

# **British Smaller Companies VCT plc (“the Company”)**

## **Interim Management Statement**

### **For the quarter ended 30 June 2013**

British Smaller Companies VCT plc presents its interim management statement for the quarter ended 30 June 2013. The statement also includes relevant financial information between the end of the quarter and the date of this statement. This statement constitutes the Company's first interim management statement for the financial year ending 31 March 2014, as required by the UK Listing Authority's Disclosure and Transparency Rule 4.3. A copy of this interim management statement can be found at [www.yfmep.com](http://www.yfmep.com).

#### **Performance**

The Total Return at 30 June 2013, calculated by reference to the Net Asset Value (NAV) per ordinary share and the cumulative dividends paid, was 183.9 pence per ordinary share compared to 181.2 pence per ordinary share at 31 March 2013. Cumulative dividends represent 84.2 pence per ordinary share (31 March 2013: 84.2 pence per ordinary share).

The unaudited NAV per ordinary share as at 30 June 2013 was 99.7 pence (31 March 2013: 97.0 pence per share) excluding the proposed final dividend of 3.5 pence per ordinary share and the special dividend of 1.0 pence per ordinary share declared in respect of the realisations of Fishawack Limited and Tikit Group plc. The increase in the quarter of 2.7 pence in NAV per ordinary share is principally due to the net upward movement in valuations, of which the majority has been derived from the unquoted portfolio, with the quoted holdings remaining relatively stable but showing some upward movement.

The number of ordinary shares in issue at 30 June 2013 was 49,413,915 (31 March 2013: 43,390,772). In addition, the Company held 3,592,658 shares in Treasury.

#### **Share Purchases**

During the quarter 377,000 ordinary shares were repurchased by the Company at a price of 87.30 pence per share and placed in Treasury.

#### **Share Issues**

During the quarter the company has issued 2,911,539 ordinary shares at a price of 95.75 pence per share and 3,488,604 ordinary shares at a price of 97.75 pence per share, both, pursuant to the joint offers.

Net assets at 30 June 2013 comprised the following:

	£000	% of net assets
Unquoted investments at fair value	25,625	52%
Quoted investment at bid price	3,472	7%
Total private equity investments	29,097	59%
Fixed income securities	2,437	5%
<b>Total investments</b>	<b>31,534</b>	<b>64%</b>
Cash and cash equivalents	18,035	37%
Other net current assets (liabilities)	(308)	(1%)
Net assets	49,261	100%

The ten largest investments by valuation and other investments at 30 June 2013 were:

	£000	% of net assets
GO Outdoors Limited	5,274	11%
President Engineering Group Limited	3,644	7%
Displayplan Holdings Limited	3,406	7%
Seven Technologies Limited	2,197	4%
Waterfall Services Limited	2,009	4%
Deep-Secure Ltd	1,998	4%
Insider Technologies (Holdings) Limited	1,226	2%
Fairlight Bridge Limited	1,000	2%
Harvey Jones Holdings Limited	881	2%
RMS Group Holdings Limited	777	2%
Top ten investments	22,412	45%
Other investments	6,685	14%
Total private equity investments	29,097	59%

### Investment Portfolio

During the three months ended 30 June 2013 the Company made one new investment of £0.22 million into AB Dynamics plc a designer, manufacturer and supplier of advanced testing systems and measurement products to the global automotive industry. A significant follow-on investment of £0.98 million was made into Seven Technologies Holdings Limited, a manufacturer of specialist electronic and communication equipment, as part of the funding package for its acquisition of Datong plc. Two other small follow-on investments totalling £0.06 million were made into GO Outdoors Limited and Dryden Human Capital Group Limited.

In the quarter the Company has received a total of £1.30 million of cash proceeds from the early payment of loan stock by Seven Technologies Limited.

Quoted investments are carried at bid price. Unquoted investments are carried at fair value as determined by the Board.

## **Performance**

Over the 3 months to 30 June 2013 the portfolio saw an overall increase in unrealised valuations of £1.60 million equating to a 5.8% increase on the opening value. This comprised an increase in the value of a number of the portfolio company's following strong trading results including President Engineering Group Limited, Displayplan Holdings Limited, GO Outdoors Limited and Waterfall Services Limited, together with resilient performances across much of the Company's remaining unquoted and AIM quoted portfolio. The Board continues to follow a policy of maintaining a diversified portfolio; as at 30 June 2013 only three investments represented more than five per cent each of the NAV with the largest investment comprising eleven per cent.

## **Investor Workshops**

The Company remains committed to enhancing Shareholder communications and has undertaken annual investor workshops for a number of years which have proved very popular with Shareholders. The next investor workshop will be held at Central Hall, Westminster, London on 12 February 2014.

## **Fundraising**

The Board is pleased to announce that the gross funds raised to 30 April 2013 from the joint offers for subscription with British Smaller Companies VCT2 plc, launched on 16 November 2012, are £10.3 million. The Board will continue to review the need to raise further investment funds based on an assessment of expected new and follow-on investment rates.

## **Outlook**

Good progress continues to be made across the Company's investment portfolio and there is currently a strong pipeline of new investment opportunities to support management teams with growth strategies or looking to lead management buy-outs. The increase in the investment limits to £5 million per investment in any one year for Venture Capital Trusts is expected to further increase the investment rates in the year ahead.

19 July 2013

### **For further information please contact:**

David Hall            YFM Private Equity Limited  
Matthew Thomas    Nplus1 Singer Advisory LLP

Tel: 0113 294 5039  
Tel: 0207 496 3000