

## **British Smaller Companies VCT plc**

### **Unaudited Interim Results and Interim Management Report**

#### **for the six months ended 30 September 2024**

British Smaller Companies VCT plc (the "Company") today announces its unaudited interim results for the six months ended 30 September 2024.

#### **HIGHLIGHTS**

- Net Asset Value ("NAV") at 30 September 2024 of 81.8p per share (31 March 2024: 83.6p) following payment of 2.0p dividend during the period
- Total Return increased by 0.2p to 262.7p per share
- Four new investments and seven follow-on investments totalling £20.4 million completed during the period
- The Board has declared a second interim dividend of 2.0p per share in respect of the year ending 31 March 2025, which will bring total dividends paid in the current financial year to 4.0p per share, which equates to 4.8 per cent of the opening net asset value per share. This will result in a corresponding reduction in the Company's NAV per ordinary share, adjusting the last reported NAV to 79.8p per share
- Combined applications exceeding £52 million received to date in relation to October 2024 offer

#### **Chairman's Statement**

I am pleased to present the interim results of British Smaller Companies VCT plc (the "Company") for the six months to 30 September 2024.

The performance in the period reflects the Company's positive progress despite ongoing macroeconomic challenges and geopolitical uncertainty, achieving a Total Return of 0.2 pence from 262.5 to 262.7 pence per share, an increase of 0.2 per cent over the opening NAV. AIC data continues to rank the Company first across all generalist VCTs when considering a blended average performance ranking over 1, 3, 5, and 10 years.

The majority of the portfolio continues to perform well, with promising levels of underlying growth seen in many companies. However, performance in the quarter was constrained by certain company-specific circumstances that have reduced valuations in these companies, as well as a decrease in anticipated deferred proceeds the Company expects to receive from previously exited investments.

Over the past six months, the Company completed four new investments to the portfolio, Fuuse, Spotless Water, Integrum ESG and Ohalo, totalling £8.6 million. The Company also made seven follow-on investments, totalling £11.8 million, while a further £0.5 million was invested after the period-end, taking the total invested so far this year to £20.9 million.

#### **Realisations in the Period**

While there were no realisations in the six months to 30 September, in October 2024 the Company sold its investment in Traveltek for £2.6 million. Total proceeds over the life of the investment are £3.6 million, a 2.1x return on the Company's cost. There is the potential for further deferred proceeds in due course.

#### **Financial Results**

The investment portfolio generated a return of £0.1 million in the period. This was offset by a fall of £0.7 million in the anticipated deferred proceeds from realisations completed in previous periods.

In the current interest rate environment, the Company continues to actively manage its treasury position to generate a positive return for shareholders, balanced against the primary objective of capital preservation. This generated £2.6 million of income in the period, resulting in overall net operating income of £0.9 million over the six months.

The movement in net asset value ("NAV") per ordinary share and the dividends paid are set out in the table below.

	Pence per ordinary share		£000	
NAV at 31 March 2024		83.6p		219,600
Net movement from investment portfolio	(0.2p)		(612)	
Net operating income	0.3p		876	
Comprehensive income in the period	<b>0.1p</b>		<b>264</b>	
Issue/buy-back of new shares	0.1p		32,991	
Total Return in the period		0.2p		33,255
NAV before the payment of dividends		<b>83.8p</b>		<b>252,855</b>
Dividends paid		(2.0p)		(6,046)
<b>NAV at 30 September 2024</b>		<b>81.8p</b>		<b>246,809</b>
Cumulative dividends paid		180.9p		
<b>Total Return: At 30 September 2024</b>		<b>262.7p</b>		
At 31 March 2024		262.5p		

## Dividends

An interim dividend of 2.0 pence per ordinary share in respect of the year ending 31 March 2025 was paid on 26 July 2024, bringing the cumulative dividends paid to date to 180.9 pence per ordinary share.

The Board has announced a second interim dividend of 2.0 pence per ordinary share for the year ending 31 March 2025 which, when combined with the above dividend, will bring total dividends paid in the current financial year to 4.0 pence per ordinary share (2024: 4.0 pence per ordinary share). The dividend will be paid on 20 December 2024 to shareholders on the shareholder register on 22 November 2024.

## Shareholder Relations

The shareholder workshop held on 20 June 2024 was very well attended. Attendees heard from Steve Frost, CEO of Workbuzz, and Scott Morris, Managing Director of Displayplan, an investment that was sold earlier this year.

Documents such as the annual report are now received electronically by 84 per cent of shareholders, which helps to meet the Board's impact objectives and reduces printing costs. The Board continues to encourage all shareholders to take up this option.

The Company's website is refreshed on a regular basis and provides a comprehensive level of information in what I hope is a user-friendly format.

## Regulatory Developments

During the period, the process of extending the Venture Capital Trust regime to 2035 was completed by the Government, with the underlying regulations brought into force. As part of the Budget on 30 October 2024, Chancellor Rachel Reeves noted this extension as a sign of the Government's commitment to supporting growth and entrepreneurship.

Most new portfolio investments are now self-assured as VCT qualifying on a case-by-case basis and always with confirmation from professional advisers that they are Qualifying Investments. Advance assurance is sought from HMRC where there is an element of uncertainty over the application of the rules.

## Fundraising

On 3 April 2024 the Company allotted shares from the final allotment of its fully subscribed 2023/24 share offer. £55.5 million was raised over the whole fundraising by the Company, including £36.8 million allotted on 3 April 2024, resulting in the issue of 42,588,037 ordinary shares.

Having assessed its expected cash requirements, the Company announced a new share offer on 17 October 2024, alongside British Smaller Companies VCT2 plc, with the intention of raising up to £75 million (in aggregate), which includes an over-allotment facility of £25 million. Applications exceeding £52 million have

been received as of the date of this report, of which £31.5 million relate to the Company. The allotment of the first £25 million of gross proceeds will take place between 27 and 31 January 2025. The second and final allotment will take place between 1 and 4 April 2025. Funds awaiting allotment will receive additional shares equivalent to a 3.35 per cent per annum return (rate subject to change by the receiving agent's banking provider).

**Outlook**

There continues to be strong levels of underlying growth in the portfolio, across a range of investments. The Company took the opportunity to invest further into many of these companies in the period to accelerate their growth, which is hoped will come through to value in subsequent periods.

With four new investments made in the year to date, and a pipeline of opportunities to add further to the portfolio, there continues to be opportunities to deploy capital into fast-growing, innovative businesses. The positive progress of the 2024/25 fundraising to date will ensure that the Company continues to have the firepower to support these opportunities.

I thank shareholders for their continued support.

**Rupert Cook**  
Chairman

**Objectives and Strategy**

The Company's objective is to maximise Total Return and provide investors with a long-term tax free dividend yield whilst maintaining the Company's status as a venture capital trust.

**Investment Strategy**

The Company seeks to build a broad portfolio of investments in early-stage companies focused on growth, with the aim of spreading the maturity profiles and maximising return, as well as ensuring compliance with VCT Regulations.

The Company predominantly invests in unquoted smaller companies and expects that this will continue to make up the significant majority of the portfolio. It will also retain holdings in cash or near-cash investments to provide a reserve of liquidity which will maximise the Company's flexibility as to the timing of investment acquisitions and disposals, dividend payments and share buybacks.

Unquoted investments are structured using various investment instruments, including ordinary shares, preference shares, convertible securities and very occasionally loan stock, to achieve an appropriate balance of income and capital growth, having regard to the VCT Regulations. The portfolio is diversified by investing in a broad range of industry sectors. The normal investment period into the portfolio companies is expected to be typically between the range of five to seven years.

**Investment Policy**

The investment policy of the Company is to invest in UK businesses across a broad range of sectors that blends a mix of businesses operating in established and emerging industries that offer opportunities in the application and development of innovation in their products and services.

These investments will all meet the definition of a Qualifying Investment and be primarily in unquoted UK companies. It is anticipated that the majority of these will be re-investing their profits for growth and the investments will comprise mainly equity instruments.

The Company seeks to build a broad portfolio of investments in early-stage companies focused on growth with the aim of spreading the maturity profiles and maximising return as well as ensuring compliance with the VCT guidelines.

**Investment Review**

At 30 September 2024 the Company's portfolio was valued at £147.1 million. The top ten investments represent 35.5 per cent of the net asset value, with the largest representing 9.1 per cent.

The movements in the investment portfolio are set out below:

**Investment Portfolio**

	Portfolio £million
Opening fair value at 1 April 2024	126.6
Additions	20.4
Gain arising from the investment portfolio	0.1
<b>Closing fair value at 30 September 2024</b>	<b>147.1</b>

The Company's portfolio delivered a small positive performance overall over the period, of £0.1 million. This was offset by a fall of £0.7 million in the anticipated deferred proceeds from realisations completed in

previous periods.

There were upward revaluations from ACC, Unbiased, Summize, Teraview, AutomatePro, Vypr, Plandek and Xapien, offset by decreases from Matillion, Outpost and Wooshii.

### Realisation of Investments

There were no disposals during the period. Subsequent to the period-end, the Company sold its investment in Traveltek for £2.6 million. Total proceeds over the life of the investment are £3.6 million, a 2.1x return on the Company's cost. There is the potential for further deferred proceeds in due course.

### Investments

During the six months ended 30 September 2024, the Company completed 11 investments, totalling £20.4 million. This comprised four new investments of £8.6 million; and seven follow-on investments totalling £11.8 million. The breakdown of these investments is shown below:

Company	Description	New £million	Follow-on £million	Total £million
Fuuse	Electric vehicle charge point management system	3.0	-	3.0
Spotless Water	Ultra-pure water distribution network	2.2	-	2.2
Integrum ESG	A specialist ESG ratings and analytics platform	1.7	-	1.7
Ohalo	Unstructured data governance platform	1.7	-	1.7
Xapien	Automated research on individuals and companies	-	4.4	4.4
Quality Clouds	B2B software	-	1.9	1.9
AutomatePro	Automated software testing	-	1.8	1.8
Plandek	Software development analytics platform	-	1.5	1.5
SharpCloud	B2B	-	0.8	0.8
Biorelate	Medical data curation	-	0.7	0.7
Summize	An e-learning software authoring platform	-	0.7	0.7
<b>Invested in the period</b>		<b>8.6</b>	<b>11.8</b>	<b>20.4</b>

Subsequent to the period-end, the Company invested £0.5 million into existing portfolio companies Wooshii and Relative Insight.

### Cash Deposits and other Liquid Funds

The Company takes an active approach to cash management, while ensuring its primary aim of capital preservation is met. A portion of the Company's liquid assets are held across a diversified range of Triple-A rated money market funds, managed by global institutions; while the balance is held as readily accessible cash, all of which is at Tier 1 Financial Institutions (A2 rated or above). £2.6 million of income was earned from money market funds and bank deposits during the period. At 31 October 2024, the Company was achieving a weighted average return on liquid assets of 4.5 per cent.

### Portfolio

The top 10 investments had a combined value of £87.6 million, 59.6 per cent of the total portfolio.

Name of company	Sector	First investment	Amount invested	Value at 30 Sept 2024	Recognised income/proceeds to date	Return to date*
			£000	£000	£000	£000
Matillion Limited	Data	Nov 16	2,666	22,460	7,071	29,531
Unbiased Ec1 Limited	Tech-enabled Services	Dec 19	5,596	13,722	-	13,722
Outpost VFX Limited	New Media	Feb 21	5,750	7,553	103	7,656

Xapien (via Digital Insight Technologies Limited)	Application Software	Mar 23	6,095	6,896	-	6,896
SharpCloud Software Limited	Data	Oct 19	4,380	6,662	-	6,662
ACC Aviation Group Limited	Business Services	Nov 14	2,068	6,395	5,280	11,675
Elucidat Ltd	Application Software	May 19	4,260	6,061	498	6,559
Vypr Validation Technologies Limited	Tech-enabled Services	Jan 21	3,300	6,020	-	6,020
Force24 Ltd	Application Software	Nov 20	3,900	5,946	87	6,033
Quality Clouds Limited	Cloud & DevOps	May 22	5,821	5,840	-	5,840
<b>Total top 10 investments</b>			<b>43,836</b>	<b>87,555</b>	<b>13,039</b>	<b>100,594</b>
AutomatePro Limited	Cloud & DevOps	Dec 22	4,025	5,763	-	5,763
Plandek Limited	Cloud & DevOps	Oct 22	3,540	4,196	-	4,196
Summize Limited	Application Software	Oct 22	2,550	4,036	-	4,036
Workbuzz Analytics Limited	Application Software	Jun 23	2,577	3,617	-	3,617
DrDoctor (via ICNH Ltd)	Application Software	Feb 23	3,565	3,565	-	3,565
Tonkotsu Limited	Retail & Brands	Jun 19	2,388	3,472	-	3,472
Traveltek Group Holdings Limited	Application Software	Oct 16	1,716	3,224	1,049	4,273
Fuuse Limited	Application Software	May 24	3,000	3,000	-	3,000
GEEIQ (via Checkpoint GG Limited)	Data	Sep 23	2,358	2,979	-	2,979
Wooshii Limited	New Media	May 19	4,644	2,569	781	3,350
Vuealta Holdings Limited	Tech-enabled Services	Sep 21	3,580	2,458	4,646	7,104
Spotless Water Limited	Business Services	Jun 24	2,183	2,414	-	2,414
Biorelate Limited	Application Software	Nov 22	2,310	2,367	-	2,367
Frescobol Carioca Ltd	Retail & Brands	Mar 19	1,800	2,199	-	2,199
Ohalo Limited	Data	Jun 24	1,665	1,790	-	1,790
Integrum ESG Limited	Data	Sep 24	1,740	1,740	-	1,740
Panintelligence (via Paninsight Limited)	Data	Nov 19	1,500	1,652	-	1,652
Relative Insight Limited	Tech-enabled Services	Mar 22	4,200	1,450	-	1,450
Arcus Global Limited	Application Software	May 18	3,075	1,410	339	1,749
KeTech Technology Holdings Limited	Tech-enabled Services	Nov 15	2,000	1,137	4,059	5,196
Teraview Limited	Advanced Manufacturing	Dec 11	377	1,100	-	1,100
£1 million and below			10,295	3,372	6,816	10,188
<b>Current portfolio</b>			<b>108,924</b>	<b>147,065</b>	<b>30,729</b>	<b>177,794</b>
Full disposals to date			80,135	-	166,934	166,934
<b>Total portfolio</b>			<b>189,059</b>	<b>147,065</b>	<b>197,663</b>	<b>344,728</b>

\* represents recognised income and proceeds received to date, plus the unrealised valuation at 30 September 2024.

## THE PORTFOLIO AT A GLANCE

The charts on page 13 of the interim report illustrate the broad range of the investment portfolio.

## Principal Risks and Uncertainties

In accordance with DTR 4.2.7, the Board confirms that the principal risks and uncertainties facing the Company have not materially changed from those identified in the Annual Report and Accounts for the year ended 31 March 2024. The Board acknowledges that there is regulatory risk and continues to manage the Company's affairs in such a manner as to comply with section 274 of the Income Tax Act 2007.

In summary, the principal risks are:

- > VCT Qualifying Status;
- > Economic;
- > Investment Performance;
- > Strategy;
- > Legislative & Regulatory;
- > Operational;
- > Cyber Security and Information Technology; and
- > Liquidity.

Full details of the principal risks can be found in the financial statements for the year ended 31 March 2024 on pages 31 to 33, a copy of which is available at [www.bscfunds.com](http://www.bscfunds.com).

## Directors' Responsibilities Statement

The directors of British Smaller Companies VCT plc confirm that, to the best of their knowledge, the condensed set of financial statements in this interim report have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the UK, and give a true and fair view of the assets, liabilities, financial position and profit and loss of British Smaller Companies VCT plc, and that the interim management report includes a true and fair review of the information required by DTR 4.2.7 R and DTR 4.2.8R.

The directors of British Smaller Companies VCT plc are listed in note 10 of these interim financial statements.

By order of the Board

Rupert Cook

Chairman

## Unaudited Statement of Comprehensive Income

for the six months ended 30 September 2024

	Notes	Unaudited 6 months ended 30 September 2024			Unaudited 6 months ended 30 September 2023		
		Revenue	Capital	Total	Revenue	Capital	Total
		£000	£000	£000	£000	£000	£000
Gains on investments held at fair value	6	-	50	50	-	2,280	2,280
(Loss) profit on disposal of investments	6	-	(662)	(662)	-	96	96
(Loss) gain arising from the investment portfolio		-	(612)	(612)	-	2,376	2,376
Income	2	3,084	-	3,084	1,629	-	1,629
Total income		3,084	(612)	2,472	1,629	2,376	4,005
Administrative expenses:							
Manager's fee		(446)	(1,338)	(1,784)	(367)	(1,100)	(1,467)
Other expenses		(424)	-	(424)	(359)	-	(359)
		(870)	(1,338)	(2,208)	(726)	(1,100)	(1,826)
Profit (loss) before taxation		2,214	(1,950)	264	903	1,276	2,179
Taxation	3	-	-	-	-	-	-
<b>Profit (loss) for the period</b>		<b>2,214</b>	<b>(1,950)</b>	<b>264</b>	<b>903</b>	<b>1,276</b>	<b>2,179</b>
<b>Total comprehensive</b>		<b>2,214</b>	<b>(1,950)</b>	<b>264</b>	<b>903</b>	<b>1,276</b>	<b>2,179</b>

income (expense) for the period							
<b>Basic and diluted earnings (loss) per ordinary share</b>	5	<b>0.73p</b>	<b>(0.64p)</b>	<b>0.09p</b>	<b>0.38p</b>	<b>0.53p</b>	<b>0.91p</b>

The Total column of this statement represents the Company's Unaudited Statement of Comprehensive Income, prepared in accordance with UK adopted international accounting standards. The supplementary Revenue and Capital columns are prepared under the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in July 2022 - "SORP") published by the Association of Investment Companies.

## Unaudited Balance Sheet

as at 30 September 2024

	Notes	Unaudited 30 September 2024 £000	Unaudited 30 September 2023 £000	Audited 31 March 2024 £000
<b>ASSETS</b>				
<b>Non-current assets at fair value through profit or loss</b>				
Investments	6	<b>149,569</b>	130,293	128,662
Listed investment funds		-	3,620	-
Financial assets at fair value through profit or loss	6	<b>149,569</b>	133,913	128,662
Accrued income and other assets		-	1,891	-
		<b>149,569</b>	135,804	128,662
<b>Current assets</b>				
Accrued income and other assets		<b>940</b>	825	1,382
Current asset investments		<b>66,750</b>	32,500	53,500
Cash and cash equivalents		<b>29,805</b>	29,635	36,304
		<b>97,495</b>	62,960	91,186
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		<b>(255)</b>	(200)	(248)
<b>Net current assets</b>		<b>97,240</b>	62,760	90,938
<b>Net assets</b>		<b>246,809</b>	198,564	219,600
<b>Shareholders' equity</b>				
Share capital		<b>33,226</b>	26,452	28,830
Share premium account		<b>90,648</b>	41,586	58,293
Capital reserve		<b>69,334</b>	75,609	79,171
Investment holding gains and losses reserve		<b>49,257</b>	52,397	49,207
Revenue reserve		<b>4,344</b>	2,520	4,099
<b>Total shareholders' equity</b>		<b>246,809</b>	198,564	219,600
<b>Net asset value per ordinary share</b>	7	<b>81.8p</b>	82.4p	83.6p

## Unaudited Statement of Changes in Equity

for the six months ended 30 September 2024

Share capital	Share premium account	Capital reserve	Investment holding gains and losses reserve	Revenue reserve	Total equity
------------------	-----------------------------	--------------------	---	--------------------	-----------------

	£000	£000	£000	£000	£000	£000
<b>At 31 March 2023</b>	<b>20,969</b>	<b>1,700</b>	<b>82,893</b>	<b>49,215</b>	<b>2,255</b>	<b>157,032</b>
<i>Revenue return for the period</i>	-	-	-	-	903	903
<i>Expenses charged to capital</i>	-	-	(1,100)	-	-	(1,100)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	2,280	-	2,280
<i>Realisation of investments in the period</i>	-	-	96	-	-	96
Total comprehensive (expense) income for the period	-	-	(1,004)	2,280	903	2,179
<i>Issue of share capital</i>	5,356	40,893	-	-	-	46,249
<i>Issue of shares - DRIS</i>	127	911	-	-	-	1,038
<i>Issue costs</i>	-	(1,918)	-	-	-	(1,918)
<i>Purchase of own shares</i>	-	-	(1,200)	-	-	(1,200)
<i>Dividends</i>	-	-	(4,178)	-	(638)	(4,816)
Total transactions with owners	5,483	39,886	(5,378)	-	(638)	39,353
Realisation of prior year investment holding losses	-	-	(902)	902	-	-
<b>At 30 September 2023</b>	<b>26,452</b>	<b>41,586</b>	<b>75,609</b>	<b>52,397</b>	<b>2,520</b>	<b>198,564</b>
<i>Revenue return for the period</i>	-	-	-	-	1,579	1,579
<i>Expenses charged to capital</i>	-	-	(1,284)	-	-	(1,284)
<i>Investment holding gain on investments held at fair value</i>	-	-	-	3,765	-	3,765
<i>Realisation of investments in the period</i>	-	-	4,379	-	-	4,379
Total comprehensive income for the period	-	-	3,095	3,765	1,579	8,439
<i>Issue of share capital</i>	2,256	16,344	-	-	-	18,600
<i>Issue of shares - DRIS</i>	122	858	-	-	-	980
<i>Issue costs</i>	-	(495)	-	-	-	(495)
<i>Purchase of own shares</i>	-	-	(1,669)	-	-	(1,669)
<i>Dividends</i>	-	-	(4,819)	-	-	(4,819)
Total transactions with owners	2,378	16,707	(6,488)	-	-	12,597
Realisation of prior year investment holding gains	-	-	6,955	(6,955)	-	-
<b>At 31 March 2024</b>	<b>28,830</b>	<b>58,293</b>	<b>79,171</b>	<b>49,207</b>	<b>4,099</b>	<b>219,600</b>
<i>Revenue return for the period</i>	-	-	-	-	2,214	2,214
<i>Expenses charged to capital</i>	-	-	(1,338)	-	-	(1,338)

Investment holding gain on investments held at fair value	-	-	-	50	-	50
Realisation of investments in the period	-	-	(662)	-	-	(662)
Total comprehensive (expense) income for the period	-	-	(2,000)	50	2,214	264
Issue of share capital	4,259	32,584	-	-	-	36,843
Issue of shares - DRIS	137	981	-	-	-	1,118
Issue costs	-	(1,210)	-	-	-	(1,210)
Purchase of own shares	-	-	(3,760)	-	-	(3,760)
Dividends	-	-	(4,077)	-	(1,969)	(6,046)
Total transactions with owners	4,396	32,355	(7,837)	-	(1,969)	26,945
<b>At 30 September 2024</b>	<b>33,226</b>	<b>90,648</b>	<b>69,334</b>	<b>49,257</b>	<b>4,344</b>	<b>246,809</b>

### Reserves available for distribution

Under the Companies Act 2006, the capital reserve and the revenue reserve are distributable reserves. The table below shows amounts that are available for distribution.

	Capital reserve £000	Revenue reserve £000	Total £000
<b>Distributable reserves as above</b>	<b>69,334</b>	<b>4,344</b>	<b>73,678</b>
Income/proceeds not yet distributable	(341)	(2,564)	(2,905)
Cancelled share premium not yet distributable	(33,612)	-	(33,612)
<b>Reserves available for distribution*</b>	<b>35,381</b>	<b>1,780</b>	<b>37,161</b>

\* subject to filing these interim financial statements at Companies House.

The capital reserve and the revenue reserve are both distributable reserves. These reserves total £73,678,000, representing a decrease of £9,592,000 in the period since 31 March 2024. The directors also consider the level of the investment holding gains and losses reserve and the future requirements of the Company when determining the level of dividend payments.

Of the potentially distributable reserves of £73,678,000 shown above, £2,905,000 relates to income and proceeds not yet distributable and £33,612,000 relates to cancelled share premium which becomes distributable from the dates shown below.

Total share premium cancelled is available for distribution from the following dates:

	£000
1 April 2025	32,128
1 April 2026	1,484
<b>Cancelled share premium account not yet distributable</b>	<b>33,612</b>

## Unaudited Statement of Cash Flows

for the six months ended 30 September 2024

Notes	Unaudited 6 months ended 30 September 2024 £000	Unaudited 6 months ended 30 September 2023 £000	Audited year ended 31 March 2024 £000
Profit before taxation*	<b>264</b>	2,179	10,618
Increase (decrease) in trade and other payables	<b>7</b>	(158)	(110)

Increase (decrease) in trade and other payables				
Increase in accrued income and other assets		(654)	(599)	(732)
Loss (profit) on disposal of investments		662	(96)	(4,475)
Gains on investments held at fair value		(50)	(2,280)	(6,045)
<b>Net cash inflow (outflow) from operating activities</b>		<b>229</b>	<b>(954)</b>	<b>(744)</b>
<b>Cash flows (used in) from investing activities</b>				
Purchase of financial assets at fair value through profit or loss	6	(20,423)	(6,039)	(9,390)
Proceeds from sale of financial assets at fair value through profit or loss	6	-	1,508	19,625
Deferred consideration		-	-	96
<b>Net cash (outflow) inflow from investing activities</b>		<b>(20,423)</b>	<b>(4,531)</b>	<b>10,331</b>
<b>Cash flows from (used in) financing activities</b>				
Issue of ordinary shares		36,843	46,249	64,849
Costs of ordinary share issues**		(1,210)	(1,918)	(2,413)
Purchase of own shares		(3,760)	(1,200)	(2,869)
Dividends paid	4	(4,928)	(3,778)	(7,617)
<b>Net cash inflow from financing activities</b>		<b>26,945</b>	<b>39,353</b>	<b>51,950</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,751</b>	<b>33,868</b>	<b>61,537</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>89,804</b>	<b>28,267</b>	<b>28,267</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>96,555</b>	<b>62,135</b>	<b>89,804</b>
<b>Cash and cash equivalents comprise</b>				
Money market funds		66,750	32,500	53,500
Cash at bank		29,805	29,635	36,304
<b>Cash and cash equivalents at the end of the period</b>		<b>96,555</b>	<b>62,135</b>	<b>89,804</b>
* includes net income from:				
Dividends		-	-	341
Interest		2,423	948	2,899

\*\*Issue costs include both fundraising costs and expenses incurred from the Company's DRIS.

## Explanatory Notes to the Unaudited Condensed Financial Statements

### 1 General Information, Basis of Preparation and Principal Accounting Policies

These half year statements have been approved by the directors whose names appear at note 10, each of whom has confirmed that to the best of their knowledge:

- > the interim management report includes a fair review of the information required by rules 4.2.7 and 4.2.8 of the Disclosure Rules and the Transparency Rules; and
- > the half year statements have been prepared in accordance with IAS 34 'Interim financial reporting' and the Disclosure and Transparency Rules of the Financial Conduct Authority.

The half year statements are unaudited and have not been reviewed by the auditors pursuant to the International Standard on Review Engagements (UK) 2410 guidance on Review of Interim Financial Information performed by the independent Auditor of the entity. They do not constitute full financial statements as defined in section 435 of the Companies Act 2006. The comparative figures for the year ended 31 March 2024 do not constitute full financial statements and have been extracted from the Company's

financial statements for the year ended 31 March 2024. Those accounts were reported upon without qualification by the auditors and have been delivered to the Registrar of Companies.

The accounting policies and methods of computation followed in the half year statements are the same as those adopted in the preparation of the audited financial statements for the year ended 31 March 2024. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2024 annual report.

The accounts have been prepared on a going concern basis as set out below and in accordance with UK adopted international accounting standards.

The accounts have been prepared under the historical cost basis as modified by the measurement of investments at fair value through profit or loss.

The accounts have been prepared in compliance with the recommendations set out in the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies (issued in July 2022 - "SORP") to the extent that they do not conflict with UK adopted international accounting standards.

The financial statements are prepared in accordance with UK adopted international accounting standards (IFRSs) and interpretations in force at the reporting date. New standards coming into force during the period and future standards that come into effect after the period-end have not had a material impact on these financial statements.

The Company has carried out an assessment of accounting standards, amendments and interpretations that have been issued by the IASB and that are effective for the current reporting period. The Company has determined that the transitional effects of the standards do not have a material impact.

The financial statements are presented in sterling and all values are rounded to the nearest thousand (£000), except where stated.

**Going Concern:** The directors have carefully considered the issue of going concern and are satisfied that the Company has sufficient resources to meet its obligations as they fall due for a period of at least twelve months from the date these half year statements were approved. As at 30 September 2024 the Company held cash balances and money market funds with a combined value of £96,555,000. Cash flow projections show the Company has sufficient funds to meet both its contracted expenditure and its discretionary cash outflows in the form of share buy-backs and the dividend policy for at least 12 months from the date of publication of this report. In the year ended 31 March 2024 the Company's costs and discretionary expenditures were:

	£000
Administrative expenses	3,947
Share buybacks	2,869
Dividends (before DRIS)	9,635
<b>Total</b>	<b>16,451</b>

The directors therefore believe that it is appropriate to continue to apply the going concern basis of accounting in preparing these half year statements.

## 2 Income

	Unaudited 6 months ended 30 September 2024 £000	Unaudited 6 months ended 30 September 2023 £000
Income from investments		
- Interest on loans to unquoted companies	137	103
- Dividends from unquoted companies	222	242

Income from unquoted companies	343	493
Income from unquoted portfolio	460	346
Income from listed investment funds	-	62
Income from investments held at fair value through profit or loss	460	408
Interest on bank deposits/money market funds	2,624	1,221
	3,084	1,629

### 3 Taxation

	Unaudited 6 months ended 30 September 2024			Unaudited 6 months ended 30 September 2023		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Profit (loss) before taxation	2,214	(1,950)	264	903	1,276	2,179
Profit (loss) before taxation multiplied by the standard small company rate of corporation tax in UK of 19.0% (2023: 19.0%)	421	(371)	50	172	242	414
Effect of:						
UK dividends received	(61)	-	(61)	(47)	-	(47)
Non-taxable losses (gains) on investments	-	116	116	-	(451)	(451)
Deferred tax not recognised	(360)	255	(105)	(125)	209	84
<b>Tax charge</b>	-	-	-	-	-	-

The Company has no provided, or unprovided, deferred tax liability in either period.

Deferred tax assets in respect of losses have not been recognised as the directors do not currently believe that it is probable that sufficient taxable profits will be available against which the assets can be recovered.

Due to the Company's status as a venture capital trust, and the continued intention to meet the conditions required to comply with Chapter 3 Part 6 of the Income Tax Act 2007, the Company has not provided deferred tax on any capital gains or losses arising on the revaluation or realisation of investments.

### 4 Dividends

Amounts recognised as distributions to equity holders in the period:

	Unaudited 6 months ended 30 September 2024			Unaudited 6 months ended 30 September 2023			Audited Year ended 31 March 2024		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Interim dividend for the year ending 31 March 2025 of 2.0p (2024: 2.0p) per ordinary share	1,969	4,077	6,046	638	4,178	4,816	638	4,178	4,816
Second interim dividend for the year ended 31 March 2024 of 2.0p per ordinary share	-	-	-	-	-	-	-	4,819	4,819
Proceeds from shares allotted	1,969	4,077	6,046	638	4,178	4,816	638	8,997	9,635
			(1,118)			(1,038)			(2,018)

under DRIS			
Dividends paid in the Statement of Cash Flows	<b>4,928</b>	3,778	7,617

The interim dividend of 2.0 pence per ordinary share was paid on 26 July 2024 to shareholders on the register as at 28 June 2024.

A second interim dividend of 2.0p per ordinary share, amounting to approximately £6.0 million, has been announced. This dividend has not been recognised in these half year financial statements as the obligation did not exist at the balance sheet date.

## 5 Basic and Diluted Earnings per Ordinary Share

The basic and diluted earnings per ordinary share is based on the profit after tax attributable to equity shareholders of £264,000 (30 September 2023: £2,179,000) and 303,413,390 (30 September 2023: 240,246,488) ordinary shares being the weighted average number of ordinary shares in issue during the period.

The basic and diluted revenue earnings per ordinary share is based on the revenue profit attributable to equity shareholders of £2,214,000 (30 September 2023: £903,000) and 303,413,390 (30 September 2023: 240,246,488) ordinary shares being the weighted average number of ordinary shares in issue during the period.

The basic and diluted capital (loss) earnings per ordinary share is based on the capital loss attributable to equity shareholders of £1,950,000 (30 September 2023: profit of £1,276,000) and 303,413,390 (30 September 2023: 240,246,488) ordinary shares being the weighted average number of ordinary shares in issue during the period.

During the period the Company allotted 42,588,037 new ordinary shares in respect of the 2023/24 fundraising and 1,369,910 new ordinary shares in respect of its DRIS.

The Company has also repurchased 4,725,559 of its own shares in the period and these shares are held in the capital reserve. The total of 30,363,980 treasury shares has been excluded in calculating the weighted average number of ordinary shares during the period.

The Company has no dilutive shares and consequently, basic and diluted earnings per ordinary share are equivalent at 30 September 2024, 31 March 2024 and 30 September 2023.

## 6 Financial Assets at Fair Value through Profit or Loss

	<b>30 September 2024 £000</b>	30 September 2023 £000
Investment portfolio	<b>147,065</b>	133,913
Accrued income and other assets*	<b>2,504</b>	-
Financial assets at fair value through profit and loss	<b>149,569</b>	133,913

\* Relates to accrued income which is not past due which has been disclosed as part of the investment value. Prior year income was not included as it was not material.

IFRS 13 and IFRS 7, in respect of financial instruments that are measured in the balance sheet at fair value, require disclosure of fair value measurements by level within the following fair value measurement hierarchy:

> Level 1: quoted prices in active markets for identical assets or liabilities. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is defined as a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. The Company held no such investments at 30 September 2024.

> Level 2: the fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Company held no such

instruments in the current or prior year.

> Level 3: the fair value of financial instruments that are not traded in an active market (for example, investments in unquoted companies) is determined by using valuation techniques such as earnings or revenue multiples. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. All of the Company's investments fall into this category at 30 September 2024.

Each investment is reviewed at least quarterly to ensure that it has not ceased to meet the criteria of the level in which it was included at the beginning of each accounting period. There have been no transfers between these classifications in the period (2023: none).

The change in fair value for the current and previous year is recognised through profit or loss. All items held at fair value through profit or loss were designated as such upon initial recognition.

### Valuation of Investments

Unquoted investments are valued in accordance with IFRS 13 "Fair Value Measurement" and using the International Private Equity and Venture Capital ("IPEV") Valuation Guidelines ("the Guidelines").

#### Initial measurement

The best estimate of the initial fair value of an unquoted investment is the cost of the investment. Unless there are indications that this is inappropriate, an unquoted investment will be held at this value within the first three months of investment.

#### Subsequent measurement

Based on the Guidelines we have identified six of the most widely used valuation methodologies for unquoted investments. The Guidelines advocate that the best valuation methodologies are those that draw on external, objective market-based data in order to derive a fair value.

Full details of the methods used by the Company were set out on pages 66 and 67 of the financial statements for the year ended 31 March 2024, a copy of which can be found at [www.bscfunds.com](http://www.bscfunds.com).

The primary methods used for valuing non-quoted investments, and the key assumptions relating to them are:

### Unquoted Investments

- > **revenue multiple.** An appropriate multiple, given the risk profile and revenue growth prospects of the underlying company, is applied to the revenue of the company. The multiple is adjusted to reflect any risk associated with lack of marketability and to take account of the differences between the investee company and the benchmark company or companies used to derive the multiple.
- > **earnings multiple.** An appropriate multiple, given the risk profile and earnings growth prospects of the underlying company, is applied to the maintainable earnings of the company. The multiple is adjusted to reflect any risk associated with lack of marketability and to take account of the differences between the investee company and the benchmark company or companies used to derive the multiple.

Movements in investments at fair value through profit or loss during the six months to 30 September 2024 are summarised as follows:

IFRS 13 measurement classification	Level 3 Unquoted Investments £000
Opening cost	77,385
Opening valuation gain	49,207
<b>Opening fair value at 1 April 2024</b>	<b>126,592</b>
Additions at cost	20,423
Net loss on disposals*	-
Change in fair value	1,614
Foreign exchange loss	(1,564)
<b>Closing fair value at 30 September 2024</b>	<b>147,065</b>
Closing cost	97,808
Closing valuation gain	49,257
<b>Closing fair value at 30 September 2024</b>	<b>147,065</b>

\* The net loss on disposals in the table above is £nil whereas that shown in the Statement of Comprehensive Income is a loss of £662,000. The difference comprises the change in anticipated deferred proceeds in respect of assets which have been disposed of in prior periods and were not included in the portfolio at 1 April 2024.

Level 3 valuations include assumptions based on non-observable data, such as discounts applied either to reflect changes in the fair value of financial assets held at the price of recent investment, or to adjust revenue or earnings multiples.

IFRS13 requires disclosure, by class of financial instruments, if the effect of changing one or more inputs to reasonably possible alternative assumptions would result in a significant change to fair value measurement. Each unquoted portfolio company has been reviewed and both downside and upside alternative assumptions have been identified and applied to the valuation of each of the unquoted investments. Applying the downside alternative, the value of the unquoted investments would be £6,257,000 (4.3 per cent) lower. Using the upside alternative, the value would be increased by £6,414,000 (4.4 per cent).

All of the Company's investments are in unquoted companies held at fair value. The valuation methodology for these investments includes the application of externally produced revenue and earnings multiples. Therefore, the value of the unquoted element of the portfolio is also indirectly affected by price movements on the listed market. Those using revenue and earnings multiple methodologies include judgements regarding the level of discount applied to that multiple. The effect of changing the level of discounts applied to the multiples is considered above.

There have been no individual fair value adjustments downwards during the period that exceeded 5 per cent of the total assets of the Company (31 March 2024: none).

There were no disposals during the period.

## **7 Basic and Diluted Net Asset Value per Ordinary Share**

The basic and diluted net asset value per ordinary share is calculated on attributable assets of £246,809,000 (30 September 2023 and 31 March 2024: £198,564,000 and £219,600,000 respectively) and 301,891,749 (30 September 2023 and 31 March 2024: 240,991,484 and 262,659,361 respectively) ordinary shares in issue at 30 September 2024.

The treasury shares have been excluded in calculating the number of ordinary shares in issue at 30 September 2024.

The Company has no potentially dilutive shares and consequently, basic and diluted net asset values are equivalent at 30 September 2024, 31 March 2024 and 30 September 2023.

## **8 Total Return**

Total Return per ordinary share is calculated on cumulative dividends paid of 180.9 pence per ordinary share (30 September 2023: 176.9 pence per ordinary share and 31 March 2024: 178.9 pence per ordinary share) plus the net asset value as calculated in note 7.

## **9 Post Balance Sheet Events**

Subsequent to the period-end the Company invested £0.5 million into existing portfolio companies Wooshii and Relative Insight.

In October 2024 the Company sold its investment in Traveltek for £2.6 million. Total proceeds over the life of the investment are £3.6 million, a 2.1x return on the Company's cost. There is the potential for further deferred proceeds in due course.

## **10 Directors**

The directors of the Company are Rupert Cook, Adam Bastin, Jonathan Cartwright and Purvi Sapre.

## **11 Other Information**

Copies of the interim report can be obtained from the Company's registered office: 4th Floor, 2 Bond Court, Leeds, LS1 2JZ or from [www.bscfunds.com](http://www.bscfunds.com).

## **13 Interim Dividend for the year ending 31 March 2025**

The directors have previously announced the payment of a second interim dividend for the year ending 31 March 2025 of 2.0 pence per ordinary share ("Interim Dividend").

The Interim Dividend will be paid on 20 December 2024 to those shareholders on the Company's register at the close of business on 22 November 2024. The ex-dividend date will be 21 November 2024.

## **14 Dividend Re-investment Scheme ("DRIS")**

The Company operates a DRIS. The latest date for receipt of DRIS elections so as to participate in the DRIS in respect of the Interim Dividend is the close of business on 6 December 2024.

## **15 Inside Information**

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.

For further information, please contact:

Marcus Karia    YFM Equity Partners  
Alex Collins    Panmure Liberum

Tel: 0113 244 1000  
Tel: 0207 886 2767

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@seg.com](mailto:rns@seg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IR GIBDBUDDDGSC