

**British Smaller Companies VCT plc**  
**Interim Management Statement**  
**For the quarter ended 30 June 2018**

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 2018. The statement also includes relevant financial information between the end of the quarter and the date of this statement. A copy of this interim management statement can be found at [www.bscfunds.com](http://www.bscfunds.com).

**Overview**

The Company has continued to make progress with total return rising from 216.0 pence per ordinary share to 217.6 pence per ordinary share in the quarter. This is an increase of 1.6 pence per ordinary share.

It is pleasing that improved performance across a number of investments contributed to the £1.7 million increase in net asset value (“NAV”) from the portfolio in the period.

The Company made two new investments of £3.1 million in the quarter, and on 18 May 2018 paid an interim dividend of 4.0 pence per ordinary share.

**Performance**

The movement in NAV per ordinary share and the dividends paid are set out in the table below:

	£m	Pence per ordinary share
NAV at 1 April 2018	86.1	79.6
Net underlying increase in portfolio	1.7	1.5
Net profit after expenses	0.1	0.1
Issue of shares (DRIS)	1.2	-
<b>Increase in Total Return</b>	<b>3.0</b>	<b>1.6</b>
NAV before the payment of dividends	89.1	81.2
Dividends paid	(4.3)	(4.0)
<b>NAV at 30 June 2018</b>	<b>84.8</b>	<b>77.2</b>

	<b>30 June 2018</b>	<b>Movement</b>	<b>31 March 2018</b>
<b>Net Assets (£m)</b>	<b>84.8</b>	<b>(1.3)</b>	<b>86.1</b>
<b>NAV per share (PPS)</b>	<b>77.2p</b>	<b>(2.4p)</b>	<b>79.6p</b>
<b>Cumulative dividends paid (PPS)</b>	<b>140.4p</b>	<b>4.0p</b>	<b>136.4p</b>
<b>Total Return (PPS)</b>	<b>217.6p</b>	<b>1.6p</b>	<b>216.0p</b>
<b>Shares in issue</b>	<b>109,941,911</b>	<b>1,751,747</b>	<b>108,190,164</b>

The total return at 30 June 2018, calculated by reference to the NAV per ordinary share and the cumulative dividends paid per ordinary share, was 217.6 pence per ordinary share compared to 216.0 pence per ordinary share at 31 March 2018. As a result of the payment of the annual dividend in the quarter, cumulative dividends paid increased by 4.0 pence per ordinary share to 140.4 pence per ordinary share (31 March 2018: 136.4 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2018 was 77.2 pence per ordinary share (31 March 2018: 79.6p pence per ordinary share) representing an increase of 1.6p pence per ordinary share prior to the payment of the dividend of 4.0 pence per ordinary share on 18 May 2018, primarily from the net upward movement in the overall portfolio valuation.

### Shares in issue

Pursuant to its dividend re-investment scheme on 18 May 2018 the Company issued 1,751,747 ordinary shares at a price of 70.68 pence per ordinary share.

The number of ordinary shares in issue at 30 June 2018 was 109,941,911 (31 March 2018: 108,190,164). In addition, at 30 June 2018 the Company held 5,225,018 ordinary shares in treasury (31 March 2018: 5,225,018).

On 4 July 2018 the Company purchased 620,767 ordinary shares of 10 pence each at a price of 72.32 pence per ordinary share. These shares were placed in treasury.

### Net assets

Net assets at 30 June 2018 comprised the following:

	<b>£000</b>	<b>% of net assets</b>
Unquoted investments at fair value	<b>62,878</b>	74.2
Quoted investments at bid price	<b>2,567</b>	3.0
<b>Total investments</b>	<b>65,445</b>	77.2
Fixed income Government security	<b>705</b>	0.8
Listed investment funds	<b>2,378</b>	2.8
Cash and cash equivalents	<b>14,805</b>	17.4
Other net current assets	<b>1,488</b>	1.8
<b>Net assets</b>	<b>84,821</b>	100.0

The investment portfolio at 30 June 2018 was comprised as follows:

	<b>Valuation</b>	<b>Valuation</b>
	<b>£000</b>	<b>as a % of</b>
		<b>net assets</b>
Matillion Limited	<b>5,501</b>	6.5
ACC Aviation	<b>5,426</b>	6.4
Intelligent Office UK	<b>4,492</b>	5.3
Mangar Health Limited	<b>4,382</b>	5.2
Deep-Secure Limited	<b>3,577</b>	4.2
Business Collaborator Limited	<b>3,007</b>	3.6
Eikon Holdco Limited	<b>3,000</b>	3.5
GTK (Holdco) Limited	<b>2,955</b>	3.5
Springboard Research Holdings Limited	<b>2,824</b>	3.3
Gill Marine Holdings Limited	<b>2,744</b>	3.2
	<b>37,908</b>	44.7
Other investments	<b>27,537</b>	32.5
<b>Total investments</b>	<b>65,445</b>	<b>77.2</b>

During the quarter to 30 June 2018 the Company made two new investments of £3.1 million into Hutchinson Networks Limited (a leading provider of multi-vendor IT and network solutions to clients globally) and Arcus Global Limited (a provider of cloud-based software solutions to local and national public sector organisations).

In the quarter to 30 June 2018 the realisation and repayment of investments and loans generated cash proceeds of £2.0 million.

### **Portfolio Performance**

Over the quarter to 30 June 2018 the aggregate portfolio valuation has increased by £1.7 million.

The Board continues to follow its policy of maintaining a diversified portfolio. At 30 June 2018, four investments represented more than 5 per cent of the Company's NAV, the largest being 6.5 per cent.

### **Fundraising**

Having reviewed the Company's likely funding requirements, the Board is considering a full-prospectus fundraising during the current tax year. The quantum and mechanism of the fundraising will be communicated nearer to the launch.

## **Outlook**

The European Commission has approved the revised VCT rules, which means that VCTs are now able to invest up to £10 million into knowledge intensive businesses in any 12-month period. Your Board welcomes this change and, despite the lack of clarity on the UK's future trading relationship with the rest of the EU, these rule changes will allow VCTs to make larger investments in qualifying businesses.

HMRC's advance assurance process now seems to be improving and this has helped to deliver an encouraging level of investment in the first 3 months of the financial year, continuing the trend seen in the previous 3 months. Investments made under the new rules now comprise 31 per cent of the unquoted portfolio and it is pleasing that two well-known specialist US venture investors have recognised the strength of our investee company Matillion's potential through a significant recent investment.

Many of the more mature investments in the portfolio continue to deliver good returns and opportunities to realise them at attractive valuations are constantly evaluated.

Your Board remains highly selective when making investments, although investing in earlier stage companies will increase the risk profile of the portfolio. We hope that shareholders will take advantage of the planned fundraising to increase their investment in the Company.

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU No. 596/2014). Upon the publication of this announcement via Regulatory Information Service this inside information is now considered to be in the public domain.

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### **For further information please contact:**

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