

The Company aims to build a diversified portfolio by investing in a variety of UK businesses spanning both established and emerging industries, all of which demonstrate potential for growth and innovation in their products and services.

Dear Shareholder

We are pleased to provide an update on the progress of British Smaller Companies VCT plc (BSC).

Performance

In the quarter to 31 December 2023, BSC generated a 4.0 per cent return on its opening Net Asset Value of 82.4 pence, prior to the payment of the interim dividend of 2.0 pence on 8 December 2023. The Total Return at 31 December 2023 was up 3.3 pence at 262.6 pence per ordinary share.

Investments

We are continuing to see promising potential new investments, as well as opportunities to deploy funds into the existing portfolio to help our investments accelerate their growth plans. During the quarter, BSC invested a further £0.8 million into Force24 (cloud-based marketing automation technology) and £0.5 million into Vuealta (business planning software and services). Subsequent to the quarter end, BSC has invested £1.8 million into three follow-on investments: Outpost (visual effects for film and TV); Relative Insight (AI-based text data analytics platform); and SharpCloud (a visualisation tool to enable better business collaboration).

Realisations

In November 2023, BSC exited its investment in E2E, a consultancy in the satellite industry, for £2.0 million, representing a 2.5x return on BSC's cost. Also in November, the investment in MacroArt, a largescale branding and signage specialist, was realised for £1.5 million, representing a 2.0x return on cost for BSC.

BSC has seen further realisations post-quarter-end, partially realising its investments in KeTech (specialist manufacturer and distributor to the rail communications, security and defence sectors) and Arcus (cloud-based software solutions for the public sector) in January 2024, and fully exiting its investment in Displayplan in February 2024, all at valuations in line with book value at 31 December 2023.

To maximise shareholder value, the KeTech business was split into its two component parts, Rail and Defence. The Defence business was subsequently sold in January 2024, generating proceeds of £1.5 million. To date, BSC has realised proceeds of £4.1 million from its KeTech investment, a 2.0x return on cost, while still retaining its investment in the Rail business, which at the period end was valued at £1.3 million.

In February 2024, the Company sold its investment in Displayplan, a retail display consultancy, for £9.0 million. Total proceeds received over the life of the investment are £12.5 million, an excellent 9.6x return on BSC's cost. There is the potential for further deferred proceeds in due course.

Regulatory Developments

In the Autumn Statement on 22 November 2023, the Government announced it would extend the sunset clause currently in place for Venture Capital Trusts until April 2035, and that it would include legislation to achieve this in the 2023/24 Finance Bill, which subsequently received Royal Assent on 22 February 2024.

Fundraising

The BSC VCTs invest in growing businesses located across the UK from YFM's five regional offices. YFM has invested heavily in its new deal capability, and this, as well as increased demand for equity investment provided by Venture Capital Trusts, has seen the BSC VCTs deploy c£70 million since January 2022.

To take advantage of the high level and quality of new opportunities available throughout the UK regions, continue supporting our existing portfolio companies with follow-on funding and manage ongoing cashflow requirements, the BSC VCTs have just raised £90 million of new investment funds, of which £55.5 million relate to BSC.

The first allotment of £30 million of gross proceeds took place on 30 January 2024, with the second and final allotment on 3 April 2024.

Shareholder Workshop

We would be delighted if you could join us at our next shareholder workshop, which takes place on Thursday 20 June 2024 at One Great George Street in the heart of London's Westminster. **You will find further details below and your reply slip on page 2.** The workshop is a highlight of our financial year, and we very much hope you'll be able to attend.



Thank you again for your continued support.

Eamon Nolan
Managing Partner, YFM Equity Partners



Past performance is no guide to future performance and the value of an investment in British Smaller Companies VCT plc may go down as well as up and you may not get back the full amount invested.

SHAREHOLDER WORKSHOP Thursday 20 June 2024

We are delighted to announce that the next shareholder workshop will be returning to One Great George Street, Westminster, London, SW1P 3AA on Thursday 20 June 2024. We expect to begin with registration between 10.00am – 10.30am and to finish at approximately 1.30pm with lunch.

If you would like to attend, the best way to do this is to **email Tracey at tracey.nice@yfmeq.com** (please make sure you include your address and any dietary requirements). **Alternatively, complete the form overleaf and return in the reply-paid enclosed envelope.** Please do not write anything on the envelope - FREEPOST YFM - is correct.

Confirmation and an itinerary of the day will be emailed/posted out nearer the time.

If you need any further information, please call Tracey on 07500 330986. We look forward to seeing you there!



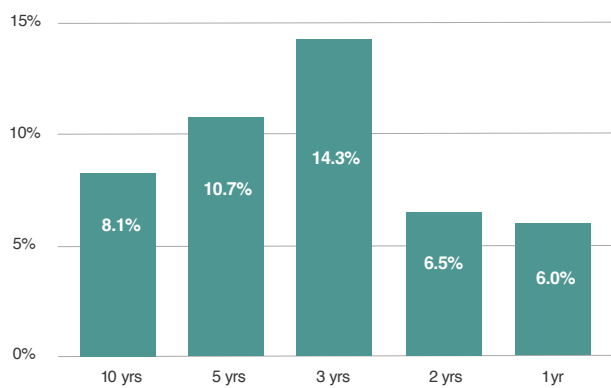
Sector: Data
Location: London
Deal type: Growth Capital
Investment size: £3.9 million
Investment date: 2023
Website: geeiq.com

“Global brands have been relying on GEEIQ and this latest investment will turbo-charge our ability to support them further, as well as enabling us to tap into new business opportunities. We want to ensure that our company is as well positioned as possible to help visionary brands gain a data-driven and profitable presence in the virtual space. YFM have provided us with outstanding support from the outset of our relationship with them. Going far beyond what a typical investor would offer, they have taken the time to really understand the drivers of our business, which can be challenging in such a new sphere.”

CHARLES HAMBRO, GEEIQ CEO

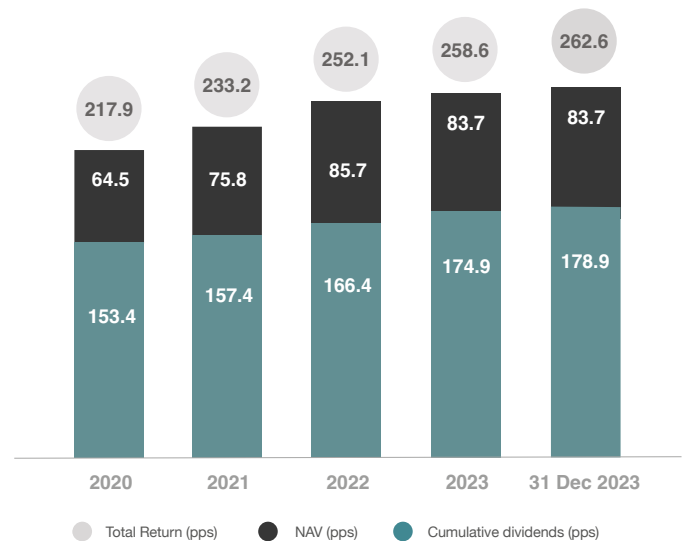
BSC Investment Rate Of Return

Annualised rate of return per annum over 10, 5, 3, 2 and 1 year periods to 31 December 2023*



*Excluding DRIS and benefits of all tax reliefs

BSC Total Shareholder Return



As at 31 March unless otherwise stated

INVITATION

SHAREHOLDER WORKSHOP Thursday 20 June 2024
 Please detach reply slip below and return in the enclosed envelope.

I would like to attend the shareholder workshop being held on Thursday 20 June 2024 at One Great George Street.

Name:

Address:

Postcode:

Email:

Tel:

Please let us know of any dietary requirements by selecting from the list below:

Vegan Vegetarian Gluten free

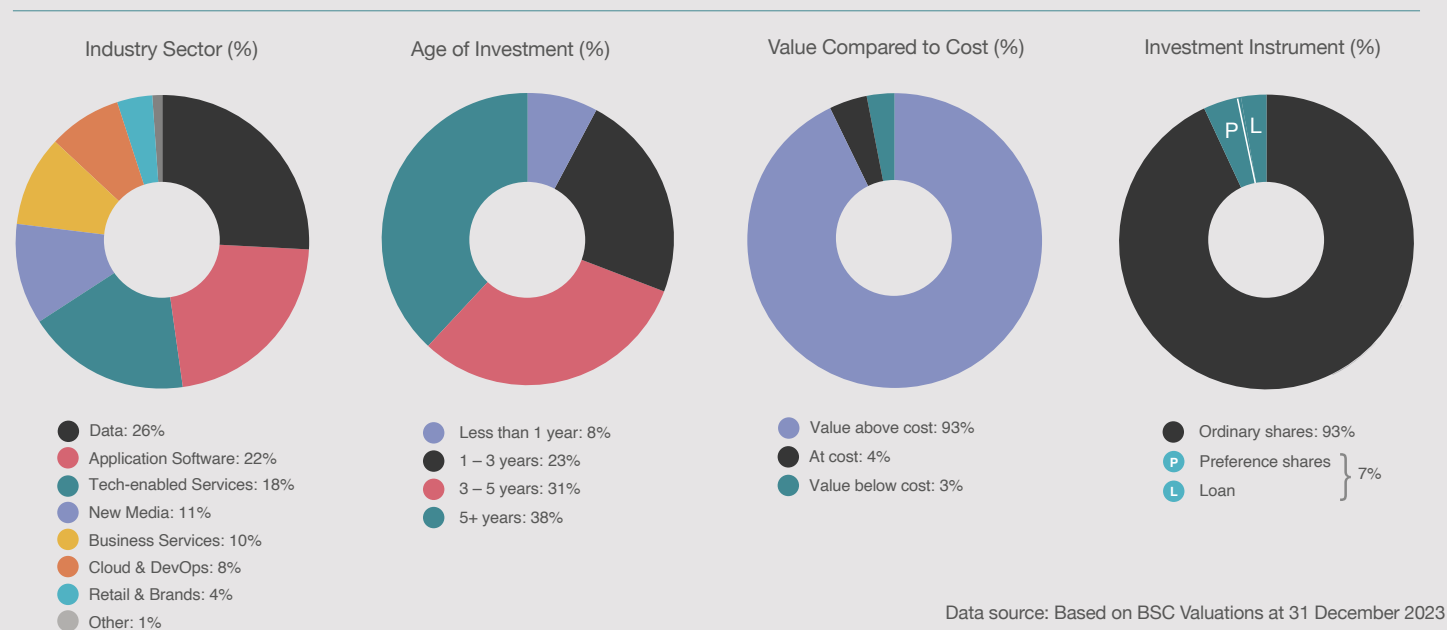
Please include your telephone number in case we need to speak to you.

Portfolio Update

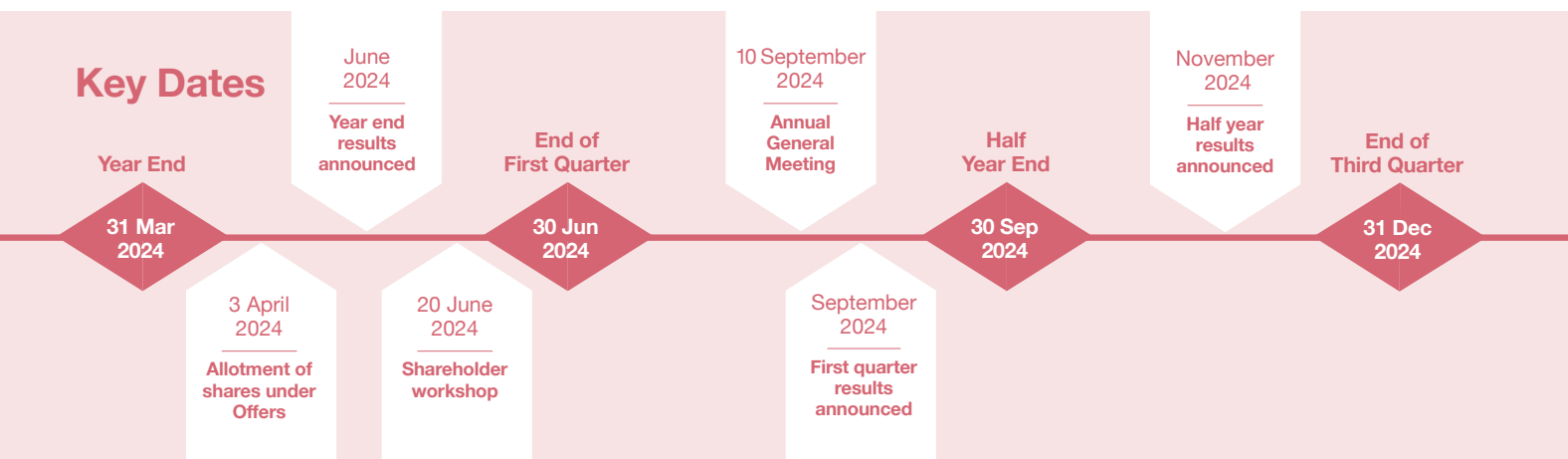
The quarter to 31 December 2023 continued to show underlying growth for many of the services and products offered by our companies and delivered a gain of £7.5 million (net of additions and disposals) of which £3.3 million came from Matillion, SharpCloud and Unbiased combined, with a further £0.9 million from KeTech and Displayplan, both of which were realised shortly after the quarter end with proceeds received in line with the respective valuations at 31 December 2023. The portfolio includes 26 companies where BSC's stake is valued at over £1.0 million.

Company	Website	Unaudited investment valuation at 30 Sep 2023 £000	Proceeds £000	Additions £000		Valuation gains (losses) including profits on disposal £000	Unaudited investment valuation at 31 Dec 2023 £000	Cumulative % of net asset value of £201.79m
Matillion	matillion.com	25,233	–	–	↑	1,207	26,440	13.1%
Unbiased	unbiased.co.uk	11,559	–	–	↑	986	12,545	19.3%
Outpost	outpost-vfx.com	8,936	–	–	↓	(117)	8,819	23.7%
Displayplan	displayplan.com	8,611	–	–	↑	195	8,806	28.1%
Elucidat	elucidat.com	6,494	–	–	↑	102	6,596	31.3%
Force24	force24.co.uk	4,792	–	750	↑	647	6,189	34.4%
Wooshii	wooshii.com	6,006	–	–	↓	(549)	5,457	37.1%
SharpCloud	sharpcloud.com	3,859	–	–	↑	1,106	4,965	39.6%
Vypr	vyprclients.com	4,119	–	–	↑	715	4,834	41.9%
ACC Aviation	accaviation.com	4,405	–	–	↓	(65)	4,340	44.1%
Top 10 total		84,014	–	750	↑	4,227	88,991	44.1%
Remainder of portfolio		46,279	(3,444)	535	↑	3,288	46,658	67.2%
Total portfolio		130,293	(3,444)	1,285	↑	7,515	135,649	67.2%

Portfolio at a Glance



Key Dates



For your Records - Dividends and Dates

The table below displays the dates when BSC dividends have been paid and we hope you find it useful in keeping and checking your records.

Date paid	Pence per share
Cumulative to 31 March 2012	79.20
17 August 2012	3.00
14 January 2013	2.00
13 August 2013	4.50
21 March 2014	2.00
1 August 2014	3.50
7 January 2015	2.00
2 March 2015	2.50
4 August 2015	3.50
7 September 2015	3.50

Date paid	Pence per share
15 January 2016	2.00
11 March 2016	1.00
5 August 2016	2.00
5 August 2016	3.50
18 January 2017	16.50
26 May 2017	5.75
18 May 2018	4.00
15 February 2019	7.00
12 June 2019	4.00
20 March 2020	2.00

Date paid	Pence per share
31 July 2020	2.00
5 October 2020	2.00
23 July 2021	2.00
16 November 2021	5.00
5 January 2022	2.00
12 July 2022	2.00
3 October 2022	2.00
11 January 2023	4.50
28 July 2023	2.00
8 December 2023	2.00
Cumulative to 31 December 2023	178.95

Important notice



This Investor Update is for information only. It has been provided to help you understand how the fund is invested and performing. It is not an offer to invest in the Company and should not be used for making investment decisions. Please contact your financial adviser if you require further explanation or advice.

Past performance is no guide to future performance and the value of an investment in British Smaller Companies VCT plc ("the Company") may go down as well as up and you may not get back the full amount invested.

Nothing within this Investor Update should be construed as investment, tax, legal or other advice. Tax treatment depends on individual circumstances, and may be subject to change in the future.

This Investor Update has been issued by YFM Private Equity Limited ("YFM"), which is authorised and regulated by the Financial Conduct Authority (FRN: 122120). YFM is the Fund Manager to the Company. YFM Private Equity Limited is ultimately owned by YFM Equity Partners LLP which is registered in England and Wales No: OC384467. Registered Office: 5th Floor, Valiant Building, 14 South Parade, Leeds LS1 5QS.

Contact us

Please call or email for further information on any shareholder issue, including switching to direct dividend payments, and for more details on the shareholder workshop.

- Dividends
- Shareholder workshop
- General

Tracey Nice

Investor Relations Manager

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🌐 bscfunds.com

