

British Smaller Companies VCT plc

Interim Management Statement

For the quarter ended 30 June 2023

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 2023. 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

In the quarter to 30 June 2023, the Company’s Net Asset Value per share return was unchanged at 83.7 pence. In comparison, the FTSE Small Cap Index fell by 0.4 per cent during the period. AIC data ranks the Company first across all generalist VCTs when considering a blended average performance ranking over 1, 3, 5, 7 and 10 years.

The Company's Total Return at 30 June 2023 was unchanged at 258.6 pence per ordinary share.

During the quarter, the Company invested £2.6 million into Workbuzz, an employee insights and engagement settlement platform. The Company also invested a further £0.8 million into Relative Insight. The Company realised its investment in Ncam in April, generating initial proceeds of £1.4 million. There is the potential for additional receipts of up to £1.2 million depending on the achievement of certain milestones over the coming years, which would see the Company fully recover its investment; £0.3 million of deferred proceeds have been recognised at the period end.

Subsequent to the period end, the Company has made a further investment of £0.3 million into Elucidat.

Performance

The table below sets out movements in key metrics for the Company.

	31 March 2023	<i>Increase in Value</i>	<i>Shares issued</i>	<i>Buyback of shares</i>	Movement In Period	30 June 2023
Net Assets (£m)	157.0	<i>0.4</i>	<i>44.4</i>	<i>(0.4)</i>	44.4	201.4
NAV per share (PPS)	83.7	<i>0.2</i>	<i>(0.2)</i>	-	-	83.7
Cumulative dividends paid (PPS)	174.9	-	-	-	-	174.9
Total Return (PPS)	258.6	<i>0.2</i>	<i>(0.2)</i>	-	-	258.6
Shares in issue	187,679,279	-	<i>53,559,905</i>	<i>(451,965)</i>	53,107,940	240,787,219

Cumulative dividends paid at 30 June 2023 were unchanged at 174.9 pence per ordinary share (31 March 2023: 174.9 pence per ordinary share).

The movements in NAV and NAV per ordinary share are set out in the table below:

	£m	Pence per ordinary share
NAV at 31 March 2023	157.0	83.7
Increase in portfolio value	0.6	0.3
Net operating costs	(0.2)	(0.1)
	0.4	0.2
Issue/buy-back of shares*	44.0	(0.2)
Total Return in the period	44.4	-
NAV at 30 June 2023	201.4	83.7

* The allotment of shares from the 2022/23 fundraising reduced total return per ordinary share as the fundraising was priced at the last reported NAV at the time of the allotment of 82.8 pence per ordinary share, being the NAV as at 31 December 2022 of 87.3 pence per ordinary share, adjusted for the special interim dividend of 4.5 pence per ordinary share paid on 11 January 2023.

Post-period end, on 28 July 2023, a dividend of 2.0 pence per ordinary share for the year ending 31 March 2024 was paid, resulting in a corresponding reduction to the 30 June 2023 unaudited NAV, to 81.7 pence per ordinary share.

Dividends and shares in issue

On 4 April 2023, the Company allotted 53,559,905 shares following the close of its 2022/23 fundraising.

Under its standing buyback authority, on 26 June 2023 the Company purchased 451,965 shares at 80.02 pence at a cost of £0.36 million. These shares are held in treasury.

Subsequent to the quarter end, on 28 July 2023 the Company issued 1,270,231 shares under the Company's Dividend Re-investment Scheme (DRIS) following the payment of the interim dividend, taking the number of shares in issue at that date to 242,057,450, with a further 22,459,730 shares held in treasury.

Net assets

Net assets at 30 June 2023 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	125,850	62.5
Listed investment funds	3,745	1.9
Cash and cash equivalents	69,854	34.7
Other net assets	1,993	0.9
Net assets	201,442	100.0

Investments

The investment portfolio at 30 June 2023 comprised:

	Valuation	Cumulative
	£000	valuation
		as a % of
		net assets
Matillion	24,886	12.4%
Unbiased	10,511	17.6%
Displayplan	8,829	22.0%
Outpost	8,680	26.3%
Wooshii	6,981	29.7%
Elucidat	6,226	32.8%
Force24	4,758	35.2%
Vypr	4,159	37.2%
ACC Aviation	4,095	39.3%
Quality Clouds	4,032	41.3%
	83,157	41.3%
Other investments	42,693	21.2%
Total investments	125,850	62.5%

Portfolio performance

Over the quarter to 30 June 2023, the aggregate unquoted portfolio valuation has increased by £0.8 million.

Fundraising

On 4 April 2023 the Company allotted shares from its fully subscribed 2022-23 share offer. £44.4 million was raised by the Company, resulting in the allotment of 53,559,905 ordinary shares.

On 2 August 2023, the Company announced its intention to launch a joint offer for subscription for the 2023-24 tax year later this year, alongside British Smaller Companies VCT2 plc. A prospectus with full details of the proposed Offer is expected to be published in mid-to-late September.

Outlook

Portfolio companies continue to show resilience in navigating a challenging macro environment, charting a path that balances continued growth with a move towards profitability. While rising interest rates will slow economic growth, a more capital constrained environment reduces competition and alternative funding sources, providing opportunities for further deployment of capital for the Company, in both new and existing portfolio companies. In this vein, the Company continues to see a healthy pipeline of opportunities in which to invest in fast growing British businesses.

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.

13 September 2023

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