

**British Smaller Companies VCT plc**  
**Interim Management Statement**  
**For the quarter ended 30 June 2016**

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 2016. 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 good progress in the quarter with the net asset value increasing by 1.5% to 101.5 pence per ordinary share, taking the total return to 210.2 pence per ordinary share.

The portfolio delivered a total return of £1.45 million in the quarter, equivalent to 2.4% of its value at 1 April 2016. Improved profitability in a number of investments contributed to a £1.13 million return from the portfolio in the quarter with a £0.32 million surplus on income.

The Company completed one new investment during the quarter; on 30 June 2016 it invested £1.35 million into Hosted Network Solutions Limited, trading as Sipsynergy.

It will be some time before we know the real impact of the recent vote to leave the European Union on the Company’s ability to make new investments, realise existing investments and on its current portfolio and the Board will keep this under constant review.

The Company has adapted its investment strategy to the new VCT legislation and is now seeing a number of high quality investment opportunities, the first of which completed on 30 June 2016.

**Performance**

	<b>30 June 2016</b>	<b>Movement</b>	<b>31 March 2016</b>
<b>Net Assets (£m)</b>	<b>97.1</b>	<b>1.4</b>	<b>95.7</b>
<b>NAV per share (PPS)</b>	<b>101.5</b>	<b>1.5</b>	<b>100.0</b>
<b>Cumulative dividends paid (PPS)</b>	<b>108.7</b>	<b>-</b>	<b>108.7</b>
<b>Total Return (PPS)</b>	<b>210.2</b>	<b>1.5</b>	<b>208.7</b>
<b>Shares in issue</b>	<b>95,639,906</b>	<b>(115,764)</b>	<b>95,755,670</b>

The total return at 30 June 2016, calculated by reference to the NAV per ordinary share and the cumulative dividends paid per ordinary share, was 210.2 pence per ordinary share compared to 208.7 pence per ordinary share at 31 March 2016. Cumulative dividends paid were unchanged at 108.7 pence per ordinary share (31 March 2016: 108.7 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2016 was 101.5 pence per ordinary share (31 March 2016: 100.0 pence per ordinary share) representing an increase of 1.5 pence per ordinary share. The increase in NAV per ordinary share is primarily due to the net upward movement in the overall portfolio valuation.

#### Dividends and shares in issue

The Company has announced the payment of an interim dividend of 2.0 pence per ordinary share for the year ending 31 March 2017. This dividend will be paid on 5 August 2016 to those shareholders on the Company's register at close of business on 1 July 2016.

The number of ordinary shares in issue at 30 June 2016 was 95,639,906 (31 March 2016: 95,755,670). In addition, at 30 June 2016 the Company held 3,705,429 ordinary shares in treasury (31 March 2016: 3,589,665). On 17 June 2016 the Company purchased 115,764 ordinary shares at a cost of £0.1 million. These shares are held in Treasury.

On 6 July 2016 the Company purchased 217,570 ordinary shares at a cost of £0.2 million. These shares are held in Treasury.

#### Net assets

Net assets at 30 June 2016 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	2,240	2.3
Quoted investments at bid price	58,335	60.1
<b>Total private equity investments</b>	<b>60,575</b>	<b>62.4</b>
Fixed income securities	1,454	1.5
Total Investments	62,029	63.9
Cash and short term deposits	34,622	35.7
Other net current assets	413	0.4
<b>Net assets</b>	<b>97,064</b>	<b>100.0</b>

The investment portfolio at 30 June 2016 was comprised as follows:

	Valuation £000	Valuation as a % of net assets
GO Outdoors	10,708	11.0
Intelligent Office	4,895	5.0
Mangar Health Limited	3,410	3.5
ACC Aviation	3,408	3.5
DisplayPlan Holdings Limited	3,399	3.5
GTK (Holdco) Limited	2,802	2.9
Springboard Research Holdings Limited	2,469	2.6
Gill Marine Holdings Limited	2,296	2.4
Business Collaborator Limited	2,251	2.3
Leengate Holdings Limited	2,058	2.1

	<b>37,696</b>	38.8
Other investments	<b>22,879</b>	23.6
<b>Total investments</b>	<b>60,575</b>	62.4

During the quarter to 30 June 2016 the Company made one investment of £1.35 million into Hosted Network Solutions Limited, trading as Sipsynergy.

In the quarter to 30 June 2016 the realisation and repayment of investments generated proceeds of £0.7 million.

### **Portfolio Performance**

Over the quarter to 30 June 2016 aggregate unrealised portfolio valuations have increased by £1.1 million.

The Board continues to follow its policy of maintaining a diversified portfolio. At 30 June 2016, only two investments represented more than 3.5 per cent of the Company's NAV.

### **Outlook**

The investment pipeline now contains a number of attractive opportunities, and discussions are well advanced in a number of cases. The Board expects the level of investment to build gradually over the rest of the year as the impact of the operation of the new rules becomes clearer.

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

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