

# BARONSMEAD

Baronsmead VCT 3 plc  
Quarterly update  
For the three month period from  
1 January 2012 to 31 March 2012



## Financial Headlines

+5.3%	Increase in underlying Net Asset Value per share
+17.1%	Growth in the AIM & listed portfolio
£3.9 million	Raised (net of expenses) from 561 shareholders

## Investment Objective and Dividend Policy

Baronsmead VCT 3 plc is a tax efficient listed company which aims to achieve long-term investment returns for private investors.

The Board of Baronsmead VCT 3 has the objective to maintain a minimum annual dividend level of around 4.5p per ordinary share if possible, but this depends primarily on the level of realisations achieved and cannot be guaranteed. There will be variations in the amount of dividends paid year on year.

## Performance Summary

	As at 31 March 2012	As at 31 December 2011	Movement
Capital return			
Total net assets	£66.91m	£60.10m	
Net asset value per share	105.49p	100.16p	5.3%
Share price	92.75p	91.25p	1.6%
Discount to NAV	(12.1%)	(8.9%)	

  

Total return	3 months (%)	1 year (%)	5 years (%)	10 years (%)
Net asset value total return <sup>1</sup>	5.3	7.7	15.9	93.0
Share price total return <sup>2</sup>	1.6	7.8	18.5	97.0
FTSE All-share total return <sup>3</sup>	6.1	1.4	9.5	65.5

<sup>1</sup> NAV total return = NAV + reinvested dividends; Source: ISIS EP LLP

<sup>2</sup> Share price total return = Mid to mid share price + reinvested dividends; Source: AIC

<sup>3</sup> FTSE All-share = FTSE All-share Index + reinvested dividends; Source: AIC

These total returns are stated before the inclusion of VCT tax reliefs which are designed to mitigate the higher risks and costs associated with investing in smaller companies and the constraints of the VCT legislation. The tax reliefs given at the time of subscription have been 20%, 40% and later 30%, so any adjusted performance measure including this relief will vary depending on the date of subscription. There is the additional benefit of receiving VCT dividends tax free.

## Investment Performance

The net asset value total return of the company increased 5.3% during the quarter compared to an increase of 6.1% in the FTSE All-Share Total Return over the same period. The unquoted portfolio valuation increased by 2.8% in the quarter and the AIM portfolio increased by 17.1%.

## Top Ten Investment Holdings

Position as at 31 March 2012	Position as at 31 December 2011	Company	Percentage of NAV as at 31 March 2012
1	1	Nexus Vehicle Holdings Limited	7.7
2	2	CableCom Networking Holdings Limited	5.8
3	4	IDOX plc	4.9
4	3	Crew Clothing Holdings Limited	4.0
5	6	CSC (World) Limited	3.3
6	7	Fisher Outdoor Leisure Holdings Limited	3.3
7	5	Kafévend Holdings Limited	3.2
8	12	Independent Living Services Limited	3.1
9	8	Valldata Group Limited	2.6
10	9	Inspired Thinking Group Limited	2.1
Total			40.0

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### Analysis of Total Assets

	Percentage of total assets 31 March 2012	Percentage of total assets 31 December 2011
Unquoted investments	45	51
AIM, Listed & Collective Investments	32	31
Interest Bearing Securities	33	17
Net current (liabilities)/assets*	(10)	1
Total cash portfolio	23	18
<b>Total Assets</b>	<b>100</b>	<b>100</b>

\* Cash less investments awaiting settlement

### Analysis of Investment Portfolio by Sector

(excluding cash and interest bearing securities)

	Percentage of total investments at 31 March 2012	Percentage of total investments at 31 December 2011
Business Services	32	34
Consumer Markets	18	18
Financial Services	2	2
Healthcare & Education	14	13
Technology, Media and Telecommunications	34	33
<b>Total</b>	<b>100</b>	<b>100</b>

### Investment Activity

During the quarter a total of £0.1m was invested in two AIM quoted stocks, Accumuli plc & Driver Group plc.

Shortly after the period end a further four unquoted investments were completed. On 4 April 2012, £0.8m was invested in Happy Days, a day nursery operator based in the South West of England. On 3 and 4 April 2012, £3.0m was invested in three companies formed to enable investment into established trading entities, each led by an experienced Chairman. All three Chairmen work with ISIS as operating partners.

After the period end, a further investment of £1.0m was also made in Wood Street Microcap Investment Fund and £1.1m was invested in one new and two follow-on AIM traded investments.

### Investments made

Company	Date	Cost (£'000)
Accumuli plc	Feb 2012	6
Driver Group plc	Jan/Feb 2012	61
<b>Total Investments</b>		<b>67</b>

### Realisations

A total of £1.53m was realised from the sale or partial sale of two unquoted investments and three quoted investments. These sales realised a net capital loss of £0.6m.

Company	Date	Cost (£'000)	Proceeds (£'000)	Multiple (x)
Clarity Commerce Solutions plc (full trade sale)	Jan 2012	50	31	0.63
MLS Limited (partial loan redemption)	Feb/Mar 2012	99	99	1.00
Real Good Food Company (The) plc (partial sale)	Mar 2012	273	120	0.44
TVC Group Limited	Mar 2012	1,233	1,275	^
Colliers CRE (written off)	Mar 2012	470	-	N/A
<b>Total Realisations</b>		<b>2,125</b>	<b>1,525†</b>	

^ Not disclosed

† Proceeds of £8,000 were also received in respect of Getting Personal Limited, which had been sold in the year ended 31 December 2011.

### Events after the period end

#### New investments

As noted above, since 31 March 2012 the Company invested a total of £5.93m in four new unquoted, one new and two follow-on quoted investments and a further investment in Wood Street Microcap Investment Fund. The Company has now invested in 72 companies, 25 unquoted and 47 quoted investments.

Other than the events described above, the Board is not aware of any significant events or transactions which have occurred between 31 March 2012 and the date of publication of this statement which would have a material impact on the financial position of the Company.

### Further information

Further information regarding the Company, including net asset values published since the end of the period and quarterly factsheets, can be found at the Company's website [www.baronsmeadvct3.co.uk](http://www.baronsmeadvct3.co.uk)

### Contact

For further information please contact:

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Baronsmead VCT 3 plc is managed by ISIS EP LLP (ISIS Equity Partners), which is Authorised and regulated by the Financial Services Authority (FSA). ISIS EP LLP manages five Baronsmead VCTs.

All information sources are provided by ISIS EP LLP and all figures are as at 31 March 2012 unless otherwise stated. ISIS EP LLP does not give investment advice. Past performance is not necessarily a guide to future performance. Stock markets and currency movements may cause the value of investments and the income from them to fall as well as rise and investors may not get back the amount they originally invested. Where investments are made in unquoted securities or smaller companies, their potential volatility may increase the risk to the value of, and income from, the investment. Investors should take their own financial and tax advice before investing, based on their own individual circumstances. VCTs should be regarded as a long term investment and are only suitable for private investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result.

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