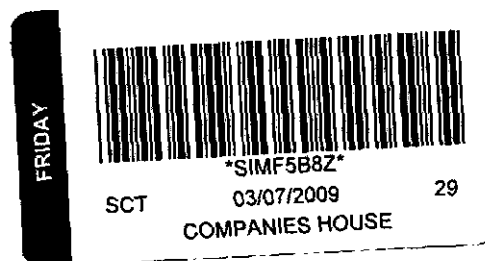


SC014692

DUNEDIN SMALLER COMPANIES INVESTMENT TRUST PLC
INTERIM ACCOUNTS FOR THE SIX MONTHS ENDED 30 APRIL 2009



INCOME STATEMENT

	Six months ended 30 April 2009 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	-	2,590	2,590
Income (note 2)	892	-	892
Investment management fee	(25)	(134)	(159)
VAT recoverable on investment management fees	-	-	-
Administrative expenses	(182)	-	(182)
Net return before finance costs and taxation	685	2,456	3,141
Finance costs	(22)	(65)	(87)
Return on ordinary activities before and after taxation	663	2,391	3,054
Return per Ordinary share (pence):	1.39	4.99	6.38

The total column of this statement represents the profit and loss account of the Company.

A Statement of Total Recognised Gains and Losses has not been prepared as all gains and losses have been reflected in the Income Statement.

All revenue and capital items in the above statement derive from continuing operations.

INCOME STATEMENT

	Six months ended 30 April 2008 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	-	(13,795)	(13,795)
Income (note 2)	1,388	-	1,388
Investment management fee	(37)	(280)	(317)
VAT recoverable on investment management fees	-	-	-
Administrative expenses	(181)	-	(181)
Net return before finance costs and taxation	1,170	(14,075)	(12,905)
Finance costs	(79)	(234)	(313)
Return on ordinary activities before and after taxation	1,091	(14,309)	(13,218)
Return per Ordinary share (pence):	2.25	(29.55)	(27.30)

INCOME STATEMENT

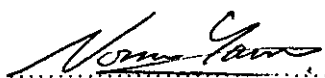
Year ended
31 October 2008
(audited)

	Revenue	Capital	Total
	£'000	£'000	£'000
Gains/(losses) on investments	-	(37,560)	(37,560)
Income (note 2)	3,039	-	3,039
Investment management fee	(67)	(515)	(582)
VAT recoverable on investment management fees	74	506	580
Administrative expenses	(380)	-	(380)
Net return before finance costs and taxation	2,666	(37,569)	(34,903)
Finance costs	(149)	(446)	(595)
Return on ordinary activities before and after taxation	2,517	(38,015)	(35,498)
Return per Ordinary share (pence):	5.22	(78.81)	(73.59)

BALANCE SHEET

	As at 30 April 2009 (unaudited) £'000	As at 30 April 2008 (unaudited) £'000	As at 31 October 2008 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	43,617	65,843	41,083
Current assets			
Debtors and prepayments	940	615	912
UK Treasury Bills	-	-	2,963
Cash and short term deposits	8,578	10,481	6,422
	9,518	11,096	10,297
Creditors: amounts falling due within one year			
Bank loan	(8,000)	(10,000)	(8,000)
Other creditors	(220)	(326)	(210)
	(8,220)	(10,326)	(8,210)
Net current assets	1,298	770	2,087
Net assets	44,915	66,613	43,170
Capital and reserves			
Called-up share capital	2,393	2,409	2,396
Share premium account	24	24	24
Capital redemption reserve	2,233	2,217	2,230
Capital reserve	36,034	57,669	33,689
Revenue reserve	4,231	4,294	4,831
Equity shareholders' funds	44,915	66,613	43,170
Net asset value per Ordinary share (pence):	93.86	138.28	90.08

Approved by the Board on 23 June 2009 and signed on behalf of the Company by:


 Norman Yarrow
 DIRECTOR

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Six months ended 30 April 2009 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 October 2008	2,396	24	2,230	33,689	4,831	43,170
Purchase of own shares	(3)	-	3	(46)	-	(46)
Return on ordinary activities after taxation	-	-	-	2,391	663	3,054
Dividends paid ^a	-	-	-	-	(1,263)	(1,263)
Balance at 30 April 2009	2,393	24	2,233	36,034	4,231	44,915

Six months ended 30 April 2008 (unaudited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 October 2007	2,466	19	2,160	73,307	4,412	82,364
Issue of subscription shares	-	5	-	-	-	5
Purchase of own shares	(57)	-	57	(1,329)	-	(1,329)
Return on ordinary activities after taxation	-	-	-	(14,309)	1,091	(13,218)
Dividends paid ^a	-	-	-	-	(1,209)	(1,209)
Balance at 30 April 2008	2,409	24	2,217	57,669	4,294	66,613

Year ended 31 October 2008 (audited)

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 October 2007	2,466	19	2,160	73,307	4,412	82,364
Issue of subscription shares	-	5	-	-	-	5
Purchase of own shares	(70)	-	70	(1,603)	-	(1,603)
Return on ordinary activities after taxation	-	-	-	(38,015)	2,517	(35,498)
Dividends paid ^a	-	-	-	-	(2,098)	(2,098)
Balance at 31 October 2008	2,396	24	2,230	33,689	4,831	43,170

^a See note 3.

CASH FLOW STATEMENT

	Six months ended 30 April 2009 (unaudited) £'000	Six months ended 30 April 2008 (unaudited) £'000	Year ended 31 October 2008 (audited) £'000
Net cash inflow from operating activities	413	609	2,075
Net cash outflow from servicing of finance	(87)	(314)	(604)
Net cash inflow from financial investment	176	3,020	3,911
Equity dividends paid	(1,263)	(1,209)	(2,098)
Net cash (outflow)/inflow before use of liquid resources and financing	(761)	2,106	3,284
Net cash inflow from management of liquid resources	2,963	9,313	6,350
Net cash outflow from financing	(46)	(1,324)	(3,598)
Increase in cash	2,156	10,095	6,036
Reconciliation of net cash flow to movements in net funds			
Increase in cash as above	2,156	10,095	6,036
Net change in liquid resources	(2,963)	(9,313)	(6,350)
Change in net funds resulting from cash flows	(807)	782	(314)
Repayment of loan	-	-	2,000
Movement in net funds in the period	(807)	782	1,686
Opening net funds/(debt)	1,385	(301)	(301)
Closing net funds	578	481	1,385
Represented by:			
Cash and cash equivalents	8,578	10,481	9,385
Debt due within one year	(8,000)	(10,000)	(8,000)
	578	481	1,385

Notes to the Financial Statements

1. Accounting policies

(a) Basis of preparation and going concern

The accounts have been prepared in accordance with applicable UK Accounting Standards, with pronouncements on half-yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (issued in January 2009 and adopted early). The early adoption of the January 2009 SORP has no effect on the financial statements of the Company, other than the requirement separately to disclose capital reserves that relate to the revaluation of investments held at the reporting date. These are disclosed in note 6. This new requirement replaces the previous requirement to disclose the value of the capital reserve that was unrealised. They have also been prepared on the assumption that approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP).

These financial statements have been prepared using the same accounting policies as the preceding annual accounts.

(b) Investments

Investments have been designated upon initial recognition as fair value through profit or loss. Investments are recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are measured initially at fair value. Subsequent to initial recognition, investments are recognised at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS stocks, sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE All-Share and the most liquid AIM constituents. Gains or losses arising from changes in the fair value are included in net profit or loss for the period as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

(c) Dividends payable

Interim and final dividends are recognised in the period in which they are paid.

	Six months ended 30 April 2009	Six months ended 30 April 2008	Year ended 31 October 2008
	£'000	£'000	£'000
2. Income			
Income from investments ¹			
UK dividend income	730	1,076	2,424
Overseas dividend income	45	45	85
	<hr/> 775	<hr/> 1,121	<hr/> 2,509

Other income ²

Interest from AAA rated Money Market funds	-	34	34
Interest on Treasury Bills	26	137	150
Deposit interest	88	95	344
Underwriting commission	3	1	2
	<u>117</u>	<u>267</u>	<u>530</u>
Total income	<u>892</u>	<u>1,388</u>	<u>3,039</u>

¹ All investments have been designated fair value through profit or loss on initial recognition, therefore all investment income arises on investments at fair value through profit or loss.

² Other income on financial assets not designated fair value through profit or loss.

	Six months ended 30 April 2009 £'000	Six months ended 30 April 2008 £'000	Year ended 31 October 2008 £'000
3. Dividends			
Amounts recognised as distributions to equity holders in the period:			
Interim dividend for 2008 - 1.85p	-	-	890
Final dividend for 2008 - 2.65p (2007 - 2.50p)	1,269	1,209	1,208
Refund by register of unclaimed dividends for prior periods	(6)	-	-
Dividends paid in the period	<u>1,263</u>	<u>1,209</u>	<u>2,098</u>

An interim dividend of 1.85p for the year to 31 October 2009 will be paid on 24 July 2009 to shareholders on the register on 10 July 2009. The ex-dividend date is 8 July 2009.

The table below sets out the interim dividend payable in respect of the six months ended 30 April 2009. The revenue available for distribution by way of dividend for the period is £663,000 (2008 - £1,091,000).

	Six months ended 30 April 2009 £'000	Six months ended 30 April 2008 £'000
Interim dividend payable for 2009 - 1.85p (2008 - 1.85p)	885	890

	Six months ended 30 April 2009 p	Six months ended 30 April 2008 p	Year ended 31 October 2008 p
4. Return per share			
Revenue return	1.39	2.25	5.22
Capital return	4.99	(29.55)	(78.81)
Total return	<u>6.38</u>	<u>(27.30)</u>	<u>(73.59)</u>

The figures above are based on the following attributable revenues:

	Six months ended 30 April 2009 £'000	Six months ended 30 April 2008 £'000	Year ended 31 October 2008 £'000
Revenue return	663	1,091	2,517
Capital return	2,391	(14,309)	(38,015)
Total return	<u>3,054</u>	<u>(13,218)</u>	<u>(35,498)</u>
Weighted average number of Ordinary shares in issue	<u>47,862,103</u>	<u>48,421,194</u>	<u>48,236,983</u>

5. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments at fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

	Six months ended 30 April 2009 £'000	Six months ended 30 April 2008 £'000	Year ended 31 October 2008 £'000
Purchases	13	18	46
Sales	2	6	8
	<u>15</u>	<u>24</u>	<u>54</u>

6. Capital reserves

The capital reserve reflected in the Balance Sheet at 30 April 2009 includes losses of £4,301,000 (30 April 2008 - gains of £15,377,000; 31 October 2008 - losses of £10,791,000) which relate to the revaluation of investments held at the reporting date.

	As at 30 April 2009	As at 30 April 2008	As at 31 October 2008
7. Net asset value per share			
Equity shareholders' funds	£44,915,000	£66,613,000	£43,170,000
Number of Ordinary shares in issue	47,852,573	48,172,573	47,922,573
Equity shareholders' funds per share	93.86p	138.28p	90.08p

8. Called-up share capital

During the six months to 30 April 2009 70,000 Ordinary shares of 5p each were bought back for cancellation at a total cost of £46,000 including expenses. During the six months ended 30 April 2008 1,157,500 Ordinary shares were bought back for cancellation at a total cost of £1,329,000 including expenses. During the year ended 31 October 2008 1,407,500 Ordinary shares were bought back for cancellation at a total cost of £1,603,000 including expenses.

9. Commitments, contingencies and post Balance Sheet events

On 5 November 2007, the European Court of Justice ruled that management fees should be exempt from VAT. HMRC has announced its intention not to appeal against this case to the UK VAT Tribunal and therefore protective claims which have been made in relation to the Company will be processed in due course. The Company has not been charged VAT on its investment management fees from 1 November 2007.

The Manager has agreed to refund £580,000 to the Company for VAT charged on investment management fees for the period 1 January 2004 to 31 October 2007 and this has been included in the financial statements for the year to 31 October 2008. The repayment was allocated to revenue and capital in line with the accounting policy of the Company for the periods in which the VAT was charged. The reclaim for previous periods and the timescale for receipt are at present uncertain and the Company has taken no account in these financial statements of any such repayment.

10. Interim Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the six months ended 30 April 2009 and 30 April 2008 has not been audited.

The information for the year ended 31 October 2008 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under Section 237 (2) or (3) of the Companies Act 1985.

The auditors have reviewed the financial information for the six months ended 30 April 2009 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

11. This Half-Yearly Financial Report was approved by the Board on 23 June 2009 and the Interim Report will be posted to shareholders in July 2009 and copies will be available from the Manager or the Company's website, www.dunedinsmaller.co.uk.

For Dunedin Smaller Companies Investment Trust PLC
Aberdeen Asset Management PLC SECRETARY

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise. Investors may not get back the amount they originally invested.