

**THE HENDERSON SMALLER COMPANIES  
INVESTMENT TRUST PLC**

**HALF YEAR REPORT**  
**(unaudited)**  
**for the six months ended 30 November 2015**

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**INVESTMENT OBJECTIVE**

The Company's investment objective is to maximise shareholders' total returns by investing mainly in smaller companies that are quoted in the United Kingdom.

**FINANCIAL HIGHLIGHTS**

	(Unaudited) 30 November 2015	(Unaudited) 30 November 2014	(Audited) 31 May 2015
Total net assets	£548 million	£465 million	£563 million
Net asset value per ordinary share	733.8p	622.1p	754.1p
Net asset value per ordinary share on an alternative basis*	732.6p	619.2p	752.1p
Share price per ordinary share	663.5p	545.0p	686.0p
Total (loss)/return per ordinary share	(10.3)p	(7.5)p	128.0p
Revenue return per ordinary share	6.9p	5.9p	15.0p
Dividend per ordinary share	4.0p	3.5p	13.5p
Gearing	8.9%	10.8%	7.5%

\* calculated by deducting from the net assets the debt at its market value.

**TOTAL RETURN PERFORMANCE** (including dividends reinvested)

	6 Months %	1 Year %	2 Years %	3 Years %	5 Years %	10 Years %
NAV <sup>1</sup>	-1.0	19.7	23.9	75.9	137.7	240.7
Share price <sup>2</sup>	-1.8	24.3	34.5	97.6	173.2	292.5
Benchmark <sup>3</sup>	-3.3	11.9	11.2	53.4	92.1	161.8
Average Sector NAV <sup>4</sup>	1.2	18.8	20.5	68.9	110.7	201.1
Average Sector Share price <sup>5</sup>	2.3	21.4	22.5	79.4	131.5	231.9
FTSE SmallCap Index (excluding investment companies)	-2.3	12.4	12.1	64.9	95.3	77.7
FTSE All-Share Index	-6.4	0.6	5.4	26.3	45.2	80.9

<sup>1</sup> Net asset value per ordinary share (including dividends reinvested) for 6 months, 1, 2, 3 and 5 years and Capital NAV plus income for 10 years. The Company's issue of Debenture Stock and Preference Stock included at par value.

<sup>2</sup> Share price total return using mid-market prices

<sup>3</sup> Numis Smaller Companies Index (excluding investment companies)

<sup>4</sup> Average NAV of the AIC UK Smaller Companies Sector

<sup>5</sup> Average share price of the AIC UK Smaller Companies Sector

Sources: Morningstar Funddata, Morningstar Direct, Henderson, Datastream

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
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**INTERIM MANAGEMENT REPORT**

**CHAIRMAN'S STATEMENT**

**Half-Year ended 30 November 2015**

The last six months have been a volatile time for equity markets which ended the period broadly lower. The Company's net asset value (NAV) for the six months to the 30 November 2015 on a total return basis was down 1.0%. Our benchmark, the Numis Smaller Companies Index (excluding investment companies), fell 3.3% on a total return basis in the period. The Company's share price total return declined by 1.8% over the same period, resulting in the Company's discount marginally increasing from 9.0% to 9.6%. Despite the short-term weakness in markets, the past twelve months have seen the Company's share price increase by 24.3% and by 173.2% over the past five years, giving the Company an annualised return of 22.3% for that period.

Shareholders will be fully aware of the many uncertainties now facing equity markets. However, as our results show, smaller companies remain a good investment for the long-term investor. In this ever and faster changing world, smaller companies have the ability to adapt more quickly to new and disruptive ways of doing business, they are better positioned to benefit from the domestic recovery and good investors can find companies that can continue to show attractive growth prospects, largely irrespective of the macroeconomic picture. Furthermore, these companies are often less well researched than larger ones, which present opportunities for the diligent investor. Performance supports this, as smaller companies have materially outperformed markets over the last ten years. What is more, I am pleased to report that your Fund Manager, Neil Hermon, has outperformed the benchmark and the FTSE SmallCap Index (excluding investment companies) in eleven of the last twelve financial years.

The Board have decided to pay an interim dividend of 4.0p per share. This reflects the continuing growth in the dividend payments from our portfolio companies. It is currently the Board's intention to at least maintain the final dividend, which was 10.0p for the year ended 31 May 2015.

**Jamie Cayzer-Colvin**  
**Chairman**  
**20 January 2016**

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
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**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties associated with the Company's business fall broadly under the following categories:

- Investment activity and strategy;
- Accounting, legal and regulatory;
- Operational risk; and
- Financial instruments and the management of risk

Detailed information on these risks is given in the Strategic Report and in the Notes to the Financial Statements in the Company's Annual Report for the year ended 31 May 2015. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors confirm that, to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with "IAS34 Interim Financial Reporting";
- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by Disclosure and Transparency Rule 4.2.8R (disclosure of related party transactions and changes therein).

**For and on behalf of the Board**  
**Jamie Cayzer-Colvin**  
**Chairman**  
**20 January 2016**

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**FUND MANAGER'S REVIEW**

**Half-Year ended 30 November 2015**

**Market Review – Six months to 30 November 2015**

The period under review was a negative one for equity markets. Global economic conditions have been mixed with modest growth in the US and the UK offset by continuing tough conditions in Europe, slowing growth in China and other emerging markets. Monetary conditions remained benign as quantitative easing was introduced by the ECB, inflation remained subdued and the prospect of a rise in UK interest rates was continually pushed back. Global geo-political concerns remained heightened with the continuing conflict in Ukraine, increased Western military intervention in Syria/Iraq and continuing violence in other Middle Eastern 'failed states'. Commodity prices remained under significant pressure with oil and many metal prices hitting new multi-year lows.

Smaller companies outperformed larger companies over the period. This was driven principally by the pronounced weakness in those sectors that are heavily exposed to commodity prices with the weighting of these sectors being much higher in large cap compared to mid and small cap.

**Fund Performance**

The Company outperformed the benchmark in the period. The net asset value fell 1.0%, on a total return basis. This compares with a fall of 3.3% (total return) in the Numis Smaller Companies Index (excluding investment companies) and a decline of 2.3% (total return) in the FTSE SmallCap Index (excluding investment companies). The out-performance was due to the positive effect of stock selection in the Company.

**Attribution Analysis**

The table below shows the top five contributors to and the bottom five detractors from the Company's relative performance. Some of the following stocks are included in the benchmark index but not held by the Company. These have an effect on relative performance.

<b>Top five contributors to relative performance</b>	<b>6 month return %</b>	<b>Relative contribution %</b>
Bellway	+11.5	+0.5
Lonmin*	-92.8	+0.5
Paysafe	+28.2	+0.4
Kaz Minerals*	-59.9	+0.4
NCC	+37.9	+0.4

  

<b>Top five detractors from relative performance</b>	<b>6 month return %</b>	<b>Relative contribution %</b>
Northgate	-35.3	-0.4
JD Sports*	+50.1	-0.4
Oxford Instruments	-38.4	-0.4
Spectris	-23.1	-0.4
Renishaw	-22.1	-0.3

\* in benchmark index but not owned by the Company

**Principal Contributors**

Bellway is a national UK housebuilder; Lonmin is a South African producer of platinum; Paysafe is a global payment solutions business; Kaz Minerals is a Kazakhstan copper company; and NCC is a global provider of independent escrow and information security assurance services.

**Principal Detractors**

Northgate is a light commercial vehicle rental business operating in the UK and Spain; JD Sports is a branded sports and leisure wear retailer; Oxford Instruments is an advanced instrumentation equipment manufacturer; Spectris is an electronic control and process instrumentation business; and Renishaw is a high technology precision measuring and calibration equipment business.

# THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

## Unaudited Results for the Half-Year Ended 30 November 2015

### Portfolio Activity

Our approach is to consider our investments as long term in nature and to avoid unnecessary turnover. The focus has been on adding stocks to the portfolio that have good growth prospects, sound financial characteristics and strong management, at a valuation level that does not reflect these strengths. Likewise we have been employing strong sell disciplines to cut out stocks that fail to meet these criteria.

In the period we have added to a number of positions in our portfolio and increased exposure to those stocks we feel are set to improve or will continue with strong performance.

New additions to the portfolio include Gamma Communications, the telecommunications provider, GB Group the data intelligence and fraud prevention software company, Ibstock, the bricks and concrete building products group, Kainos, the information technology services and consulting business, and Scapa, a manufacturer of technical tapes.

To balance these additions to our portfolio we have disposed of positions in companies which we felt were set for poor price performance or where the valuation had become extended, including the holdings in Countrywide, Fenner, Fidessa, Thomas Cook and Virgin Money. Additionally we realised a number of positions where the company had received an agreed bid from another corporate. These included Anite, Chime Communications, HellermannTyton, Quintain Estates and Synergy Healthcare.

### Market Outlook

The period under review has been a more difficult one for equity markets. The outlook remains challenging with mixed economic performance across the globe. The recent rise in US interest rates has flagged to investors that loose global monetary conditions will at some stage reverse. However the 'normalisation' of monetary policy will be slow and measured. On a more positive note the collapse of oil prices should provide a boost to global growth, although certain oil producing economies are seeing a negative impact on their economic performance.

In terms of valuations, the equity market has gone from being cheap to more fairly rated and is now more in line with long term averages. To see the market make progress we need to see earnings growth accelerate, a situation which failed to happen in 2015 when the wider corporate sector saw minimal earnings growth, partly reflecting sterling's relative strength but also weak commodity prices.

Generally, balance sheets are strong and dividends are growing in the companies owned by the Company. M&A activity in 2015 has seen some pick-up from depressed levels, and our portfolio has seen a good number of bids. If corporate confidence improves, M&A will increase, especially as little or no return can currently be generated from cash and the cost of debt is historically low. This is a trend which will help smaller companies in particular as mergers and acquisition activity tends to be focused in this area.

In this environment and with a positive perspective on likely future medium term returns from our portfolio we retain a level of gearing which stood at 8.9% at 30 November 2015.

In conclusion, the period under review has been a negative one for the equity market. However the Company's absolute performance was resilient whilst relative performance was strong and our portfolio companies have, overall, performed robustly. Our investments are generally trading well, are soundly financed and attractively valued. Additionally, smaller companies continue to throw up exciting growth opportunities in which the Company can invest.

**Neil Hermon**  
**Fund Manager**  
**20 January 2016**

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**INVESTMENT PORTFOLIO**  
at 30 November 2015

<b>Company</b>	<b>Valuation £'000</b>	<b>% of Portfolio</b>	<b>Company</b>	<b>Valuation £'000</b>	<b>% of Portfolio</b>
Bellway	21,582	3.61	AA	6,480	1.09
e2v Technologies	16,525	2.77	DFS Furniture	6,426	1.08
Howden Joinery	13,910	2.33	Consort Medical	6,297	1.05
NMC Health	13,425	2.25	SIG	6,201	1.04
Informa	13,331	2.23	Jupiter Fund Management	6,118	1.02
Paragon	12,347	2.07	Senior	5,971	1.00
Victrex	11,997	2.01	Esure	5,964	1.00
WS Atkins	11,925	2.00	Brown (N) Group	5,538	0.93
Intermediate Capital	11,800	1.98	Eurocell	5,423	0.91
Interserve	11,151	1.87	Cineworld	5,400	0.90
	-----	-----		-----	-----
<b>10 largest</b>	<b>137,993</b>	<b>23.12</b>	<b>40 largest</b>	<b>359,119</b>	<b>60.16</b>
	-----	-----		-----	-----
Grainger	10,413	1.74	Crest Nicholson	5,367	0.90
* Clinigen	10,082	1.69	LSL Property Services	5,334	0.89
Playtech	10,047	1.68	The Restaurant Group	5,252	0.88
Capital & Regional	9,408	1.58	Aldermore	5,196	0.87
NCC	9,257	1.55	Oxford Instruments	5,101	0.86
Balfour Beatty	8,744	1.46	St Modwen Properties	4,931	0.83
Aveva	8,224	1.38	Dechra Pharmaceuticals	4,915	0.82
* Paysafe	8,100	1.36	Unite	4,914	0.82
			Euromoney Institutional		
Ted Baker	7,867	1.32	Investor	4,883	0.82
Laird	7,771	1.30	Tarsus Group	4,731	0.79
	-----	-----		-----	-----
<b>20 largest</b>	<b>227,906</b>	<b>38.18</b>	<b>50 largest</b>	<b>409,743</b>	<b>68.64</b>
	-----	-----		-----	-----
Renishaw	7,724	1.30	Dunelm	4,604	0.77
OneSavings Bank	7,694	1.29	Rotork	4,596	0.77
Essentra	7,599	1.27	* RWS	4,577	0.77
John Laing	7,365	1.23	SSP	4,509	0.76
RPC	7,268	1.22	* EMIS	4,366	0.73
Spectris	6,938	1.16	Tyman	4,364	0.73
Northgate	6,884	1.15	Volution	4,320	0.72
Sanne	6,769	1.14	CLS	4,319	0.72
Ibstock	6,624	1.11	Lookers	4,198	0.71
Melrose Industries	6,530	1.09	Vectura	4,114	0.69
	-----	-----		-----	-----
<b>30 largest</b>	<b>299,301</b>	<b>50.14</b>	<b>60 largest</b>	<b>453,710</b>	<b>76.01</b>
	-----	-----		-----	-----
			<b>Remaining 53</b>	<b>143,212</b>	<b>23.99</b>
				-----	-----
			<b>Total</b>	<b>596,922</b>	<b>100.00</b>
				=====	=====

\* listed on the Alternative Investment Market

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**STATEMENT OF COMPREHENSIVE INCOME**  
for the half-year ended 30 November 2015

	(Unaudited) Half-year ended 30 November 2015			(Unaudited) Half-year ended 30 November 2014			(Audited) Year ended 31 May 2015		
	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	6,021	-	6,021	5,214	-	5,214	12,838	-	12,838
Other income	14	-	14	119	-	119	207	-	207
(Losses)/gains on investments held at fair value through profit or loss	-	(11,312)	(11,312)	-	(8,493)	(8,493)	-	89,494	89,494
<b>Total income</b>	<b>6,035</b>	<b>(11,312)</b>	<b>(5,277)</b>	5,333	(8,493)	(3,160)	13,045	89,494	102,539
<b>Expenses</b>									
Management and performance fees	(284)	(663)	(947)	(266)	(622)	(888)	(538)	(3,256)	(3,794)
Other expenses	(252)	-	(252)	(231)	-	(231)	(472)	-	(472)
<b>Net return/(loss) before finance costs and taxation</b>	<b>5,499</b>	<b>(11,975)</b>	<b>(6,476)</b>	4,836	(9,115)	(4,279)	12,035	86,238	98,273
Finance costs	(366)	(854)	(1,220)	(396)	(924)	(1,320)	(789)	(1,841)	(2,630)
<b>Net return/(loss) before taxation</b>	<b>5,133</b>	<b>(12,829)</b>	<b>(7,696)</b>	4,440	(10,039)	(5,599)	11,246	84,397	95,643
Taxation	-	-	-	-	-	-	(12)	-	(12)
<b>Net return/(loss) for the period and total comprehensive income</b>	<b>5,133</b>	<b>(12,829)</b>	<b>(7,696)</b>	4,440	(10,039)	(5,599)	11,234	84,397	95,631
<b>Return/(loss) per ordinary share (note 3)</b>	<b>6.87p</b>	<b>(17.17)p</b>	<b>(10.30)p</b>	5.94p	(13.44)p	(7.50)p	15.04p	112.98p	128.02p

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

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



**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**STATEMENT OF CHANGES IN EQUITY**

	(Unaudited)				
	Half-year ended 30 November 2015				
	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
<b>Total equity at 1 June 2015</b>	18,676	26,745	501,974	15,926	563,321
<b>Total comprehensive income:</b>					
<b>(Loss)/profit for the period</b>	-	-	(12,829)	5,133	(7,696)
<b>Transactions with owners, recorded directly to equity:</b>					
<b>Ordinary dividend paid</b>	-	-	-	(7,470)	(7,470)
	-----	-----	-----	-----	-----
<b>Total equity at 30 November 2015</b>	<b>18,676</b>	<b>26,745</b>	<b>489,145</b>	<b>13,589</b>	<b>548,155</b>
	=====	=====	=====	=====	=====
	(Unaudited)				
	Half-year ended 30 November 2014				
	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 June 2014	18,676	26,745	417,577	13,283	476,281
Total comprehensive income:					
(Loss)/profit for the period	-	-	(10,039)	4,440	(5,599)
Transactions with owners, recorded directly to equity:					
Ordinary dividend paid	-	-	-	(5,976)	(5,976)
	-----	-----	-----	-----	-----
Total equity at 30 November 2014	18,676	26,745	407,538	11,747	464,706
	=====	=====	=====	=====	=====
	(Audited)				
	Year ended 31 May 2015				
	Called up share capital £'000	Capital redemption reserve £'000	Other capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 1 June 2014	18,676	26,745	417,577	13,283	476,281
Total comprehensive income:					
Profit for the year	-	-	84,397	11,234	95,631
Transactions with owners, recorded directly to equity:					
Ordinary dividend paid	-	-	-	(8,591)	(8,591)
	-----	-----	-----	-----	-----
Total equity at 31 May 2015	18,676	26,745	501,974	15,926	563,321
	=====	=====	=====	=====	=====

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

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**BALANCE SHEET**

	(Unaudited) 30 November 2015 £'000	(Unaudited) 30 November 2014 £'000	(Audited) 31 May 2015 £'000
<b>Non current assets</b>			
Investments held at fair value through profit or loss	596,922	514,906	605,776
	-----	-----	-----
<b>Current assets</b>			
Securities sold for future settlement	-	186	731
Taxation recoverable	17	18	12
Prepayments and accrued income	731	628	2,003
Cash and cash equivalents	1,849	2,729	10,183
	-----	-----	-----
	2,597	3,561	12,929
	-----	-----	-----
<b>Total assets</b>	599,519	518,467	618,705
	-----	-----	-----
<b>Current liabilities</b>			
Securities purchased for future settlement	(2,190)	(2,486)	(679)
Performance fee	-	-	(2,000)
Accruals and deferred income	(148)	(472)	(500)
Financial liabilities	(20,000)	-	(20,000)
Bank loans	(29,022)	(30,799)	(32,201)
	-----	-----	-----
	(51,360)	(33,757)	(55,380)
	-----	-----	-----
<b>Total assets less current liabilities</b>	548,159	484,710	563,325
	-----	-----	-----
<b>Non current liabilities</b>	(4)	(20,004)	(4)
	-----	-----	-----
<b>Net assets</b>	548,155	464,706	563,321
	=====	=====	=====
<b>Equity attributable to equity shareholders</b>			
Called up share capital (note 5)	18,676	18,676	18,676
Capital redemption reserve	26,745	26,745	26,745
Retained earnings:			
Capital reserve	489,145	407,538	501,974
Revenue reserve	13,589	11,747	15,926
	-----	-----	-----
<b>Total equity</b>	548,155	464,706	563,321
	=====	=====	=====
<b>Net asset value per ordinary share (note 6)</b>	733.8p	622.1p	754.1p
	=====	=====	=====

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

**CASH FLOW STATEMENT**

	(Unaudited) Half-year ended 30 November 2015 £'000	(Unaudited) Half-year ended 30 November 2014 £'000	(Audited) Year ended 31 May 2015 £'000
Net cash inflow from operating activities (note 7)	2,315	2,782	11,449
<b>Net cash inflow before use of financing</b>	<b>2,315</b>	2,782	11,449
Net cash outflow from financing activities	(10,649)	(1,207)	(2,420)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(8,334)</b>	1,575	9,029
Cash and cash equivalents at the start of the period	10,183	1,154	1,154
<b>Cash and cash equivalents at the period end</b>	<b>1,849</b>	2,729	10,183

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

# THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

## Unaudited Results for the Half-Year Ended 30 November 2015

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS

#### 1. Accounting policies - basis of preparation

The Henderson Smaller Companies Investment Trust plc ('the Company') is a company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The financial statements of the Company for the year ended 31 May 2015 have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These comprise standards and interpretations approved by the International Accounting Standards Board ('IASB'), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Financial Reporting Standards Committee ('IFRSC') that remain in effect, to the extent that IFRS have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial instruments held at fair value through profit or loss. Where presentational guidance set out in the Statement of Recommended Practice ('the SORP') for investment trusts issued by the Association of Investment Companies ('the AIC') in January 2009 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

For the period under review the principal accounting policies adopted have not varied from those set out in the Annual Report for the year ended 31 May 2015.

These financial statements have been neither audited nor reviewed by the Company's Auditor.

#### 2. Expenses

Expenses, finance costs and taxation include provision for a performance fee when the relevant criteria have been met. For the six months to 30 November 2015 there was no performance fee provision (30 November 2014: £nil; 31 May 2015: £2,000,000). Any provision is charged 100% to capital. The actual performance fee, if any, payable to Henderson for the year to 31 May 2016 will depend on outperformance over the full financial year, subject to a cap on the total fees paid to Henderson of 0.9% of the average value of the net assets of the Company during the year. Details of the performance fee arrangements are set out in the Company's 2015 Annual Report.

#### 3. Earnings per ordinary share

The earnings per ordinary share figure is based on the net loss for the half-year of £7,696,000 (30 November 2014: net loss of £5,599,000; 31 May 2015: net profit of £95,631,000) and on 74,701,796 (30 November 2014: 74,701,796; 31 May 2015: 74,701,796) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

The earnings per ordinary share figure detailed above can be further analysed between revenue and capital, as below.

	(Unaudited) 30 November 2015 £'000	(Unaudited) 30 November 2014 £'000	(Audited) 31 May 2015 £'000
Net revenue profit	5,133	4,440	11,234
Net capital (loss)/profit	(12,829)	(10,039)	84,397
Net total (loss)/profit	(7,696)	(5,599)	95,631
Weighted average number of ordinary shares in issue during the period	74,701,796	74,701,796	74,701,796
	Pence	Pence	Pence
Revenue profit per ordinary share	6.87	5.94	15.04
Capital (loss)/profit per ordinary share	(17.17)	(13.44)	112.98
Total (loss)/profit per ordinary share	(10.30)	(7.50)	128.02

**THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC**  
**Unaudited Results for the Half-Year Ended 30 November 2015**

4. **Dividends**

The Board has declared an interim dividend of 4.0p (2014: 3.5p) to be paid on 4 March 2016 to shareholders on the register at the close of business on 12 February 2016. The ex dividend date will be 11 February 2016. No provision has been made for the interim dividend in these condensed financial statements.

The final dividend of 10.0p per ordinary share, paid on 9 October 2015, in respect of the year ended 31 May 2015, has been recognised as a distribution in the period.

5. **Called up share capital**

At 30 November 2015 there were 74,701,796 ordinary shares in issue (30 November 2014: 74,701,796; 31 May 2015: 74,701,796). During the half-year ended 30 November 2015 the Company bought no ordinary shares in the market for cancellation (30 November 2014: nil; 31 May 2015: nil). The cost of the share buy-backs, including stamp duty, amounted to nil (30 November 2014: nil; 31 May 2015: nil). No shares have been bought back since the period end.

6. **Net asset value per ordinary share**

The net asset value per ordinary share is based on the net assets attributable to the equity shareholders of £548,155,000 (30 November 2014: £464,706,000; 31 May 2015: £563,321,000) and on 74,701,796 (30 November 2014: 74,701,796; 31 May 2015: 74,701,796) ordinary shares, being the number of ordinary shares in issue at the period end.

7. **Reconciliation of the (loss)/profit before taxation to the net cash inflow from operating activities**

	(Unaudited) Half-year ended 30 November 2015 £'000	(Unaudited) Half-year ended 30 November 2014 £'000	(Audited) Year ended 31 May 2015 £'000
(Loss)/profit before taxation	<b>(7,696)</b>	(5,599)	95,643
Losses/(gains) on investments held at fair value through profit or loss	<b>11,312</b>	8,493	(89,494)
Foreign exchange movements	<b>34</b>	-	-
Increase in purchases for future settlement creditor	<b>1,511</b>	2,391	584
Decrease in sales for future settlement debtor	<b>731</b>	1,185	640
Net (purchases)/sales of investments	<b>(2,492)</b>	(3,847)	3,270
Decrease/(increase) in other receivables	<b>1,277</b>	697	(696)
(Increase)/decrease in other debtors	<b>(4)</b>	(9)	9
(Decrease)/increase in accruals	<b>(2,353)</b>	(528)	1,500
Taxation on investment income	<b>(5)</b>	(1)	(7)
	<b>----- 2,315 =====</b>	<b>----- 2,782 =====</b>	<b>----- 11,449 =====</b>

8. **Financial Instruments**

The investments are held at fair value through profit or loss. All the net current liabilities are held in the Balance Sheet at a reasonable approximation of fair value. At 30 November 2015 the fair value of the Debenture Stock was £20,885,000 (30 November 2014: £22,160,000; 31 May 2015: £21,511,000). The fair value of the Debenture Stock is calculated using the prices quoted on the exchange on which the instrument trades. The Debenture Stock is carried in the Balance Sheet at par. At 30 November 2015 the fair value of the Preference Stock was £4,000 (30 November 2014: £4,000; 31 May 2015: £4,000). The fair value of the Preference Stock is estimated using the prices quoted on the exchange on which the investment trades. The Preference Stock is carried in the Balance Sheet at par.

The Debenture Stock and Preference Stock are categorised as level 1 in the fair value hierarchy (see below for definitions).

## THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

### Unaudited Results for the Half-Year Ended 30 November 2015

#### Fair value hierarchy

The following table sets out the fair value measurements of the investments using the IFRS 13 fair value hierarchy. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used.

#### Financial assets and financial liabilities at fair value through profit or loss at 30 November 2015

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	596,922	-	-	596,922
	-----	-----	-----	-----
<b>Total financial assets and liabilities carried at fair value</b>	<b>596,922</b>	<b>-</b>	<b>-</b>	<b>596,922</b>
	=====	=====	=====	=====

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: valued using quoted prices in active markets for identical assets.

Level 2: valued by reference to valuation techniques using observable inputs other than quoted prices included in Level 1.

Level 3: valued by reference to valuation techniques using inputs that are not based on observable market data.

The valuation techniques used by the Company are explained in the accounting policies note 1(c) of the Annual Report for the year ended 31 May 2015.

#### 9. Transaction costs

Purchase transaction costs for the half-year ended 30 November 2015 were £325,000 (30 November 2014: £164,000; 31 May 2015: £391,000). These comprise mainly stamp duty and commission. Sale transaction costs for the half-year ended 30 November 2015 were £83,000 (30 November 2014: £52,000; 31 May 2015: £144,000).

#### 10. Going concern

Having reassessed the principal risks and uncertainties, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. The assets of the Company consist almost entirely of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in existence for the foreseeable future.

#### 11. Related party transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or performance of the Company during the period. Details of related party transactions are contained in the Annual Report for the year ended 31 May 2015.

#### 12. Comparative information

The financial information contained in this half-yearly financial report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial information for the half-years ended 30 November 2015 and 30 November 2014 has not been audited.

The information for the year ended 31 May 2015 has been extracted from the statutory accounts for that year, which have been filed with the Registrar of Companies. The Report of the Auditors on those accounts was unqualified and contained no statement under either section 498(2) or section 498(3) of the Companies Act 2006.

## THE HENDERSON SMALLER COMPANIES INVESTMENT TRUST PLC

### Unaudited Results for the Half-Year Ended 30 November 2015

#### 13. General information

##### *Company Status*

The Henderson Smaller Companies Investment Trust plc is registered in England and Wales Company Number 25526, has its registered office at 201 Bishopsgate, London EC2M 3AE and is listed on the London Stock Exchange. The SEDOL number is 0906506. The London Stock Exchange (EPIC) Code is HSL. The Company's Global Intermediary Identification Number (GIIN) is WZD8S7.99999.SL.826 and its Legal Entity Identifier (LEI) is 213800NE2NCQ67M2M998.

##### *Directors and Corporate Secretary*

The Directors of the Company are Jamie Cayzer-Colvin (Chairman of the Board), Beatrice Hollond (Chairman of the Audit Committee), David Lamb, Keith Percy (Senior Independent Director) and Mary Ann Sieghart. The Corporate Secretary is Henderson Secretarial Services Limited, represented by Rachel Peat ACIS.

##### *Website*

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at [www.hendersonsmallercompanies.com](http://www.hendersonsmallercompanies.com)

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