

British Smaller Companies VCT plc (“the Company”)

Amendment to Dividend Re-Investment Scheme

The Company operates a dividend re-investment scheme which allows Shareholders the opportunity to build further capital value by electing to receive Ordinary Shares in the Company, credited as fully paid, instead of receiving dividends in cash (“the Scheme”).

As the Company’s investment portfolio matures there may be occasions when a significant special dividend could be paid. To offer Shareholders greater flexibility in managing their investments the Company is intending to make an amendment to the Scheme rules to give the Board and the scheme administrators the ability to offer each of the Shareholders participating in the Scheme the opportunity to dis-apply their mandate in respect of a particular special dividend and instead receive the dividend in cash.

On 3 June 2011, a letter has been sent to Shareholders participating in the Scheme with further details of the proposed amendments. The amendments to the Scheme rules contained in this letter shall take effect on 4 July 2011. A copy of the Scheme rules including the amendments set out in this letter will be available on the website of the Company’s Fund Manager at www.yfmep.com from 4 July 2011.

3 June 2011

For further information, please contact:

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