

**British Smaller Companies VCT plc**  
**Interim Management Statement**  
**For the quarter ended 31 December 2019**

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 31 December 2019. 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**

Total Return was up 3.7 pence per ordinary share in the quarter at 227.5 pence per ordinary share, representing an increase of 5.1 per cent over the opening Net Asset Value per ordinary share (“NAV”).

The Company made three new and two follow-on investments totalling £6.8 million in the quarter, and also generated loan and equity proceeds of £6.8 million.

	<b>31 December 2019</b>	<b>Movement</b>	<b>30 September 2019</b>
<b>Net Assets (£m)</b>	<b>105.9</b>	<b>4.5</b>	<b>101.4</b>
<b>NAV per share (PPS)</b>	<b>76.1p</b>	<b>3.7p</b>	<b>72.4p</b>
<b>Cumulative dividends paid (PPS)</b>	<b>151.4p</b>	<b>-</b>	<b>151.4p</b>
<b>Total Return (PPS)</b>	<b>227.5p</b>	<b>3.7p</b>	<b>223.8p</b>
<b>Shares in issue</b>	<b>139,159,959</b>	<b>(858,179)</b>	<b>140,018,138</b>

**Performance**

The Total Return at 31 December 2019, calculated by reference to the NAV per ordinary share and the cumulative dividends paid per ordinary share, was 227.5 pence per ordinary share compared to 223.8 pence per ordinary share at 30 September 2019. Cumulative dividends paid were unchanged at 151.4 pence per ordinary share (30 September 2019: 151.4 pence per ordinary share). The movement in **Total Return** in pence per ordinary share is set out in the table below:

	<b>Pence per ordinary share</b>
Cumulative dividends to 30 September 2019	151.4
Net Asset Value at 30 September 2019	72.4
Total Return at 30 September 2019	223.8
Net underlying increase in portfolio	3.9
Net income after expenses / share issues	(0.2)
Change in Total Return	3.7
<b>Total Return at 31 December 2019</b>	<b>227.5</b>

The unaudited NAV per ordinary share as at 31 December 2019 was up 3.7 pence per ordinary share at 76.1 pence per ordinary share (30 September 2019: 72.4p pence per ordinary share).

The movement in NAV is set out in the table below:

	£m	Pence per ordinary share
NAV at 30 September 2019	101.4	72.4
Net underlying increase in portfolio	5.4	3.9
Net income after expenses	(0.3)	(0.2)
Share buybacks	(0.6)	-
<b>Increase</b>	<b>4.5</b>	<b>3.7</b>
<b>NAV at 31 December 2019</b>	<b>105.9</b>	<b>76.1</b>

### Shares in issue

On 18 December 2019 the Company purchased 858,179 ordinary shares of 10 pence each at a price of 69.28 pence per ordinary share. These shares were placed in treasury.

The number of ordinary shares in issue at 31 December 2019 was 139,159,959 (30 September 2019: 140,018,138). In addition, at 31 December 2019 the Company held 10,340,078 ordinary shares in treasury (30 September 2019: 9,481,899).

### Net assets

Net assets at 31 December 2019 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	<b>68,037</b>	64.3
Listed investment funds	<b>7,550</b>	7.1
Cash and cash equivalents	<b>29,605</b>	28.0
Other net current assets	<b>677</b>	0.6
<b>Net assets</b>	<b>105,869</b>	100.0

The investment portfolio at 31 December 2019 was comprised as follows:

	<b>Valuation</b>	Valuation
	<b>£000</b>	as a % of
		net assets
ACC Aviation Group Limited	<b>9,908</b>	9.4
Matillion Limited	<b>7,233</b>	6.8
Business Collaborator Limited	<b>5,188</b>	4.9
Intelligent Office UK	<b>4,807</b>	4.5
Deep-Secure Ltd	<b>3,115</b>	2.9
Unbiased EC1 Limited	<b>2,946</b>	2.8
Springboard Research Holdings Limited	<b>2,620</b>	2.5
Tonkotsu Limited	<b>2,592</b>	2.5
KeTech Enterprises Limited	<b>2,486</b>	2.3
Elucidat Ltd	<b>2,287</b>	2.2
	<b>43,182</b>	40.8
Other investments	<b>24,855</b>	23.5
<b>Total investments</b>	<b>68,037</b>	64.3

During the quarter to 31 December 2019 the Company made three new investments totalling £6.6 million into SharpCloud Software Limited (a visualisation software product), Paninsight Limited (trading as Panintelligence, a business intelligence and analytics software provider) and Unbiased EC1 Limited (a technology-enabled marketplace connecting consumers to professionals), together with two follow-on investments totalling £0.2 million.

In the quarter to 31 December 2019 the realisation and repayment of investments and loans generated cash proceeds of £6.8 million. The proceeds included £6.3 million from the part - realisation of the Company's investment, made in 2017, in Eikon Holdco Limited equating to a 2.25x return multiple on the whole of the original investment within just 21 months. The Company has also retained a minority interest comprising equity and loan notes in Eikon which provides an opportunity for additional future returns. A further £0.5 million was generated from the realisation of the Company's remaining quoted investments.

### **Portfolio Performance**

As well as the partial realisation of the Company's investment in Eikon Holdco Limited, the quarter saw strong value growth, reflecting the underlying trading performances of the investment portfolio.

The Board continues to maintain a diversified portfolio and at 31 December 2019 the top ten investments represented 40.8 per cent of the net asset value, of which two investments represented more than 5 per cent of the Company's NAV, the largest being 9.4 per cent. Following the partial exit from Eikon Holdco Limited and the six additions this year, investments made since the VCT rule changes in November 2015 now make up 47 per cent of the portfolio.

## **Proposed dividend**

Following the Company's successful partial realisation of its investment in Eikon Holdco Limited noted above, the directors are pleased to announce the payment of a special dividend for the year ending 31 March 2020 of 2.0 pence per ordinary share ("Special Dividend"). This dividend brings the total dividends paid in the current financial year to 6.0 pence per ordinary share.

The Special Dividend will be paid on 20 March 2020 to those shareholders on the Company's register at the close of business on 21 February 2020. The ex-dividend date will be 20 February 2020.

The Company operates a dividend re-investment scheme ("DRIS"). The latest date for receipt of DRIS elections so as to participate in the DRIS in respect of the Special Dividend is the close of business on 6 March 2020.

## **Outlook**

While some political uncertainty has been removed following the General Election result, the changes to the terms of the UK's ongoing trading relationship with the European Union and the rest of the world are still to be agreed. The businesses in the portfolio continue to prepare for the impact of these as appropriate preparing either mitigation plans or developing strategies to take advantage of emerging opportunities.

Having made a further three investments in the quarter, new investment so far in this financial year totals £13.3 million, with follow-on investments of £1.3 million. There are several opportunities currently under review, along with a number of opportunities to realise the value of some of the more mature investments.

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.

11 February 2020

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

David Hall            YFM Private Equity Limited

Tel: 0113 244 1000

Robert Naylor      Panmure Gordon (UK) Limited

Tel: 0207 886 2768