

British Smaller Companies VCT plc

Interim Management Statement

For the quarter ended 30 June 2024

British Smaller Companies VCT plc (the “Company”) presents its interim management statement for the quarter ended 30 June 2024. 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

As previously announced on 20 August 2024, in the quarter to 30 June 2024 the Company’s Net Asset Value per share was down by 0.1 pence to 83.5 pence, with promising progress and strong growth rates of a number of portfolio companies moderated by company-specific circumstances in other businesses in the portfolio. The FTSE Small Cap Index rose by 5.3 per cent during the period.

The Company’s Total Return at 30 June 2024 was down 0.1 pence, to 262.4 pence per ordinary share.

During the quarter, the Company invested £6.8 million into three new investments: Fuuse, Ohalo and Spotless Water; and invested a further £2.3 million into existing portfolio companies Plandek and Summize. Subsequent to the quarter end, the Company has invested £8.8 million into four existing portfolio companies: AutomatePro, SharpCloud, Quality Clouds and Xapien, taking the total amount invested so far this year to £17.9 million.

The Company, alongside British Smaller Companies VCT2 plc, raised £90 million in aggregate under the offers launched on 20 September 2023 in relation to the 2023/24 tax year. A total of £55.4 million was raised by the Company, of which £18.6 million had been allotted on 30 January 2024 and £36.8 million was allotted on 3 April 2024.

Performance

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

	31 March 2024	<i>Decrease in Value</i>	<i>Shares issued</i>	<i>Buyback of shares</i>	Movement In Period	30 June 2024
Net Assets (£m)	219.6	<i>(0.4)</i>	<i>35.7</i>	<i>(2.4)</i>	32.9	252.5
NAV per share (PPS)	83.6	<i>(0.1)</i>	-	-	(0.1)	83.5
Cumulative dividends paid (PPS)	178.9	-	-	-	-	178.9
Total Return (PPS)	262.5	<i>(0.1)</i>	-	-	(0.1)	262.4
Shares in issue	262,659,361	-	<i>42,588,037</i>	<i>(2,972,034)</i>	39,616,003	302,275,364

Cumulative dividends paid at 30 June 2024 were 178.9 pence per ordinary share (31 March 2024: 178.9 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 2024	219.6	83.6
Decrease in portfolio value	(0.9)	(0.3)
Net operating income	0.5	0.2
	(0.4)	(0.1)
Issue/buy-back of shares	33.3	-
Total Return in the period	32.9	(0.1)
NAV at 30 June 2024	252.5	83.5

Dividends and shares in issue

On 3 April 2024 the Company issued 42,588,037 shares in relation to the second and final allotment from its 2023/24 fundraising.

Under its standing buyback authority, on 24 June 2024 the Company purchased 2,972,034 shares at 79.92 pence per share at a cost of £2.4 million. These shares are held in treasury.

Post-period end, on 26 July 2024, a dividend of 2.0 pence per ordinary share for the year ending 31 March 2025 was paid, resulting in a corresponding reduction in the Company's NAV per ordinary share, adjusting the last reported NAV to 81.5 pence per ordinary share. Cumulative dividends paid are now 180.9 pence per ordinary share.

On 26 July 2024 the Company issued 1,369,910 shares under the Company's Dividend Re-investment Scheme (DRIS). following which the Company's issued share capital consists of 303,645,274 ordinary shares with voting rights and 28,610,455 shares held in treasury.

Net assets

Net assets at 30 June 2024 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	134,734	53.4
Cash and money market funds	114,097	45.2
Other net assets	3,664	1.4
Net assets	252,495	100.0

Investments

The investment portfolio at 30 June 2024 comprised:

	Valuation £000	Cumulative valuation as a % of net assets
Matillion	24,076	9.5%
Unbiased	13,889	15.0%
Outpost	8,506	18.4%
Elucidat	6,106	20.8%
Vypr	5,947	23.2%
Force24	5,781	25.5%
SharpCloud	5,565	27.7%
ACC Aviation	5,299	29.8%
Plandek	4,043	31.4%
Quality Clouds	3,930	32.9%
	83,142	32.9%
Other investments	51,592	53.4%
Total investments	134,734	53.4%

Portfolio performance

Over the quarter to 30 June 2024, the aggregate unquoted portfolio valuation has decreased by £0.9 million.

Fundraising

On 20 August 2024, the Company announced its intention to launch a new joint offer for subscription for the tax year 2024/25 later this year, alongside British Smaller Companies VCT2 plc (together the “Companies”). As announced on 10 September 2024, the current intention is for the Companies, in aggregate, to raise up to £50 million, with over-allotment facilities of up to a further £25 million in aggregate, before issue costs. Any election to make use of their over-allotment facility will be subject to the decision of the individual boards of the Companies at the relevant time.

A prospectus with full details of the proposed Offer is expected to be published in mid-October, with applications expected to open one week following publication. Once published, the prospectus will be available from the Companies' website, www.bscfunds.com.

Outlook

The UK economy is showing encouraging signs, with interest rates beginning to come down from their recent highs after the CPI inflation rate reached the Bank of England's 2.0 per cent target. There is also the promise of greater political stability following July's general election and a government agenda focused on growth.

However, global uncertainty remains, with some market turbulence driven by concerns over the US economy, as well as the outcome of the US election in November.

In this environment, the Company is focused on accelerating the growth of its most promising and fastest-growing assets, while also supporting companies currently facing challenges.

There is an encouraging pipeline of new opportunities, and it is expected that the portfolio will see further additions in the coming months.

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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