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British Smaller Companies VCT PLC
20 March 2023

British Smaller Companies VCT plc
Interim Management Statement
For the quarter ended 31 December 2022

British Smaller Companies VCT plc (the "Company") presents its interim management statement for the quarter ended 31 December 2022. 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 31 December 2022 the Company generated a Total Return of 4.3 pence per ordinary share, a 5.1 per cent increase on the net asset value (NAV) at the beginning of the quarter of 85.0 pence per share. The Company is now ranked first across all generalist VCTs when considering a blended average performance ranking over 1, 3, 5 and 10 years. Total Return is now 257.7 pence per share.

Performance

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

	30 September 2022	*Increase in Value*	*Dividends paid/shares issued*	*Buyback of shares*	**Movement In Period**	**31 December 2022**
Net Assets (£m)	**158.1**	*8.0*	*(2.8)*	*(0.6)*	**4.6**	**162.7**
NAV per share (PPS)	**85.0**	*4.3*	*(2.0)*	-	**2.3**	**87.3**
Cumulative dividends paid (PPS)	**168.4**	-	*2.0*	-	**2.0**	**170.4**
Total Return (PPS)	**253.4**	*4.3*	-	-	**4.3**	**257.7**
Shares in issue	**186,112,757**	-	*1,054,908*	*(775,240)*	**279,668**	**186,392,425**

The unaudited NAV per ordinary share increased in value by 4.3 pence; after payment of 2.0 pence of dividends, NAV per ordinary share stood at 87.3 pence per share at the period end. Cumulative dividends paid at 31 December 2022 were 170.4 pence per ordinary share (30 September 2022: 168.4 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 30 September 2022		158.1		85.0
Increase in portfolio value	7.5		4.0	
Net operating income	0.5		0.3	
	8.0		4.3	
Issue/buy-back of shares	0.3		-	
Total Return in the period		8.3		4.3
NAV before the payment of dividends		166.4		89.3
Dividends paid		(3.7)		(2.0)
NAV at 31 December 2022		**162.7**		**87.3**

Post-period end, on 11 January 2023, a special dividend of 4.5 pence per ordinary share for the year ending 31 March 2023 was paid, resulting in a corresponding reduction to the 31 December 2022 unaudited NAV, to 82.8 pence per ordinary share.

Net assets

Net assets at 31 December 2022 comprised the following:

	£000	% of net assets

Unquoted investments at fair value	**114,101**	70.1
Listed investment funds	**4,269**	2.6
Cash and cash equivalents	**42,687**	26.3
Other net assets	**1,599**	1.0
Net assets	**162,656**	100.0

Investments

Over the quarter to 31 December 2022, the aggregate unquoted portfolio valuation increased by £7.5 million. In December 2022, the Company completed the partial exit of its investment in planning and forecasting software and services business, Vuealta, through the sale of its fast-growing software division to long-standing partner, Anaplan. The sale generated proceeds of £4.6 million, 1.5x cost, and an uplift of 45 per cent, or £1.4 million, on the carrying value at the beginning of the year (including further investments made in the financial year prior to sale). The Company remains invested in the core Vuealta consulting business to support its next phase of growth.

During the quarter, the Company deployed £7.7 million into four new investments: AutomatePro (automated software testing), Biorelate (data curation software), Plandek (a software development analytics platform) and Summize (digital contracting software).

A number of investments within the portfolio are seeking to extend or accelerate their growth plans, which has resulted in further investment of £4.5 million into four portfolio companies in the period, including £2.7 million into Unbiased, to help the company's overseas expansion plans.

Subsequent to the period end, a further £3.6 million has also been invested into new investment DrDoctor, a patient engagement and communications software platform, taking the total invested so far this year to £24.2 million, following the £9.7 million invested in the full year to 31 March 2022.

The investment portfolio at 31 December 2022 comprised:

	Valuation £000	Cumulative valuation as a % of net assets
Matillion Limited	**25,895**	15.9%
Outpost VFX Limited	**9,302**	21.6%
Unbiased EC1 Limited	**9,107**	27.2%
Displayplan Holdings Limited	**7,630**	31.9%
Wooshii Limited	**6,296**	35.8%
Elucidat Ltd	**6,058**	39.5%
ACC Aviation Group Limited	**5,340**	42.8%
Force24 Ltd	**4,636**	45.7%
Vypr Validation Technologies Limited	**3,897**	48.1%
SharpCloud Software Limited	**3,763**	50.4%
	81,924	50.4%
Other investments	**32,177**	70.1%
Total investments	**114,101**	70.1%

Investments made since November 2015 represented 84 per cent of the value of the unquoted portfolio at 31 December 2022.

Shares in issue

The Company issued 1,054,908 ordinary shares under the Company's Dividend Re-investment Scheme (DRIS) following the payment of the interim dividend on 3 October 2022.

Under its standing buyback authority, on 16 December 2022 the Company purchased 775,240 shares at 75.08 pence at a cost of £0.58 million. These shares are held in treasury.

Subsequent to the quarter end, on 11 January 2023 the Company issued 2,507,454 shares under the DRIS following the payment of a special dividend, taking the number of shares in issue at that date to 188,899,879, with a further 20,787,165 shares held in treasury.

Fundraising

On 30 November 2022, the Company announced a new share offer, alongside British Smaller Companies VCT2 plc, with the intention of raising up to £75 million in aggregate, which included an over-allotment facility of £25 million. Gross Applications exceeding £62.5 million have been received as at the date of this report, of which £39 million relate to the Company. The related allotment will take place in early April 2023.

Outlook

The positive performance of the portfolio in the quarter is pleasing in what remains a tough economic environment. Portfolio companies continue to show great resilience, with key investments demonstrating environment. Portfolio companies continue to show great resilience, with key investments demonstrating robust revenue growth.

We thank both existing and new shareholders for their support of the Company's current fundraising. We are continuing to see promising new investment prospects, as well as opportunities to deploy funds into the existing portfolio to help them accelerate their growth plans. We look forward to updating investors on our progress in investing the funds raised in the coming quarters.

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.

20 March 2023

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