Aberdeen Smaller Companies High Income Trust

Annual Report

31 December 2015

Aberdeen

Cheapside, London. Location of the Manager's largest office where the Company's assets are managed.

Contents

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To find out more about
Aberdeen Smaller Companies High Income Trust PLC,
please visit www.aberdeensmallercompanies.co.uk

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If you have sold or otherwise transferred all your Ordinary shares in Aberdeen Smaller Companies High Income Trust PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Financial Highlights

Launched in March 1992, Aberdeen Smaller Companies High Income Trust PLC (the "Company") is an investment company with its Ordinary shares listed on the premium segment of the London Stock Exchange. The Company is an investment trust and aims to attract long term private and institutional investors wanting to benefit from the income and capital growth prospects of UK smaller companies.

The Company is governed by a Board of Directors, all of whom are independent, and has no employees. Like other investment companies, the Company outsources its investment management and administration to an investment management group, the Aberdeen Asset Management group of companies, and other third party providers. The Company does not have a fixed life.

Net asset value total return
2015:

+13.4%

2014: – 2.1%

FTSE SmallCap Index (excluding Investment Companies)
2015:

+13.0%

2014: -2.7%

Share price total return
2015:

+20.4%

2014: -14.9%

Earnings per share (revenue)
2015:

7.54p

2014: 7.14p

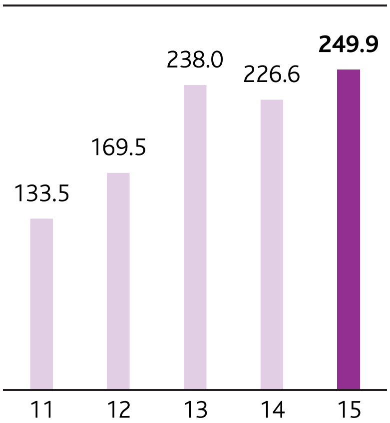
Dividend per share
2015:

6.65p

2014: 6.45p

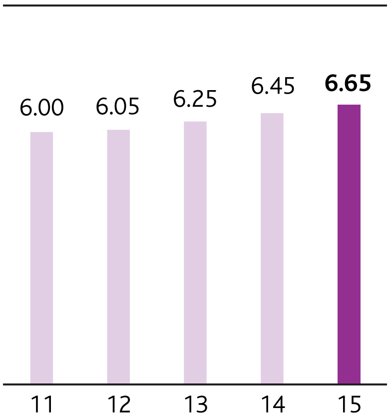
Net Asset Value per Ordinary share

At 31 December – pence



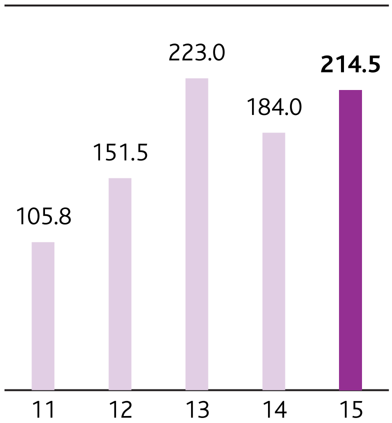
Dividends per Ordinary share

For the year to 31 December - pence



Share price per Ordinary share

At 31 December – pence



Strategic Report

The business of the Company is that of an investment company which seeks to qualify as an investment trust for UK capital gains purposes.

The objective of the Company is to provide a high and growing dividend and capital growth from a portfolio invested principally in the ordinary shares of smaller UK companies and UK fixed income securities.

The Company invests in equities, corporate bonds and preference shares. The primary objective of the Company is to invest in the equity shares of smaller companies listed on a regulated UK stock market in order to gain growth in dividends and capital. The Company employs gearing with the primary intention of enhancing income and to a lesser extent, long-term total returns. The majority of the additional funds raised by gearing are invested in investment grade corporate bonds and preference shares.

1992

Aberdeen Smaller Companies High Income Trust PLC was launched 24 years ago in March 1992; investment trusts are the oldest form of collective investment in the world.

City, London. Copyright AAM

Overview of Strategy

Business Model

The business of the Company is that of an investment company which seeks to qualify as an investment trust for UK capital gains tax purposes.

The Company aims to attract long term private and institutional investors wanting to benefit from the income and capital growth prospects of UK smaller companies. The Directors do not envisage any change in this activity in the foreseeable future.

Investment Objective

The objective of the Company is to provide a high and growing dividend and capital growth from a portfolio invested principally in the ordinary shares of smaller UK companies and UK fixed income securities.

Investment Policy

The Company invests in equities, corporate bonds and preference shares. The primary objective of the Company is to invest in the equity shares of smaller companies listed on a regulated UK stock market in order to gain growth in dividends and capital. The Company employs gearing with the primary intention of enhancing income and to a lesser extent, long-term total returns. The majority of the additional funds raised by gearing are invested in investment grade corporate bonds and preference shares.

Gearing

The level of gearing varies with opportunities in the market and the Board adopts a prudent approach to the use of gearing. The total level of gearing will not exceed 25% of the Company's net assets, at the time it is instigated, and within that gearing limit, the equity portfolio gearing will not exceed 10%, at the time it is instigated.

Risk diversification

The investment risk within the portfolio is managed through a diversified portfolio of equities, corporate bonds and preference shares. The Company does not invest in securities that are unquoted at the time of investment. A maximum of 5% of the Company's total assets can be invested in the securities of one company at the time of purchase and the Company is not permitted to invest more than 15% of its total assets in other listed investment companies (including investment trusts), though the board currently does not intend to invest in other listed investment companies.

Benchmark

FTSE SmallCap Index - excluding Investment Companies (total return).

Management

The Board has appointed Aberdeen Fund Managers Limited ("AFML" or "the Manager") to act as the alternative investment fund manager.

The Company's portfolio is managed on a day-to-day basis by Aberdeen Asset Managers Limited ("AAML" or "the Investment Manager") by way of a delegation agreement in place between AFML and AAML.

Delivering the Investment Policy

Equity Investment Process

The equity investment process is active and bottom-up, based on a disciplined evaluation of companies through direct visits by the Investment Manager. Stock selection is the major source of added value, concentrating on company quality first, then value.

Great emphasis is placed on understanding the business and understanding how it should be valued. New investments are not made without the Investment Manager having first met management of the investee company, undertaken further analysis and written detailed notes to outline the underlying investment merits. Top-down investment factors are secondary in the equity portfolio construction, with diversification rather than formal controls guiding stock and sector weights.

Fixed Income Investment Process

The fixed income investment process is an active investment style which identifies value between individual securities.

This is achieved by combining bottom-up security selection with a top-down investment approach. Investments in corporate bonds and preference shares are also managed by investment guidelines drawn up by the Board in conjunction with the Investment Manager which include:

- No holding in a single fixed interest security to exceed 5% of the total bond issue of the investee company
- Maximum acquisition cost of an investment grade bond is £1 million and of an non-investment grade bond is £500,000

Key Performance Indicators ("KPIs")

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determining the progress of the Company in pursuing its investment policy. The main KPIs identified by the Board in relation to the Company which are considered at each Board meeting are as follows:

KPI	Description
Performance of net asset value against the benchmark Index	The Board considers the Company's net asset value total return figures to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. The Board measures performance against the benchmark index – the FTSE SmallCap Index (excluding Investment Companies). The returns over 1, 3 and 5 years are provided on page 14 and a graph showing performance against the benchmark index is shown on page 15. The Board also monitors performance relative to competitor investment trusts over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.
Revenue return and dividend growth	The Board monitors the Company's net revenue return and dividend growth through the receipt of detailed income forecasts and considers the level of income at each meeting. The Company aims to grow the dividend at a level above inflation. A graph showing the dividends and yields over 5 years is provided on page 15.
Share price performance	The Board monitors the performance of the Company's share price on a total return basis. A graph showing the share price total return performance against the benchmark index is shown on page 15.
Discount/premium to net asset value	The discount/premium relative to the net asset value per share represented by the share price is closely monitored by the Board. A graph showing the share price discount/premium relative to the net asset value is shown on page 15.

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has identified the principal risks and uncertainties facing the Company at the current time in the table below together with a description of the mitigating actions it has taken. The Board has carried out a robust assessment of these risks, which include those that would threaten its business model, future performance, solvency or liquidity. The principal risks associated with an investment in the Company's shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are on the Company's website. The risks and uncertainties faced by the Company are reviewed annually by the Audit Committee in the form of a risk matrix and heat map and a summary of the principal risks is set out below.

Description	Mitigating Action
Investment portfolio management Investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a widening discount.	The Board is responsible for ensuring that the investment policy is met. The day-to-day management of the Company's assets has been delegated to the Manager under investment guidelines determined by the Board. The Board regularly reviews these guidelines to ensure they remain appropriate and monitors compliance with the guidelines through regular reports from the Manager, including performance reporting,. The Board also monitors the Company's share price relative to the net asset value per share.
Gearing risk Gearing has the effect of accentuating	The Board monitors the Company's actual gearing levels (including equity gearing) in relation to its assets and liabilities and reviews the Company's

market falls and market gains. The ability of the Company to meet its financial obligations, or an increase in the level of gearing, could result in the Company becoming over-geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's shares.

compliance with the principal loan covenants. In addition, AFML, as alternative investment fund manager, has set an overall leverage limit of 2.0x on a commitment basis (2.5x on a gross notional basis) and includes updates in its reports to the Board. However, the Board currently has no plans to initiate this level of gearing and intends to employ a much more modest level of gearing.

The Company's gearing currently in place is a £10 million facility comprised of a £5 million 3 year fixed rate loan and a £5 million 5 year variable rate loan. The facility commenced in April 2015 and at the year end £7 million was drawn down.

Income and dividend risk

The ability of the Company to pay dividends and any future dividend growth will depend over the longer term on the level of income generated from its investments and the timing of receipt of such income by the Company. In the shorter term the size of the Company's revenue reserves will determine the extent that shareholder dividend payments can be less volatile than the dividends actually paid by the companies in which we invest. Accordingly there is no guarantee that the Company's dividend objective will continue to be met.

The Board monitors this risk through the receipt of detailed income forecasts and considers the level of income at each Board meeting and the Manager has developed detailed and sophisticated models for forecasting and monitoring dividend payments.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Aberdeen Group on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Aberdeen Group. The Aberdeen Group Head of Brand reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the composition of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key and therefore the Company also supports the Aberdeen Group's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Duration

The Company does not have a fixed life. However, the Company's Articles of Association require that an ordinary resolution is proposed at every fifth Annual General Meeting to allow the Company to continue as an investment trust for a further five year period. The present five year mandate expires in 2020 and a vote on continuation will therefore be proposed at the Annual General Meeting to be held in 2020.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the appropriate knowledge represented on the Board in order to allow the Board to fulfill its obligations. The Board also recognises the benefits, and is supportive, of the principle of diversity in its recruitment of new board members. At 31 December 2015, the Board consisted of three males and one female.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated day to day management and administrative functions to Aberdeen Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined below.

Socially Responsible Investment Policy

The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner and has noted the Aberdeen Group's policy on social responsibility. The Investment Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments as part of its investment process. In particular, the Investment Manager encourages companies in which investments are made to adhere to best practice in the area of corporate governance. It believes that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective, however, is to deliver long term growth on its investments for its shareholders. Accordingly, whilst the Investment Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Viability Statement

The Company does not have a formal fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long term investment vehicle, but for the purposes of this viability statement has decided that a period of three years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period the Directors have focused upon the following factors:

- The principal risks detailed in the Strategic Report on pages 5 and 6 and the steps taken to mitigate these risks.
- The ongoing relevance of the Company's investment objective in the current environment.
- The Company is invested in readily realisable listed securities.
- The level of gearing is closely monitored.

Accordingly, taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making this assessment, the Board has considered that matters such as significant economic or stock market volatility, a substantial reduction in the liquidity of the portfolio, or changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future.

Future

Many of the non-performance related trends likely to affect the Company in the future are common across all closed ended investment companies, such as the attractiveness of investment companies as investment vehicles, the impact of regulatory changes (including MiFID II and the Packaged Retail Investment and Insurance Products regulations) and the recent changes to the pensions and savings market in the UK. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's view on the general outlook for the Company can be found in the Chairman's Statement on page 10 whilst the Investment Manager's views on the outlook for the portfolio are included on page 12.

Carolan Dobson
Chairman
2 March 2016

Chairman's Statement

Carolan Dobson
Chairman

Performance

I am pleased to report a good year for the Trust, in another year of volatile stockmarkets and the Trust's net asset value ("NAV") on a total return basis increased by 13.4% over the twelve months to 31 December 2015. This compares with a rise in the FTSE SmallCap (excluding investment companies) Index of 13.0%. The narrowing of the discount, to 13.6% at the year-end, resulted in an increase of 16.6% in the share price.

In the UK, smaller companies outperformed mid-cap equities and significantly outperformed large-cap equities, as represented by the FTSE 100 Index, which fell by 1.3%. Global equity markets also struggled to deliver positive returns with emerging markets the worst affected as investors were reminded that these markets have historically been more volatile and risky. Against this backdrop 2015 was a good year of performance for the Company.

Our earnings rose by 5.5%, and, supported by this, the Board has already declared four interim dividends, totalling 6.65p per share (2014 - 6.45p) representing an increase of 3.1% on last year. We are pleased that our Trust has delivered another year of double digit total return for our shareholders.

Fixed Income Portfolio

The Board and the Manager have been concerned for some years about the pricing distortions created in the corporate bond markets by governments' interventions in the broader fixed interest markets through their Quantitative Easing Programmes and the sustained low level of interest rates. By last year, these policies had been operating for so long, that the premium an investor gained for buying more risky assets had become too low to compensate for the additional risk and absolute yields had become unattractively low.

Accordingly, your Trust has been steadily reducing its holdings in corporate bonds and our current exposure at 3.3% of total assets is the lowest for many years.

Income from corporate bonds is an important source of revenue to support our dividends and our managers have had to work hard and skilfully to make up this lost revenue without straining other areas of our portfolio. What few corporate bonds remain in our portfolio are in aggregate of short duration and good quality companies. This protected our portfolio in a period of bond market volatility and the return over the year was positive at 1%.

When yields become more attractive we will look to rebuild some of our corporate bond position.

A more attractively priced source of fixed income can still be found in the preference share market. However, these bonds are very scarce and our Trust has built up its position in this area steadily over the years and now holds 5.4% of total assets in this area. Performance was strong over the year with a total return of 9.6% from the Trust's preference shares.

Equity Portfolio

The Trust's equity portfolio has risen strongly over the year with a total return of 14.3%. Due to this and the reductions in the bond portfolio, equity assets now account for 84.7% of our total assets.

Smaller companies do not have the same geographical exposure as some of their large cap peers, which benefitted their performance through 2015. The domestic UK backdrop has clearly been supportive for the portfolio with the UK comfortably the largest geographical exposure for the Trust in terms of underlying revenues. 2015 was not an easy year but the Manager's focus upon quality companies that enjoy niche competitive positions coupled with strong balance sheets, has once again delivered. This focus protected the downside in 2014 and has outperformed on the upside in 2015.

Overview

The global backdrop has certainly been volatile, with Central Bank policy, interest rates, currencies and commodities all taking centre stage at different times throughout the year. In the U.S., the interest rate rise was expected to signal that the economy was improving but, instead, it seems to have had the opposite impact with plenty written about the reversing growth trend. China has fuelled the rhetoric over slowing global growth and certainly remains at the forefront of investor thinking.

The falling oil price, and the collapse of global commodity prices in general, have also been fuelling the fire. The headlines stress the negatives of these movements but what is clear is that most areas of the market benefit from cheaper energy. Indeed, the collapse in the oil price has been estimated to be a bigger stimulus to the global economy than quantitative easing.

Strategy and Style Review

The Board reviews a range of topics at our meetings including the gearing and debt structure which we spoke about in late 2014 and early 2015. We have always been proactive on the work we do with our Manager to better understand the dynamics that drive the portfolio. As a Board it is sometimes too easy to look at past performance and delivery and simply to extrapolate this across future years. Over the last few years we have conducted a deeper dive into the portfolio's characteristics and whether these are aligned with the Manager's investment process. We review this at each meeting and are encouraged with results. The Manager's returns have been particularly strong in down markets and whilst they sometimes lag rising markets this has not hindered the performance over the year, or the longer-term, which is what you might have expected. There is also a slight bias to growth over value. The Manager seeks to buy quality companies that add value, own intellectual property and ultimately have pricing power to defend their returns.

We have also looked at the yield dynamics within the portfolio, as we have always given the Manager scope to invest across the yield spectrum. We are mindful that sometimes we may be tilting the portfolio to favour either growth or income to the detriment of the other. The line between income and growth is fine so we seek to make sure that, where we might be sacrificing income for growth, that we were being appropriately rewarded. By screening the top and bottom fifteen yielders (most of the portfolio) we have isolated the returns the Manager has delivered. Again we were happy that we are seeing significantly better returns at the lower end of the yield spectrum but this has been well balanced with reasonable capital and income growth from the higher yielding names in the Trust.

The Board finds this work helpful in making decisions proactively to help deal with the vagaries of markets. It is also information that is fundamental to setting our dividend policy.

Dividend

As reported above, the revenue return per share increased by 5.5% to 7.54p for the year to 31 December 2015 (2014 – 7.14p). The Board have declared four interim dividends during the year ended 31 December 2015 making a total dividend of 6.65p per share (2014 – 6.45p). The dividend increase of 3.1% continues the Board's plan to deliver steady dividend growth. Although the yield on the Trust has reduced slightly, due to the strong share price performance, to 3.1%, it remains at a premium to the yield of the FTSE SmallCap (excluding investment companies) Index of 2.8%.

Gearing

At the year-end equity gearing remained at around the same level (95%) that we reported at the interim stage i.e. we were slightly ungeared to equities. Overall the net gearing position (borrowings less cash against net assets) has lowered over the year and stood at 7.2% at the year-end. We repaid a further £1 million of the floating rate facility and now have £2 million of the £5 million facility drawn. The main reason for this being that we see very little value in bond markets at present and, with another two bonds redeemed this year, we have not sought to replace them at yields that we felt unattractive. As a Board we have been very cautious in our bond portfolio and have no desire to take on further risk; we will wait for yields to move back to more normalised levels in their own time.

The lack of yield on offer in bond markets pulls together a lot of the comments that I have made above around the yield backdrop and the current portfolio positioning. Everything is correlated and, with central banks driving down yields, investors' attention shifted towards equity markets, driving up prices (and valuations) and pushing dividend yields down. Our Trust has benefitted from both of these developments and reduced our risk positions into market rises. We continue to retain our relatively conservative strategy and caution over both bond and equity market valuations.

Change of Name

The Board have considered the name of the Company and whether it reflects the objective of the Trust. Although the Trust delivers a yield at a premium to its benchmark index, the dividend yield of over 3% is not considered to be high relative to other high income funds. In addition, our Trust seeks to derive its income primarily from equities and therefore generally holds less bonds than more commonly found in other high income funds.

It is therefore our intention to change the name of the Company to "Aberdeen Smaller Companies Income Trust PLC." This will be done by a Directors' resolution, exercising the powers conferred under the Company's Articles of

Association and will be effective from the conclusion of this year's AGM.

Succession Planning

The Board regularly undertakes a review of its performance and structure to ensure that it has the appropriate mix of relevant skills and experience for the effective operation of the Company's business. As part of this we consider the issue of Board refreshment and Jimmy West, who has been a non-executive Director of the Company since 2002, intends to retire from the Board during the course of 2016, a search for a new Audit Committee Chairman has already commenced. In order to ensure a suitable period of transition for the role of Audit Committee Chairman, Mr West will retire in September 2016, following the publication of the half yearly results.

The Board would like to thank Jimmy for his significant contribution to the Company over the past 14 years. His wide knowledge of the investment trust sector and investment management, and in particular, his contribution as Audit Committee Chairman has been invaluable to the Board. He carries the best wishes for the future of all of his Board colleagues.

Investment Manager

Since the end of the Company's year, Phil Webster, the member of the Aberdeen investment team most associated with the Company in recent years has left the Investment Manager. Shareholders will be aware that the Aberdeen investment process is both disciplined and team-based. The Board are pleased to confirm that they remain happy with the management arrangements in place for the Company and we have already developed a good relationship with his replacement, Jonathan Allison. The Board would like to take this opportunity to thank Phil for his work on behalf of the Company since 2008.

Outlook

The Board believes that we have taken the appropriate action to give us flexibility to deal with the current market backdrop. We have put in place both fixed and floating debt and can draw this down further if we feel that yields are looking attractive. We remain cautious on bond markets but this will correct and the Manager has been encouraged that equity markets are offering more value than for some time.

Annual General Meeting

The Annual General Meeting will be held at Aberdeen's London office on Thursday 21 April 2016 at 12.00 noon followed by a lunch for shareholders. This will give shareholders the opportunity to meet the Directors and Manager after the formal AGM business has concluded and we welcome all shareholders to attend.

Carolan Dobson
Chairman
2 March 2016

Investment Manager's Review

Performance

After a flat 2014 the Trust returned to growth in 2015 with the net asset value ("NAV") rising 13.4% (on a total return basis) and the share price by16.6%. For investors 2015 has been a turbulent year and a market which best suited stock pickers. Smaller companies also bucked the lacklustre performance of wider equity indices which have been hit by commodity prices collapsing, China and emerging markets slowing and huge currency swings.

Whilst these topics have all been written about extensively they have all played their part, to a greater or lesser degree, and are topics that we have spent considerable time discussing with the management teams of our holdings. While we conduct considerable due diligence on all of our companies the price of oil (and other commodities), competition and regional growth dynamics are all out of our control. This is why we focus our analysis on what management can control: high barriers to entry (capital or know-how), intellectual property, critical products, pricing power and strategy. These, along with a careful review of a company's cash flow and balance sheet, are all key constituents of our investment analysis. As a house, Aberdeen sits at the conservative end of the spectrum in terms of leverage and would go as far as saying that we prefer an inefficient balance sheet (sitting on too much cash). Given that we know that each one of our companies will run into troubled water at some point in time, balance sheet strength is important to ensure that they have the best ability to come out the other side in as strong a position as possible.

Overview

From a performance perspective, the Company's returns over the year were broadly based by sector and stocks. Although we are bottom-up stock pickers, it is interesting to note that our largest positive contribution to relative performance came from our underweight position to Oil & Gas and Mining that added nearly 200 bps of outperformance to the portfolio. This is not the result of a specific asset allocation call, more the result of our investment process; we have always found it tough getting comfortable with the volatility in exploration & production (E&P) companies combined with our lack of informational advantage on the market price.

While on the subject of sectoral returns, General Industrials, Pharmaceuticals and Food & Drug Retailers all added to our performance whereas the Real Estate sector was one of the main areas of underperformance, due more to our overall underweight than the performance of any individual holdings. We own Helical Bar and Hansteen, with a secondary exposure through Savills. As a sector we have always been slightly wary of the cyclicality of this market but it is fair to say that balance sheets are in much better state today than they were in the previous cycle. That said, we have been reducing our exposure to the sector recently on concerns that yield tightening has broadly played out and valuations that look less appealing. This comment is more London-centric and while the regions still see more attractive yields overall, we remain cautious after a period of very strong returns.

We have spoken a number of times about the commodity sector and the challenges of owning companies at the smaller end of the market cap spectrum. Whilst it would be easy to dismiss this sector altogether because of the leverage and poor returns there are good quality businesses that we can own. Having sat on the side-lines there will be a time to get involved again, although it does feel like the sector has to take more pain before it will recover.

During the year, Aveva received an approach from Schneider Electric, which subsequently collapsed as they could not agree terms, we will look to add to this holding over time. We also saw Elementis warn of lower profit expectations for the full-year in part due to weak U.S. shale markets. Exova also has exposure to the sector, although through the more defensive testing market, where regulation and cost of failure drives spending. These are all quality, diversified plays on the oil price but with a much higher level of recurring revenue.

The takeover of Domino Printing and Anite, which we discussed in the interim report, were welcome opportunities for value crystallisation, but, of course, this then raises the issue of re-investing the proceeds. We initiated new positions in Exova, mentioned above, Xaar, Stock Spirits and Smart Metering and, post the year end we have added a new holding in Burford Capital.

All of these bring something new to the portfolio. In the case of Stock Spirits we declined to invest at the initial public offering as we felt that the valuation did not reflect the short-term challenges they faced from upcoming excise price hikes. Following further due diligence and their lowering profit expectations we have initiated a small position. They are the market leader, by value, in the Polish and Czech vodka markets. Although they have a strong position in the convenience channel they have seen one of their competitors pricing irrationally in the discounter channel. That said, they have a well invested business, are vertically integrated and have a strong balance sheet. Burford Capital is a specialist in litigation financing. This is a niche area of the market where law firms need access to capital to fund cases. They have a very strong track record of delivering high returns as their experienced senior legal team cherry-pick the best cases to tilt the outcome in their favour. Smart Metering Systems is a leading meter rental company serving the electricity and gas utilities. It benefits from a highly visible recurring, long term revenue stream, underpinned by the blue chip nature of its customer base. The current and contracted business provides sufficient cash flows to make the shares attractive. It also has a significant opportunity with the roll-out of domestic smart meters, very few contracts have been awarded to date but this is a sizeable potential market for the company.

The biggest underperformer, in stock terms, this year was BBA Aviation, which provides flight support and aftermarket services through their market leading position in the U.S. business jet market. This weakness is, in our opinion, an overreaction to its acquisition of Landmark, a deal which nearly doubled the size of the business post a sizeable rights issue. We continue to believe that the deal makes strategic sense and cements their dominance but accept that it will take time to extract the full synergies of the network they have acquired. It also dilutes down some of the weaker areas of the group.

The equity portfolio has seen the name count increase over the last twelve months from 40 to 44 holdings. This has been driven by the pipeline of new ideas but also an active decision to increase the number of holdings in the portfolio. We have always run a concentrated portfolio that has seen some of our preferred names get to 4% positions weights. While the Board has always encouraged us to back our convictions, with recent strong share price performance we feel it is prudent to reduce our exposure to these holdings and thereby also lower the stock specific risk.

Bonds

2015 was a year of enormous volatility in both government yields and credit spreads. The European bond market started the year in a very bullish mood brought about by the ECB's decision to finally engage in quantitative easing ("QE"). Initially the market's anticipation caused spreads to tighten significantly and brought 10 year German bunds to an all-time-low of 0.07%. However, in May, government bond yields suddenly decompressed, and credit spreads followed. In the second half of the year growing concerns over emerging markets, commodities and slowing global growth caused a further weakness in spreads. Towards the end of the year, the focus was again on the Fed, which in December raised rates for the first time in almost a decade. Markets reacted calmly, with European fixed income almost unaffected.

Given this backdrop we have struggled to find yield in quality issuers whilst also maintaining our short duration stance. We had the Stagecoach 5.75% 2016 bond redeemed early at what was then a low yield. We used the proceeds to acquire Society of Lloyds 7.241% 21/05/2017 with a 4.3% yield. Earlier in the year we also initiated a position in Coventry Building Society 6.092% perpetual. We are beginning to see some movements in some sectors but still feel it is too early to be buying duration. The yield curve will move in time and we have capital available in the form of undrawn debt to allocate to the asset class but for now we remain patient.

Dividends

We are encouraged by the strength of balance sheets with the Company benefitting from a number of special dividends in 2015. Earnings and dividend growth remains hard won and, while it is difficult to generalise, mid-to-high single digit growth in earnings and dividends was a reasonable outcome for 2015. The revenue account was covered on an underlying basis for the year and we are in a reasonably strong position as we enter 2016.

We still see an opportunity for more special dividends in 2016 as companies continue to generate strong cash-flow. Recent volatility in markets has also left the market more polarised in terms of yield opportunities.

Outlook

We are encouraged by the outlook for smaller companies and feel they are better insulated given the domestic backdrop. We are also seeing a big disconnect between company fundamentals and the market. The recent sell-off has been driven by sentiment and negative headlines which are then self-fulfilling in driving sentiment and the market. Most of these issues have little correlation to the Company's holdings and therefore we see this as good opportunity to add to positions on weakness. We retain the view that smaller companies offer attractive growth over the medium-term without some of the issues facing the larger end of the market cap spectrum and should remain a core part of your portfolio for 2016.

Aberdeen Asset Managers Limited*
2 March 2016

*on behalf of Aberdeen Fund Managers Limited
Both companies are subsidiaries of Aberdeen Asset Management PLC

Results

	31 December 2015	31 December 2014	% change
Total investments	£59,157,000	£58,222,000	+1.6
Shareholders' funds	£55,263,000	£50,098,000	+10.3
Market capitalisation	£47,425,000	£40,682,000	+16.6
Net asset value per share	249.95p	226.59p	+10.3
Share price (mid market)	214.50p	184.00p	+16.6
Discount to adjusted NAV[A]	13.6%	18.2%	
Net gearing[B]	7.2%	16.5%	
Ongoing charges ratio[C]	1.50%	1.58%	
Dividends and earnings			
Revenue return per share[D]	7.54p	7.14p	+5.5
Dividends per share[E]	6.65p	6.45p	+3.1
Dividend cover	1.13	1.11	
Revenue reserves[F]	£2,423,000	£2,216,000	

[A] Based on IFRS NAV above reduced by dividend adjustment of 1.70p (2014 – 1.65p).
[B] Calculated in accordance with AIC guidance "Gearing Disclosures post Retail Distribution Review" (see definition on page 63).
[C] The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees (excluding performance fees) and administrative expenses divided by the average cum income net asset value throughout the year.
[D] Measures the revenue earnings for the year divided by the weighted average number of Ordinary shares in issue (see Statement of Comprehensive Income).
[E] The figures for dividends per share reflect the years in which they were earned (see note 7).
[F] The revenue reserve figure does not take account of the fourth interim dividend amounting to £376,000 (2014 – £365,000).

Performance

Performance (Total return)

	1 year % return	3 year % return	5 year % return
Net asset value	+13.4	+61.0	+89.1
Share price (based on mid price)	+20.4	+55.8	+93.5
FTSE SmallCap Index (excluding Investment Companies)	+13.0	+58.2	+82.9
FTSE All-Share Index	+1.0	+23.4	+33.8

All figures are for total return and assume re-investment of net dividends excluding transaction costs.

Dividends

	Rate per share	xd date	Record date	Payment date
First interim dividend	1.65p	2 April 2015	7 April 2015	30 April 2015
Second interim dividend	1.65p	9 July 2015	10 July 2015	31 July 2015
Third interim dividend	1.65p	8 October 2015	9 October 2015	30 October 2015
Fourth interim dividend	1.70p	7 January 2016	8 January 2016	29 January 2016
2015	**6.65p**			
First interim dividend	1.60p	2 April 2014	4 April 2014	30 April 2014
Second interim dividend	1.60p	9 July 2014	11 July 2014	31 July 2014
Third interim dividend	1.60p	16 October 2014	17 October 2014	31 October 2014
Fourth interim dividend	1.65p	8 January 2015	9 January 2015	30 January 2015
2014	**6.45p**			

Ten Year Financial Record

Year to 31 December	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenue available for Ordinary dividends (£'000)	3,294	3,484	3,444	1,608	1,336	1,329	1,257	1,496	1,579	1,666
Per share (p)										
Net revenue return	14.90	15.75	15.58	7.27	6.04	6.01	5.69	6.77	7.14	7.54
Net dividends paid/proposed	14.50	14.95	15.10	7.00	6.00	6.00	6.05	6.25	6.45	6.65
Total return	48.71	(44.33)	(127.18)	37.07	47.94	(16.70)	41.92	74.73	(5.00)	29.96
Net asset value per share	289.0	229.9	87.6	114.6	156.2	133.5	169.5	238.0	226.6	249.9
Shareholders' funds (£m)	63.9	50.8	19.4	25.3	34.5	29.5	37.5	52.6	50.1	55.3

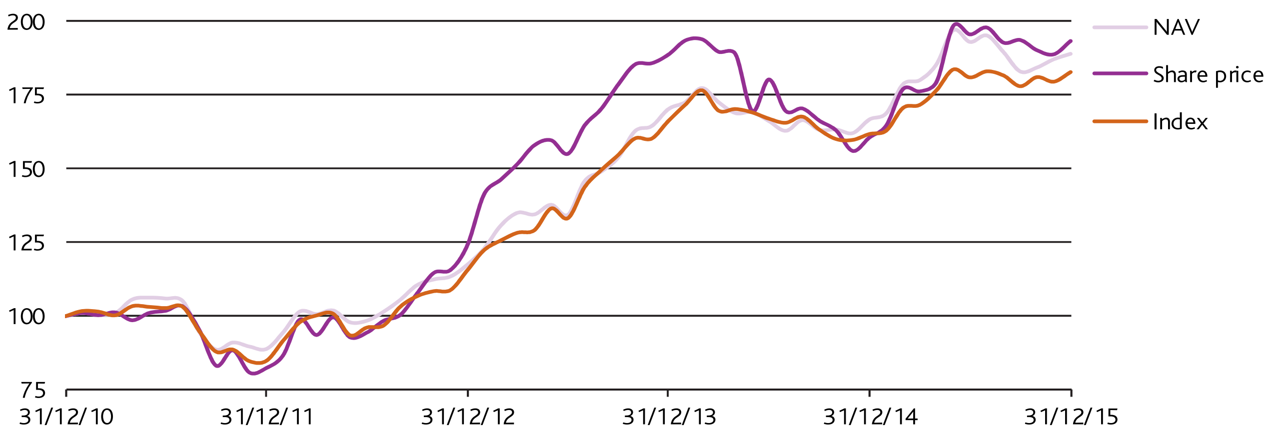
Cumulative Performance

As at 31 December	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NAV	100.0	132.2	105.2	40.1	52.4	71.5	61.1	77.5	108.9	103.7	98.1
NAV total return[A]	100.0	148.3	124.2	52.0	76.3	109.4	97.2	128.5	186.3	182.4	167.2
Share price performance	100.0	119.0	82.3	24.8	42.1	59.6	46.9	67.2	98.9	81.6	85.0
Share price total return[A]	100.0	133.5	97.4	32.8	64.4	96.8	79.7	120.2	182.8	155.5	157.7
Benchmark performance	100.0	139.7	111.9	55.5	84.7	95.8	78.8	104.2	146.2	139.1	131.4
Benchmark total return[A]	100.0	146.2	120.0	62.0	97.8	114.3	97.0	132.2	190.1	185.0	175.7

[A] Total return figures are based on reinvestment of net income.

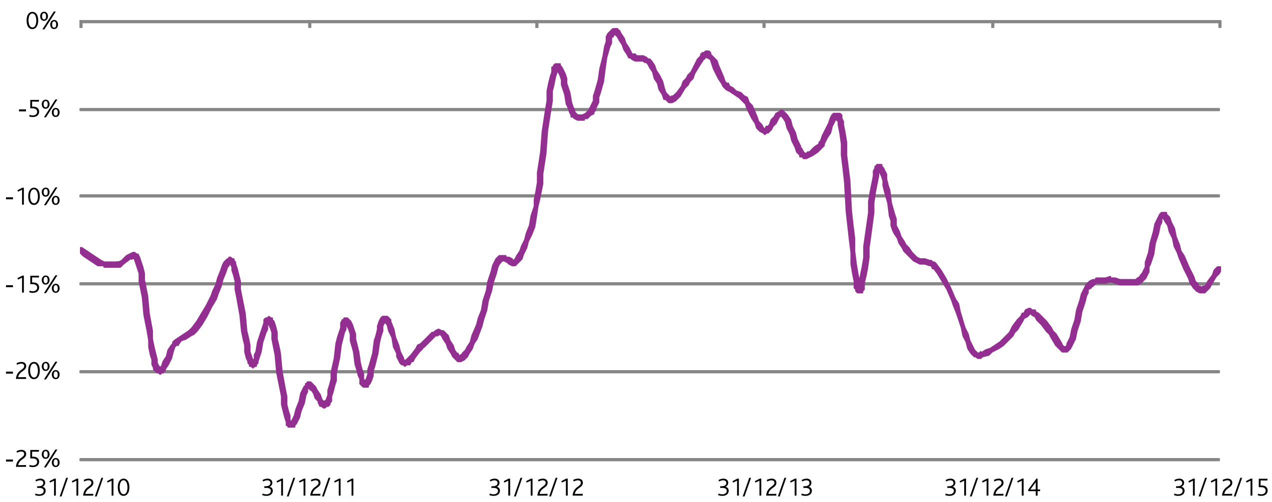
Total Return of NAV and Share Price vs FTSE SmallCap Index (excluding Investment Companies)

Figures are total return and have been rebased to 100 at 31 December 2010



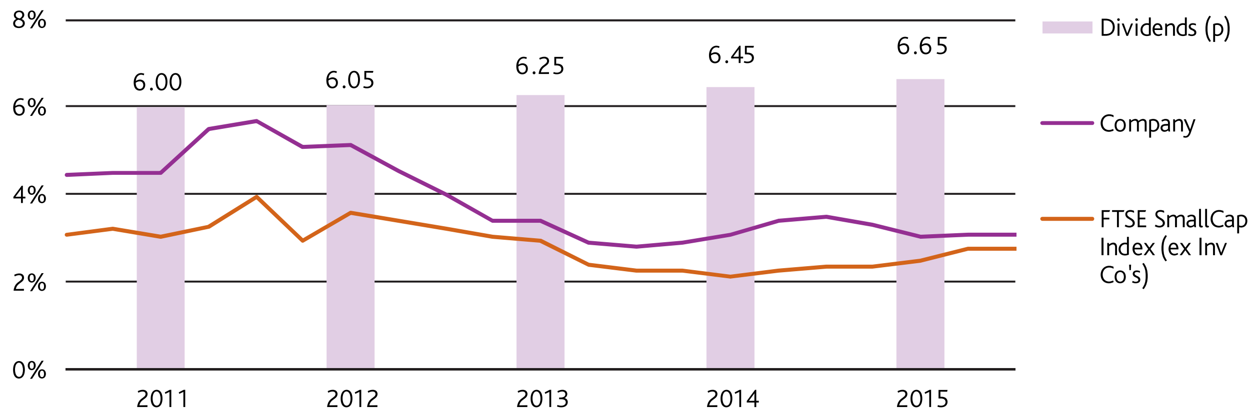
Share Price Discount to Net Asset Value

Five years to 31 December 2015



Dividend (p) and Company and Benchmark Yield (%)

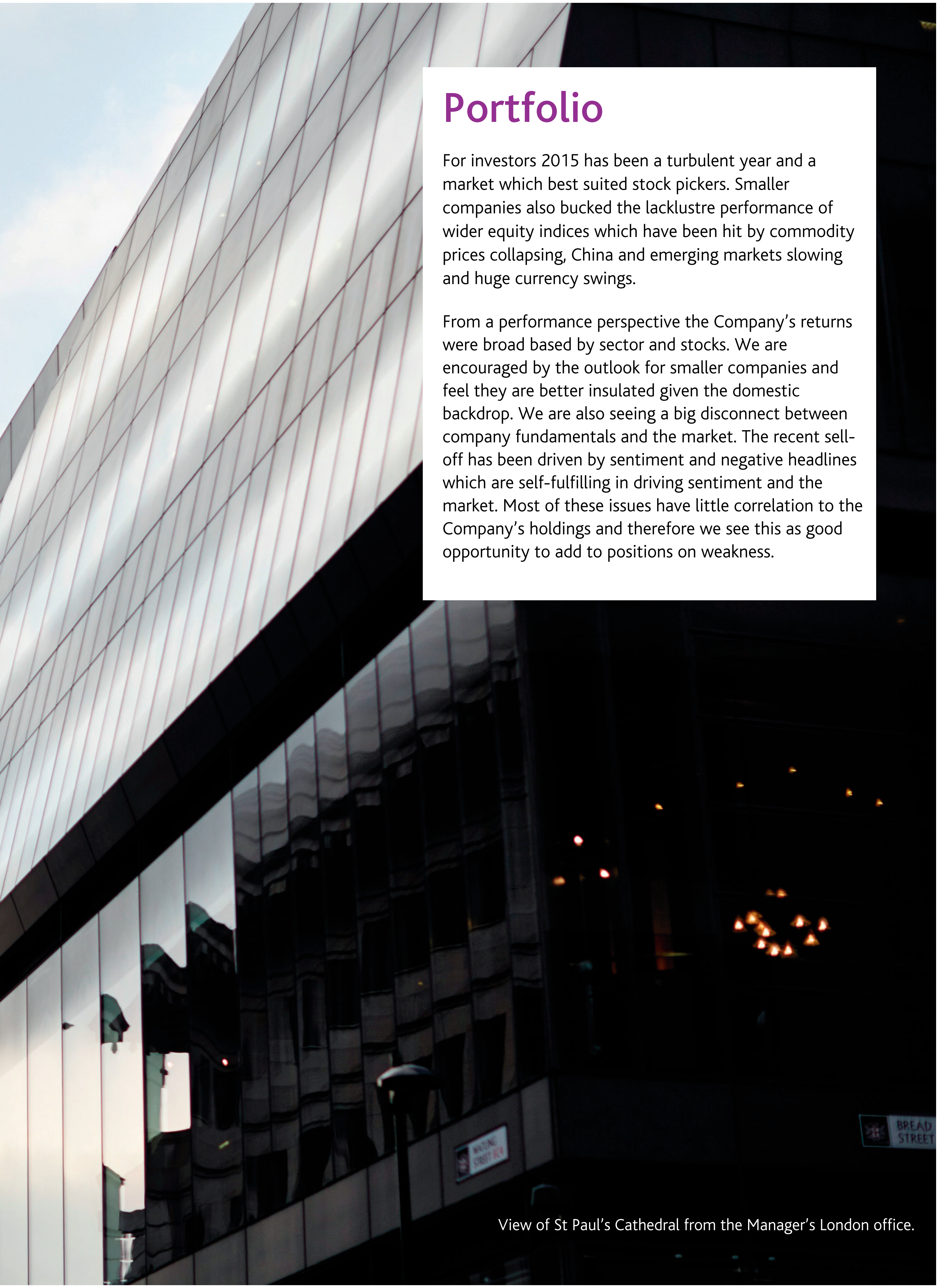
Five years to 31 December 2015



Portfolio

For investors 2015 has been a turbulent year and a market which best suited stock pickers. Smaller companies also bucked the lacklustre performance of wider equity indices which have been hit by commodity prices collapsing, China and emerging markets slowing and huge currency swings.

From a performance perspective the Company's returns were broad based by sector and stocks. We are encouraged by the outlook for smaller companies and feel they are better insulated given the domestic backdrop. We are also seeing a big disconnect between company fundamentals and the market. The recent sell-off has been driven by sentiment and negative headlines which are self-fulfilling in driving sentiment and the market. Most of these issues have little correlation to the Company's holdings and therefore we see this as good opportunity to add to positions on weakness.



View of St Paul's Cathedral from the Manager's London office.

Ordinary Shares

As at 31 December 2015

Company	Valuation 2015 £'000	Total portfolio %	Valuation 2014 £'000
Dechra Pharmaceuticals	2,000	3.4	1,999
RPC Group	1,974	3.3	2,056
XP Power	1,931	3.3	1,773
Berendsen	1,791	3.0	1,426
Wilmington	1,775	3.0	2,025
Chesnara	1,638	2.8	1,839
Hansteen	1,617	2.7	1,236
Acal	1,607	2.7	1,387
Devro	1,586	2.7	1,668
Elementis	1,565	2.6	1,405
Ten largest investments	**17,484**	**29.5**	
Oxford Instruments	1,550	2.6	1,014
Euromoney Institutional Investor	1,532	2.6	1,612
Fisher (James) & Sons	1,484	2.5	923
Helical Bar	1,450	2.5	1,781
Manx Telecom	1,404	2.4	751
Aveva Group	1,400	2.4	880
Morgan Sindall	1,393	2.4	1,159
Victrex	1,371	2.3	1,374
Close Brothers	1,364	2.3	1,524
Interserve	1,317	2.2	1,410
Twenty largest investments	**31,749**	**53.7**	
Rathbone Brothers	1,287	2.2	1,345
Mothercare	1,258	2.1	1,001
BBA Aviation	1,223	2.1	1,296
Fuller Smith & Turner 'A'	1,182	2.0	1,041
Abcam	1,164	2.0	932
Dignity	1,148	1.9	1,031
Hiscox	1,138	1.9	1,034
Robert Walters	1,107	1.9	1,073
TT Electronics	1,098	1.9	963
Intermediate Capital Group	1,064	1.8	911
Thirty largest investments	**43,418**	**73.5**	
Fenner	1,017	1.7	1,070
Savills	992	1.7	1,047
Bellway	856	1.4	834
Genus	839	1.4	–
Barr (A.G.)	794	1.3	574
Exova Group	725	1.2	–
Numis Corporation	639	1.1	948
Restaurant Group	638	1.1	614
Xaar	592	1.0	–
Huntsworth	539	0.9	887
Forty largest investments	**51,049**	**86.3**	
Stock Spirits Group	525	0.9	–
Bloomsbury Publishing	503	0.9	1,030
Keller Group	442	0.7	717
Enquest	195	0.3	–
Smart Metering Systems	27	0.1	–
Total Ordinary shares	52,741	89.2	

Other Investments

As at 31 December 2015

Company	Valuation 2015 £'000	Total portfolio %	Valuation 2014 £'000
Convertibles			
Balfour Beatty Cum Conv 10.75%	1,003	1.7	1,016
Total Convertibles	1,003	1.7	
Corporate Bonds			
Wales & West Utilities Finance 6.75% 2036	553	0.9	579
Anglian Water 4.5% 2026	532	0.9	542
Coventry Building Society 6.092%	504	0.9	–
Electricite de France 6% [A]	478	0.8	531
Total Corporate Bonds	2,067	3.5	
Preference shares			
General Accident 8.875%	1,284	2.2	1,215
Aviva 8.75%	1,270	2.1	1,238
Ecclesiastical Insurance 8.625%	792	1.3	771
Total Preference shares	**3,346**	**5.6**	
Total Other Investments	**6,416**	**10.8**	
Total investments	**59,157**	**100.0**	

[A]All investments are listed on the London Stock Exchange (sterling based), except those marked, which are listed on overseas exchanges based in sterling.

Distribution of Assets and Liabilities

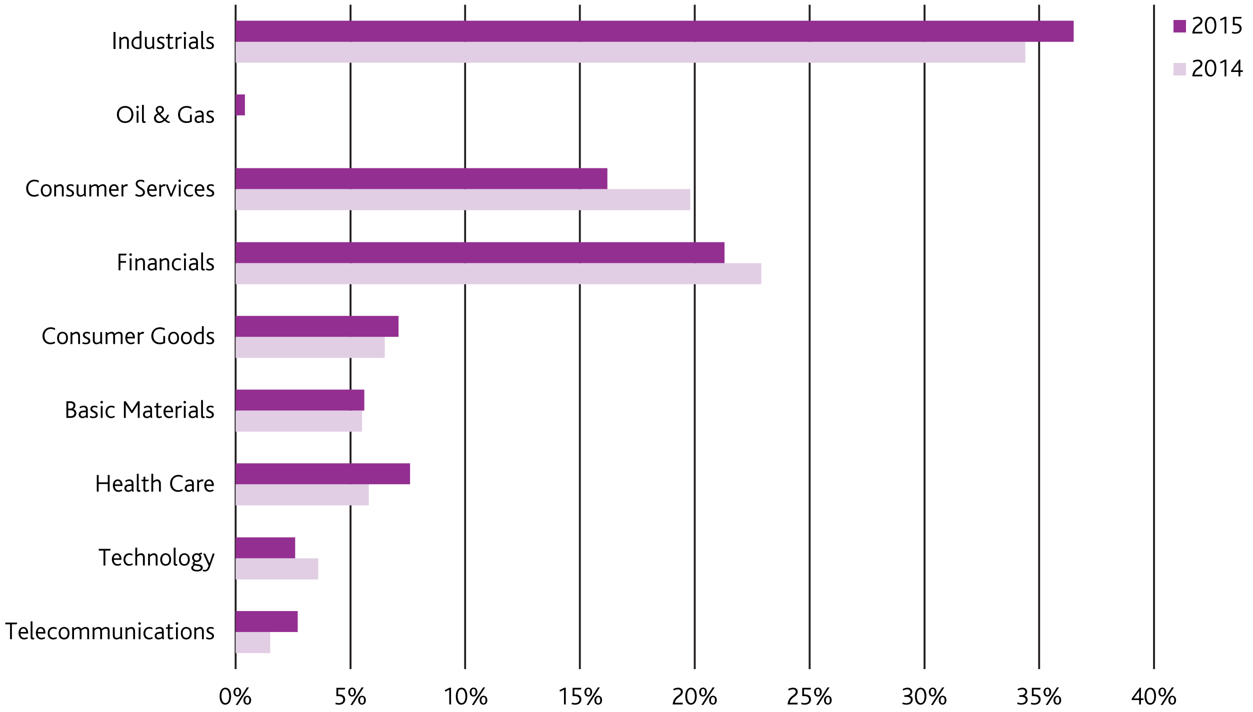
	Valuation at 31 December 2014 £'000	%	Movement during the year: Purchases £'000	Sales £'000	Other[A] £'000	Gains/ (losses) £'000	Valuation at 31 December 2015 £'000	%
Listed investments								
Ordinary shares	50,748	101.3	8,967	(12,393)	–	5,419	52,741	95.4
Convertibles	1,016	2.0	–	–	–	(13)	1,003	1.8
Corporate bonds	3,234	6.5	1,032	(2,088)	(47)	(64)	2,067	3.7
Other fixed interest	3,224	6.4	–	–	–	122	3,346	6.1
	58,222	116.2	9,999	(14,481)	(47)	5,464	59,157	107.0
Current assets	2,115	4.2					3,271	5.9
Other current liabilities	(239)	(0.5)					(165)	(0.3)
Short-term loan	(10,000)	(19.9)					(2,000)	(3.6)
Long-term loan	–	–					(5,000)	(9.0)
Net assets	**50,098**	**100.0**					**55,263**	**100.0**
Net asset value per Ordinary share	**226.6p**						**249.9p**	

[A] Amortisation adjustment of £47,000 (see note 2).

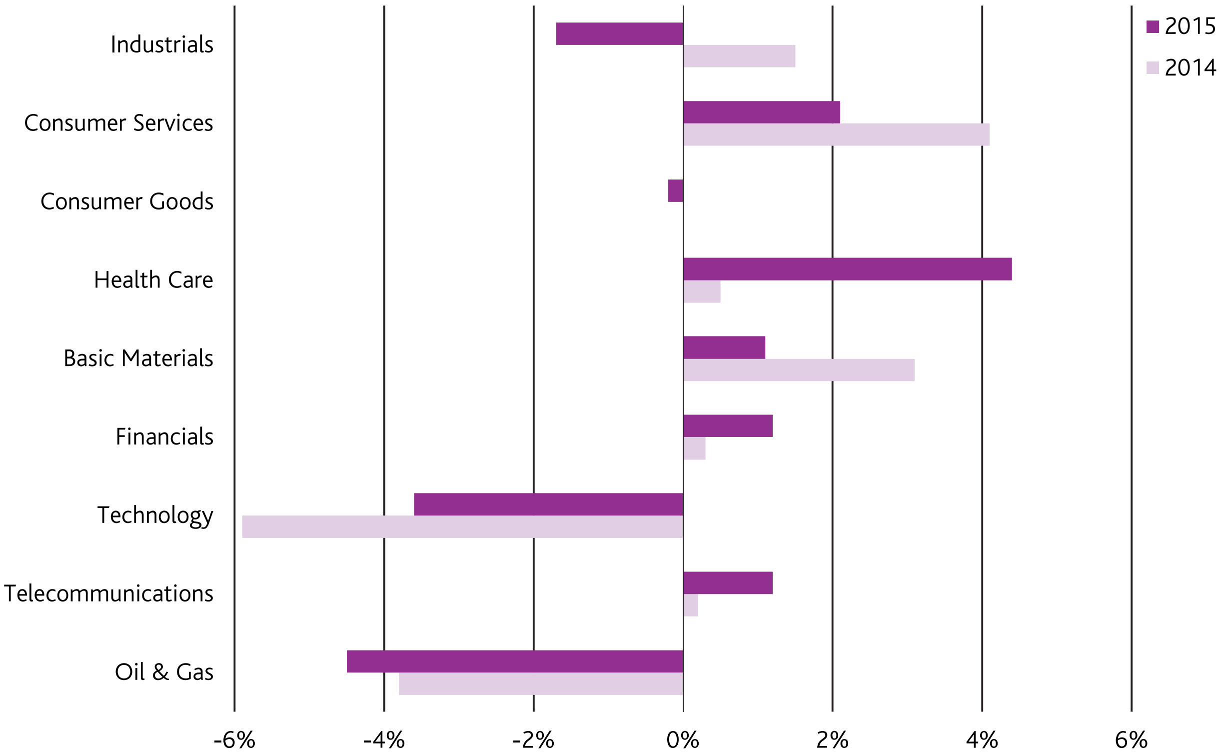
Sector Analysis

As at 31 December 2015

Analysis of Listed Equity Portfolio



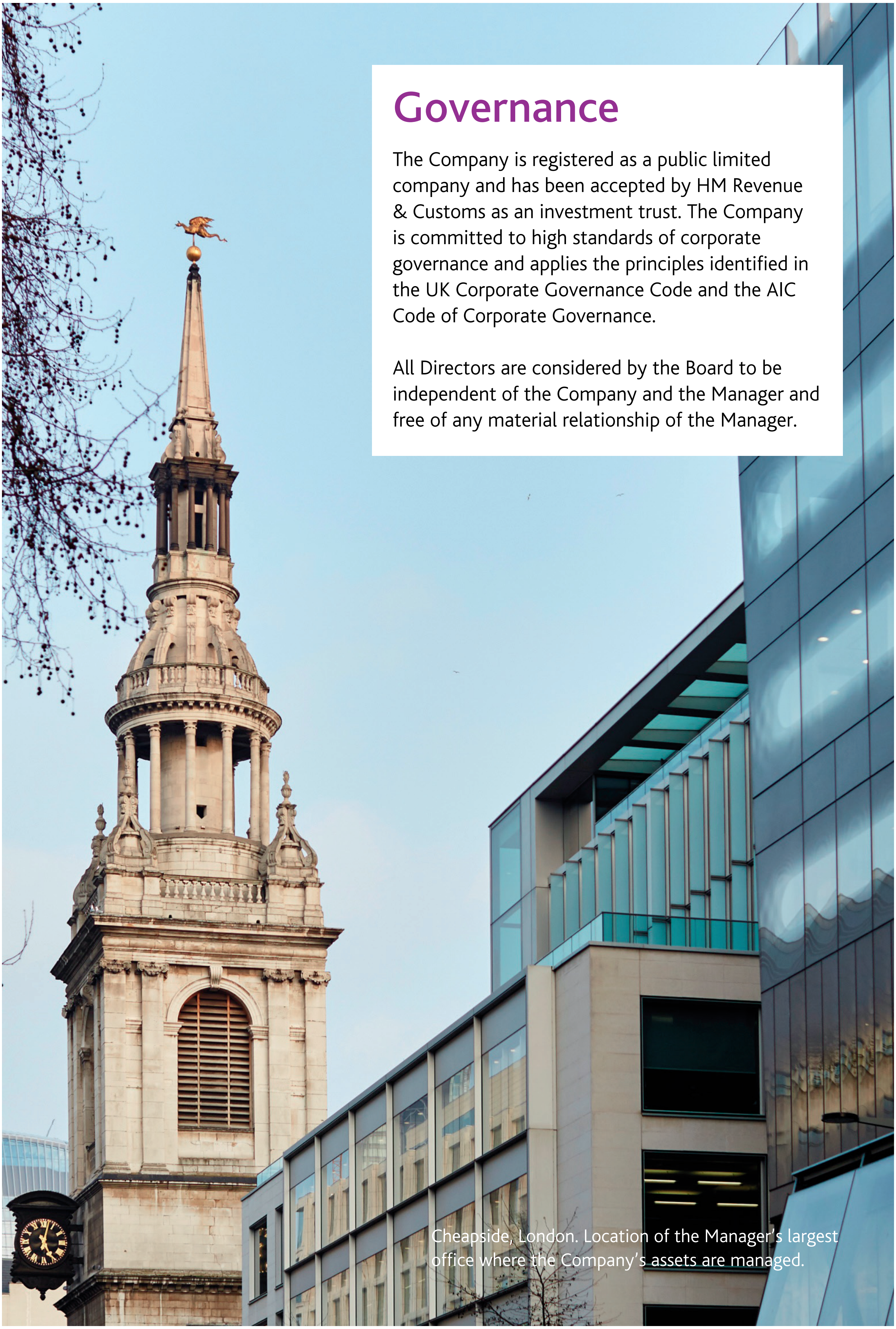
Aberdeen Smaller Companies High Income Trust PLC relative to the FTSE SmallCap Index (ex Inv Co's)



Governance

The Company is registered as a public limited company and has been accepted by HM Revenue & Customs as an investment trust. The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

All Directors are considered by the Board to be independent of the Company and the Manager and free of any material relationship of the Manager.



Cheapside, London. Location of the Manager's largest office where the Company's assets are managed.

Your Board of Directors

The details of the current Directors, all of whom are non-executive and independent of the Manager, are set out below. The Directors supervise the management of Aberdeen Smaller Companies High Income Trust PLC and represent the interests of shareholders.

Carolan Dobson

Status: Chairman, Independent Non-Executive Chairman

Length of service: 11 years, appointed in September 2004

Experience: Chairman of JPMorgan European Smaller Companies Trust Plc. A non-executive director of Brunner Investment Trust PLC, Schroder UK Growth Fund Limited, BlackRock Latin American Investment Trust PLC and the NEST Corporation. She has a wealth of investment experience, having previously been a director of Abbey Asset Managers, head of investment trusts at Murray Johnstone and fund manager of Murray Income Trust plc.

Last re-elected to the Board: 23 April 2015

Committee membership: Chairman of the Management Engagement Committee and Nomination Committee and a member of the Audit Committee

Robert Lister

Status: Independent Non-Executive Director

Length of service: 4 years, appointed in March 2012

Experience: Non-executive director of Investec Wealth and Investment Limited and non-executive chairman of Credit Suisse Asset Management UK. Over 20 years' experience of investment management and formerly global head of equities at Dresdner Kleinwort and head of European equities at Barclays de Zoete Wedd

Last re-elected to the Board: 23 April 2015

Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee

Barry Rose

Status: Independent Non-Executive Director

Length of service: 5 years, appointed in March 2011

Experience: A wide range of experience on investing in international markets. Formerly a director of Scottish Provident Institution and chief executive of Scottish Provident UK. Also a non-executive director of Dimensional Imaging Ltd and a director of Medical Research Scotland, a charity.

Last re-elected to the Board: 23 April 2015

Committee membership: Audit Committee, Management Engagement Committee and Nomination Committee

James West

Status: Senior Independent Non-Executive Director and Audit Committee Chairman

Length of service: 13 years, appointed in April 2002

Experience: Chairman and director of a number of investment companies and chairman of Associated British Foods Pension Fund. A chartered accountant and formerly managing director of Lazard Brothers & Co. Ltd and chief executive of Lazard Asset Management Ltd. He is currently chairman of CQS New City High Yield Fund Limited and a non-executive director of BlackRock Income Strategies Trust PLC, Threadneedle UK Select Trust Limited and JPMorgan Income & Capital Trust plc.

Last re-elected to the Board: 23 April 2015

Committee membership: Chairman of the Audit Committee and a member of the Management Engagement Committee and Nomination Committee

Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

Results and Dividends

The financial statements for the year ended 31 December 2015 are contained on pages 37 to 56.

A fourth interim dividend of 1.70p per share was declared by the Board on 4 December 2015 with an ex-dividend date of 7 January 2016, record date of 8 January 2016 and payment date of 29 January 2016. Under accounting standards this dividend will be accounted for in the financial year ended 31 December 2016.

Investment Trust Status

The Company is registered as a public limited company and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company's registration number is SC137448.

The Company has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the on-going requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 January 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 December 2015 so as to enable it to comply with the on-going requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner in the future.

Capital Structure

At 31 December 2015, the Company had 22,109,765 fully paid Ordinary shares of 50p each (2014 – 22,109,765 Ordinary shares). There have been no changes in the Company's issued share capital subsequent to the year end and up to the date of this Report.

Voting Rights

Each Ordinary share holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may be applied from time to time by law.

Management Agreement

The Company has appointed Aberdeen Fund Managers Limited ("AFML" or "the Manager"), a wholly owned subsidiary of Aberdeen Asset Management PLC, as its alternative investment fund manager ("AIFM"). AFML has been appointed to provide investment management, risk management, administration and company secretarial services as well as promotional activities. The Company's portfolio is managed by Aberdeen Asset Managers Limited ("AAML" or "the Investment Manager") by way of a group delegation agreement in place between AFML and AAML. In addition, AFML has sub-delegated promotional activities to AAML and administrative and secretarial services to Aberdeen Asset Management PLC.

The management fee, details of which are shown in note 3 to the financial statements, is 0.75% per annum of adjusted gross assets. The asset basis for the fee calculation is net assets plus debt.

The contract may be terminated by either the Company or the Manager on the expiry of six months' written notice.

Substantial Interests

As at 31 December 2015, the following interests over 3% in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure and Transparency Rules:

Shareholder	Number of shares held	% held
Aberdeen Investment Trust Share Plans*	3,925,160	17.75
Aberdeen Asset Management	3,120,476	14.11
Alliance Trust Savings	1,363,868	6.17
Hargreaves Lansdown	1,333,444	6.03
Charles Stanley	1,194,579	5.40
Rathbones	1,126,778	5.10
Philip J Milton	1,017,311	4.60
Brewin Dolphin	886,892	4.01

*Non-beneficial interests

As at the date of approval of this Report, no changes to the above interests had been notified to the Company.

Corporate Governance

Compliance

The Company is committed to high standards of corporate governance and has in place arrangements which it believes are appropriate for an investment trust company. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company applies the principles set out in the UK Corporate Governance Code (the "UK Code") published in September 2014 which is available on the Financial Reporting Council's website: www.frc.org.uk.

Additionally, the Company is a member of the Association of Investment Companies ("AIC") which has its own Code of Corporate Governance, published in February 2015 (the "AIC Code"), that seeks to codify best practice of particular relevance to investment trusts. The AIC Code is available on the AIC's website: www.theaic.co.uk.

The Board confirms that, during the year, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code. The full text of the Company's Corporate Governance Statement can be found on the Company's website: www.aberdeensmallercompanies.co.uk.

The Board

The Board consists currently of four non-executive Directors. The Board has no executive Directors as it has contractually delegated responsibility for the management of its investment portfolio, the arrangement of custodial and depositary services and the provision of accounting and company secretarial relationships.

Biographies of the Directors appear on pages 22 and 23 which demonstrate the wide range of skills and experience each brings to the Board. No Director has a service contract with the Company. Each Director has a signed letter of appointment to formalise the terms of their engagement as a non-executive Director. There were no contracts during, or at the end of the year, in which any Director was interested.

The Board has a formal schedule of matters specifically reserved to it for decision including strategy, dividend policy, gearing policy, review of the Manager and corporate governance matters. The Company's investment portfolio is managed within guidelines set by the Board as detailed on page 4.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice of Aberdeen Asset Management PLC as Secretaries of the Company.

The following table sets out the number of formal Board and Committee meetings attended by each Director during the year ended 31 December 2015 (with their eligibility to attend the relevant meeting in brackets).

Director	Board Meetings	Audit Committee Meetings	Nomination Committee Meetings	Management Engagement Committee Meetings
C. Dobson	5 (5)	2 (2)	1 (1)	1 (1)
R. Lister	5 (5)	2 (2)	1 (1)	1 (1)
B. Rose	5 (5)	2 (2)	1 (1)	1 (1)
J. West	5 (5)	2 (2)	1 (1)	1 (1)

Between meetings the Board maintains regular contact with the Manager.

Director's Interests

The Board regularly monitors the interests of each Director and a register of Directors' interests, including potential conflicts of interest, is maintained by the Company. Directors who have potential or actual conflicts of interest will not take part in any discussions which relate to that particular conflict. The Board continually monitors potential conflicts of interests on a regular basis.

The Board adopts a zero tolerance approach to bribery and corruption and the Board and the Manager have implemented appropriate procedures designed to prevent bribery.

The Company maintains insurance in respect of Directors' & Officers' liabilities in relation to their acts on behalf of the Company. Under the Company's Articles of Association, each Director is entitled to be indemnified out of the assets of the Company to the extent permitted by law.

Board Committees

The Board has appointed three Committees with specific operations as set out below. The terms of reference, which clearly define the responsibilities and duties of each Committee, are available on the Company's website. The terms of reference of each of the Committees are renewed and re-assessed by the Board for their adequacy on an ongoing basis.

Audit Committee

The Audit Committee's Report is contained on pages 31 to 32.

Management Engagement Committee

The Management Engagement Committee, which comprises all Directors, reviews on an annual basis the terms of the agreements with the Manager including, but not limited to, the management fee and to review the performance of the Manager in relation to the achievement of the Company's objectives. The Board considers the continuing appointment of the Manager, on the terms agreed, to be in the interests of shareholders at this time.

Nomination Committee

The Nomination Committee, which comprises all Directors, reviews Director appraisals, succession planning, new appointments and training. Appointments of new Directors are undertaken following a thorough and open process involving professional recruitment consultants and interviews with the candidates identified. New appointments are identified against the requirements of the Company's business and the need to have a balanced Board with the best range of skills and experience to complement existing Directors. Appointments are made on merit, taking into account the benefits of diversity, including gender. However, the Board's overriding priority is to appoint the most appropriate candidates, regardless of gender or other forms of diversity. The Board, therefore, has not set any measurable targets in relation to the diversity of the Board.

Performance Evaluation

The Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. In order to review its effectiveness, the Board carries out a process of formal self-appraisal. This process encompasses quantitative and qualitative measures of performance implemented by way of an evaluation survey questionnaire and Board discussion. The appraisal of the Chairman is led by the Senior Independent Director in conjunction with the other Directors.

The review process carried out in respect of the year ended 31 December 2015 concluded that the Board is functioning well and operates in an efficient and effective manner with each Director making a significant contribution to the performance of the Company. There are no issues of concern.

The Board regularly reviews the independence of its members and, having due regard to the definitions and current AIC guidelines on independence, considers all Directors to be independent of the Company's Manager. The Board takes the view that independence is not compromised by length of service.

The Board has implemented the provisions of the UK Code whereby all Directors of the Company will stand for re-election on an annual basis. The Board believes that each Director continues to be effective, bringing a wealth of knowledge and experience to the Board and recommends the re-election of each Director.

New Directors are given appropriate induction from the Manager covering legal responsibilities, the Manager's operations and investment trust industry matters. All Directors are entitled to receive appropriate and relevant training.

Relations with Shareholders

The Board regularly monitors the shareholder profile of the Company and the Company reports formally to shareholders twice a year by way of the annual and half yearly reports. All shareholders have the opportunity to attend and vote at Annual General Meetings of the Company at which the Board and the Manager are available to discuss key issues affecting the Company. In addition, the Manager conducted meetings with major shareholders throughout the year to discuss issues relating to the Company which are also attended by the Chairman if appropriate. Shareholders and investors may obtain up-to-date information on the Company through its website and the Manager's information services.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required.

As recommended by the AIC Code, the Company makes available the proxy votes cast at general meetings. In addition the Company aims to give at least twenty working days' notice to shareholders of the Annual General Meeting.

The UK Stewardship Code and Proxy Voting

The Board has delegated responsibility for monitoring the corporate governance of investee companies to the Manager. The Board has reviewed and accepts the Manager's Corporate Governance Principles which may be found on the Manager's website at http://www.aberdeen-asset.com/doc.nsf/Lit/LegalDocumentationGroupCorporateGovernancePrinciples. This document sets out the Manager's framework on corporate governance, proxy voting and shareholder engagement in relation to companies in which the Manager has invested or is considering investing. The Board has also reviewed the Manager's Statement of Compliance with the UK Stewardship Code which appears on the Manager's website at the web address given above.

The Manager is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by investee companies, and for attending company meetings. The Manager, in the absence of explicit instruction from the Board, is empowered to exercise discretion in the use of the Company's voting rights. The Manager's policy is to vote on all shares held by the Company and the Board receives from the Manager regular reports on the exercise by the Manager of the Company's voting rights and discusses with the Manager any issues arising. It is the Board's view that having an active voting policy and a process for the monitoring by the Board of the Manager's exercise of those votes, especially in relation to controversial issues, aids the efficient exercise of the Company's governance responsibilities.

Socially Responsible Investment Policy

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in this area. The Company's ultimate objective is to deliver superior long-term returns for our shareholders which we believe will be produced on a sustainable basis by investments in companies which adhere to best practice in the area of Corporate Governance. Accordingly, the Manager will seek to favour companies which pursue best practice in the above area.

Going Concern

The Company's assets comprise mainly readily realisable securities which can be sold to meet funding commitments if necessary. The Board has set gearing limits and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Company has a £10 million credit facility of which £5 million expires in 2018 and £5 million expire in 2020. The Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of this annual report and accordingly, continue to adopt the going concern basis in preparing the financial statements.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 34 and 36.

The Directors confirm that, so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and they have taken all the steps that they could reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additionally there have been no important events since the year end.

The Company's auditor, KPMG LLP, is willing to continue in office and resolutions will be proposed at the AGM to reappoint them and to authorise the Directors to determine their remuneration.

Annual General Meeting

The Annual General Meeting will be held on 21 April 2016 at 12.00 noon and the following resolutions will be proposed:

Section 551 authority to allot shares

Resolution 8, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to an aggregate nominal value of £3,684,960, representing approximately one third of the total Ordinary share capital of the Company in issue (excluding treasury shares) as at the date of this document, such authority to expire on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

Disapplication of Pre-emption Provisions

Resolution 9 is to enable the Directors to issue new shares and to resell shares held in treasury up to an aggregate nominal amount of £1,105,488 (representing approximately 10 per cent of the total Ordinary share capital in issue). Resolution 9, which is a special resolution, will, if approved, give the Directors power to allot Ordinary shares (including Ordinary shares held in treasury) for cash, otherwise than pro rata to existing shareholders, up to a maximum aggregate nominal amount of £1,105,488. Ordinary shares would only be issued for cash at a price not less than the net asset value per share. This authority will expire on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting). As noted, this disapplication of pre-emption rights also applies in respect of treasury shares which the Company may sell. The Company has no shares held in treasury as at the date of this report.

Purchase of the Company's own Ordinary Shares

Resolution 10, which is a special resolution, will be proposed to renew the Company's authorisation to make market purchases of its own shares. The maximum number of Ordinary shares which may be purchased pursuant to the authority shall be 14.99% of the issued share capital of the Company as at the date of the passing of the resolution (approximately 3.3 million Ordinary shares). The minimum price which may be paid for an Ordinary share (exclusive of expenses) shall be 50p. The maximum price for an Ordinary share (again exclusive of expenses) shall be an amount being

Directors' Report continued

not more than the higher of (i) 105% of the average of the middle market quotations for the Company's Ordinary shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out.

This authority, if conferred, will only be exercised if to do so would enhance the net asset value per share and is in the best interests of shareholders generally. Shares so repurchased will be held in treasury. No dividends will be paid on treasury shares and no voting rights attach to them. Any purchase of shares will be made within guidelines established from time to time by the Board. This authority will expire on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting.

Recommendation

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole, and recommend that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings totalling 49,340 Ordinary shares, representing 0.2% of the issued Ordinary share capital of the Company.

By order of the Board

Carolan Dobson
Chairman
2 March 2016

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

1. a Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the Annual General Meeting on 17 April 2014;
2. an Implementation Report which is subject to an advisory vote on the level of remuneration paid during the year; and
3. an Annual Statement.

The law requires the Company's auditor to audit certain of the disclosures provided in the Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included on pages 35 to 36.

Remuneration Policy

This Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. There have been no changes to the policy during the period of this Report nor are there any proposals for changes in the foreseeable future.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

Aggregate Fees Increase

The Company's Articles of Association currently limit the aggregate fees payable to the Board of Directors to a total of £150,000 per annum subject to any changes to the Retail Prices Index effective from April 2011 (or such other amount as may from time to time be determined by ordinary resolution of the Company).

The current level of fees is set out in the table below. Fees are annually reviewed against RPI and, if considered appropriate, increased accordingly.

	31 December 2015 £	31 December 2014 £
Chairman	34,500	34,500
Chairman of Audit Committee	26,500	26,500
Director	23,000	23,000

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should be sufficient to attract Directors of the quality required to run the Company successfully. The remuneration should also reflect the nature of their duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and a similar investment objective.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of letters of appointment.
- Directors must retire and be subject to election at the first Annual General Meeting after their appointment, and to re-election at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £23,000).
- No incentive or introductory fees will be paid to encourage a directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.
- The Directors are entitled to be re-imbursed for out of pocket expenses incurred in connection with performing their duties including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Implementation Report

Directors' Fees

There has not been an increase in Directors' fees since 1 January 2014. The Board carried out a review of the level of Directors' fees during the year and concluded that they should not be increased. There are no further fees to disclose

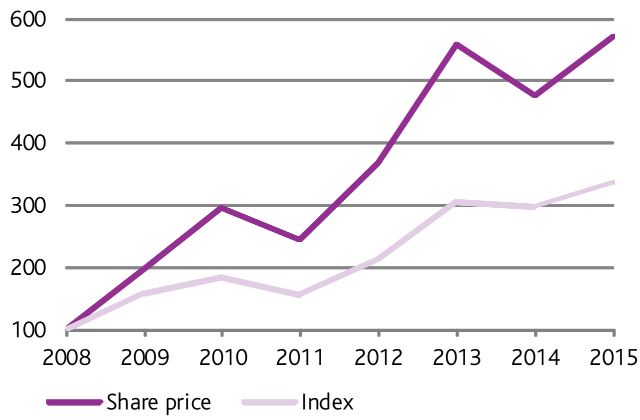
Directors' Remuneration Report continued

as the Company has no employees, chief executive or executive directors.

Fee rates are established by taking advice from external sources as to current market levels.

Company Performance

The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to ordinary shareholders compared to the total return from the FTSE SmallCap Index (excluding Investment Companies) for the seven year period to 31 December 2015 (rebased to 100 at 31 December 2008). This index was chosen for comparison purposes, as it is the benchmark used for investment performance measurement purposes.



Statement of Voting at Annual General Meeting

At the Company's last Annual General Meeting, held on 23 April 2015, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 December 2014. 96.6% of proxy votes were in favour of the resolution, 2.8% were against, and 0.6% abstained.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. The total fees paid to Directors are shown below.

Audited Information

Fees Payable

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable.

Fees are pro-rated where a change takes place during a financial year. There were no payments to third parties from the fees referred to in the following table.

Director	2015 £	2014 £
Carolan Dobson	34,500	34,500
Robert Lister	23,000	23,000
Barry Rose	23,000	23,000
James West	26,500	26,500
Total	107,000	107,000

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 31 December 2015 and 31 December 2014 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 Dec 2015 Ord 5p	31 Dec 2014 Ord 5p
Carolan Dobson	5,000	2,713
Robert Lister	5,200	5,200
Barry Rose	nil*	nil
James West	36,640	36,640

*There have been no changes to the Directors' interests in the share capital of the Company since the year end and up to the date of this Report other than Mr Rose who purchased 2,500 shares on 12 February 2016 at a price of 189.92p.

No Director had an interest in any contracts with the Company during the period or subsequently.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Policy Implementation summarises, as applicable, for the year ended 31 December 2015:

- the major decisions on Directors' remuneration;
- any substantial changes relating to Directors' remuneration made during the year; and
- the context in which the changes occurred and decisions have been taken.

Carolan Dobson
Chairman
2 March 2016

Audit Committee's Report

The Audit Committee presents its Report for the year ended 31 December 2015.

Committee Composition

The Audit Committee is chaired by Mr West, who is a chartered accountant, and comprises all Directors of the Company with the exception of Ms Dobson, who attends but is a non-voting member. The main responsibilities of the Audit Committee include:

- to review the annual and interim financial statements, the accounting policies applied therein and to ensure compliance with financial and regulatory reporting requirements;
- to assess whether the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to review the internal control and risk management systems on which the Company is reliant and to consider annually the need for the Company to have its own internal audit function;
- to review the arrangements in place within the Manager whereby staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;
- to consider the appointment, re-appointment, remuneration and terms of engagement of the external auditor;
- to review annually the external auditor's independence, objectivity, effectiveness, resources and qualification; and
- to develop and implement policy on the engagement of the external auditor to supply non-audit services.

Activities During the Year

The Audit Committee meets at least twice per year when it reviews the annual and half yearly financial reports in detail. Reports from the Aberdeen Group's internal audit, risk and compliance departments are also considered by the Committee which cover internal control systems, risk and the conduct of the business in the context of its regulatory environment.

Review of Internal Control Systems and Risk

The Board is responsible for the Company's system of internal control and has reviewed the effectiveness of the Company's risk management and internal control systems. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company which include financial, operational, compliance and reputational risks.

The Board has delegated the management of the Company's assets to the Manager within overall guidelines. Risks are identified and documented through a risk management framework by each function within the Manager's activities. The internal control systems operated by the Manager are monitored and supported by an internal audit function which undertakes periodic examination of business processes, including compliance with the terms of the management agreement, and ensures that recommendations to improve controls are implemented. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

This process has been in place for the year under review and up to the date of approval of this annual report. It is regularly reviewed by the Board and accords with the Financial Reporting Council's Guidance.

In addition, the Board has adopted its own risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, regulatory and financial obligations and third party service providers (see page 5). A monitoring system is undertaken whereby the controls to mitigate these risks, and the impact of the residual risks, are assessed on a regular basis.

Note 14 to the financial statements provides further information on risks. The key components designed to provide effective internal control are outlined below:

- the Manager prepares monthly forecasts and management accounts, covering investment activities and financial matters, which allow the Board to assess the Company's activities and review its performance;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers. The Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- the Manager's internal audit and compliance departments continually reviews the Manager's operations and reports to the Audit Committee on a six monthly basis; and
- an independent depositary, BNP Paribas Securities Services, London Branch, is appointed to safeguard the Company's investments, which are registered in the name of the depositary's nominee company.

The Audit Committee continues to believe that the Company does not require an internal audit function of its own as it

Audit Committee's Report continued

delegates its day-to-day operations to third parties from whom it receives internal controls reports.

The system of internal control and risk management is designed to meet the Company's particular needs and the risks to which it is exposed. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

Significant Accounting Issues

The significant accounting issue considered by the Committee during the year in relation to the Company's financial statements was the valuation, existence and ownership of investments. The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 1 to the financial statements on page 41. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within IFRS 13 fair value hierarchy. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. The Company used the services of an independent Depositary (BNP Paribas Securities Services) during the year under review to hold the assets of the Company. The investment portfolio is reconciled regularly by the Manager and the audit includes independent confirmation of the valuation and existence of all investments.

Other Accounting Issues

Other accounting issues considered by the Committee included:

- Recognition of Investment Income. The recognition of investment income is undertaken in accordance with the stated accounting policies. The Directors also review the Company's income, including income received, revenue forecasts and dividend comparisons.
- Investment Trust Status. Approval of the Company as an investment trust under Sections 1158 and 1159 for financial years commencing on or after 1 January 2012 has been obtained and on-going compliance with the eligibility criteria is monitored on a regular basis.

Review of Auditor

The Audit Committee has reviewed the independence and the effectiveness of the auditor, KPMG LLP ("KPMG"), as follows:

- The auditor reports on an annual basis the steps it takes to ensure its independence and objectivity and confirms that it has complied with the relevant UK independence guidelines. The level of non-audit services provided by the auditor is assessed and for the year ended 31 December 2015 there were no non-audit services provided.
- The Committee considers the experience, continuity and tenure of the audit team, including the audit director. The audit team consists of suitably experienced staff with knowledge of the investment trust sector and there is a process in place for the rotation of the audit director.
- The Committee assesses the level of audit service annually. The audit plan is reviewed well in advance and subsequent audit findings are reported comprehensively in a timely manner and are resolved satisfactorily. The auditor has a constructive working relationship with both the Board and the Manager.

The Committee is satisfied that KPMG remains independent and effective and supports the re-appointment of KPMG LLP as auditor for approval at the Annual General Meeting.

Audit Tenure

The Committee has not considered it necessary to conduct a tender process for the appointment of its auditor. Although KPMG has held office as auditor for 23 years, the audit director is rotated at least every five years, in accordance with professional guidelines. The current audit director has served for four years.

The Committee is aware that impending UK legislation will require listed companies to rotate their auditor. Under the transitional arrangements for firms that had been audited by the same auditor for over 20 years there will be a grace period of six years after the enactment of the EU legislation. Accordingly, based upon the new legislation, KPMG will not be able to audit the Company from 2020. The Board intends to undertake an audit tender in 2017 in line with the next scheduled rotation of the audit director.

For and on behalf of Aberdeen Smaller Companies High Income Trust PLC

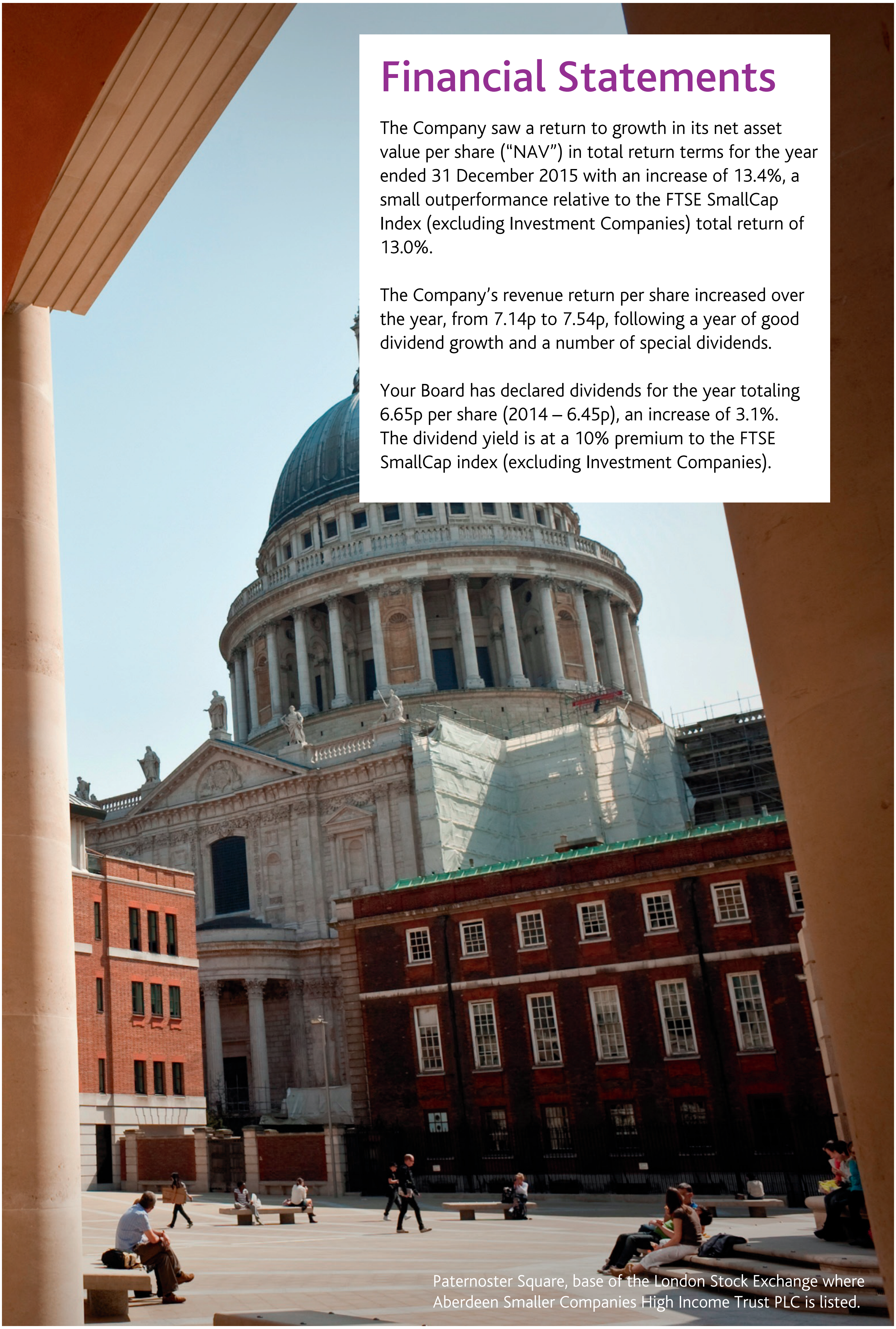
James West
Chairman of the Audit Committee
2 March 2016

Financial Statements

The Company saw a return to growth in its net asset value per share ("NAV") in total return terms for the year ended 31 December 2015 with an increase of 13.4%, a small outperformance relative to the FTSE SmallCap Index (excluding Investment Companies) total return of 13.0%.

The Company's revenue return per share increased over the year, from 7.14p to 7.54p, following a year of good dividend growth and a number of special dividends.

Your Board has declared dividends for the year totaling 6.65p per share (2014 – 6.45p), an increase of 3.1%. The dividend yield is at a 10% premium to the FTSE SmallCap index (excluding Investment Companies).



Paternoster Square, base of the London Stock Exchange where Aberdeen Smaller Companies High Income Trust PLC is listed.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRS. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- that in the opinion of the Directors, the annual report taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's position and performance, business model and strategy; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For and on behalf of Aberdeen Smaller Companies High Income Trust PLC

Carolan Dobson
Chairman
2 March 2016

Independent Auditor's Report to the Members of Aberdeen Smaller Companies High Income Trust PLC only

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Aberdeen Smaller Companies High Income Trust PLC for the year ended 31 December 2015 set out on pages 37 to 56. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its return for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

Carrying amount of Company's investment portfolio

Refer to page 32 (Audit Committee section of the Directors' Report), page 41 (accounting policy) and page 46 (financial disclosures).

The risk: The Company's investment portfolio makes up 94.8% of total assets (by value) and is considered to be the key driver of the Company's capital and revenue performance. We do not consider these investments to be at high risk of significant misstatement, or to be subject to a significant level of judgment, because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our response: Our procedures over the completeness, existence and valuation of the Company's portfolio included, but were not limited to:

- documenting and understanding the processes in place to record investment transactions and to value the portfolio;
- agreeing the valuation of 100% of portfolio investments to externally quoted prices; and
- agreeing 100% of portfolio investment holdings to independently received third party confirmations.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the financial statements as a whole was set at £624,000. This has been determined with reference to a benchmark of Total Assets (of which it represents 1%). Total Assets, which is primarily composed of the Company's investment portfolio, is considered the key driver of the Company's capital and revenue performance and, as such, we consider it to be one of the principal considerations for members of the Company in assessing the financial performance of the Company.

In addition, we applied a materiality of £83,000 to income from investments for which we believe misstatements of lesser amounts than materiality as a whole could be reasonably expected to influence the Company's members' assessment of the financial performance of the Company.

We report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £31,000, in addition to other identified misstatements below that threshold that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the BNP Paribas head office in Dundee.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' statement of viability on page 7, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Company's continuing in operation over the three years to 31 December 2018.
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

Independent Auditor's Report to the Members of Aberdeen Smaller Companies High Income Trust PLC only continued

6 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy; or
- the Audit Committee's Report does not appropriately address matters communicated by us to the audit committee.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on pages 7 and 27, in relation to going concern and longer term viability; and
- the part of the Corporate Governance Statement on page 25 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 34, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at https://home.kpmg.com/uk/en/home/misc/audit-scope-ukco-2014a.html, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Edinburgh
2 March 2016

Statement of Comprehensive Income

		Year ended 31 December 2015			Year ended 31 December 2014		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Gains/(losses) on investments at fair value	9	–	5,464	5,464	–	(2,207)	(2,207)
Revenue	2						
Dividend income		1,963	–	1,963	1,840	–	1,840
Interest income/(expense) from investments		236	(47)	189	265	(34)	231
Other income		14	–	14	12	–	12
		2,213	5,417	7,630	2,117	(2,241)	(124)
Expenses							
Investment management fee	3	(141)	(330)	(471)	(137)	(319)	(456)
Other administrative expenses	4	(351)	–	(351)	(347)	–	(347)
Finance costs of borrowings	5	(55)	(129)	(184)	(54)	(124)	(178)
Profit/(loss) before tax		1,666	4,958	6,624	1,579	(2,684)	(1,105)
Tax expense	6	–	–	–	–	–	–
Profit/(loss) attributable to equity holders	8	**1,666**	**4,958**	**6,624**	**1,579**	**(2,684)**	**(1,105)**
Earnings/(loss) per Ordinary share (pence)	8	**7.54**	**22.42**	**29.96**	**7.14**	**(12.14)**	**(5.00)**

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

The Company does not have any income or expense that is not included in profit for the year, and therefore the "Profit/(loss) attributable to equity holders " is also the "Total comprehensive income attributable to equity holders" as defined in IAS 1 (revised).

All of the profit and comprehensive income are attributable to the equity holders of the Company.

All items in the above statement derive from continuing operations.

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

Balance Sheet

	Notes	As at 31 December 2015 £'000	As at 31 December 2014 £'000
Non-current assets			
Ordinary shares		52,741	50,748
Convertibles		1,003	1,016
Corporate bonds		2,067	3,234
Other fixed interest		3,346	3,224
Securities at fair value	9	59,157	58,222
Current assets			
Cash and cash equivalents		3,014	1,747
Other receivables	10	257	368
		3,271	2,115
Current liabilities			
Short-term loan	11	(2,000)	(10,000)
Trade and other payables		(165)	(239)
		(2,165)	(10,239)
Net current assets/(liabilities)		1,106	(8,124)
Total assets less current liabilities		60,263	50,098
Non-current liabilities			
Long-term loan	11	(5,000)	–
Net assets		**55,263**	**50,098**
Issued capital and reserves attributable to equity holders			
Called-up share capital	12	11,055	11,055
Share premium account		11,892	11,892
Capital redemption reserve		2,032	2,032
Retained earnings:			
Capital reserve	13	27,861	22,903
Revenue reserve	13	2,423	2,216
		55,263	**50,098**
Net asset value per Ordinary share (pence)	8	**249.95**	**226.59**

The financial statements were approved by the Board of Directors and authorised for issue on 2 March 2016 and were signed on its behalf by:

C. Dobson
Chairman

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

Statement of Changes in Equity

Year ended 31 December 2015

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 December 2014		11,055	11,892	2,032	22,903	2,216	50,098
Revenue profit for the year		–	–	–	–	1,666	1,666
Capital gains for the year		–	–	–	4,958	–	4,958
Equity dividends	7	–	–	–	–	(1,459)	(1,459)
As at 31 December 2015		**11,055**	**11,892**	**2,032**	**27,861**	**2,423**	**55,263**

Year ended 31 December 2014

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
As at 31 December 2013		11,055	11,892	2,032	25,587	2,052	52,618
Revenue profit for the year		–	–	–	–	1,579	1,579
Capital losses for the year		–	–	–	(2,684)	–	(2,684)
Equity dividends	7	–	–	–	–	(1,415)	(1,415)
As at 31 December 2014		**11,055**	**11,892**	**2,032**	**22,903**	**2,216**	**50,098**

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

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

Cash Flow Statement

	Year ended 31 December 2015 £'000	Year ended 31 December 2015 £'000	Year ended 31 December 2014 £'000	Year ended 31 December 2014 £'000
Cash flows from operating activities				
Investment income received		2,275		2,121
Investment management fee paid		(543)		(460)
Other cash expenses		(360)		(320)
Cash generated from operations		1,372		1,341
Interest paid		(173)		(178)
Net cash inflows from operating activities		1,199		1,163
Cash flows from investing activities				
Purchases of investments	(9,999)		(7,068)	
Sales of investments	14,526		7,384	
Net cash inflow from investing activities		4,527		316
Cash flows from financing activities				
Loan repaid		(10,000)		–
Loan drawdown		7,000		–
Equity dividends paid		(1,459)		(1,415)
Net cash outflow from financing activities		(4,459)		(1,415)
Net increase in cash and cash equivalents		**1,267**		**64**

Notes to the Financial Statements For the year ended 31 December 2015

1. Accounting policies

(a) Basis of accounting

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), and International Accounting Standards and International Financial Reporting Interpretations Committee interpretations approved by the International Accounting Standards Committee ("IASC") that remain in effect, and to the extent that they have been adopted by the European Union.

The Statement of Recommended Practice for Investment Trust Companies and Venture Capital Trusts issued by the Association of Investment Trust Companies in November 2014 ('the SORP') is applicable for accounting periods commencing on or after 1 January 2015. There are no significant changes to the Company's accounting policies or disclosures as a result of the adoption of the SORP. Where presentational guidance set out in the SORP is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP except as referred to in paragraph (c) and (g) below. The effects on capital and revenue of the items involving departures from the SORP are set out in note 15.

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of securities held at fair value and on the assumption that approval as an investment trust will continue to be granted. The principal accounting policies adopted are set out below. These policies have been applied consistently throughout the year. The financial statements have been prepared on a going concern basis.

In order to better reflect the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. Additionally, the net revenue of the Company is the measure the Directors believe appropriate in assessing its compliance with certain requirements set out in Sections 1158 – 1159 of the Corporation Tax Act 2010.

At the date of authorisation of these financial statements, the following Standards and Interpretations were effective for annual periods beginning on or after 1 January 2016:

–IFRS 14 – Regulatory Deferral Accounts

At the date of authorisation of these financial statements, the following Standards and Interpretations were effective for annual periods beginning on or after 1 January 2018:

–IFRS 9 – Financial Instruments (revised, early adoption permitted)

–IFRS 15 – Revenue from Contracts with Customers (early adoption permitted)

At the date of authorisation of these financial statements, the following Standards and Interpretations were effective for annual periods beginning on or after 1 January 2019:

–IFRS 16 – Leases (early adoption permitted)

The following amendments to Standards are all effective for annual periods beginning on or after 1 January 2016:

–IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

–IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception

–IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations

–IAS 1 – Disclosure Initiative

–IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation

–IAS 27 – Equity Method in Separate Financial Statements

In addition, under the Annual Improvements to IFRSs 2012 – 2014 Cycle, a number of Standards are included for annual periods beginning on or after 1 January 2016.

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company. The Company concludes however that certain additional disclosures may be necessary on their application.

(b) Investments

Investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are valued at fair value. 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's electronic trading service for UK securities including all the FTSE All-Share Index constituents.

Gains and losses arising from the changes in fair value are included in net profit or loss for the period as a capital item. Transaction costs are treated as a capital cost.

(c) Income

Dividend income from equity investments including preference shares which have a discretionary dividend is recognised when the shareholders' rights to receive payment have been established, normally the ex-dividend date.

Interest from debt securities which include preference shares which do not have a discretionary dividend are accounted for on an effective yield basis. Any write off of the premium or discount on acquisition as a result of using this basis is allocated against capital reserve. The SORP recommends that such a write off should be allocated against revenue. The Directors believe this treatment is not appropriate for a high yielding investment trust which frequently trades in debt securities and believe any premium or discount paid for such an investment is a capital item.

Interest receivable on AAA rated money market funds and short term deposits are accounted for on an accruals basis.

Underwriting commission is taken to revenue, unless any shares underwritten are required to be taken up, in which case the proportionate commission received is deducted from the cost of the investment.

(d) Expenses

All expenses are accounted for on an accruals basis. In respect of the analysis between revenue and capital items presented within the Statement of Comprehensive Income, all expenses have been presented as revenue items except those where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated. Accordingly the management fee and finance costs have been allocated 30% (2014: 30%) to revenue and 70% (2014: 70%) to capital, in order to reflect the Directors' expected long-term view of the nature of the investment returns of the Company.

(e) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method.

(f) Finance costs and long-term borrowings

Long-term borrowings are stated at the amount of the proceeds of issue net of expenses. The finance costs, being the difference between the net proceeds of borrowing and the total amount of payments that require to be made in respect of that borrowing, accrue evenly over the life of the borrowing and are allocated between capital and revenue.

Finance costs have been allocated 30% (2014: 30%) to revenue and 70% (2014: 70%) to capital in the Statement of Comprehensive Income, in order to reflect the Directors expected long-term view of the nature of the investment returns of the Company.

(g) Taxation

The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the

Statement of Comprehensive Income because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (see note 6 for a more detailed explanation). The Company has no liability for current tax.

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

The SORP requires that a transfer should be made from income to capital equivalent to the tax value of any management expenses that arise in capital but are utilised against revenue. The Directors consider that this requirement is not appropriate for an investment trust with an objective to provide a high and growing dividend that does not generate a corporation tax liability. Given there is only one class of shareholder and hence overall the net effect of such a transfer to the net asset value of the shares is nil no such transfer has been made.

(h) Foreign currencies

Transactions involving foreign currencies are converted at the rate ruling at the time of the transaction. Assets and liabilities in foreign currencies are translated at the closing rates of exchange at the Balance Sheet date. Any gain or loss arising from a change in exchange rate subsequent to the date of the transaction is included as an exchange gain or loss in capital reserve or the revenue account as appropriate.

(i) Nature and purpose of reserves

Share premium account

The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising ordinary shares of 50p.

Capital redemption reserve

The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

Capital reserve

This reserve reflects any gains or losses on investments realised in the period along with any increases and decreases in the fair value of investments held that have been recognised in the Statement of Comprehensive Income.

Revenue reserve

This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

2. Income	2015 £'000	2014 £'000
Income from investments		
Dividend income from UK equity securities	1,675	1,547
Dividend income from overseas equity securities	248	185
Stock dividends	–	93
Property income distribution	40	15
Interest income from investments	236	265
	2,199	2,105

Notes to the Financial Statements continued

	2015 £'000	2014 £'000
Other income		
Bank interest	3	1
Underwriting commission	11	11
Total revenue income	**2,213**	**2,117**

As per note 1(c), the Company amortises the premium or discount on acquisition on debt securities against unrealised capital reserve. For 2015 this represented £47,000 (2014 – £34,000) which has been reflected in the capital column of the Statement of Comprehensive Income.

	2015			2014		
	Revenue	Capital	Total	Revenue	Capital	Total
3. Management fee	£'000	£'000	£'000	£'000	£'000	£'000
Management fee	**141**	**330**	**471**	**137**	**319**	**456**

For the year ended 31 December 2015 management services were provided by Aberdeen Fund Managers Limited ("AFML"). The fee is at an annual rate of 0.75% on the Company's net assets adding back bank debt, calculated and paid monthly. The balance due to AFML at the year end was £39,000 (2014 – £111,000 calculated monthly and paid quarterly). The fee is allocated 70% (2014 – 70%) to capital and 30% (2014 – 30%) to revenue.

4. Other administrative expenses	2015 £'000	2014 £'000
Directors' remuneration – fees as Directors	107	107
Fees payable to auditor (net of VAT):		
• Fees payable to the Company's auditor for the audit of the Annual Report	19	19
Promotional activities	54	52
Legal and professional fees	12	8
Registrars fees	16	18
Printing and postage	17	19
Broker fees	36	36
Directors' & Officers' liability insurance	7	6
Trade subscriptions	23	22
Other expenses	60	60
	351	**347**

Expenses of £54,000 (2014 – £52,000) were paid to Aberdeen Fund Managers Limited (AFML) in respect of the promotion of the Company. The balance outstanding at the year end was £14,000 (2014 – £14,000).

All of the expenses above, with the exception of the auditor's remuneration, include irrecoverable VAT where applicable. The VAT charged on the auditor's remuneration is disclosed within other expenses.

	2015			2014		
	Revenue	Capital	Total	Revenue	Capital	Total
5. Finance costs and borrowings	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans	**55**	**129**	**184**	**54**	**124**	**178**

6. Taxation

The UK corporation tax rate was 21% until 31 March 2015 and 20% from 1 April 2015 giving an effective rate of 20.25% (2014 – effective rate of 21.50%). The tax assessed for the year is lower than the rate of corporation tax. The differences are explained below:

	2015			2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) before tax	1,666	4,958	6,624	1,579	(2,684)	(1,105)
Taxation of return on ordinary activities at the standard rate of corporation tax	337	1,004	1,341	339	(577)	(238)
Effects of:						
UK dividend income not liable to further tax	(357)	–	(357)	(351)	–	(351)
Capital gains disallowed for the purposes of corporation tax	–	(1,097)	(1,097)	–	482	482
Overseas income not subject to tax	(50)	–	(50)	(60)	–	(60)
Excess management expenses not utilised	70	93	163	72	95	167
Taxation charge for the year	–	–	–	–	–	–

Management expenses arising on revenue items this year were sufficient to offset against taxable revenue. In accordance with accounting policy 1(g) described on pages 42 and 43 no amount (2014 – £nil) has been credited to capital and charged to revenue as a notional corporation tax item.

At 31 December 2015, the Company had net surplus management expenses and loan relationship deficits of £11,975,000 (2014 – £11,095,000) in respect of which a deferred tax asset has not been recognised. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses and deficits of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses and loan relationship deficits.

7. Dividends

	2015 £'000	2014 £'000
Amounts recognised as distributions to equity holders in the period:		
Fourth interim dividend for the year ended 31 December 2014 of 1.65p (2013 – 1.60p) per share	365	354
Three interim dividends for the year ended 31 December 2015 totalling 4.95p (2014 – 4.80p) per share	1,094	1,061
	1,459	**1,415**

The fourth interim dividend of 1.70p per share, declared on 4 December 2015 and paid on 29 January 2016, has not been included as a liability in these financial statements.

We also set out below the total dividends payable in respect of the financial year, which is the basis on which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered:

Notes to the Financial Statements continued

	2015 £'000	2014 £'000
Three interim dividends for the year ended 31 December 2015 totalling 4.95p (2014 – 4.80p) per share	1,094	1,061
Fourth interim dividend for the year ended 31 December 2015 of 1.70p (2014 – 1.65p) per share	376	365
	1,470	**1,426**

8. **Return and net asset value per share**	2015 £'000	2014 £'000
The returns per share are based on the following figures:		
Revenue return	1,666	1,579
Capital return	4,958	(2,684)
Net return	**6,624**	**(1,105)**
Weighted average number of shares in issue	**22,109,765**	**22,109,765**

The net asset value per share is based on net assets attributable to shareholders of £55,263,000 (2014 – £50,098,000) and on the 22,109,765 (2014 – 22,109,765) shares in issue at 31 December 2015.

9. **Non–current assets – securities at fair value**	2015 £'000	2014 £'000
Listed on recognised stock exchanges:		
United Kingdom	58,679	57,691
Overseas	478	531
	59,157	**58,222**

	2015 £'000	2014 £'000
Cost at 31 December 2014	42,695	39,809
Investment holdings gains at 31 December 2014	15,527	21,011
Fair value at 31 December 2014	58,222	60,820
Purchases	9,999	7,068
Amortised cost adjustments to fixed interest securities	(47)	(34)
Sales – proceeds	(14,481)	(7,425)
Sales – net gains	4,829	3,277
Movement in investment holdings gains during the year	635	(5,484)
Fair value at 31 December 2015	**59,157**	**58,222**
Cost at 31 December 2015	42,995	42,695
Investment holdings gains at 31 December 2015	16,162	15,527
Fair value at 31 December 2015	**59,157**	**58,222**

For an analysis of investments between equity and fixed interest securities and for detailed interest rates, see pages 13 and 14.

Gains/(losses) on investments	2015 £'000	2014 £'000
Net realised gains on sales	4,829	3,277
Movement in fair value	635	(5,484)
Gains/(losses) on investments	**5,464**	**(2,207)**

The total transaction costs on the purchases and sales in the year were £42,000 (2014 – £27,000) and £10,000 (2014 – £7,000) respectively.

All investments are categorised as held at fair value through profit and loss.

10. Other receivables

Other receivables	2015 £'000	2014 £'000
Due from brokers	–	45
Accrued income & prepayments	257	318
Other debtors	–	5
	257	**368**

None of the above amounts are overdue.

11. Current liabilities

Current liabilities	2015 £'000	2014 £'000
(a) Bank loan included at amortised cost	**2,000**	**10,000**

Bank loan

The two year facility of £10 million with State Street Bank was re-negotiated in April 2015. The Company has in place a £10 million facility with State Street Bank comprised of two £5 million tranches; Tranche A is at a fixed rate for three years and the Tranche B is at a variable rate for five years. Tranche A was drawn down in full on 29 April 2015 and is repayable on 27 April 2018. The interest on Tranche A is fixed at 2.47% per annum, payable quarterly in arrears. Tranche A has been included within the balance sheet as a non-current liability as noted below. On Tranche B, £3 million was initially drawn down and rolled over monthly until September 2015 when £1 million was repaid. On 27 November 2015 Tranche B was rolled over for two months at a rate of 1.83613% per annum. Subsequently, the amount drawn down under Tranche B has been rolled over on a monthly basis with a rate of 1.80981% applying at the date this report was approved.

The Directors are of the opinion that the fair value of the short term bank loan at 31 December 2015 is not materially different from the book value.

(b) Trade and other payables	2015 £'000	2014 £'000
Investment management fee	39	111
Interest payable	31	21
Sundry creditors	95	107
	165	**239**

Notes to the Financial Statements continued

Non-current liabilities	2015 £'000	2014 £'000
Bank loan included at amortised cost	5,000	–

The fair value of the long term loan at 31 December 2015 is estimated to be £5,025,000.

12. Called-up share capital	Ordinary shares of 50 pence each Number	£'000
Allotted and fully paid		
At 31 December 2015 and 31 December 2014	22,109,765	11,055

The objective of the Company is to provide a high and growing dividend and capital growth from a portfolio invested principally in the ordinary shares of smaller UK companies and UK fixed income securities.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes account of the Investment Manager's views on the market;
- the level of equity shares in issue; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company does not have any externally imposed capital requirements.

13. Retained earnings	2015 £'000	2,014 £'000
Capital reserve		
At 1 January 2015	22,903	25,587
Net gains on sales of investments during the year	4,829	3,277
Movement in investment holdings gains during the year	635	(5,484)
Amortised cost adjustment relating to capital	(47)	(34)
Finance costs of borrowings (note 5)	(129)	(124)
Management fee	(330)	(319)
At 31 December 2015	**27,861**	**22,903**

The capital reserve includes investment holding gains amounting to £16,162,000 (2014 – £15,527,000), as disclosed in note 9.

Revenue reserve	2015 £'000	2014 £'000
At 1 January 2015	2,216	2,052
Revenue return	1,666	1,579
Dividends paid	(1,459)	(1,415)
At 31 December 2015	**2,423**	**2,216**

14. Financial instruments and risk management

The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise UK listed equities, preference shares, convertibles and corporate fixed interest bonds, cash balances, debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income. The Company may enter into derivative transactions for the purpose of managing market risks arising from the Company's activities though there was no exposure to derivative instruments, including contracts for difference, during the year.

The Board has delegated the risk management function to Aberdeen Fund Managers Limited ("the AIFM" or "AFML") under the terms of its management agreement with AFML (further details of which are included under note 3). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

Risk management framework

The directors of Aberdeen Fund Managers Limited collectively assume responsibility for AFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

AFML is a fully integrated member of the Aberdeen Asset Management PLC ("Aberdeen") group of companies (referred to as "the Group"), which provides a variety of services and support to AFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to Aberdeen Asset Managers Limited, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in FUND 3.2.2R (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The AIFM conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SWORD").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group CEO and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Group's corporate governance structure is supported by several committees to assist the board of directors of Aberdeen, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees' terms of reference.

Risk management

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk and price risk), (ii) liquidity risk and (iii) credit risk.

(i) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises two elements – interest rate risk and price risk.

Interest rate risk

Interest rate risk is the risk that interest rate movements will affect:

–the fair value of the investments in fixed interest rate securities;

–the level of income receivable on cash deposits;

–interest payable on the Company's variable rate borrowings.

Management of the risk

The Board will monitor the effects of interest movements closely to take account of when making investment and borrowing decisions.

The Board reviews on a regular basis the values of the fixed interest rate securities.

Interest rate profile

The interest rate risk profile of the portfolio of financial assets and liabilities (excluding ordinary shares and convertibles) at the Balance Sheet date was as follows:

As at 31 December 2015	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000	Non–interest bearing £'000
Assets					
Corporate bonds	19.67	5.65	2,067	–	–
Preference shares	–	6.39	3,346	–	–
Cash	–	–	–	3,014	–
Total assets	–	–	5,413	3,014	–
Liabilities					
Short-term bank loan	0.08	1.84	(2,000)	–	–
Long-term bank loan	2.33	2.47	(5,000)		
Total liabilities	–	–	(7,000)	–	–
Total	–	–	**(1,587)**	**3,014**	–

As at 31 December 2014	Weighted average period for which rate is fixed	Weighted average interest rate Years	Fixed rate %	Floating rate £'000	Non–interest bearing £'000
Assets					
Corporate bonds	8.03	5.49	3,234	–	–
Preference shares	–	6.64	3,224	–	–
Cash	–	–	–	1,747	–
Total assets	–	–	6,458	1,747	–
Liabilities					
Short-term bank loan	0.33	1.70	(10,000)	–	–
Total liabilities	–	–	(10,000)	–	–
Total	–	–	**(3,542)**	**1,747**	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loan is based on the interest rate payable, weighted by the total value of the loan. The maturity date of the Company's loan is shown in note 11 to the financial statements.

The cash assets consist of cash deposits on call earning interest at prevailing market rates.

Short-term debtors and creditors, with the exception of bank loans, have been excluded from the above tables.

All financial liabilities are measured at amortised cost.

Maturity profile

The maturity profile of the Company's financial assets and liabilities at the Balance Sheet date was as follows:

At 31 December 2015	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000
Fixed rate						
Corporate bonds	–	–	–	–	–	2,067
Bank loan	(2,000)	–	(5,000)	–	–	–
	(2,000)	–	(5,000)	–	–	2,067
Floating rate						
Cash	3,014	–	–	–	–	–
Total	**1,014**	–	**(5,000)**	–	–	**2,067**

At 31 December 2014	Within 1 year £'000	Within 1-2 years £'000	Within 2-3 years £'000	Within 3-4 years £'000	Within 4-5 years £'000	More than 5 years £'000
Fixed rate						
Corporate bonds	936	646	–	–	–	1,652
Bank loan	(10,000)	–	–	–	–	–
	(9,064)	646	–	–	–	1,652
Floating rate						
Cash	1,747	–	–	–	–	–
Total	**(7,317)**	**646**	–	–	–	**1,652**

The maturity table above excludes the value of holdings in UK irredeemable preference shares held at the year end, which equated to £3,346,000 (2014 – £3,224,000).

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the Balance Sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher and all other variables were held constant, the Company's:

- profit before tax for the year ended 31 December 2015 would decrease by approximately £40,000 (2014 – £83,000 decrease) in relation to the Company's exposure to interest rates on its floating rate cash balances and bank loans. These figures have been calculated based on cash positions and bank loans at each year end; and
- profit before tax for the year ended 31 December 2015 would decrease by £58,000 (2014 – £116,000 decrease) in relation to the Company's exposure to interest rates on its fixed interest securities. This is based on a Value at Risk ('VaR') calculated at a 99% confidence level.

If interest rates had been 100 basis points lower and all other variables were held constant, the Company's:

- profit before tax for the year ended 31 December 2015 would increase by approximately £40,000 (2014 – £83,000 increase) based on the Company's exposure to interest rates on its floating rate cash balances and bank loans. These figures have been calculated based on cash positions and bank loans at each year end; and
- profit before tax for the year ended 31 December 2015 would increase by £58,000 (2014 – £116,000) in relation to the Company's exposure to interest rates on its fixed interest securities. This is based on a Value at Risk ('VaR') calculated at a 99% confidence level.

In the opinion of the Directors, the above sensitivity analyses would not necessarily reflect the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Company's objectives. The risk parameters used will also fluctuate depending on the current market perception.

Price risk

Price risks (ie changes in market prices other than those arising from interest rate) will affect the value of the quoted investments. The Company's stated objective is to provide a high and growing dividend with capital growth from a portfolio invested principally in the ordinary shares of smaller UK companies and UK fixed income securities.

Management of the risk

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. The allocation of assets to specific sectors and the stock selection process, as detailed on page 50, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. All of the investments held by the Company are listed on the London Stock Exchange, with the exception of its holding in Electricite de France, which is traded on Euronext Paris.

Price sensitivity

If market prices at the Balance Sheet date had been 10% higher while all other variables remained constant, the profit before tax attributable to ordinary shareholders for the year ended 31 December 2015 would have increased by £5,374,000 (2014 – £5,176,000). If market prices at the Balance Sheet date had been 10% lower while all other variables remained constant, the profit before tax attributable to ordinary shareholders for the year ended 31 December 2015 would have decreased by £5,374,000 (2014 – £5,176,000).This is based on the Company's equity portfolio and convertibles held at each year end.

(ii) Liquidity risk

This is the risk that the Company will encounter difficulty raising funds to meet its cash commitments as they fall due. Liquidity risk may result from either the inability to sell financial instruments quickly at their fair value or from the inability to generate cash inflows as required.

Management of the risk

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of loan facilities (note 11).

(iii) Credit risk

This is failure of the counter party to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

Management of the risk

The Company considers credit risk not to be significant as it is actively managed as follows:

- where the Manager makes an investment in a bond, corporate or otherwise, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default;
- investments in quoted bonds are made across a variety of industry sectors so as to avoid concentrations of credit risk;
- transactions involving derivatives are entered into only with investment banks, the credit rating of which is taken into account so as to minimise the risk to the Company of default;
- investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the custodian's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Manager's compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's risk management committee.
- transactions involving derivatives, structured notes and other arrangements wherein the creditworthiness of the entity acting as broker or counterparty to the transaction is likely to be of sustained interest are subject to rigorous assessment by the Manager of the credit worthiness of that counterparty. The Company's aggregate exposure to each such counterparty is monitored regularly by the Board. The Company does not currently use derivatives. The Manager requires the Board's approval to implement the use of derivatives;
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Credit risk exposure

In summary, compared to the amounts in the Balance Sheet, the maximum exposure to credit risk at 31 December was as follows:

	2015 Balance Sheet £'000	2015 Maximum exposure £'000	2014 Balance Sheet £'000	2014 Maximum exposure £'000
Non-current assets				
Securities at fair value through profit or loss	59,157	59,157	58,222	58,222
Current assets				
Trade and other receivables	–	–	50	50
Accrued income	257	257	318	318
Cash and cash equivalents	3,014	3,014	1,747	1,747
	62,428	**62,428**	**60,337**	**60,337**

None of the Company's financial assets is past due or impaired.

Fair value of financial assets and liabilities

The book value of cash at bank and bank loans and overdrafts included in these financial statements approximate to fair value because of their short-term maturity. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices and have been categorised as Level 1 within the Fair Value Hierarchy table on page 55. For details of bond maturities and interest rates, see page 19. For all other short-term debtors and creditors, their book values approximate to fair values because of their short-term maturity.

Gearing

The Company has in place a £7 million unsecured loan. Although this gearing increases the opportunity for gain, it also increases the risk of loss in falling markets. The risk of increased gearing is managed by retaining the flexibility to reduce short term borrowings as appropriate.

15. Income enhancement

The SORP recommends that debt securities are accounted for on an effective yield basis with the associated adjustment being allocated to revenue. The Company has decided to allocate this adjustment to capital as explained in note 1(c). The effect of this treatment on revenue and capital is set out below.

As explained in note 1(g) revenue may utilise surplus management expenses that have arisen in capital but does not compensate capital for this tax effect as recommended by the SORP.

The effect of these income enhancement strategies on capital and income is summarised in the table below. There is a risk with these strategies that capital will be eroded unless the charges to capital are covered by gains elsewhere in the portfolio, and this is managed by investing in a portfolio of shares which in the long run is expected to provide adequate capital growth to absorb the effective yield adjustment while paying growing dividends which contribute to the pursuit of the Company's objectives.

In following this strategy, the Directors recognise that there is only one class of shareholder.

	2015		2014	
	Income	Capital	Income	Capital
	£'000	£'000	£'000	£'000
Finance costs arising on bank loan finance	(27)	(64)	(27)	(62)
Return on corresponding investments	45	(45)	53	104
Amortised cost adjustment charged to capital on debt securities	47	(47)	34	(34)
	65	**(156)**	**60**	**8**

16. Fair value hierarchy

Under IFRS 13 'Fair Value Measurement' an entity is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

– Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
– Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (ie as prices) or indirectly (ie derived from prices); and
– Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the statement of financial position are grouped into the fair value hierarchy at 31 December 2015 as follows:

		Level 1	Level 2	Level 3	Total
	Note	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	56,087	–	–	56,087
Quoted bonds	b)	3,070	–	–	3,070
Total		**59,157**	**–**	**–**	**59,157**

As at 31 December 2014

		Level 1	Level 2	Level 3	Total
	Note	£'000	£'000	£'000	£'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	53,972	–	–	53,972
Quoted bonds	b)	4,250	–	–	4,250
Total		**58,222**	**–**	**–**	**58,222**

a) Quoted equities

The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted bonds

The fair value of the Company's investments in Corporate quoted bonds has been determined by reference to their quoted bid prices at the reporting date.

There have been no transfers of assets or liabilities between levels of the fair value hierarchy during any of the above periods.

17. Related party transactions

Fees payable during the year to the Directors and their interests in the shares of the Company are disclosed within the Directors' Remuneration Report on page 30.

18. Transactions with the Manager

Management, promotional activities, secretarial and administration services are provided by AFML with details of transactions during the year and balances outstanding at the year end disclosed in notes 3 and 4.

Corporate Information

The Company is an investment trust and aims to attract long term private and institutional investors wanting to benefit from the growth prospects of UK smaller companies by investing in a relatively risk averse investment trust.

The Manager is a subsidiary of Aberdeen Asset Management PLC, whose group companies had approximately £290.6 billion of assets under management as at 31 December 2015.

Scott Monument, Edinburgh. Copyright AAM

Information about the Manager

Aberdeen Fund Managers Limited

The Manager is a subsidiary of Aberdeen Asset Management PLC, whose group companies had approximately £290.6 billion of assets under management as at 31 December 2015.

Aberdeen Asset Management PLC manages assets on behalf of a wide range of clients including more than 83 investment trusts and other closed-ended funds, which have combined total assets of approximately £14.2 billion.

Aberdeen Asset Management PLC has its headquarters in Aberdeen with its main investment centres in Bangkok, Budapest, Edinburgh, Hong Kong, Jersey, Kuala Lumpur, London, Paris, Philadelphia, Singapore, Sydney and Tokyo.

Aberdeen Asset Management PLC currently manages over £77 billion of equities globally. As part of this, the Pan-European team oversees £4.2 billion of UK equities and £1.4 billion of European (ex UK) equities.

The Investment Team Senior Managers

Jeremy Whitley

Jeremy was appointed Head of UK and European Equities in July 2009. Previous roles at Aberdeen include Senior Investment Manager on the Global Equity Team as well as the Asian Equities Team based in Singapore. Jeremy graduated with an MA (Joint Hons) in English and Art History from the University of St Andrews and an MBA from the University of Edinburgh.

Jonathan Allison

Jonathan is a Senior Investment Manager on the UK and European Equities Team, having joined Aberdeen in 2005 from Morgan Stanley. Jonathan graduated from the University of Cape Town with a BBusSci (Hons) in Finance and is a CFA Charterholder.

Ian Hewett

Ian is an Investment Manager on the UK and European Equities Team, having joined Aberdeen in 2007. Ian graduated with an MA and MSc in Natural Sciences from Robinson College, Cambridge University and is a CFA Charterholder.

The Investment Process

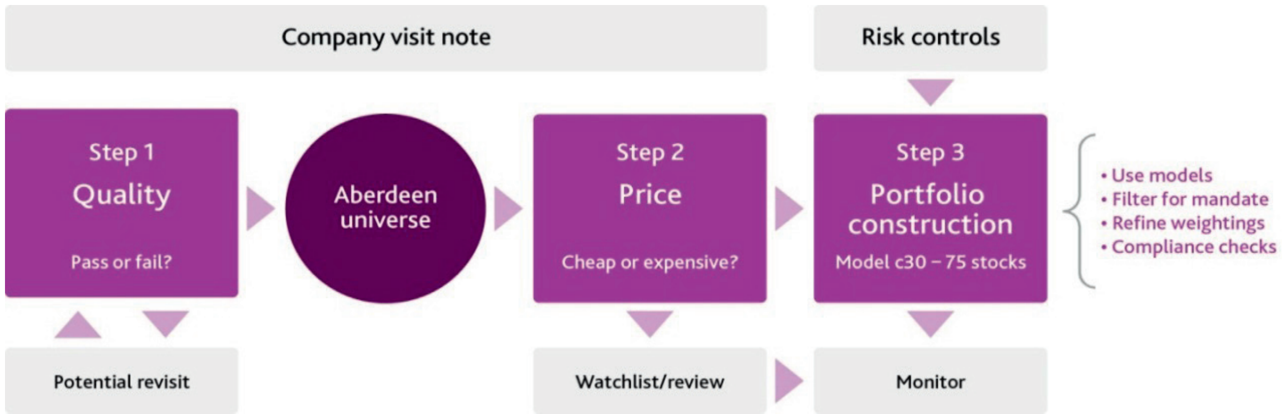
Philosophy and Style

The Investment Manager's philosophy is that markets are not always efficient. We (Aberdeen) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

Risk Controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

Aberdeen's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Investment Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.



Investor Information

AIFMD

The Company has appointed Aberdeen Fund Managers Limited as its alternative investment fund manager and BNP Paribas Securities Services as its depositary under the AIFMD. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's PIDD which can be found on the website: www.aberdeensmallercompanies.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 64.

Website

Further information on Aberdeen Smaller Companies High Income Trust PLC can be found on its own dedicated website: www.aberdeensmallercompanies.co.uk . This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

Investor Warning

The Board has been made aware by Aberdeen that some investors have received telephone calls from people purporting to work for Aberdeen, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen and any third party making such offers has no link with Aberdeen. Aberdeen never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact Aberdeen's investor services centre using the details provided below.

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (www.aberdeensmallercompanies.co.uk) and the TrustNet website (www.trustnet.com). Alternatively you can call 0500 00 00 40 (free when dialing from a UK landline) for trust information.

If you have any questions about your Company, the Manager or performance, please telephone the Aberdeen Customer Services Department (direct private investors) on 0500 00 00 40. Alternatively, internet users may email Aberdeen at inv.trusts@aberdeen-asset.com or write to Aberdeen Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA or by telephoning on 0371 384 2030. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes.

Changes of address must be notified to the registrars in writing. Any general enquiries about the Company should be directed to the Company Secretary, Aberdeen Smaller Companies High Income Trust PLC, 40 Princes Street, Edinburgh EH2 2BY or by emailing company.secretary@aberdeen-asset.com

Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Aberdeen's Investment Plan for Children

Aberdeen runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%). Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen's Investment Trust Share Plan

Aberdeen runs a Share Plan ("the Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%). Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Stocks and Shares ISA

An investment of up to £15,240 can be made in the tax years 2015/2016 and 2016/2017.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Pre-investment Disclosure Document ("PIDD")

The AIFMD requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of Aberdeen Smaller Companies High Investment Trust PLC, to make available to investors certain information prior to such investors' investment in the Company. The Company's PIDD is available for viewing at www.aberdeensmallercompanies.co.uk

Literature Request Service

For literature and application forms for the Company and the Aberdeen Group's investment trust products, please contact:

Telephone: 0500 00 40 00
Email: www.invtrusts.co.uk/en/investmenttrusts/literature-library

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration

PO Box 11020
Chelmsford
Essex CM99 2DB
Telephone: 0500 00 00 40
(free when dialing from a UK landline)

Terms and conditions for the Aberdeen managed savings products can also be found under the literature section of www.invtrusts.co.uk

Online Dealing details

Investor information

There are a number of other ways in which you can buy and hold shares in this investment trust.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest
Alliance Trust Savings
Barclays Stockbrokers
Charles Stanley Direct
Halifax Share Dealing
Hargreave Hale
Idealing
Selftrade
The Share Centre
Stocktrade
Hargreaves Lansdown
TD Direct
Interactive Investor

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Wealth Management Association at thewma.co.uk

Financial advisers

To find an adviser who recommends on investment trusts, visit www.unbiased.co.uk

Investor Information continued

Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:
Tel: 0800 111 6768 or at www.fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to smaller companies in the United Kingdom, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments ("NMPIs").

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

The information on pages 60 to 62 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Financial Calendar

31 December 2015	Company's year end
29 January 2016	Fourth interim dividend 2015 paid
3 March 2016	Annual results announcement
21 April 2016	Annual General Meeting (12.00 noon)
29 April 2016	First interim dividend 2016 payable
July 2016	Second interim dividend 2016 payable
September 2016	Half yearly results announcement
September 2016	Half yearly report published
October 2016	Third interim dividend 2016 payable

Glossary of Terms and Definitions

Aberdeen, Aberdeen Group or AAM	Aberdeen Asset Management PLC group of companies.
AIC	The Association of Investment Companies.
AIFMD or the Directive	The Alternative Investment Fund Managers Directive - The AIFMD is European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU. The Company has been designated as an AIF.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
Benchmark	This is a measure against which an Investment Trust's performance is compared. The Company's benchmark is the FTSE SmallCap Index (excluding Investment Companies). The index averages the performance of a defined selection of listed companies over specific time periods.
Closed-End Fund	A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.
Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
FCA	Financial Conduct Authority
Investment Trust	A type of Closed-End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.
Leverage	For the purposes of the Alternative Investment Fund Managers Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
Manager or AIFM or AFML	Aberdeen Fund Managers Limited is a wholly owned subsidiary of Aberdeen Asset Management PLC and acts as the alternative investment fund manager for the Company. It is authorised and regulated by the Financial Conduct Authority.
Net Asset Value ("NAV")	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing/Cash	Net gearing/cash is calculated by dividing total borrowings less cash or cash equivalents, by shareholders' funds expressed as a percentage.
Ongoing Charges	Ratio of expenses as percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Total Assets	Total Assets as per the balance sheet less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned.

Alternative Investment Fund Managers Directive Disclosures (unaudited)

AFML and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which may be found on the Company's website: www.aberdeensmallercompanies.co.uk

There have been no material changes to the disclosures contained within the PIDD since its most recent update in March 2016.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report on pages 4 to 7 , Note 17 to the Financial Statements and the PIDD, together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by Aberdeen Fund Managers Limited ("the AIFM");
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 68) and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 30 September 2015 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 December 2015	1.07:1	1.13:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this annual report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which the AIFM may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the twenty-fourth Annual General Meeting of the shareholders of Aberdeen Smaller Companies High Income Trust PLC (the "Company") will be held at the offices of Aberdeen Asset Management PLC, Bow Bells House, 1 Bread Street, London, EC4M 9HH on Thursday 21 April 2016 at 12.00 noon to transact the following business:

To consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 8 inclusive will be proposed as ordinary resolutions and resolutions 9 and 10 will be proposed as special resolutions:

Ordinary Business

1. To receive the reports of the Directors and auditor and the audited financial statements for the year to 31 December 2015.
2. To receive and adopt the Directors' Remuneration Report for the year to 31 December 2015 (excluding the Directors' Remuneration Policy).
3. To re-elect Carolan Dobson as a Director of the Company.
4. To re-elect Robert Lister as a Director of the Company.
5. To re-elect Barry Rose as a Director of the Company.
6. To re-elect James West as a Director of the Company.
7. To re-appoint KPMG LLP as auditors of the Company and to authorise the Directors to determine their remuneration.
8. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("relevant securities") up to an aggregate nominal amount of £3,684,960, being equal to approximately one third of the Ordinary shares in issue, such authority to expire on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.

Special Business

9. That, subject to the passing of resolution 8 in the notice convening the meeting at which this resolution is to be proposed (the "notice of meeting") and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to Section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in Section 560 (1) of the Act) for cash pursuant to the authority under Section 551 of the Act conferred by resolution 8 in the notice of meeting as if Section 561 of the Act did not apply to any such allotment, provided that this power:
   (i) expires on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and
   (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £1,105,488 being equal to 10% of the Ordinary shares in issue.

   This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words "subject to the passing of resolution 8 in the notice convening the meeting at which this resolution is to be proposed ("the notice of meeting")" and "pursuant to the authority under Section 551 of the Act conferred by resolution 8 in the notice of meeting" were omitted.
10. That, in substitution for any existing authority but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with Section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 50p each in the capital of the Company ("shares") provided that:
   (i) the maximum aggregate nominal value of the Ordinary shares hereby authorised to be purchased shall be limited to £1,657,126 being equal to approximately 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
   (ii) the minimum price which may be paid for a share shall be 50p (exclusive of expenses);

Notice of Annual General Meeting continued

(iii) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 30 June 2017 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.

By order of the Board
Aberdeen Asset Management PLC
Secretary
2 March 2016

Registered office:
40 Princes Street
Edinburgh EH2 2BY

Notes

(i) A member entitled to attend and vote at the meeting may appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise the rights attached to any one share.

(ii) A form of proxy is enclosed. To be valid, any proxy form or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's Registrars, Freepost RTHJ-CLLL-KBKU, Equiniti Limited, Aspect House, Spencer Road, Lancing BN99 6DA so as to arrive not less than 48 hours (excluding non-working days) before the time fixed for the meeting.

(iii) The return of a completed proxy form or other such instrument of proxy will not prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(v) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA19) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(vi) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(viii) The right to vote at a meeting is determined by reference to the Company's register of members as at 6.00 p.m. on 19 April 2016 or if this meeting is adjourned, 6.00 p.m. on the day two days prior to the date of the adjourned meeting (excluding non-working days). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

(ix) As at close of business on 10 March 2016 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 22,109,765 Ordinary shares of 50p each. The total number of voting rights in the Company as at 10 March 2016 is 22,109,765.

(x) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in notes (i) to (iii) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.

(xi) Members who have general queries about the Annual General Meeting should contact the Company Secretary in writing. Members are advised that any telephone number, website or email address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xii) It is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor no later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

(xiii) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.

(xiv) Information regarding the Annual General Meeting is available from the Company's website,aberdeensmallercompanies.co.uk

(xv) As a member, shareholders have the right to put questions at the meeting relating to business being dealt with at the meeting.

(xvi) Under section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this notice of meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting. Under section 338A of that Act, members may request the Company to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may properly be included in the business.

Contact Addresses

Directors

Carolan Dobson (Chairman)
Robert Lister
Barry Rose
James West

Registered Office and Company Secretary

Aberdeen Asset Management PLC
40 Princes Street
Edinburgh EH2 2BY

Alternative Investment Fund Manager

Aberdeen Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH

Investment Manager

Aberdeen Asset Managers Limited
40 Princes Street
Edinburgh EH2 2BY

Customer Services Department for Aberdeen's Investment Trust Plans

Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Freephone: 0500 00 00 40
(open Monday – Friday, 9am – 5pm)
Email: inv.trusts@aberdeen-asset.com

Company Registration Number

SC137448 (Scotland)

Website

www.aberdeensmallercompanies.co.uk

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder Helpline: 0371 384 2030*

(*Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday excluding bank holidays. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider.)

Overseas helpline number: +44 (0)121 415 7047

Depositary

BNP Paribas Securities Services, London Branch
55 Moorgate
London EC2R 6PA

Brokers

Winterflood Securities
The Atrium Building
Cannon Bridge House
25 Dowgate Hill
London EC4R 2GA

Solicitors

Maclay Murray & Spens LLP
15 Lauriston Place
Edinburgh EH3 9EP

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

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