

FACTSHEET

British Smaller Companies VCT plc



Start Date: 1996

NAV at 30/09/2009: 90.6 pence per share

Size: £28 million

Total Return: 138.6 pence per share

Deep-Secure Limited - New Investment



Date of investment - Dec 2009

**Amount invested - total £3.5m
(BSC VCT, BSTC VCT2 & Chandos)**

Location - Reading

**Sector - High security software
& hardware**

Funds managed by YFM Group, British Smaller Companies VCT, British Smaller Technology Companies VCT2 and Chandos Fund, completed a £3.5 million MBI of Deep-Secure Limited.

Deep-Secure's market leading products protect against threats to security via high defence network border gateway technology, which enables customers to

defend sensitive and protected information from intruders.

The all-equity-deal will enable further development of their cutting edge technology. As working practices change and more information is shared electronically, increasing levels of exposure to leakage and attack demands more businesses rely on higher levels of security to protect their data.

Serial software entrepreneur Richard Beaton, Chairman, and Kieron Sambrook-Smith, CEO, led the buy-in. This is the third investment YFM has completed involving Richard Beaton following the success of North West based businesses Intuita and Tekton Group.

Strategy:

Our strategy is to make investments into low cost high yielding assets and pay our shareholders a regular dividend. British Smaller Companies VCT has shown a steady growth over the years, issuing a dividend of 5 pence per share for the last three years.

Highlights:

As always, in these times the changes in economy impact on the company's portfolio and the market for new investments. The quoted portfolio saw an increase in value of 35% in the six months to September 2009.

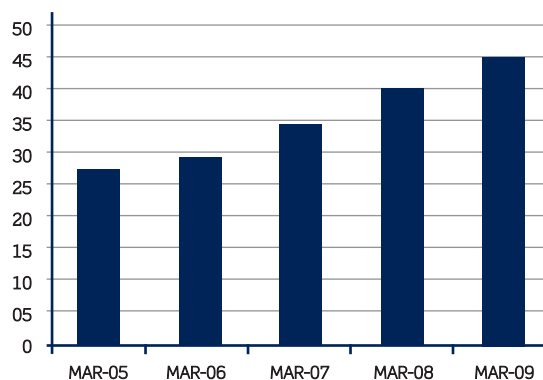
In 2009 BSC VCT won the Association of Investment Companies Best Shareholder Communication Award and made it to the shortlist at the Unquote British Private Equity Awards for Venture Capital House of the Year.

Trustnet has in each of the last three years ranked BSC VCT as one of the top 5 performing VCTs in the market.

Dividends:

■ Cumulative Dividend

The strategy of BSC VCT has been to achieve a consistency in its payment of tax free dividends. An aggregate dividend of 23.8 pence per share was paid in respect of the five years ended 31 March 2009, an average of 4.8 pence per share. Dividends paid in the current financial year total 5 pence per share.



Portfolio

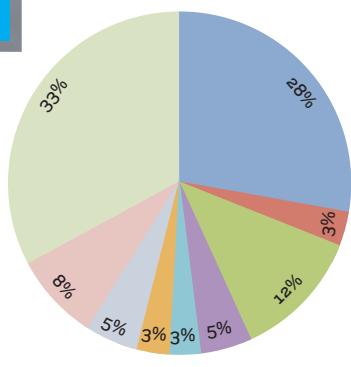
The focus of the British Smaller Companies VCT is to create a diverse portfolio of companies across a variety of sectors

Ten Largest Investments

Position as at 30.09.09	Position as at 30.09.08	Company	Value as at 30.09.09 £'000	Description
1	2 ▲	GoOutdoors	3,001	Outdoor clothing and equipment retailer
2	4 ▲	Waterfall	1,527	Catering to care homes and the education sector
3	1 ▼	Connaught properties group	1,368	Facilities management and integrated properties group
4	3 ▼	Sheet Piling	777	Leading steel piling contractors
5	8 ▲	Hargreaves	701	Bulk haulage, supplier and processor of materials
6	5 ▼	Pressure Technologies	623	Manufactures and refurbishes high pressure cylinders
7	9 ▲	Harvey Jones	547	Kitchen manufacturer and retailer
8	6 ▼	Mattioli	523	Provider of pensions consultancy and administration services
9	10 ▲	Fishawack	508	Medical communications
10	7 ▼	Ellfin	390	Domiciliary care in the North West

Sector Analysis

- Computer/Software
- Electronics
- Manufacturing
- Construction
- Energy
- Medical
- Consumer
- Financial Services
- Services



Fundraising:

This year we are seeking to raise funds for British Smaller Companies VCT, by way of a linked offer with British Smaller Technology Companies VCT2. This will enable British Smaller Companies VCT to take advantage of the investment opportunities we expect to see over the next two – three years as prices continue to come down, and maintain our dividend stream.

There will be a workshop held on 2nd February 2010 at the Natural history Museum, London.

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YFM Private Equity Limited is authorised and regulated by the Financial Services Authority and is a member of the British Venture Capital Association (BVCA).

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