

**STANDARD LIFE UK SMALLER COMPANIES TRUST PLC**

**UNAUDITED  
SECTION 838 COMPANIES ACT 2006  
INTERIM ACCOUNTS**

**31 DECEMBER 2012**

**Registered in Scotland: No SC145455**

THURSDAY



SCT      \*S254U4FE\*      #230  
28/03/2013  
COMPANIES HOUSE

**Statement of Directors' Responsibilities in  
respect of the Interim Accounts**

Section 838 of the Companies Act 2006 requires the Directors to prepare interim accounts for the period from 1 July 2012 to 31 December 2012 for the purpose of determining the amount the Company may distribute by way of interim dividends.

The interim accounts are required to give a true and fair view of the state of the Company's affairs and profit or loss for the period and to be properly prepared in terms of Section 838 of the Companies Act 2006 subject to matters which are not material for determining whether the proposed distribution would contravene the relevant requirements of the Companies Act 2006.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Interim dividend**

	<b>£'000</b>
<b>Revenue reserves</b>	
B/f revenue reserve at 1 July 2012 per Annual Report	2,796
Less: final interim dividend paid for 2012 on Ordinary shares - 1.75p	(1,365)
	<hr/>
Adjusted revenue reserves at 1 July 2012 (Companies Act basis)	<b>1,431</b> <hr/>
<b>Current period (see Income Account)</b>	
Revenue on ordinary activities after taxation	1,318
Less: proposed interim dividend for 2013 on Ordinary shares - 1.15p	766
	<hr/>
Revenue reserves after proposed interim dividend for 2013	<b>552</b> <hr/>
 Adjusted revenue reserves at 1 July 2012	 <b>1431</b>
Current year revenue reserves after dividend proposed	<b>552</b>
	<hr/>
Revenue reserves after proposed interim dividend for 2013	<b>1983</b> <hr/>

## INCOME STATEMENT

Six months ended 31 December 2012				
(unaudited)				
	Notes	Revenue £'000	Capital £'000	Total £'000
Net gains/(losses) on investments held at fair value		-	16,583	16,583
Income	2	1,883	-	1,883
Investment management fee		(189)	(567)	(756)
Administrative expenses		(220)	-	(220)
<b>Net return/(loss) before finance costs and taxation</b>		<b>1,474</b>	<b>16,016</b>	<b>17,490</b>
Finance costs		(145)	(436)	(581)
<b>Return/(loss) on ordinary activities before taxation</b>		<b>1,329</b>	<b>15,580</b>	<b>16,909</b>
Taxation		(11)	-	(11)
<b>Return/(loss) on ordinary activities after taxation</b>		<b>1,318</b>	<b>15,580</b>	<b>16,898</b>
<b>Return/(loss) per ordinary share</b>	5	<b>2.01p</b>	<b>23.81p</b>	<b>25.82p</b>

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 or losses are recognised in the Income Statement.

No operations were acquired or discontinued in the year.

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

The accompanying notes are an integral part of the financial statements.

**INCOME STATEMENT (cont'd)**

<b>Six months ended 31 December 2011</b>				
<b>(unaudited)</b>				
	<b>Notes</b>	<b>Revenue £'000</b>	<b>Capital £'000</b>	<b>Total £'000</b>
Net gains/(losses) on investments held at fair value		-	(28,107)	(28,107)
Income	2	1,523	-	1,523
Investment management fee		(112)	(338)	(450)
Administrative expenses		(167)	-	(167)
<hr/>				
<b>Net return/(loss) before finance costs and taxation</b>		1,244	(28,445)	(27,201)
Finance costs		(145)	(436)	(581)
<hr/>				
<b>Return/(loss) on ordinary activities before taxation</b>		1,099	(28,881)	(27,782)
Taxation		(12)	-	(12)
<hr/>				
<b>Return/(loss) on ordinary activities after taxation</b>		<b>1,087</b>	<b>(28,881)</b>	<b>(27,794)</b>
<hr/>				
<b>Return/(loss) per ordinary share</b>	5	<b>1.68p</b>	<b>(44.53p)</b>	<b>(42.85p)</b>

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

The accompanying notes are an integral part of the financial statements.

**INCOME STATEMENT (cont'd)**

Year ended 30 June 2012				
(audited)				
	Notes	Revenue £'000	Capital £'000	Total £'000
Net gains/(losses) on investments held at fair value		-	(14,397)	(14,397)
Income	2	3,192	-	3,192
Investment management fee		(238)	(713)	(951)
Administrative expenses		(367)	-	(367)
<hr/>				
<b>Net return/(loss) before finance costs and taxation</b>		2,587	(15,110)	(12,523)
Finance costs		(289)	(866)	(1,155)
<hr/>				
<b>Return/(loss) on ordinary activities before taxation</b>		2,298	(15,976)	(13,678)
Taxation		(25)	-	(25)
<hr/>				
<b>Return/(loss) on ordinary activities after taxation</b>		<b>2,273</b>	<b>(15,976)</b>	<b>(13,703)</b>
<hr/>				
<b>Return/(loss) per ordinary share</b>	5	<b>3.50p</b>	<b>(24.61p)</b>	<b>(21.11p)</b>

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 or losses are recognised in the Income Statement.

No operations were acquired or discontinued in the year.

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

The accompanying notes are an integral part of the financial statements.

# BALANCE SHEET

	Notes	As at 31 December 2012 (unaudited) £'000	As at 31 December 2011 (unaudited) £'000	As at 30 June 2012 (audited) £'000
<b>Non-current assets</b>				
Investments held at fair value through profit or loss		174,495	129,625	147,937
<b>Current assets</b>				
Debtors and prepayments		172	133	966
AAA Money Market funds		8,858	20,651	15,208
Cash and short term deposits		2	1	18
		9,032	20,785	16,192
<b>Creditors: amounts falling due within one year</b>				
Other creditors		(742)	(536)	(661)
<b>Net current assets/(liabilities)</b>		8,290	20,249	15,531
<b>Non-current liabilities</b>				
3.5% Convertible Unsecured Loan Stock 2018		(23,456)	(23,189)	(23,321)
<b>Net assets</b>		<b>159,329</b>	<b>126,685</b>	<b>140,147</b>
<b>Capital and reserves</b>				
Called-up share capital		16,638	16,249	16,250
Share premium account		6,983	3,706	3,722
Equity component of Convertible Unsecured Loan Stock 2018		1,470	1,467	1,470
Special reserve		46,871	46,871	46,871
Capital reserve		84,618	56,133	69,038
Revenue reserve		2,749	2,259	2,796
<b>Equity shareholders' funds</b>		<b>159,329</b>	<b>126,685</b>	<b>140,147</b>
<b>Net asset value per ordinary share</b>	8	<b>239.40p</b>	<b>194.92p</b>	<b>215.61p</b>

The financial statements were approved by the Board of Directors and authorised for issue on 19 February 2013 and were signed on its behalf by:

*Donald MacDonald*

**Donald MacDonald**  
Chairman

# RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Six months ended 31 December 2012 (unaudited)	Share capital £'000	Share premium account £'000	Equity component CULS 2018 £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2012	16,250	3,722	1,470	46,871	69,038	2,796	140,147
Return on ordinary activities after taxation	-	-	-	-	15,580	1,318	16,898
Issue of shares	387	3,250	-	-	-	-	3,637
Issue of shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	1	11	-	-	-	-	12
Dividends paid (see note 4)	-	-	-	-	-	(1,365)	(1,365)
<b>Balance at 31 December 2012</b>	<b>16,638</b>	<b>6,983</b>	<b>1,470</b>	<b>46,871</b>	<b>84,618</b>	<b>2,749</b>	<b>159,329</b>

Six months ended 31 December 2011 (unaudited)	Share capital £'000	Share premium account £'000	Equity component CULS 2018 £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2011	16,137	2,881	1,470	46,871	85,014	2,959	155,332
Return on ordinary activities after taxation	-	-	-	-	(28,881)	1,087	(27,794)
Issue of shares	106	790	-	-	-	-	896
Issue of shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	6	35	(3)	-	-	-	38
Dividends paid (see note 4)	-	-	-	-	-	(1,787)	(1,787)
<b>Balance at 31 December 2011</b>	<b>16,249</b>	<b>3,706</b>	<b>1,467</b>	<b>46,871</b>	<b>56,133</b>	<b>2,259</b>	<b>126,685</b>

Year ended 30 June 2012 (audited)	Share capital £'000	Share premium account £'000	Equity component CULS 2018 £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 June 2011	16,137	2,881	1,470	46,871	85,014	2,959	155,332
Return on ordinary activities after taxation	-	-	-	-	(15,976)	2,273	(13,703)
Issue of shares	106	790	-	-	-	-	896
Issue of shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	7	51	-	-	-	-	58
Dividends paid (see note 4)	-	-	-	-	-	(2,436)	(2,436)
<b>Balance at 30 June 2012</b>	<b>16,250</b>	<b>3,722</b>	<b>1,470</b>	<b>46,871</b>	<b>69,038</b>	<b>2,796</b>	<b>140,147</b>

# CASHFLOW STATEMENT

	Six months ended 31 December 2012 (unaudited) £'000	Six months ended 31 December 2011 (unaudited) £'000	Year ended 30 June 2012 (audited) £'000
<b>Net return/(loss) on ordinary activities before finance costs and taxation</b>	17,490	(27,201)	(12,523)
Adjustment for:			
(Gains)/losses on investments	(16,583)	28,107	14,397
<b>Revenue before finance costs and taxation</b>	907	906	1,874
Decrease in accrued income	202	308	98
(Increase)/decrease in other debtors	(6)	6	8
Increase/(decrease) in other creditors	169	(1,148)	(1,102)
<b>Net cash inflow/(outflow) from operating activities</b>	1,272	(88)	878
Net cash outflow from servicing of finance	(437)	(437)	(874)
Net overseas tax	(22)	(22)	(53)
Net cash (outflow)/inflow from financial investment	(9,451)	12,640	7,516
Equity dividends paid	(1,365)	(1,787)	(2,436)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>	(10,003)	10,466	5,031
Net cash inflow/(outflow) from management of liquid resources	6,350	(11,355)	(5,912)
<b>Net cash outflow before financing</b>	(3,653)	(889)	(881)
<b>Financing</b>			
Issue of shares	3,637	896	896
3.5% Convertible Unsecured Loan Stock 2018	-	(9)	-
<b>Net cash inflow from financing</b>	3,637	887	896
<b>(Decrease)/Increase in cash</b>	<b>(16)</b>	<b>(2)</b>	<b>15</b>
<b>Reconciliation of net cash flow to movements in net debt</b>			
(Decrease)/increase in cash as above	(16)	(2)	15
Net change in liquid resources	(6,350)	11,355	5,912
3.5% Convertible Unsecured Loan Stock 2018	-	9	-
Other non-cash movements	(135)	2	(281)
<b>Movement in net debt in the period</b>	<b>(6,501)</b>	<b>11,204</b>	<b>5,646</b>
Opening net debt	(8,095)	(13,741)	(13,741)
<b>Closing net debt</b>	<b>(14,596)</b>	<b>(2,537)</b>	<b>(8,095)</b>
<b>Represented by:</b>			
Cash and short term deposits	2	1	18
Money Market funds	8,858	20,651	15,208
Debt due in more than one year	(23,456)	(23,189)	(23,321)
	<b>(14,596)</b>	<b>(2,537)</b>	<b>(8,095)</b>



## NOTES:

### 1. Accounting policies

#### (a) Basis of accounting

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. 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').

The half-year financial statements have been prepared using the same accounting policies as the preceding annual accounts.

#### (b) Dividends payable

Dividends are recognised in the period in which they are paid.

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
<b>2. Income</b>			
<b>Income from Investments</b>			
UK dividend income	1,668	1,249	2,504
Overseas dividend income	181	203	58
Overseas stock dividend income	-	-	501
	<hr/> 1,849	<hr/> 1,452	<hr/> 3,063
<b>Other Income</b>			
Interest from Money Market funds	34	71	129
	<hr/> 34	<hr/> 71	<hr/> 129
<b>Total income</b>	<hr/> <b>1,883</b>	<hr/> <b>1,523</b>	<hr/> <b>3,192</b>

### 3. Taxation

The taxation expenses reflected in the Income Statement is based on management's best estimate of the weighted annual corporation tax rate expected for the full financial year. The estimated annual tax rate used for the year to 30 June 2013 is 23.75%.

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
<b>4. Dividends</b>			
Ordinary dividend on equity shares:			
2012 final dividend of 2.10p per share (2011 - 1.75p)	1,365	1,137	1,137
2012 special dividend of nil per share (2011 - 1.00p)	-	650	649
2012 interim dividend of 1.00p per share	-		650
	<u>1,365</u>	<u>1,787</u>	<u>2,436</u>

	Six months ended 31 December 2012 p	Six months ended 31 December 2011 p	Year ended 30 June 2012 p
<b>5. Return per share</b>			
Revenue return	2.01	1.68	3.50
Capital return	23.81	(44.53)	(24.61)
Total return	<u>25.82</u>	<u>(42.85)</u>	<u>(21.11)</u>
Weighted average number of Ordinary shares	<u>65,447,498</u>	<u>64,857,519</u>	<u>64,926,950</u>

The figures above are based on the following:

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
Revenue return	1,318	1,087	2,273
Capital return	15,580	(28,881)	(15,976)
Total return	<u>16,898</u>	<u>(27,794)</u>	<u>(13,703)</u>

#### 6. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 December 2012 includes gains of £74,846,000 (31 December 2011 - £49,991,000; 30 June 2012 - £61,104,000) which relate to the revaluation of investments held at the reporting date.

## 7. Transaction costs

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

	Six months ended 31 December 2012 £'000	Six months ended 31 December 2011 £'000	Year ended 30 June 2012 £'000
Purchases	143	42	166
Sales	17	26	49
	<hr/> 160	<hr/> 68	<hr/> 215

## 8. Net asset value

Total shareholders' funds have been calculated in accordance with the provisions of applicable accounting standards. The analysis of total shareholders' funds on the face of the Balance Sheet reflects the rights, under the Articles of Association of the ordinary shareholders on a return of assets.

These rights are reflected in the net asset value and the net asset value per share attributable to ordinary shareholders at the period end.

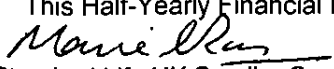
	Six months ended 31 December 2012	Six months ended 31 December 2011	Year ended 30 June 2012
Total shareholders' funds	£159,329,000	£126,685,000	£140,147,000
Number of ordinary shares in issue at the period end (excluding shares held in treasury)	66,554,584	64,994,559	64,999,905
Net asset value per share	<hr/> 239.40p	<hr/> 194.92p	<hr/> 215.61p

During the period the Company issued 1,550,000 new Ordinary shares for a consideration received of £3,669,000. In October 2012 £11,111 nominal amount of 3.5% Convertible Unsecured Loan Stock 2018 was converted into 4,679 new Ordinary shares.

As at 31 December 2012 there were 66,554,584 Ordinary shares in issue (31 December 2011 – 64,994,559 and 30 June 2012 – 64,999,905). Since 31 December 2012, the Company has issued 100,000 additional Ordinary shares.

9. The financial information in this report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the year ended 30 June 2012 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 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

10. This Half-Yearly Financial Report was approved by the Board on 19 February 2013.

  
For Standard Life UK Smaller Companies Trust plc  
Maven Capital Partners UK LLP, Secretary