

British Smaller Companies VCT plc
Interim Management Statement
For the quarter ended 30 June 2017

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 2017. 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.

Overview

During the quarter the Company has maintained its total return at 213.00 pence per ordinary share.

In May the Company realised its investment in Selima Holding Company Ltd generating initial proceeds of £2.0 million. This takes the total return from this investment to £2.2 million, a multiple of 3.7x cost. There is the potential for additional contingent consideration of up to a maximum of £1.4m million, subject to the achievement of milestones over the period to November 2019.

Performance

	30 June 2017	Movement	31 March 2017
Net Assets (£m)	83.71	(4.36)	88.07
NAV per share (PPS)	76.55p	(5.75p)	82.30p
Cumulative dividends paid (PPS)	136.45p	5.75p	130.70p
Total Return (PPS)	213.00p	-	213.00p
Shares in issue	109,367,183	2,407,686	106,959,497

The total return at 30 June 2017, calculated by reference to the NAV per ordinary share and the cumulative dividends paid per ordinary share, was 213.00 pence per ordinary share compared to 213.00 pence per ordinary share at 31 March 2017.

The unaudited NAV per ordinary share as at 30 June 2017 was 76.55 pence per ordinary share (31 March 2017: 82.30 pence per ordinary share). The movement in NAV per ordinary share reflects the interim dividend of 5.75 pence per ordinary share paid on 26 May 2017. Following payment of this interim dividend cumulative dividends paid were 136.45 pence per ordinary share (31 March 2017: 130.70 pence per ordinary share).

Shares in issue

Pursuant to its dividend re-investment scheme on 26 May 2017 the Company issued 2,407,686 ordinary shares at a price of 72.53 pence per ordinary share.

The number of ordinary shares in issue at 30 June 2017 was 109,367,183 (31 March 2017: 106,959,497). In addition, at 30 June 2017 the Company held 4,047,999 ordinary shares in treasury (31 March 2017: 4,047,999).

Net assets

Net assets at 30 June 2017 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	51,756	61.8
Quoted investments at bid price	2,498	3.0
Total investments	54,254	64.8
Fixed income government securities	1,440	1.7
Cash and cash equivalents	28,238	33.7
Other net current liabilities	(225)	(0.2)
Net assets	83,707	100.0

The investment portfolio at 30 June 2017 was comprised as follows:

	Valuation £000	Valuation as a % of net assets
ACC Aviation	5,340	6.4
Intelligent Office	4,634	5.5
Mangar Health Limited	4,187	5.0
DisplayPlan Holdings Limited	2,893	3.5
Springboard Research Holdings Limited	2,835	3.4
Business Collaborator Limited	2,716	3.2
GTK (Holdco) Limited	2,530	3.0
Gill Marine Holdings Limited	2,253	2.7
Leengate Holdings Limited	2,238	2.7
Matillion Limited	2,100	2.5
	31,726	37.9
Other investments	22,528	26.9
Total investments	54,254	64.8

During the quarter to 30 June 2017 the Company made one follow-on investment of £0.4 million into Sipsynergy (via Hosted Network Services Limited).

In the quarter to 30 June 2017 the realisation and repayment of investments generated proceeds of £2.7 million, including £2.0 million arising from the realisation of Selima Holdings Company Ltd, generating a multiple of 3.7x original cost.

Subsequent to the period end, in July, the Company invested £1.8 million into Friska Limited, a Bristol based chain of food-to-go restaurants.

Portfolio Performance

The portfolio generated realised gains of £0.6 million in the quarter to 30 June 2017. However, these were offset by an overall decrease of £0.6 million in unrealised portfolio valuations. While there were strong performances in the quarter from the investments in Springboard; Deep Secure; Mangar and Intelligent Office these were more than offset with downgrades from DisplayPlan and Heritage Windows.

The Board continues to follow its policy of maintaining a diversified portfolio. At 30 June 2017, only two investments represented more than 5 per cent of the Company's NAV.

Outlook

Your Board remains encouraged by the increase in investment opportunities that it is seeing. Despite the slowdown that has been seen in gaining advance assurances we remain hopeful that this enquiry rate will continue to translate into increasing the size and diversity of the investment portfolio. We also note the launch of the Patient Capital Review by the Government and will be responding to the calls for consultation and await its outcome with interest.

Retirement of Philip Cammerman

As shareholders will note, Philip Cammerman retired at the Company's AGM on 1 August 2017 and the Board would like thank him for his critical contribution to the Company over the 21 years since it was formed.

When the VCT legislation was introduced back in 1995, by the then Chancellor Ken Clarke, Phil made the decision for YFM to raise a VCT and came up with the name British Smaller Companies VCT. Advertising in some of the dailies with the slogan 'Nicer than an ISA' helped raise some funds and by April 1996, with £4.6 million raised, the Company was formed. The first investment was £160,000 into Freshroast Coffee Co and that has since been followed by 95 others.

Under Phil's stewardship YFM and the VCT grew into one of the most successful fund managers and VCT performers. The fundraisings that were so hard and difficult at the start turned into oversubscriptions and equivalent amounts are now raised in a matter of days.

Colleagues at YFM and on the Board, who have worked with Phil for many years, have enjoyed his company, his good humour and his business acumen. Combining his engineering training with a financial services career has brought a rare blend of skills to his role on the Board which has significantly contributed to the Company's development.

The Board and all at YFM thank Phil for his immense contribution to the Company, and wish him all the best for a long and healthy retirement.

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.

23 August 2017

For further information please contact:

David Hall YFM Private Equity Limited
Jonathan Becher Panmure Gordon (UK) Limited

Tel: 0113 244 1000
Tel: 0207 886 2715