

British Smaller Companies VCT 2 plc

Unaudited interim Results and Interim Management Report

For the 6 months ended 30 June 2013

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

Chairman’s Statement

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

Financial Results

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

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

Net Asset Value

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

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

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

Investment Portfolio

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

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

New Investments

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

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

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

Disposal of Investments

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

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

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

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

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

Shareholder Relations

Dividends

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

Shareholder Workshops

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

Fundraising

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

Outlook

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

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

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

Principal Risks & Uncertainties

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

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

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

Richard Last

Chairman

21 August 2013

Unaudited Statement of Comprehensive Income

For the 6 months ended 30 June 2013

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

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

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

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

Unaudited Balance Sheet

As at 30 June 2013

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

Signed on behalf of the Board

Richard Last

Chairman

21 August 2013

Unaudited Statement of Changes in Equity

For the 6 months ended 30 June 2013

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

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

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

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

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

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

Notes to the Unaudited Financial Statements

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

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

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

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

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

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

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

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

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

Notes to the Unaudited Financial Statements

2. Income

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

Notes to the Unaudited Financial Statements

3. Taxation

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

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

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

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

Notes to the Unaudited Financial Statements

4. Dividends

Amounts recognised as distributions to equity holders in the period:

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

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

5. Basic and Diluted Earnings per Ordinary Share

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

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

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

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

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

6. Basic and Diluted Net Asset Value per Ordinary Share

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

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

7. Total Return

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

8. Directors

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

9. Related Parties

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

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

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

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

10. Other Information

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

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

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

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

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

For further information, please contact:

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