

BRITISH SMALLER COMPANIES VCT PLC (“the Company”)

INTERIM MANAGEMENT STATEMENT For the quarter ended 30 June 2009

British Smaller Companies VCT plc presents its interim management statement for the quarter ended 30 June 2009. This constitutes the Company's first interim management statement for the financial year ending 31 March 2010, as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3. A copy of this interim management statement can be found at www.yfmgroup.co.uk.

The unaudited net asset value per Ordinary Share as at 30 June 2009 was 84.9p (31 March 2009: 85.7p). The net asset value is stated after taking account of the final dividend of 3.0p per Ordinary Share in respect of the period ended 31 March 2009, which was paid on 13 August 2009 following approval by shareholders at the Annual General Meeting on 6 August 2009.

The total return at 30 June 2009, calculated by reference to the net asset value per Ordinary share and the cumulative dividends paid and proposed, was 132.9p per share compared to 130.7p at 31 March 2009.

The number of Ordinary Shares in issue at 30 June 2009 was 30,819,892. In addition, the Company held 1,050,955 shares in Treasury. There were no shares purchased or issued by the Company during the quarter. Subsequent to the quarter end 141,882 shares were re-purchased by the Company at a price of 73.0p per share. These shares were also placed in Treasury.

Net assets at 30 June 2009 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	6,718	25.7
Quoted investment at bid price	3,728	14.2
Total venture capital investments	10,446	39.9
Fixed income securities	12,283	46.9
Total investments	22,729	86.8
Cash and cash equivalents	4,217	16.1
Other net current (liabilities) assets	(766)	(2.9)
Net assets	26,180	100.0

The ten largest investments by valuation at 30 June 2009 were as follows:

	£000	% of net assets
GO Outdoors Limited	1,963	7.5%
Waterfall Services Limited	1,363	5.2%
Connaught plc	1,193	4.6%
Sheet Piling Limited	737	2.8%
Fishawack Limited	706	2.7%
Mattioli Woods plc	550	2.1%
Elffin Home Care Limited	540	2.1%
Harvey Jones Limited	480	1.8%
Pressure Technologies plc	468	1.8%
Hargreaves Services plc	453	1.7%
Top ten investments	8,453	32.3%
Other investments	1,993	7.6%
Total venture capital investments	10,446	39.9%

Quoted investments are carried at bid price at 30 June 2009. Unquoted investment are carried at fair value as at 30 June 2009 as determined by the directors.

During the quarter, the Company has seen the net asset value of its residual assets increase by 2.2 pence per share. Recognition of the final dividend of 3.0 pence per share then results in a reduction in net asset value for the quarter of 0.8 pence per share. The total return, calculated by reference to the net asset value plus cumulative dividend paid and proposed, has increased by 2.2p to 132.9p, cumulative dividends representing 48 pence per share.

The net asset value currently comprises 16.1% in cash and cash equivalents and 46.9% in fixed Government Securities and as such the Company is well placed to take advantage of selective investment opportunities as they arise.

Shareholder Relations

Performance Incentive Scheme

Shareholder approval for the revised performance incentive scheme for its Fund Manager was granted at the General Meeting on 6 August 2009.

Share Buy Back policy

The board of directors continually monitors the share buy back policy of the Company. Whilst there remains a need to provide support to those shareholders wishing to dispose of their shares, in these uncertain times the board have reviewed carefully the appropriate level of share buybacks to the advantage of the shareholder base as a whole. Consequently for the foreseeable future they have determined that shares will continue to be acquired at a discount of 15% to the net asset value.

Outlook

The investment portfolio has proved relatively resilient which in part has been assisted by the low levels of debt across the portfolio as a whole. Undoubtedly economic conditions remain challenging but in the short term the Company remains well positioned to take advantage of both new investment opportunities for itself and acquisition opportunities for its investment portfolio. Nonetheless the board keeps under review the company's investment capacity over the medium term.

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