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**IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT OR AS TO WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").**

**THIS DOCUMENT HAS BEEN PREPARED IN ACCORDANCE WITH THE PROSPECTUS REGULATION RULES MADE UNDER FSMA AND HAS BEEN APPROVED BY THE FINANCIAL CONDUCT AUTHORITY ("FCA") IN ACCORDANCE WITH FSMA AND CONSTITUTES A SUPPLEMENTARY PROSPECTUS (THE "SUPPLEMENTARY PROSPECTUS") ISSUED BY BRITISH SMALLER COMPANIES VCT PLC ("BSC") AND BRITISH SMALLER COMPANIES VCT2 PLC ("BSC2") (BSC AND BSC2 TOGETHER THE "VCTS"). THIS SUPPLEMENTARY PROSPECTUS IS SUPPLEMENTAL TO AND SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 30 NOVEMBER 2022 (THE "PROSPECTUS"), THE PROSPECTUS CONTAINING OFFERS FOR SUBSCRIPTION OF ORDINARY SHARES IN THE CAPITAL OF EACH OF THE VCTS ("OFFER SHARES") TO RAISE UP TO £50 MILLION, IN AGGREGATE, WITH AN OVER-ALLOTMENT FACILITY OF A FURTHER £25 MILLION, IN AGGREGATE ("THE OFFERS"). EXCEPT AS EXPRESSLY STATED HEREIN, OR UNLESS THE CONTEXT OTHERWISE REQUIRES, THE DEFINITIONS USED OR REFERRED TO IN THE PROSPECTUS ALSO APPLY IN THIS SUPPLEMENTARY PROSPECTUS.**

**PERSONS RECEIVING THIS DOCUMENT SHOULD NOTE THAT HOWARD KENNEDY CORPORATE SERVICES LLP IS ACTING FOR THE VCTS AND NO-ONE ELSE IN CONNECTION WITH THE OFFERS AND THIS SUPPLEMENTARY PROSPECTUS AND, SUBJECT TO ITS RESPONSIBILITIES AND LIABILITIES IMPOSED BY FSMA OR THE REGULATORY REGIME ESTABLISHED HEREUNDER, WILL NOT BE RESPONSIBLE TO ANY OTHER PERSON FOR PROVIDING THE PROTECTIONS AFFORDED TO CUSTOMERS OF HOWARD KENNEDY CORPORATE SERVICES LLP OR FOR PROVIDING ADVICE IN CONNECTION WITH THE OFFERS. HOWARD KENNEDY CORPORATE SERVICES LLP IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY.**

**THIS DOCUMENT HAS BEEN PREPARED FOR THE PURPOSES OF COMPLYING WITH THE UK VERSION OF REGULATION (EU) 2017/1129 (THE "PROSPECTUS REGULATION"), ENGLISH LAW AND THE RULES OF THE FCA AND THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD BE DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS OF A JURISDICTION OUTSIDE ENGLAND.**

Each VCT and the Directors of each of the VCTS accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge of each VCT and its Directors, the information contained in this Supplementary Prospectus is in accordance with the facts and this Supplementary Prospectus makes no omission likely to affect its import.

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**British Smaller Companies VCT PLC**  
*(Incorporated in England and Wales with registered number 03134749)*

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**British Smaller Companies VCT2 PLC**  
*(Incorporated in England and Wales with registered number 04084003)*

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#### **Events arising since publishing the Prospectus**

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Regulation Rules and Section 87G FSMA following (i) the publication by BSC2 of the annual report and accounts for the year ended 31 December 2022 and (ii) the publication by BSC of its unaudited NAV as at 31 December 2022. The Prospectus Regulation Rules and section 87G FSMA require the issue of a supplementary prospectus if, in the relevant period (being, for these purposes, the later of the closure of the Offers and the time when trading in the Offer Shares issued under the Offers on the London Stock Exchange begins), there exists or is noted a significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus. This Supplementary Prospectus has been approved for publication by the FCA.

This Supplementary Prospectus has been prepared in accordance with the Prospectus Regulation and has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this

Supplementary Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval shall not be considered as an endorsement of the securities or the issuers that are the subject of the Prospectus.

Save as otherwise amended in this Supplementary Prospectus, the Offers are being made on the terms and subject to the conditions set out in full in the Prospectus. Investors who have already submitted Application Forms for Offer Shares in the VCTs, and who have not yet received an allotment of those Offer Shares, may withdraw such Applications under Prospectus Regulation Rule 3.4.1UK and Article 23 of the Prospectus Regulation, with the VCTs accepting withdrawals of such Applications until 5:00 pm on 24 March 2023. Investors should seek their own legal advice in regard to such withdrawal rights. Investors who wish to withdraw their Applications for Offer Shares should contact Tracey Nice on 0113 261 6478 or 07500 330986 (no investment advice can be given). Withdrawals of Applications can only be made by telephone.

Copies of this Supplementary Prospectus and the Prospectus may be viewed on the National Storage Mechanism (NSM) of the FCA at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and this Supplementary Prospectus and the Prospectus are available for inspection at the registered office of the VCTs at 5th Floor, Valiant Building, 14 South Parade, Leeds LS1 5QS.

### **Significant new factors**

#### **1. BSC2 financial results for the year ended 31 December 2022**

- 1.1 On 20 March 2023, BSC2 announced its financial results for the year ended 31 December 2022 (the "BSC2 Accounts"). BSC2's auditors, BDO LLP, have reported on the BSC2 Accounts without qualification and without statements under sections 495 to 497 of the Companies Act 2006.

The BSC2 Accounts were prepared in accordance with UK-adopted International Financial Reporting Standards and contain a description of BSC2's financial condition, changes in financial condition and results of operation for the financial year ended 31 December 2022 and are being incorporated by reference into this Supplementary Prospectus. In the BSC2 Accounts, BSC2 reported that as at 31 December 2022 its net assets were £111,869,000, giving a net asset value per BSC2 Share of 61.6p.

The BSC2 Accounts are available on BSC2's website: [www.bscfunds.com](http://www.bscfunds.com). The parts of the BSC2 Accounts which are not incorporated into this Supplementary Prospectus by reference are either not relevant for investors or are covered elsewhere in this Supplementary Prospectus or the Prospectus.

#### **1.2 Documents incorporated by reference**

To the extent that there is any inconsistency between any statement in or incorporated by reference in this Supplementary Prospectus and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this Supplementary Prospectus will prevail.

The information set out below relating to BSC2 is incorporated by reference in this document and is available as indicated above.

As a result of the publication of the BSC2 Accounts, the financial information relating to BSC2 in Part 6 of the Prospectus ("Financial Information on the Companies") is hereby supplemented as follows:

<b>BSC2</b>	<b>Audited Statutory Accounts for the Year Ended 31 December 2022</b>
<b>Nature of information</b>	Page No.
<b>Financial Highlights</b>	2
<b>Financial Spotlights</b>	N/A
<b>Five Year Summary</b>	4
<b>Financial Summary</b>	N/A
<b>The Portfolio</b>	5
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<b>Objectives and Key Policies</b>	10
<b>Objectives and Strategy</b>	N/A
<b>Processes and Operations</b>	11
<b>Key Performance Indicators</b>	12
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<b>Principal Risks and Uncertainties</b>	N/A
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### Operating and financial review

<b>BSC2</b>	<b>Audited Statutory Accounts for the Year Ended 31 December 2022</b>
<b>Total Net Assets (£'000)</b>	111,869
<b>Change in Net Asset Value (£'000)</b>	24,494
<b>Net Asset Value per BSC2 Share (p)</b>	61.6
<b>Dividends paid per BSC2 Share (p)</b>	3.0
<b>Cumulative Dividends paid per BSC2 Share (p)</b>	81.0

### 1.3 Supplements to the Summary

As a result of the publication of the BSC2 Accounts, the information relating to BSC2 in the summary document which forms part of the Prospectus is hereby supplemented as follows:

What is the key financial information regarding the issuer?	BSC2	
		<b>Audited Financial Results for the Year Ended 31 December 2022</b>
	Net assets (£'000)	111,869
	Net asset value per BSC2 Share (p)	61.6

	Net profit before taxation (£'000)	6,253
	Earnings per BSC2 Share (p)	3.45
	Dividend per BSC2 Share (p)	3.0
	Total income before operating expenses (£'000)	1,075
	Performance fee (accrued/paid) (£'000)	635
	Investment management fee (accrued/paid) (£'000)	1,786
	Any other material fees paid to service providers (£'000)	-
	Total return after expenses and taxation (£'000)	6,253
	Total return (p)	142.6

## 2. The publication by BSC of its unaudited NAV as at 31 December 2022

- 2.1 On 20 March 2023 BSC announced an unaudited NAV per BSC Share of 87.3p as at 31 December 2022 (the 31 December 2022 BSC NAV"), an increase, after an adjustment for the interim dividends of 2.0p and 4.5p paid on 3 October 2022 and 11 January 2023 respectively, of 5.5 per cent in the unaudited NAV per BSC Share as at 30 September 2022, the latest published unaudited NAV per BSC Share as at the date of the Prospectus, which was 85.0p.

### 2.2 Supplement to the Summary

As a result of the release of the 31 December 2022 BSC NAV, the information relating to BSC under the heading "What is the key financial information relating to the issuer" in the summary document which forms part of the Prospectus shall be amended to include after the table at the end of the section relating to BSC the following wording:

The unaudited NAV per BSC Share as at 31 December 2022, was 87.3p.

### 2.3. Supplement to Part 6

As a result of the release of the 31 December 2022 BSC NAV, the sentence in Part 6 of the Prospectus, ("Financial Information on the Companies") beginning with the words "As at 30 September 2022 BSC's unaudited Net Asset Value was 85.0 pence per BSC Share" shall have an additional sentence at the end which shall read: "The unaudited NAV per BSC Share as at 31 December 2022 was 87.3p".

## 3. No Significant Change

As a result of the publication of the BSC2 Accounts and the 31 December 2022 BSC NAV, the following statements shall be added at Part 6 of the Prospectus immediately preceding the section headed "Investment portfolio":

"There has been no significant change in the financial position of BSC since 31 December 2022, the date to which the latest unaudited financial information has been published."

"There has been no significant change in the financial position of BSC2 since 31 December 2022, the date to which the latest audited financial information has been published."

22 March 2023