

**British Smaller Companies VCT plc**  
**Interim Management Statement**  
**For the quarter ended 30 June 2019**

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 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 unchanged in the quarter at 221.7 pence per ordinary share.

The Company made three new and one follow-on investments of £7.8 million in the quarter, and on 12 June 2019 paid an interim dividend of 4.0 pence per ordinary share. In April 2019 the Company issued 28,769,702 ordinary shares relating to the fundraising with British Smaller Companies VCT2 plc receiving net proceeds of £21.3 million.

	<b>30 June 2019</b>	<b>Movement</b>	<b>31 March 2019</b>
<b>Net Assets (£m)</b>	<b>98.7</b>	<b>16.7</b>	<b>82.0</b>
<b>NAV per share (PPS)</b>	<b>70.3p</b>	<b>(4.0p)</b>	<b>74.3p</b>
<b>Cumulative dividends paid (PPS)</b>	<b>151.4p</b>	<b>4.0p</b>	<b>147.4p</b>
<b>Total Return (PPS)</b>	<b>221.7p</b>	<b>-</b>	<b>221.7p</b>
<b>Shares in issue</b>	<b>140,535,138</b>	<b>30,177,340</b>	<b>110,357,798</b>

**Performance**

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 31 March 2019	147.4
Net Asset Value (“NAV”) at 31 March 2019	74.3
Total Return at 31 March 2019	221.7
Net underlying increase in portfolio	0.1
Net income after expenses / share issues	(0.1)
Change in Total Return	-
<b>Total Return at 30 June 2019</b>	<b>221.7</b>

The Total Return at 30 June 2019, calculated by reference to the NAV per ordinary share and the cumulative dividends paid per ordinary share, was 221.7 pence per ordinary share compared to 221.7 pence per ordinary share at 31 March 2019. 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 151.4 pence per ordinary share (31 March 2019: 147.4 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2019 was 70.3 pence per ordinary share (31 March 2019: 74.3p pence per ordinary share), unchanged prior to the payment of the dividend of 4.0 pence per ordinary share on 12 June 2019.

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 31 March 2019	82.0	74.3
Net underlying increase in portfolio	0.1	-
Net income after expenses	(0.1)	-
Issue of shares/buybacks	22.3	-
<b>Increase</b>	<b>22.3</b>	<b>-</b>
NAV before the payment of dividends	104.3	74.3
Dividends paid	(5.6)	(4.0)
<b>NAV at 30 June 2019</b>	<b>98.7</b>	<b>70.3</b>

### Shares in issue

On 1 April 2019 the Company issued 28,769,702 ordinary shares relating to the fundraising at offer prices ranging between 76.00p and 77.52p per ordinary share, receiving net proceeds of £21.3 million.

Pursuant to its dividend re-investment scheme on 12 June 2019 the Company issued 2,397,364 ordinary shares at a price of 66.60 pence per ordinary share.

On 26 June 2019 the Company purchased 989,726 ordinary shares of 10 pence each at a price of 70.90 pence per ordinary share. These shares were placed in treasury.

The number of ordinary shares in issue at 30 June 2019 was 140,535,138 (31 March 2019: 110,357,798). In addition, at 30 June 2019 the Company held 8,964,899 ordinary shares in treasury (31 March 2019: 7,975,173).

### Net assets

Net assets at 30 June 2019 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	<b>58,914</b>	59.6
Quoted investments at bid price	<b>1,348</b>	1.4
<b>Total investments</b>	<b>60,262</b>	61.0
Listed investment funds	<b>2,566</b>	2.6
Cash and cash equivalents	<b>34,547</b>	35.0
Other net current assets	<b>1,351</b>	1.4
<b>Net assets</b>	<b>98,726</b>	100.0

The investment portfolio at 30 June 2019 was comprised as follows:

	<b>Valuation</b>	<b>Valuation</b>
	<b>£000</b>	<b>as a % of</b>
		<b>net assets</b>
ACC Aviation Group Limited	<b>9,267</b>	9.4
Matillion Limited	<b>6,118</b>	6.2
Intelligent Office UK	<b>4,454</b>	4.5
Business Collaborator Limited	<b>3,941</b>	4.0
Deep-Secure Limited	<b>3,571</b>	3.6
Eikon Holdco Limited	<b>3,513</b>	3.5
Tonkotsu Limited	<b>2,388</b>	2.4
Arcus Global Limited	<b>2,378</b>	2.4
Springboard Research Holdings Limited	<b>2,162</b>	2.2
Wooshii Limited	<b>2,160</b>	2.2
	<b>39,952</b>	40.4
Other investments	<b>20,310</b>	20.6
<b>Total investments</b>	<b>60,262</b>	61.0

During the quarter to 30 June 2019 the Company made three new investments of £6.7 million into Tonkotsu Limited (a ramen restaurant chain), Wooshii Limited (a disruptive video agency) and Elucidat Limited (a business with an e-learning software platform) and one follow-on investment of £1.1 million into Arcus Global Limited.

In the quarter to 30 June 2019 the realisation and repayment of investments and loans generated cash proceeds of £4.7 million. The proceeds included £1.9 million from the full realisation of the investment in Leengate Holdings Limited. In May 2019 Matillion Limited successfully raised \$35 million to support its continued international expansion. At the same time the Company realised part of its investment for £2.1 million (\$2.8 million) at an attractive valuation of \$160 million. The proceeds received equate to the cost of the first investment in November 2016 while retaining just under 5 per cent of the ordinary share capital.

### **Portfolio Performance**

The Board continues to maintain a diversified portfolio and at 30 June 2019 two investments represented more than 5 per cent of the Company's NAV, the largest being 9.4 per cent.

### **Fundraising**

On 27 November 2018 the Company launched a new share offer with British Smaller Companies VCT2 plc. The offer closed on 11 February 2019 raising total gross proceeds for both companies of £35 million. The allotment of 28,769,702 new ordinary shares took place on 1 April 2019, subsequent to which the Company received net proceeds of £21.3 million.

## **Board Composition**

Following Edward Buchan's decision to retire from the Board at the Annual General Meeting on 11 September 2019 the Board has completed a successful recruitment process.

Adam Bastin, who will join the Board at the Annual General Meeting on 11 September 2019, is currently VP of Corporate Development at ARM Limited, where he leads acquisitions and investments on behalf of Arm. He also holds non-executive positions at a number of growing technology businesses.

Jonathan Cartwright, who will join the Board on 1 October 2019, has held a number of non-executive positions in private and public companies and has extensive experience of investment trusts and VCTs. He is currently Chairman of Blackrock Income & Growth Investment Trust plc and is a non-executive director of Income & Growth VCT plc.

## **Outlook**

The recent changes to HMRC's advance assurance process have helped to deliver an encouraging level of investment in the first quarter of the financial year with three new investments totalling £6.7 million, across a range of sectors.

The new investment pipeline remains strong with several attractive opportunities currently under review and opportunities to realise the value of some of the more mature investments are being considered.

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:**

David Hall            YFM Private Equity Limited

Tel: 0113 244 1000

Robert Naylor      Panmure Gordon (UK) Limited

Tel: 0207 886 2768