated by £1.91 million invested into kitchen manufacturer and retailer Harvey Jones Holdings Limited in the form of a high-yielding debt instrument.

Disposal of Investments

During the year to 31 March 2015 the Company received proceeds from disposals, repayments of loans and deferred consideration from the investment portfolio of £7.40 million, excluding the sale of fixed income securities. Overall this resulted in a value gain on disposal of investments of £1.57 million and a realised gain on cost of £4.30 million. This is analysed below.

Disposal of Investments	Net proceeds from sales of investments £000	Cost of investments £000	Opening value 31 March 2014 £000	Gain on opening value £000	Gain on cost £000
Sale of portfolio investments	7,394	3,059	5,827	1,567	4,335
Deferred proceeds received	3	-	3	-	3
Investment portfolio disposals	7,397	3,059	5,830	1,567	4,338
Fixed income securities disposals	960	996	960	-	(36)
Total investment and fixed income securities disposals	8,357	4,055	6,790	1,567	4,302

In December 2014 the Company realised its investment in leading independent contract caterer Waterfall Services Limited. Proceeds from the sale in December were £3.85 million, a profit on the 31 March 2014 carrying value of £1.48 million and a profit on cost of £3.75 million.

A detailed analysis of all investments sold in the year can be found in note 7 to the financial statements on page 65 of the annual report.

Portfolio Composition

As at 31 March 2015 the portfolio of quoted and unquoted investments had a value of £55.5 million of which unquoted investments constituted 95 per cent and the quoted investments 5 per cent. An analysis of the movements in the year is shown on page 21 of the annual report.

The objective of increasing diversification within the portfolio continues to be successful, with the largest single investment representing 7.4 per cent of the net asset value (2014: 10.2 per cent). This continues the recent trend where by comparison, four years ago the largest investment represented 32.8 per cent. Following an active investment period there are now 20 unquoted portfolio investments with a value of £1 million or more at 31 March 2015 compared to only 11 a year earlier.

The charts on page 15 of the annual report show the composition of the portfolio as at 31 March 2015 by industry sector, age of investment, asset class, investment instrument, value compared to cost and the stage of financing at the point of investment. This demonstrates representation across a wide range of industry sectors.

The Company has continued to hold a small proportion of its cash in fixed income UK Government Gilts and A-rated deposit accounts.

Valuation Policy

Unquoted investments are valued in accordance with the valuation policy set out on page 55 of the annual report, which takes account of current industry guidelines for the valuation of venture capital portfolios. Adjustments to fair value are made where an investment is significantly under-performing. As at 31 March 2015 the number of investments falling into each valuation category is shown in the table below:

Valuation basis	Valuation £000	% of portfolio by value
Earnings multiple	38,264	69%
Cost, reviewed for change in fair value	13,364	24%
Price of recent investment, reviewed for change in fair value	1,032	2%
Quoted investments at bid price	2,869	5%
Total	55,529	100%

Summary and Outlook

The year has seen an increased rate of investment and the current favourable economic conditions are expected to continue through 2015. This has enabled the investment portfolio to grow substantially during the year assisted by further value growth from the opening portfolio.

The Company maintains a cautious approach to new investments: only backing proven business models with a clear strategy for value growth. We will look to improve the portfolio's income yield and continue to diversify its sector and geographical coverage in order to increase the stability of the Company's returns.

We believe that the increasing level of investment, together with potential portfolio exits, has the potential to meet the Company's objectives of increasing dividends while preserving and enhancing the underlying net asset value per share.

Investment Portfolio Summary and Disposal History to 31 March 2015

Current Investments:	Date of Initial Investment	Location	Industry Sector	Current Cost £000	Investment Valuation at 31 March 2015 £000	Proceeds to Date* £000	Return to Date** £000
<u>Unquoted portfolio</u>							
GO Outdoors Topco Limited	May-98	Sheffield	Retail & Brands	245	6,488	7,792	14,280
President Engineering Group Ltd	Sep-10	Sheffield	Manufacturing & Industrial Services	500	4,559	500	5,059
DisplayPlan Holdings Limited	Feb-10	Hertfordshire	Business Services	542	3,286	986	4,272
Intelligent Office (via IO Outsourcing Limited)	May-14	Alloa	Business Services	2,934	3,899	-	3,899
Mangar Health Limited	Jan-14	Powys	Healthcare	2,460	3,279	-	3,279
Seven Technologies Holdings Limited	Apr-12	Belfast	Software It & Telecoms	1,984	1,606	1,524	3,130
Harvey Jones Holdings Limited	May-07	London	Retail & Brands	1,984	2,010	699	2,709
GTK (Holdco) Limited	Oct-13	Basingstoke	Manufacturing & Industrial Services	1,237	2,084	513	2,597
Gill Marine Holdings Limited	Sep-13	Nottingham	Retail & Brands	2,500	2,382	-	2,382
ACC Aviation (via Newacc (2014) Limited)	Nov-14	Reigate	Business Services	2,068	2,068	-	2,068
Business Collaborator Limited	Nov-14	Reading	Business Services	2,010	2,010	-	2,010
RMS Group Holdings Limited	Jul-07	Goole	Manufacturing & Industrial Services	180	1,034	897	1,931
The Heritage Window Company Holdco Limited	Sep-14	Sevenoaks	Manufacturing & Industrial Services	1,903	1,903	-	1,903
Cambrian Park & Leisure Homes Limited	Oct-14	Gwynedd	Manufacturing & Industrial Services	1,775	1,775	25	1,800
Springboard Research Holdings Limited	Oct-14	Bedfordshire	Business Services	1,778	1,778	-	1,778
Leengate Holdings Limited	Dec-13	Derbyshire	Manufacturing & Industrial Services	1,401	1,776	-	1,776
Ness (Holdings) Limited	Mar-15	Edinburgh	Retail & Brands	1,500	1,500	-	1,500
Macro Art Holdings Limited	Jun-14	Cambridgeshire	Business Services	1,204	1,441	56	1,497
Wakefield Acoustics (via Malvar Engineering Limited)	Dec-14	Cleckheaton	Business Services	1,080	1,080	-	1,080
Bagel Nash Group Limited	Jul-11	Leeds	Retail & Brands/Manufacturing & Industrial Services	1,070	862	170	1,032
Callstream Group Limited	Sep-10	Henley-in-Arden	Software, IT & Telecoms	329	750	264	1,014
Fairlight Bridge Limited	Apr-12	Midlands	Business Services	1,000	1,000	-	1,000
Harris Hill Holdings Limited	Jun-07	Kingston-upon-Thames	Business Services	600	759	-	759
Insider Technologies (Holdings) Limited	Aug-12	Manchester	Software, IT & Telecoms	1,170	755	-	755
Deep-Secure Ltd	Dec-09	Malvern	Software, IT & Telecoms	1,000	692	-	692
Selima Limited	Mar-12	Sheffield	Software, IT & Telecoms	600	602	-	602
Teraview Limited	Dec-11	Cambridge	Software, IT & Telecoms	375	502	-	502
PowerOasis Limited	Nov-11	Swindon	Energy Infrastructure	445	445	-	445

Intamac Systems Limited	Jun-14	Northampton	Software, IT & Telecoms	250	250	-	250
Other	-	-	-	1,539	85	-	85
				37,663	52,660	13,426	66,086

Quoted portfolio

Mattioli Woods plc	Nov-05	Leicester	Business Services	201	768	393	1,161
Pressure Technologies plc	Jun-07	Sheffield	Manufacturing & Industrial Services	182	265	675	940
Hargreaves Services plc	Dec-07	Durham	Manufacturing & Industrial Services	310	240	505	745
AB Dynamics plc	May-13	Wiltshire	Manufacturing & Industrial Services	380	666	-	666
EKF Diagnostics Holdings plc	Jul-10	London	Healthcare	448	436	226	662
Gamma Communications plc	Oct-14	Reading	Software, IT & Telecomms	253	358	-	358
Cambridge Cognition Holdings plc	May-02	Cambridge	Healthcare	203	136	65	201
Other	-	-	-	190	-	942	942
				2,167	2,869	2,806	5,675

				39,830	55,529	16,232	71,761
Full disposals since 31 March 2002				19,019	-	29,208	29,208
Full disposals prior to 31 March 2002				5,748	-	1,899	1,899
Total investment portfolio				64,597	55,529	47,339	102,868

* Proceeds include premiums and profits on loan repayments and preference redemptions.

** Return to date comprises the investment valuation at 31 March 2015 plus proceeds to date.

Summary of Investment Portfolio Movement since 31 March 2014

Name of company	Investment Valuation at 31 March 2014	Disposal proceeds	Additions including capitalised Interest	Valuation gains (losses) including profits (losses) on disposal	Investment Valuation at 31 March 2015
GO Outdoors Topco Limited	6,371	(412)	32	497	6,488
President Engineering Group Ltd Intelligent Office (via IO Outsourcing Limited)	4,078 -	(300) -	- 2,934	781 965	4,559 3,899
DisplayPlan Holdings Limited	3,854	(564)	-	(4)	3,286
Mangar Health Limited	2,460	-	-	819	3,279
Gill Marine Holdings Limited	2,500	-	-	(118)	2,382
GTK (Holdco) Limited	1,693	(456)	-	847	2,084
ACC Aviation (via Newacc (2014) Limited)	-	-	2,068	-	2,068
Business Collaborator Limited	-	-	2,010	-	2,010
Harvey Jones Holdings Limited The Heritage Window Company Holdco Limited	900 -	(699) -	1,905 1,903	(96) -	2,010 1,903
Springboard Research Holdings Limited	-	-	1,778	-	1,778
Leengate Holdings limited	1,401	-	-	375	1,776
Cambrian Park & Leisure Homes Limited	-	(25)	1,800	-	1,775
Seven Technologies Holdings Limited	2,596	-	-	(990)	1,606
Ness (Holdings) Limited	-	-	1,500	-	1,500
Macro Art Holdings Limited Wakefield Acoustics (via Malvar Engineering Limited)	- -	(56) -	1,260 1,080	237 -	1,441 1,080
RMS Group Holdings Limited	878	-	-	156	1,034
Fairlight Bridge Limited	1,000	-	-	-	1,000
Bagel Nash Group Limited	897	(120)	8	77	862
Mattioli Woods plc	857	(200)	-	111	768
Harris Hill Holdings Limited	643	-	-	116	759
Insider Technologies (Holdings) Limited	880	-	-	(125)	755
Callstream Group Limited	752	(134)	-	132	750
Deep-Secure Ltd Teraview Limited	1,751 -	- -	- -	(1,059) 502	692 502
Pressure Technologies plc	1,038	(160)	-	(613)	265
Waterfall Services Limited	2,372	(3,854)	-	1,482	-
Other investments	2,941	(414)	780	(89)	3,218
Total investment portfolio	39,862	(7,394)	19,058	4,003	55,529

Risk Factors

The Board carries out a regular review of the risk environment in which the Company operates. The principal risks and uncertainties identified by the Board and techniques used to mitigate these risks are set out in this section.

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 September 2012. Details of the Company's internal controls are contained in the Corporate Governance and Internal Control sections on pages 41 and 42 of the annual report and further information on exposure to risks including those associated with financial instruments is given in note 17a of the financial statements.

Loss of Approval as a VCT

Risk - The Company must comply with Chapter 3 Part 6 of the Income Tax Act 2007 which allows it to be exempted from corporation tax on capital 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. Details of how the Company manages these requirements can be found under the heading "Compliance with VCT Legislative Tests" on page 14 of the annual report.

Economic

Risk - Events such as recession and interest rate fluctuations could affect investee companies' performance and valuations.

Mitigation - As well as the response to 'Investment and Strategic' risk below the Company has a clear investment policy (summarised on page 2 of the annual report) and a diversified portfolio operating in a range of sectors. The Investment Adviser actively monitors investee performance which provides quality information for the regular review of the portfolio.

Investment and Strategic

Risk - 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 underperformance might also lead to under performance and poor returns to shareholders.

Mitigation - The Board reviews strategy annually. At each of the 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 Investment Adviser 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 an external non-executive director will be appointed to the board of the investee on behalf of the Company, more often than not in the role of Chairman.

Regulatory

Risk - The Company is required to comply with the Companies Act 2006, the rules of the UK Listing Authority, the Prospectus Rules made by the Financial Conduct Authority and International Financial Reporting Standards as adopted by the European Union and is subject to the EU's Alternative Investment Fund Manager's Directive which took effect from 22 July 2014. 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 Investment Adviser and the Company Secretary have procedures in place to ensure ongoing Listing Rules requirements are met and actively consults with brokers, solicitors and external compliance advisers as appropriate. The key controls around regulatory compliance are explained on page 41 and 42 of the annual report.

Reputational

Risk – 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 Investment Adviser 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 Investment Adviser, have been agreed between the Investment Adviser and the Company. Advice is sought from external advisors where required. Both the Company and the Investment Adviser maintain appropriate insurances.

Operational

Risk - Failure of the Investment Adviser's and administrator's accounting systems or disruption to its business might lead to an inability to provide accurate reporting and monitoring.

Mitigation - The Investment Adviser has a documented disaster recovery plan.

Financial

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

Mitigation - The key controls around financial reporting are described on page 41 and 42 of the annual report.

Market/Liquidity

Risk – 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. The fact that a share is traded on AIM or on the main market does not guarantee its liquidity. The spread between the buying and selling price of such shares may be wide and thus the price used for valuation may not be achievable. 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 Investment Adviser and on a quarterly basis by the Board. Sufficient liquid resources are maintained to pay expenses as they fall due in the event that investments prove difficult to realise.

Other Matters

Environment

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

The Company seeks to ensure that its business is conducted in a manner that is responsible to the environment. The management and administration of the Company is undertaken by the Investment Adviser. YFM Private Equity Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and implements policies to reduce any damage that might be caused by its activities. Initiatives of the Investment Adviser designed to minimise its and the Company's impact on the environment include recycling and reducing energy consumption. Given the size and nature of the Company's activities and the fact that it has no employees, the Board considers there is limited scope to develop and implement social and community policies.

Anti-Bribery and Corruption Policy

The Company has a zero tolerance approach to bribery. The following is a summary of its policy:

- it is the Company's policy to conduct all of its business in an honest and ethical manner. The Company is committed to acting professionally, fairly and with integrity in all its business dealings and relationships;
- the directors of the Company, the Investment Adviser and any other service providers must not promise, offer, give, request, agree to receive or accept financial or other advantage in return for favourable treatment, to influence a business outcome or gain any business advantage on behalf of the Company or encourage others to do so; and
- the Company has communicated its anti-bribery policy to the Investment Adviser and its other service providers.

The Company had no employees during the year. The Board is composed of three non-executive directors, one female and two male. For a review of the policies used when appointing directors to the Board of the Company please refer to the Directors' Remuneration Report.

Directors' Responsibilities Statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors are required to prepare the financial statements and have elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss for the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare a Strategic Report, Directors' Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

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

Website Publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website at www.bscfunds.com in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities Pursuant to DTR4

The directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with IFRSs as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- The annual report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that it faces.

Having taken advice from the Audit Committee, the Board considers the annual report and accounts, taken as a whole, are fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The names and functions of all the Directors are stated on page 33 of the annual report.

For and on behalf of the Board

This statement was approved by the Board and signed on its behalf on 19 June 2015

Helen Sinclair
Chairman

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015			2014		Total
		Revenue	Capital	Total	Revenue	Capital	
		£000	£000	£000	£000	£000	£000
Gain on disposal of investments		-	1,567	1,567	-	691	691
Gains on investments held at fair value		-	2,468	2,468	-	5,969	5,969
Income	2	2,310	-	2,310	1,341	-	1,341
		2,310	4,035	6,345	1,341	6,660	8,001
Administrative expenses:	3						
Investment Adviser's fee		(318)	(954)	(1,272)	(221)	(665)	(886)
Incentive fee		-	(564)	(564)	-	(221)	(221)
Other expenses		(466)	-	(466)	(369)	-	(369)
		(784)	(1,518)	(2,302)	(590)	(886)	(1,476)
Profit before taxation		1,526	2,517	4,043	751	5,774	6,525
Taxation	4	(103)	103	-	(105)	105	-
Profit for the year		1,423	2,620	4,043	646	5,879	6,525
Total comprehensive income for the year		1,423	2,620	4,043	646	5,879	6,525
Basic and diluted earnings per ordinary share (p)	6	2.10p	3.88p	5.98p	1.30p	11.84p	13.14p

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 AIC.

BALANCE SHEET AT 31 MARCH 2015

	Notes	2015 £000	2014 £000
Assets			
Non-current assets			
Investments		55,529	39,862
Fixed income government securities		2,438	2,403
Financial assets at fair value through profit or loss	7	57,967	42,265
Trade and other receivables		603	151
		58,570	42,416
Current assets			
Trade and other receivables		497	243
Cash on fixed term deposit		-	2,000
Cash and cash equivalents		29,775	18,962
		30,272	21,205
Liabilities			
Current liabilities			
Trade and other payables		(1,122)	(1,037)
Net current assets		29,150	20,168
Net assets		87,720	62,584
Shareholders' equity			
Share capital		9,205	6,386
Share premium account		20,936	23,165
Capital redemption reserve		221	221
Capital reserve		40,334	16,535
Investment holding gains		15,735	15,879
Revenue reserve		1,289	398
Total shareholders' equity		87,720	62,584
Basic and diluted net asset value per ordinary share	8	98.8p	102.0p

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Capital reserve £000	Investment holding gains (losses) £000	Revenue reserve £000	Total equity £000
Balance at 31 March 2013	4,661	7,236	221	19,349	9,259	1,363	42,089
<i>Revenue return for the year before tax</i>	-	-	-	-	-	751	751
<i>Capital expenses</i>	-	-	-	(886)	-	-	(886)
<i>Gain on investments held at fair value</i>	-	-	-	-	5,969	-	5,969
<i>Gain on disposal of investments in the year</i>	-	-	-	691	-	-	691
<i>Taxation</i>	-	-	-	105	-	(105)	-
Total comprehensive income for the year	-	-	-	(90)	5,969	646	6,525
<i>Issue of share capital</i>	1,799	16,302	-	-	-	-	18,101
<i>Issue costs</i>	-	(915)	-	-	-	-	(915)
<i>Issue of shares – DRIS</i>	69	562	-	-	-	-	631
<i>Issue costs - DRIS</i>	-	(20)	-	-	-	-	(20)
<i>Purchase of own shares</i>	-	-	-	(606)	-	-	(606)
<i>Dividends</i>	-	-	-	(1,610)	-	(1,611)	(3,221)
<i>Treasury share cancellation</i>	(143)	-	-	143	-	-	-
Total transactions with owners	1,725	15,929	-	(2,073)	-	(1,611)	13,970
Realisation of prior year investment holding losses	-	-	-	(651)	651	-	-
Balance at 31 March 2014	6,386	23,165	221	16,535	15,879	398	62,584
<i>Revenue return for the year before tax</i>	-	-	-	-	-	1,526	1,526
<i>Capital expenses</i>	-	-	-	(1,518)	-	-	(1,518)
<i>Gain on investments held at fair value</i>	-	-	-	-	2,468	-	2,468
<i>Gain on disposal of investments in the year</i>	-	-	-	1,567	-	-	1,567
<i>Taxation</i>	-	-	-	103	-	(103)	-
Total comprehensive income for the year	-	-	-	152	2,468	1,423	4,043
<i>Issue of share capital</i>	2,693	24,768	-	-	-	-	27,461
<i>Issue costs</i>	-	(1,189)	-	(146)	-	-	(1,335)
<i>Issue of shares – DRIS</i>	126	1,040	-	-	-	-	1,166
<i>Issue costs - DRIS</i>	-	(37)	-	-	-	-	(37)
<i>Purchase of own shares</i>	-	-	-	(678)	-	-	(678)
<i>Dividends</i>	-	-	-	(4,943)	-	(532)	(5,475)
<i>Share premium cancellation</i>	-	(26,811)	-	26,802	-	-	(9)
Total transactions with owners	2,819	(2,229)	-	21,035	-	(532)	21,093
Realisation of prior year investment holding gains	-	-	-	2,612	(2,612)	-	-
Balance at 31 March 2015	9,205	20,936	221	40,334	15,735	1,289	87,720

Reserves available for distribution

Under the Companies Act 2006 the capital reserve and revenue reserve are distributable reserves. The table below shows the amounts that are available for distribution.

	Capital reserve £000	Revenue reserve £000	Total equity £000
Distributable reserves as above	40,334	1,289	41,623
<i>Less cancelled share premium not yet distributable</i>	(2,093)	-	(2,093)
<i>Less interest not yet distributable</i>	-	(603)	(603)
Reserves available for distribution	38,241	686	38,927

The capital reserve and revenue reserve are both distributable reserves. These reserves total £41,623,000 (2014: £16,933,000) representing an increase of £24,690,000 (2014: £3,779,000 decrease) during the year. The directors also take into account the level of the investment holding gains (losses) reserve and the future requirements of the Company when determining the level of dividend payments.

Of the potentially distributable reserves of £41,623,000 shown above, £603,000 relates to interest which will become distributable once realised in 2018 and 2019 and £2,093,000 of cancelled share premium will become distributable on 1 April 2018.

Upon filing these accounts at Companies House, the reserves available for distribution will be £38,927,000.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £000	2014 £000
Net cash outflow from operating activities		(435)	(93)
Cash flows from investing activities			
Cash maturing from / (placed on) fixed term deposit		2,000	(500)
Purchase of financial assets at fair value through profit or loss		(19,981)	(10,620)
Proceeds from sale of financial assets at fair value through profit or loss		8,326	5,093
Net cash outflow from investing activities		(9,655)	(6,027)
Cash flows from (used in) in financing activities			
Issue of ordinary shares		26,953	17,712
Costs of ordinary share issues*		(868)	(234)
Purchase of own ordinary shares		(956)	(466)
Share premium reduction costs		(9)	(9)
Dividends paid	5	(5,383)	(3,221)
Shares issued under DRIS		1,166	631
Net cash from financing activities		20,903	14,413
Net increase in cash and cash equivalents		10,813	8,293
Cash and cash equivalents at the beginning of the year		18,962	10,669
Cash and cash equivalents at the end of the year		29,775	18,962

*Issue costs include both fundraising costs and expenses incurred from the Company's DRIS.

RECONCILIATION OF PROFIT BEFORE TAXATION TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015 £000	2014 £000
Profit before taxation	4,043	6,525
(Increase) in trade and other receivables	(712)	(214)
Increase in trade and other payables	277	277
Profit on disposal of investments in the year	(2,468)	(691)
Profit on investments held at fair value	(1,567)	(5,969)
Capitalised interest	(8)	(21)
Net cash outflow from operating activities	(435)	(93)

1. Principal Accounting Policies

Basis of Preparation

This announcement of the annual results of the Company for the year ended 31 March 2015 has 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 basis as modified by the measurement of investments (including quoted Government Securities) 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 AIC in January 2009 (SORP) to the extent that they do not conflict with IFRSs as adopted by the European Union.

The financial statements are prepared in accordance with IFRSs and interpretations in force at the reporting date. The standards and interpretations applicable for the first time that have been adopted are IFRS 10, 11 and 12, and amendments to IAS 27, 28, 32 and 36. There has been no material impact on the financial statements.

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 amendments to IFRS 9, 10, 11, 14 and 15 and amendments to IAS 16, 27, 28, 32 and 38. The impact of the new accounting standards and amendments applicable to the Company is not expected to be material to the financial statements.

2. Income

	2015 £000	2014 £000
Dividends from unquoted companies	458	156
Dividends from quoted companies	66	70
	524	226
Interest on loans to unquoted companies	1,612	952
Fixed interest Government securities	35	54
	2,171	1,232
Income from investments held at fair value through profit or loss	2,171	1,232
Interest on deposits	139	109
	2,310	1,341

In addition, an amount of £44,000 (2014: £158,000) of income in relation to loan interest has not been recognised due to uncertainty over its future receipt.

3. Administrative Expenses

	2015 £000	2014 £000
Investment Adviser's fee (net of rebate)	1,272	886
Other expenses:		
Incentive fee	564	221
Trail commission paid to financial intermediaries	108	60
Directors' remuneration (comprises only short term benefits including social security contributions of £9,000 (2014: £7,000)	101	83
Administration fee	59	58
Listing and registrar fees	51	38
General expenses	50	40
Printing	38	48
Irrecoverable VAT	29	20
Auditor's remuneration – audit of the statutory financial statements (excluding irrecoverable VAT)	22	22
Audit related assurance services	8	-
	2,302	1,476

No fees are payable to the auditor in respect of other services (2014: £nil).
The directors are the Company's only key management personnel.

Fund Administration

YFM Private Equity Limited provides Investment Advisory services to the Company under an Administrative and Investment Advisory agreement dated 28 February 1996 as varied by agreements dated 16 November 2012 and 17 October 2014. The agreement may be terminated by not less than 12 months' notice given by either party at any time. No notice has been issued to or by YFM Private Equity Limited terminating the contract as at the date of this Report.

The key features of the agreement are:

- YFM Private Equity Limited receives an Investment Advisory fee, calculated at half-yearly intervals as at 31 March and 30 September, at the rate of 2 per cent of gross assets less current liabilities. The investment advisory fee is allocated between capital and revenue as described in note 1. The fee is payable quarterly in advance. The increase in the value of the assets resulted in the fee totalling £1,272,000 for the year ended 31 March 2015 (2014: £886,000), net of the rebate set out below;
- Under this same agreement YFM Private Equity Limited also provides administrative and secretarial services to the Company for a fee based on £35,000 (at 28 February 1996) per annum plus annual adjustments to reflect movements in the Retail Prices Index. This fee is charged fully to revenue and totalled £59,000 for the year to 31 March 2015 (2014: £58,000); and
- Under a deed of variation dated 17 October 2014 YFM Private Equity Limited shall bear the annual operating costs (including the advisory fee set out above but excluding any payment of the performance incentive fee, details of which are set out below and excluding VAT and trail commissions payable to financial intermediaries) of the Company to the extent that those costs exceed 2.9 per cent of the net asset value of the Company, a reduction from the previous level of 3.25 per cent. The excess expenses during the year payable to the Company from YFM Private Equity Limited amounted to £nil (2014: £nil).

When the Company makes investments into its unquoted portfolio the Investment Adviser charges that investee an arrangement fee, calculated by applying a percentage to the investment amount. The Company and the Investment Adviser have agreed that, if the average of the relevant fees during the Company's financial year exceeds 3.0 per cent of the total invested into new portfolio companies and 2.0 per cent into follow-on holdings this excess will be rebated to the Company. As at 31 March 2015, the Company was due a rebate from the Investment Adviser of £2,570 (2014: £29,800).

Monitoring and directors fees the Investment Adviser receives from the investee companies are limited to a maximum of £40,000 (excluding VAT) per annum per company.

Following approval of the relevant resolution at the Annual General Meeting of the Company held in August 2009, the incentive scheme set out in the Subscription Rights Agreement was replaced by a revised incentive agreement dated 7 July 2009, as varied by agreements dated 15 August 2014 and 13 October 2014 ("the Incentive Agreement"). Under the Incentive Agreement the Investment Adviser will receive an incentive payment equal to 20 per cent of the amount by which dividends paid in the relevant accounting period exceed 4 pence per ordinary share (increasing in line with RPI) once cumulative dividends of 10 pence per ordinary share from 1 April 2009 have been paid. These incentive payments are also subject to cumulative shortfalls in any prior accounting periods being made up and the average net asset value per ordinary share in the relevant accounting period being not less than 94.0 pence per ordinary share, as adjusted for the impact of share issues and buy-backs.

No payment can be made in respect of the year to 31 March 2015 under the Incentive Agreement unless the average quarterly adjusted net asset value of the Company is a minimum of 92.7 pence per ordinary share and in addition at least 4.8 pence per ordinary share in dividends has been paid to shareholders. Payment is made five business days after the relevant Annual General Meeting at which the audited accounts are presented to shareholders.

With effect from 1 April 2014 the Board has agreed that the amount of the incentive payment paid to the Investment Adviser for any one year shall, when taken with all other relevant costs, ensure that the Total Expenses Ratio is no greater than 5 per cent of the net asset value at the end of the financial year (as adjusted for all realised gains that have been distributed during that year). Any unpaid incentive payment will be carried over to subsequent financial years and be included in the calculation of the Total Expenses Ratio.

Both in the current and prior year, the Investment Adviser had achieved its targets and £564,329 (2014: £220,531) has been accrued within trade and other payables. The incentive fee is payable following the Annual General Meeting on 29 July 2015.

There are also provisions for a compensatory fee in circumstances where the Company is taken over or the Incentive Agreement is terminated, which is calculated as a percentage of the fee that would otherwise be payable under the Incentive Agreement by reference to the accounting period following its termination. In this instance 80 per cent is payable in the first accounting period after such an event, 55 per cent in the second, 35 per cent in the third and nothing is payable thereafter. The maximum fee payable in any 12 month period cannot exceed an amount which would represent 25 per cent or more of the net asset value or market capitalisation of the Company.

Under the terms of the joint offer with British Smaller Companies VCT2 plc launched on 14 January 2014 (which closed on 5 April 2014) YFM Private Equity Limited was entitled to 5.5 per cent of gross subscriptions from execution brokers and 3.5 per cent of gross subscriptions for applications through intermediaries offering financial advice or directly from applicants, less the cost of incentive shares and re-investment of intermediary commission. The net amount payable to YFM Private Equity amounted to £313,048 in total, with £61,177 in the year to 31 March 2015 (2014: £251,871).

Under the terms of the offers with British Smaller Companies VCT2 plc launched on 20 October 2014 (which closed on 22 April 2015) YFM Private Equity Limited was entitled to 5.0 per cent of gross subscriptions from execution brokers and 3.0 per cent of gross subscriptions for applications through intermediaries offering financial advice or directly from applicants, less the cost of incentive shares and re-investment of intermediary commission. The net amount payable to YFM Private Equity amounted to £552,014 in total, with £522,129 payable in the year to 31 March 2015.

YFM Private Equity Limited 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 commission (excluding permissible trail commission, which will continue to be met by the Company).

The details of the directors' remuneration are set out in the Directors' Remuneration Report on page 44 of the annual report under the heading "Directors' Remuneration (audited)".

4. Taxation

	Revenue £000	2015 Capital £000	Total £000	Revenue £000	2014 Capital £000	Total £000
Profit before taxation	1,526	2,517	4,043	751	5,774	6,525
Profit before taxation multiplied by standard small company rate of corporation tax in the UK of 20%	305	504	809	150	1,155	1,305
Effect of:						
UK dividends received	(105)	-	(105)	(45)	-	(45)
Non taxable profits on investments	-	(807)	(807)	-	(1,332)	(1,332)
Excess advisory expenses	(97)	200	103	-	72	72
Tax charge (credit)	103	(103)	-	105	(105)	-

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

Deferred tax assets of £791,000 (2014: £688,000) calculated at 20 per cent in respect of unrelieved advisory expenses of £3,956,000 as at 31 March 2015 (31 March 2014: £3,440,000) 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 for deferred tax on any capital gains or losses arising on the revaluation or realisation of investments.

5. Dividends

Amounts recognised as distributions to equity holders in the year to 31 March:

	2015			2014		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Final dividend for 2014 of 3.5p per ordinary share (2014: final dividend of 3.5p per ordinary share and a special dividend of 1.0p per ordinary share)	188	2,098	2,286	1,363	860	2,223
Interim dividend for 2015 of 2.0p per ordinary share and a special dividend of 2.5p per ordinary share (2014: interim dividend of 2.0p per ordinary share)	344	2,845	3,189	248	750	998
	532	4,943	5,475	1,611	1,610	3,221
Unclaimed dividends			(92)			-
Dividends paid in the Statement of Cash Flows			5,383			3,221

The final dividend of 3.5 pence per ordinary share in respect of the year ended 31 March 2014 was paid on 1 August 2014 to shareholders on the register at 4 July 2014.

The interim dividend of 2.0 pence per ordinary share in respect of the year ended 31 March 2015 was paid on 7 January 2015 to shareholders on the register at 5 December 2014.

The special dividend of 2.5 pence per ordinary share in respect of the year ended 31 March 2015 was paid on 3 March 2015 to shareholders on the register at 6 February 2015.

A final dividend of 3.5 pence per ordinary share in respect of the year to 31 March 2015 has been proposed, amounting to approximately £3.16 million. This dividend has not been recognised in the year ended 31 March 2015 as the obligation will not exist until the dividend is approved by shareholders at the Annual General Meeting on 29 July 2015.

6. Basic and Diluted Earnings per Ordinary Share

The basic and diluted earnings per ordinary share is based on the profit after tax attributable to shareholders of £4,043,000 (2014: £6,525,000) and 67,574,139 (2014: 49,655,831) ordinary shares, being the weighted average number of ordinary shares in issue during the year.

The basic and diluted revenue return per ordinary share is based on the revenue profit for the year attributable to shareholders after tax of £1,423,000 (2014: £646,000) and 67,574,139 (2014: 49,655,831) ordinary shares being the weighted average number of ordinary shares in issue during the year.

The basic and diluted capital return per ordinary share is based on the capital profit for the year after tax attributable to shareholders of £2,620,000 (2014: £5,879,000) and 67,574,139 (2014: 49,655,831) ordinary shares being the weighted average number of ordinary shares in issue during the year.

During the year the Company issued 28,198,208 new ordinary shares. The Company also repurchased 755,831 of its own ordinary shares, which are held in treasury. The treasury shares have been excluded in calculating the weighted average number of ordinary shares during the year.

The Company has no securities that would have a dilutive effect in either period and hence the basic and diluted earnings per ordinary share are the same.

7. Financial Assets at Fair Value through Profit or Loss

IFRS 13, in respect of financial instruments that are measured in the balance sheet at fair value, requires disclosure of fair value measurements by level within the following fair value measurement hierarchy:

- Level 1: quoted prices in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1 and comprise AIM quoted investments or government securities and other fixed income securities classified as held at fair value through profit or loss.
- Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Company held no such instruments in the current or prior year.
- Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The majority of the Company's investments fall into this category.

Each investment is reviewed at least quarterly to ensure that it has not ceased to meet the criteria of the level in which it was included at the beginning of each accounting period. There has been one transfer between these classifications in the period (2014: one). During the year to 31 March 2015 Woodspeen Training plc was delisted from ISDX becoming Woodspeen Training Limited. During the year to 31 March 2014 Cambridge Cognition Limited was listed on AIM becoming Cambridge Cognition Holdings plc. The change in fair value for the current and previous year is recognised through profit or loss.

All items held at fair value through profit or loss were designated as such upon initial recognition.

Valuation of Investments

Full details of the methods used by the Company are set out in note 1 of the financial statements. Where investments are held in quoted stocks, fair value is set at the market price.

Movements in investments at fair value through profit or loss during the year to 31 March 2015 are summarised as follows:

IFRS 13 measurement classification	Level 3	Level 1	Level 1	Level 1	Level 1
	Unquoted Investments £000	Quoted Equity Investments £000	Total Quoted and Unquoted £000	Fixed Income Securities £000	Total Investments £000
Opening cost	22,063	2,710	24,773	2,436	27,209
Opening investment holding gain (loss)	13,842	1,247	15,089	(33)	15,056
Opening fair value at 1 April 2014	35,905	3,957	39,862	2,403	42,265
Transfer between Level 1 & Level 3 ¹	48	(48)	-	-	-
Additions at cost	18,541	509	19,050	963	20,013
Capitalised interest	8	-	8	-	8
Disposal proceeds	(6,618)	(776)	(7,394)	(960)	(8,354)
Net profit on disposal	1,530	37	1,567	-	1,567
Change in fair value in the year on assets held at 31 March 2014	3,246	(810)	2,436	32	2,468
Closing fair value at 31 March 2015	52,660	2,869	55,529	2,438	57,967
Closing cost	37,663	2,167	39,830	2,402	42,232
Closing investment holding gain	14,997	702	15,699	36	15,735
Closing fair value at 31 March 2015	52,660	2,869	55,529	2,438	57,967

1. During the year Woodspeen Training plc was delisted from ISDX becoming Woodspeen Training Limited.

All of the changes in fair value during the year related to assets held at the year end. There have been no individual fair value adjustments downwards during the year that exceeded five per cent of the total assets of the Company (2014: none).

8. 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 £87,720,000 (2014: £62,584,000) and 88,828,064 (2014: 61,385,687) ordinary shares with voting rights in issue at the year end.

The treasury shares have been excluded in calculating the number of ordinary shares in issue at 31 March 2015.

The Company has no securities that would have a dilutive effect in either period and hence the basic and diluted net asset values per ordinary share are the same.

9. Total Return per Ordinary Share

The total return per ordinary share is calculated on cumulative dividends paid of 98.7 pence per ordinary share (2014: 90.7 pence per ordinary share) plus the net asset value as calculated in note 8.

10. Financial Commitments

At 31 March 2015 the Board had committed a total of £1 million into new portfolio companies subject to satisfactory due diligence and legal completion.

11. Related Party Transactions

Mr P S Cammerman, a director of the Company, is a non-executive director of Pressure Technologies plc, a portfolio company. During the year he received £30,000 (2014: £30,000) from Pressure Technologies plc in respect of his services. He also holds 0.25 per cent equity stake in Pressure Technologies plc.

12. Events after the Balance Sheet Date

Since the end of the reporting period, the Company has completed investments totalling £2.50 million into five acquisition vehicles.

Subsequent to the year end the Company allotted a total of 1,385,722 ordinary shares on 22 April 2015, pursuant to the offer detailed under "Fundraising" on page 7 of the annual report.

13. Annual Report and Accounts

Copies of the statutory accounts for the year ended 31 March 2015 will shortly be submitted to the National Storage Mechanism and will be available to the public for viewing online at www.hemscott.com/msn/do. They can also shortly be viewed on the Investment Advisor's website at www.yfmep.com. Hard copies of the statutory accounts for the year to 31 March 2015 will be distributed by post to shareholders and will thereafter be available to members of the public from the Company's registered office.

14. Directors

The directors of the Company are: Ms H Sinclair, Mr P S Cammerman and Mr C W E R Buchan.

15. Annual General Meeting

The Annual General Meeting of the Company will be held at Avanta, Soho Room, 25 Sackville Street, London, W15 3AX on 29 July 2015 at 12.00 noon.

16. Final Dividend for the year ended 31 March 2015

Further to the announcement of its final results for the year ended 31 March 2015, the Company confirms that, subject to its approval by shareholders at the forthcoming Annual General Meeting to be held on 29 July 2015, the final dividend of 3.5 pence per ordinary share ("Final Dividend") will be paid on 4 August 2015 to those shareholders on the Company's register at the close of business on 3 July 2015. The ex-dividend date will be 2 July 2015.

17. Dividend Re-investment Scheme

The Company operates a dividend re-investment 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 20 July 2015.

For further information, please contact:

David Hall YFM Equity Partners Limited Tel: 0113 244 1000

James Maxwell Nplus 1 Singer Advisory LLP Tel: 0207 496 3000

British Smaller Companies VCT plc (“the Company”)
Offers for Subscription - Supplementary Prospectus

The Company announces that it has today published a supplementary prospectus with British Smaller Companies VCT2 plc in respect of the Offers for Subscription of up to £40 million in aggregate (the “Supplementary Prospectus”).

The Supplementary Prospectus is required as a consequence of British Smaller Companies VCT2 plc having published on 27 March 2015 its annual report and accounts for the year ended 31 December 2014.

The Supplementary Prospectus has been approved by the UK Listing Authority and may be viewed on the National Storage Mechanism at the following website address:

<http://www.morningstar.co.uk/uk/nsm>.

A copy of the prospectus dated 20 October 2014 and Supplementary Prospectus is available, free of charge, from the registered office of the Company at:

5th Floor Valiant Building
14 South Parade
Leeds
LS1 5QS

Or from the website of the Company at www.bscfunds.com.

Or from the Company’s Sponsors, Howard Kennedy Corporate Services LLP, from its offices which are situated at:

No.1 London Bridge
London
SE1 9BG

For further information, please contact:

David Hall	YFM Equity Partners Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

Issue of Equity and Close of Offers

British Smaller Companies VCT plc (the “Company”) and British Smaller Companies VCT2 plc launched offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the “Prospectus”).

The Company announces that on 22 April 2015 it made the fifth issue of ordinary shares pursuant to the Offers by allotting 1,385,722 ordinary shares of 10 pence each raising gross proceeds of £1.4 million. This allotment was made in respect of the tax year 2015/2016 and is the final allotment to be made pursuant to the Offers, which are now closed. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 99.26 pence and 101.58 pence per share depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

The net asset value (“NAV”) used for the calculation of the issue price on 22 April 2015 is 96.3 pence per share, being the last reported NAV as at 31 December 2014 of 100.8 pence per share, adjusted for the interim dividend of 2.0 pence per share paid on 7 January 2015 and the second interim dividend of 2.5 pence per share paid on 3 March 2015.

Together the Company and British Smaller Companies VCT2 plc have in total allotted shares giving gross proceeds of £40.0 million under the Offers and, after taking into consideration the costs of the Offers, this gives net total proceeds of £38.1 million, of which £23.4 million has been raised by the Company and £14.7 million has been raised by British Smaller Companies VCT2 plc.

In this allotment Edward Buchan, non-executive Director of the Company, has been allotted 6,075 ordinary shares of 10 pence in the Company which takes his total shareholding to 18,912 ordinary shares in the Company.

Applications are now being made by the Company for the ordinary shares which were allotted on 22 April 2015 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 6 May 2015.

Following the allotment of 1,385,722 ordinary shares, the Company’s issued share capital consists of 90,213,786 ordinary shares with voting rights (“Voting Capital”) and 3,225,333 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.

22 April 2015

For further information, please contact:

David Hall

YFM Private Equity Limited

Tel: 0113 244 1000

Emily Watts

Nplus1 Singer Advisory LLP

Tel: 020 7496 3000

British Smaller Companies VCT plc (“the Company”)

Completion of new investment

The Company announces that on 30 March 2015 it completed an investment of £1.5 million growth capital investment into Ness (Clothing) Limited.

Ness is a womenswear lifestyle retail brand based in Edinburgh which trades through 11 retail stores across the UK, its own website and a range of wholesale accounts

During the past 12 months the aggregate portfolio investment by the Company into both new and existing companies was £18.3 million.

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus 1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

The following amendment has been made to the 'Issue of Equity' announcement released on 31 March 2015 at 7:00 under RNS number 92011, dealings in the 8,974,280 ordinary shares of 10p each that were allotted on 30 March 2015 are expected to commence on or around 15 April 2015. All other details remain unchanged. The full amended text is shown below.

Issue of Equity - Amended

British Smaller Companies VCT plc (the "Company") and British Smaller Companies VCT2 plc have been seeking to raise £40 million in aggregate by way of offers for subscription ("Offers"). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the "Prospectus").

The Company announces that on 30 March 2015 it made the fourth issue of ordinary shares pursuant to the Offers by allotting 8,974,280 ordinary shares of 10 pence each raising gross proceeds of £9.1 million. These allotments were made in respect of valid subscriptions received on or before 24 March 2015, for the tax year 2014/2015 pursuant to the Offers. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 99.50 pence and 104.18 pence per share depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

The net asset value ("NAV") used for the calculation of the issue price on 30 March 2015 is 96.3 pence per share, being the last reported NAV as at 31 December 2014 of 100.8 pence per share, adjusted for the interim dividend of 2.0 pence per share per paid on 7 January 2015 and the second interim dividend of 2.5 pence per share paid on 3 March 2015.

Together the Company and British Smaller Companies VCT2 plc have in total allotted shares giving gross proceeds of £37.8 million under the Offers and, after taking into consideration the costs of the Offers, this gives net total proceeds of £36.0 million, of which £22.0 million has been raised by the Company and £14.0 million by British Smaller Companies VCT2 plc. Including applications received for the tax year 2015/2016 aggregate gross proceeds for both the Company and British Smaller Companies VCT2 plc stand at £40.0 million. As announced on 24 March 2015, the Offers are now closed to new applications. The allotment for the 2015/2016 tax year will take place as soon as practicable after 5 April 2015.

Employees of the investment adviser, YFM Private Equity Limited, have been allotted 22,417 ordinary shares of 10 pence in the Company. Following this allotment, employees of YFM Private Equity hold 319,929 ordinary shares of 10 pence in the Company, and 488,228 shares across both VCTs.

Applications are now being made by the Company for the ordinary shares which were allotted on 30 March 2015 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 15 April 2015.

Following the allotment of 8,974,280 ordinary shares, the Company's issued share capital consists of 88,828,064 ordinary shares with voting rights ("Voting Capital") and 3,225,333 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.

A copy of the Prospectus was 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.bscfunds.com>.

30 March 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

Close of Offers to New Applications

British Smaller Companies VCT plc (the “Company”) and British Smaller Companies VCT2 plc are seeking to raise £40 million in aggregate by way of offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the “Prospectus”).

As a result of the strong level of demand the Company and British Smaller Companies VCT2 plc have now received applications to the maximum level permitted and, as a consequence, the Offers are now closed to new applications. The final allotment for the 2014/15 tax year will take place on 30 March 2015, with the allotment for the 2015/16 tax year to follow as soon as practicable after 5 April 2015.

A copy of the Prospectus was 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.bscfunds.com>.

24 March 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

Issue of Equity

British Smaller Companies VCT plc (the "Company") and British Smaller Companies VCT2 plc are seeking to raise £30 million in aggregate by way of offers for subscription ("Offers"). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the "Prospectus").

Following the successful launch, the level of funds raised to 6 March 2015 under the Offers total more than £28 million and as a result of the continuing level of demand the directors have today confirmed that the over allotment facility of £10 million included in the Offers will be used in relation to the Offers. This increases the maximum amount which can be raised under the Offers to £40 million in aggregate.

The Offers remain open and will close no later than 11:00 am on 4 April 2014 in respect of the 2014/2015 Offer and not later than 11:00 am on 30 April 2015 in respect of the 2015/2016 Offer, unless the Offers are fully subscribed at an earlier date.

A copy of the Prospectus was 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.bscfunds.com>.

9 March 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc (the “Company”)

Payment of Second Interim Dividend and Allotment of Shares

The Company announces that on 3 March 2015 it paid a further interim dividend (“Second Interim Dividend”) of 2.5 pence per ordinary share to shareholders on the register of members of the Company as at the record date of 6 February 2015.

The Company further announces that on 3 March 2015 it issued and allotted 461,272 ordinary shares of 10 pence each pursuant to its dividend re-investment scheme (“Dividend Re-investment Scheme”) at a price of 91.485 pence per share to shareholders of the Company who elected to receive shares instead of the Second Interim Dividend. Of the Second Interim Dividend paid by the Company, 22 per cent was, as a result, re-invested in shares in the Company via the Dividend Re-investment Scheme.

As part of this allotment, Edward Buchan, a non-executive director of the Company, was allotted 341 ordinary shares of 10 pence each in the Company. This takes his total shareholding to 12,837 ordinary shares in the Company representing 0.02% of the current issued ordinary shares of the Company.

As part of this allotment the employees of the investment adviser, YFM Private Equity Limited, have been allotted 3,417 ordinary shares of 10 pence each in the Company bringing their aggregate total shareholding to 297,512 ordinary shares of 10 pence each in the Company representing 0.37% of the current issued ordinary shares of the Company.

Application is now being made for the ordinary shares which were issued and allotted on 3 March 2015 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 17 March 2015.

Following such issue and allotment the Company’s issued share capital consists of 79,853,784 ordinary shares with voting rights (“Voting Capital”) and 3,225,333 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.

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus 1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

Issue of Equity

British Smaller Companies VCT plc (the “Company”) and British Smaller Companies VCT2 plc are seeking to raise £30 million in aggregate by way of offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the “Prospectus”).

The Company announces that on 2 March 2015 it made the third issue of ordinary shares pursuant to the Offers by allotting 4,271,537 ordinary shares of 10 pence each raising gross proceeds of £4.3 million. These allotments were made in respect of valid subscriptions received on or before 25 February 2015, for the tax year 2014/2015 pursuant to the Offers. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 99.50 pence and 104.18 pence per share depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

The net asset value (“NAV”) used for the calculation of the issue price on 2 March 2015 is 96.3 pence per share, being the last reported NAV as at 31 December 2014 of 100.8 pence per share, adjusted to take account of the first interim dividend of 2.0 pence per share that was paid on 7 January 2015 and the second interim dividend of 2.5 pence per share to be paid on 3 March 2015 (together the “Aggregate Interim Dividends”). This pricing reflects the fact that shareholders who are allotted shares on 2 March 2015 are not entitled to the Aggregate Interim Dividends.

Together the Company and British Smaller Companies VCT2 plc have in total allotted shares giving gross proceeds of £23.2 million under the Offers and, after taking into consideration the costs of the Offers, this gives net total proceeds of approximately £22.1 million. Of the net total proceeds of £22.1 million the Company has raised net proceeds of approximately £13.4 million and British Smaller Companies VCT2 plc has raised net proceeds of approximately £8.7 million. Including applications received after 25 February 2015 for the current tax year and those for the tax year 2015/2016 aggregate gross proceeds for both the Company and British Smaller Companies VCT2 plc currently stand at approximately £25.5 million.

Applications are now being made by the Company for the ordinary shares which were allotted on 2 March 2015 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 13 March 2015.

Following the allotment of 4,271,537 ordinary shares, the Company’s issued share capital consists of 79,392,512 ordinary shares with voting rights (“Voting Capital”) and 3,225,333 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 Offers remain open. A copy of the Prospectus was 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.bscfunds.com>.

2 March 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc (“the Company”)

Purchase of Own Securities and Total Voting Rights

The Company announces that on 3 February 2015 it purchased 96,011 ordinary shares of 10 pence each at a price of 89.17 pence per share. The last reported net asset value as at 31 December 2014 was 100.8 pence per share after which there was a dividend payment of 2.0 pence per ordinary share resulting in an ex-dividend net asset value of 98.8 pence per share. The buy back price is at a 9.75% discount to this. The buy back was settled on 4 February 2015. These shares will be held in treasury.

If these shares had been purchased prior to the quarter ended 31 December 2014, the net asset value per ordinary share of the Company at that date would have been unaltered at 100.8 pence per ordinary share.

The Company's issued share capital following the buy back consists of 75,120,975 ordinary shares of 10 pence each with voting rights. In addition, the Company holds 3,225,333 ordinary shares of 10 pence in treasury.

The above figure of 75,120,975 ordinary shares 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.

4 February 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 0207 496 3000

British Smaller Companies VCT plc

Issue of Equity

British Smaller Companies VCT plc (the “Company”) and British Smaller Companies VCT2 plc are seeking to raise £30 million in aggregate by way of offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the “Prospectus”).

The Company announces that on 2 February 2015 it made the second issue of ordinary shares pursuant to these Offers by allotting 2,526,397 ordinary shares of 10 pence each raising gross proceeds of £2.6 million. These allotments were made in respect of valid subscriptions received on or before 30 January 2015, for the tax year 2014/2015 pursuant to the Offers. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 102.00 and 106.81 depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

The NAV used for the calculation of the issue price on 2 February 2015 is 98.8 pence per share, being the last reported NAV as at 31 December 2014 of 100.80 pence per share, adjusted for the dividend of 2.00 pence per share that was paid on 7 January 2015. Shareholders who are allotted shares on 2 February 2015 will be entitled to the further interim dividend of 2.5 pence per share announced on 27 January 2015. The dividend will be paid on 3 March 2015.

Together the Company and British Smaller Companies VCT2 plc have in total raised gross proceeds of £16.4 million under the Offers and, after taking into consideration the costs of the Offers, this gives net total proceeds of approximately £15.6 million. The Company has raised net proceeds of approximately £9.3 million and British Smaller Companies VCT2 plc has raised net proceeds of approximately £6.3million.

Applications are now being made by the Company for the ordinary shares which were allotted on 2 February 2015 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 16 February 2015.

Following the allotment of 2,526,397 ordinary shares, the Company’s issued share capital consists of 75,216,986 ordinary shares with voting rights (“Voting Capital”) and 3,129,322 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 Offers remain open. A copy of the Prospectus was 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.bscfunds.com>.

3 February 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Emily Watts	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc (“the Company”)
Interim Management Statement
for the quarter ended
31 December 2014

British Smaller Companies VCT plc presents its interim management statement for the quarter ended 31 December 2014. The statement also includes relevant financial information between the end of the quarter and the date of this statement. A copy of this interim management statement can be found at www.yfmep.com.

Total Return and Net Asset Value

The total return at 31 December 2014, calculated by reference to the Net Asset Value (NAV) per ordinary share and the cumulative dividends paid, was 195.0 pence per ordinary share (30 September 2014: 193.3p). Cumulative dividends represent 94.2 pence per ordinary share (30 September 2014: 94.2 pence per ordinary share).

The unaudited NAV per ordinary share as at 31 December 2014 was 100.8 pence per ordinary share (30 September 2014: 99.1 pence per ordinary share). The number of ordinary shares in issue at 31 December 2014 was 65,520,783 (30 September 2014: 65,520,783). In addition, the Company held 3,006,322 shares (30 September 2014: 3,006,322 shares) in Treasury.

Net assets at 31 December 2014 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	49,395	74.8
Quoted investment at bid price	3,137	4.7
Total private equity investments	52,532	79.5
Fixed income securities	2,430	3.7
Total investments	54,962	83.2
Cash and cash equivalents	9,954	15.1
Other net current assets	1,114	1.7
Net assets	66,030	100.0

The ten largest investments by valuation and other investments at 31 December 2014 were:

	£000	% of net assets
GO Outdoors Limited	6,075	9.2
President Engineering Group Ltd	4,146	6.3
DisplayPlan Holdings Limited	3,729	5.7
IO Outsourcing Limited	3,532	5.4
Mangar Health Limited	3,120	4.7
Gill Marine Holdings Limited	2,316	3.5
GTK (UK) Limited	2,074	3.1
ACC Aviation (via Newacc (2014) Limited)	2,068	3.1
Business Collaborator Limited	2,010	3.0
Harvey Jones Holdings Limited	1,986	3.0
Top ten investments	31,056	47.0
Other investments	21,476	32.5
Total private equity investments	52,532	79.5

Investment Portfolio

The Company continues to see an increasing level of investment opportunities. During the quarter the Company invested a total of £9.01 million which included six new investments totalling £8.99 million and one follow-on investment of £0.02 million. In October 2014 a total of £3.83 million was invested, which comprised £0.25 million invested into AIM listed Gamma Communications plc, a UK based provider of communication services, £1.80 million invested into Cambrian Park & Leisure Homes Limited, a company which specialises in the design and manufacture of timber holiday lodges for the UK holiday park market and £1.78 million invested into retail intelligence company, Springboard Research Holdings Ltd.

In November 2014 the Company invested a further £4.08 million, comprising £2.07 million into ACC Aviation, a market leader in the provision of broking services on short term aircraft leases and £2.01 million to support the management buy-out of market leading software company Business Collaborator Limited.

In December 2014 £1.08m was invested into Wakefield Acoustics (via Malvar Engineering Limited), to support the management buy-out of this leader in the design, manufacture and installation of bespoke industrial and environmental noise control solutions. In addition a further £0.02 million was invested into PowerOasis Limited supporting a further fundraising of £1.0 million.

In the quarter the Company successfully realised its investment in Waterfall Services Limited, a leading independent mid-sized contract caterer that resulted in a total return of 5.3x on the Company's original investment of £1.0 million. The cash proceeds on realisation were £3.85 million, an increase of £0.07 million on the carrying value at 30 September 2014.

In addition the Company has received a total of £0.4 million relating to payment of loan capital/associated redemption premiums and £0.01 million in respect of partial disposals of quoted shareholdings, which in aggregate gave rise to a £0.05 million profit above their original cost.

Performance

Over the 3 months to 31 December 2014 the unquoted portfolio saw an overall increase in unrealised valuations of £1.28 million equating to a 2.9 per cent increase on the opening value. This comprised an increase in the value of a number of the portfolio companies including IO Outsourcing Limited, Mangar Health Limited and GTK (UK) Limited. The quoted portfolio value fell by £0.34 million.

The Board continues to follow a policy of maintaining a diversified portfolio; as at 31 December 2014 only four investments represented more than five per cent each of the Company's NAV with the largest investment comprising 9.2 per cent.

Dividends

On 7 January 2015 the Company paid a gross interim dividend of 2.0 pence per ordinary share to Shareholders on the register of members as at the record date of 5 December 2014.

Following the successful realisation of the investment in Waterfall Services Limited the directors are pleased to announce that the Company will pay a further interim dividend of 2.5 pence per share. The dividend will be paid on 3 March 2015 to all investors on the register on 6 February 2015 with an associated ex-dividend date of 5 February 2015. The DRIS election date will be 20 February 2015.

Issue and Purchases of Ordinary Shares

There have been no shares issued or purchased during the quarter.

Following the quarter end, on 6 January 2015 the Company issued a total of 6,986,643 ordinary shares at prices of between 100.25 to 105.80 pence per ordinary share depending on the adviser charge (if applicable) pursuant to the joint offer with British Smaller Companies VCT 2 plc.

On 7 January 2015 the Company issued 306,163 ordinary shares of 10 pence each at a price of 92.245 pence per share pursuant to the dividend re-investment scheme.

On 12 January 2015 the Company purchased 123,000 ordinary shares of 10 pence each at a price of 87.65 pence per share. These shares were placed in Treasury.

Fundraising

The Company has invested £9.01 million during the quarter. The Fund Manager continues to see an increase in new investment opportunities. In order for the Company to continue to take advantage of these new opportunities the Company and British Smaller Companies VCT2 plc are seeking to raise £30 million in aggregate by way of offers for subscription ("Offers"). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT 2 plc on 20 October 2014 (the "Prospectus").

The Board is pleased to report an excellent response to the Offers. On 6 January 2015 it made the first issue of ordinary shares pursuant to these Offers by allotting an aggregate of 6,986,643 ordinary shares of 10 pence each at prices of between 100.25 to 105.80 pence per ordinary share depending on the adviser charge (if applicable) raising net proceeds of £6.8 million.

The next two allotments of shares will take place on 2 February 2015 and 2 March 2015. The allotment on 2 February 2015 will be in respect of all applications received on or before 30 January 2015. The NAV that will be used for the calculation of the issue price on 2 February 2015 is 100.80 pence per share less the dividend of 2.00 pence per share that was paid on 7 January 2015. This

NAV is inclusive of the cash received from the disposal of the investment in Waterfall Services Limited but excludes any accrual for the further interim dividend of 2.5 pence per share. Consequently those shareholders who will be allotted shares on 2 February 2015 will be entitled to the further interim dividend. Please note that at the time of allotment the latest reported NAV used in the calculation of the offer price will be subject to review for any material change, although none is expected. Shares allotted on 2 March 2015 will not be eligible for the further interim dividend.

Shareholder Workshop

The Company remains committed to enhancing Shareholder communications and has undertaken annual investor workshops for a number of years which have proved very popular with Shareholders. On 4 February 2015 the Company will hold its 20th Shareholder workshop at Freemasons Hall, London.

Outlook

Good progress continues to be made within the Company's investment portfolio and there continues to be a strong pipeline of new investment opportunities from across the UK regions. The Company has invested £16.8 million in the 9 months to 31 December 2014 increasing the diversity of the portfolio.

27 January 2015

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Gillian Martin	Nplus1 Singer Advisory LLP	Tel: 0203 7496 3000

British Smaller Companies VCT plc (the “Company”)

Payment of Interim Dividend and Allotment of Shares

The Company announces that on 7 January 2015 it paid a gross dividend (“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 5 December 2014.

The Company further announces that on 7 January 2015 it issued and allotted 306,163 ordinary shares of 10 pence each pursuant to its dividend re-investment scheme (“Dividend Re-investment Scheme”) at a price of 92.245 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, 22 per cent was as a result re-invested in shares in the Company via the Dividend Re-investment Scheme.

As part of this allotment, Edward Buchan, a non-executive director of the Company, was allotted 265 ordinary shares of 10 pence each in the Company. This takes his total shareholding to 12,496 ordinary shares in the Company representing 0.02% of the issued ordinary shares of the Company.

As part of this allotment the employees of the fund manager, YFM Private Equity Limited, have been allotted 2,371 ordinary shares of 10 pence each in the Company bringing their aggregate total shareholding to 294,095 ordinary shares of 10 pence each in the Company representing 0.4% of the issued ordinary shares of the Company.

Application is now being made for the ordinary shares which were issued and allotted on 7 January 2015 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 17 January 2015.

Following such issue and allotment the Company’s issued share capital consists of 72,813,589 ordinary shares with voting rights (“Voting Capital”) and 3,006,322 shares held in Treasury before taking into account of the buyback of 123,000 shares that

took place on 29 December 2014 but which will be contractually settled on 8 January 2015.

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.

For further information please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Gillian Martin	Nplus 1 Singer Advisory LLP	Tel: 020 7496 3000

British Smaller Companies VCT plc

Issue of Equity

British Smaller Companies VCT plc (the “Company”) and British Smaller Companies VCT2 plc are seeking to raise £30 million in aggregate by way of offers for subscription (“Offers”). Full details of the Offers are contained in a prospectus issued by the Company and British Smaller Companies VCT2 plc on 20 October 2014 (the “Prospectus”).

The Company announces that on 6 January 2015 it made the first issue of ordinary shares pursuant to these Offers by allotting an aggregate of 6,986,643 ordinary shares of 10 pence each raising gross proceeds of £7.1 million. These allotments were made in respect of valid subscriptions received on or before 31 December 2014, for the tax year 2014/2015 pursuant to the Offers. In accordance with the pricing formula set out in the Prospectus the new ordinary shares were allotted at offer prices of between 100.25 to 105.80 depending on the adviser charge (if applicable) and the number of shares issued pertaining to each application.

Together the Company and British Smaller Companies VCT2 plc have in total raised gross proceeds of £12.0 million in this first allotment and, after taking into consideration the costs of the Offers, this gives net total proceeds of approximately £11.5 million. The Company has raised net proceeds of approximately £6.8 million and British Smaller Companies VCT2 plc has raised net proceeds of approximately £4.7 million.

Helen Sinclair, Chairman and non-executive Director of the Company, has been allotted 6,058 ordinary shares of 10 pence in the Company which takes her total shareholding to 23,062 ordinary shares in the Company.

Philip Cammerman, non-executive Director of the Company, has been allotted 10,097 ordinary shares of 10 pence in the Company which takes his total shareholding to 78,072 ordinary shares in the Company.

Employees of the investment adviser, YFM Private Equity Limited, have subscribed £0.05 million under the Offers for 62,905 ordinary shares in both the Company and British Smaller Companies VCT2 plc and have been allotted 33,685 shares in the Company. Following this allotment, employees of YFM Private Equity hold 291,724 ordinary shares of 10 pence in the Company, and 440,390 shares across both VCTs.

Applications are now being made by the Company for the ordinary shares which were allotted on 6 January 2015 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 20 January 2015.

Following the allotment of 6,986,643 ordinary shares, the Company's issued share capital consists of 72,507,426 ordinary shares with voting rights ("Voting Capital") and 3,006,322 shares held in Treasury before taking account of the buy back of 123,000 shares that took place on 29 December 2014 but which will be contractually settled on 8 January 2015.

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 Offers remain open. A copy of the Prospectus was 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>.

6 January 2015

For further information, please contact:

David Hall	YFM Private Equity Limited	Tel: 0113 244 1000
Gillian Martin	Nplus1 Singer Advisory LLP	Tel: 020 7496 3000