

BARONSMEAD VCT 2 plc

(Registered Number 3504214)

INTERIM ACCOUNTS

FOR THE SIX MONTHS

TO 30 SEPTEMBER 2001



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BARONSMEAD VCT 2 plc

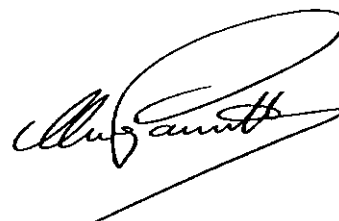
Profit and Loss Account

	Notes	Six months to 30 September 2001 £'000	Year to 31 March 2001 £'000
Income			
Franked income		55	103
Unfranked investment income		1,057	2,287
Deposit interest		35	289
Other income		-	1
Total income	1	1,147	2,680
Expenses			
Administrative expenses		(298)	(478)
Revenue before taxation		849	2,202
Taxation	2	(190)	(626)
Earnings		659	1,576
Ordinary dividends		(529)	(1,563)
		130	13
Earnings per Ordinary Share		1.63p	3.94p
Dividend per Ordinary Share		1.30p	3.90p

BARONSMEAD VCT 2 plc

Balance Sheet

	Notes	As at 30 September 2001 £'000	As at 31 March 2001 £'000
Fixed Assets			
Investments	3	38,248	45,391
Current Assets			
Debtors	4	1,592	1,082
Cash at bank and on deposit		3,402	439
Creditors (amounts falling due within one year)	5	(1,621)	(1,895)
Net current assets/(liabilities)		<u>3,373</u>	<u>(374)</u>
Total assets less current liabilities		<u>41,621</u>	<u>45,017</u>
Capital and Reserves			
Ordinary shares	6	4,068	4,009
Share premium account	7	39,670	39,049
Capital reserve realised	8	(1,815)	(823)
Capital reserve unrealised	8	(461)	2,753
Revenue reserve	8	159	29
Ordinary shareholders' funds		<u>41,621</u>	<u>45,017</u>
Net asset value per ordinary share		102.30p	112.30p



Director

BARONSMEAD VCT 2 plc

1. Accounting Policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention modified to include revaluation of investments.

b) Valuation of investments

Quoted investments are valued at middle market prices. Unquoted investments are valued by the Directors in accordance with the following rules, which are consistent with the British Venture Capital Association guidelines:

1. Investments which have been made to date are valued at cost in the absence of overriding factors.
2. Investments which have been held for more than twelve months are valued using a price earnings ratio (at a significant discount to an appropriate stock market prospective price earnings ratio) in the absence of over-riding factors. Where such factors apply, alternative methods of valuation will include application of an arms length third party valuation, a provision on cost, or a net asset basis.

c) Income

Interest income on loan stock and dividends on preference shares are accrued on a daily basis. Provision is made against this income where recovery is doubtful.

Dividends on quoted shares are recognised as income on the date that the related investments are marked ex dividend.

Income from fixed interest securities and deposit interest are included on an accruals basis.

d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except where incurred in connection with the maintenance or enhancement of the value of the Company's assets and taking account of the expected long term returns as follows:

Management fees payable have been allocated 25 per cent to revenue and 75 per cent to capital.

e) Capital reserves

Capital Reserve Realised:

The following are accounted for in this reserve:

- gains and losses on realisation of investments
- realised exchange differences of a capital nature
- expenses and finance costs, together with the related taxation effect, charged to this reserve in accordance with the above policies.

Capital Reserve Unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held for the period.

BARONSMEAD VCT 2 plc

	Six months to 30 September 2001 £'000	Year to 31 March 2001 £'000
1. Income		
Listed UK	917	2,016
Unlisted UK	195	374
Deposit interest	35	289
Underwriting commission	-	1
	<u>1,147</u>	<u>2,680</u>
2. Taxation		
Corporation tax	190	626
	<u>190</u>	<u>626</u>
3. Investments		
Cost at 31 March 2001	42,787	
Additions at cost	6,694	
Disposals at cost	(10,434)	
Cost at 30 September 2001	<u>39,047</u>	
Unrealised depreciation	(799)	
Valuation at 30 September 2001	<u>38,248</u>	
Listed investments	23,381	
Quoted on the Alternative Market/Ofex	4,364	
Unquoted investments	10,503	
	<u>38,248</u>	

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Notes to the Accounts

7. Share Premium Account	£'000
40,086,980 ordinary shares of 10p each at 31 March 2001	39,049
545,405 issued during June 2001	578
97,717 issued during July 2001	100
10,000 bought for cancellation during July 2001	(9)
36,000 bought for cancellation during August 2001	(31)
Expenses of Issue	(17)
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As at 30 September 2001	39,670
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8. Reserves	
Capital Reserve Realised	
At 31 March 2001	(823)
Loss on realisation of investments	(723)
Management fees charged to capital	(354)
Corporation tax thereon	85
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At 30 September 2001	(1,815)
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Capital Reserve Unrealised	
At 31 March 2001	2,753
Depreciation of investments during the period	(3,552)
Deferred consideration receivable	338
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At 30 September 2001	(461)
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Revenue Reserve	
At 31 March 2001	29
Retained revenue for the period	130
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At 30 September 2001	159
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