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F&C Global Smaller Companies PLC
Report and accounts
for the half-year ended **31 October 2013**

Objective

The objective of F&C Global Smaller Companies PLC is to secure a high total return by investing in smaller companies worldwide.

Directors

Anthony Townsend (Chairman)

Andrew Adcock

Les Cullen

Dr Franz Leibenfrost

Jane Tozer

Mark White

Manager

Peter Ewins

F&C Management Limited

This document may contain forward-looking statements with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

Visit the website at www.fandcglobalsmallers.com

Registered in England and Wales, company registration number 28264

Summary of Unaudited Results

Attributable to shareholders	31 October 2013	30 April 2013	% Change
Share price	836.00p	764.50p	+9.4
Net asset value per share (debenture at nominal value)	831.13p	756.21p	+9.9
Net asset value per share (debenture at market value)	829.68p	752.47p	+10.3
Net assets	£396.6m	£340.1m	+16.6

	Half-year ended 31 October 2013	Half-year ended 31 October 2012	% Change
Revenue return per share	5.15p	3.76p	+37.0
Interim dividend per share	2.50p*	2.00p	+25.0

*Payable on 31 January 2014 to shareholders on the register at 3 January 2014.

Manager's Review

Share prices in most markets around the world advanced in the period under review, building on the strong gains from the previous year. The key Central Banks in the US, UK, Europe and Japan persisted with policies aimed at supporting growth, providing further liquidity which lent strong support to financial markets as a whole. Smaller company shares once again more than held their own compared to the broader equity indices as investors continued to be attracted to their superior growth dynamic.

Performance

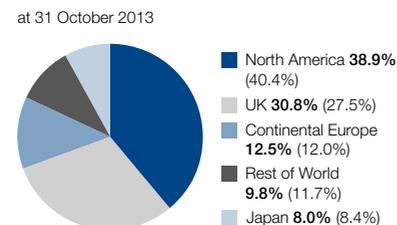
The Company's NAV delivered a total return over the six months of 10.5% and the share price, excluding dividend income, rose by 9.4%. These gains were just behind the Benchmark total return of 10.8%. Over the last five years the NAV total return has been 172.8% compared to the Benchmark performance of 151.7%. It is pleasing to report that the Company won both the "Money Observer" and "What Investment" Best Global Investment Trust awards for 2013, reflecting positively on performance over recent years.

Share price and net asset value per share performance



*The Company's Benchmark is a blended index of the returns from the MSCI All Country World ex UK Small Cap Index (70%) and the Numis UK Smaller Companies (excluding investment companies) Index (30%). Prior to 1 May 2010 the Company's Benchmark was a blended index of the returns from the MSCI All Country World ex UK Small Cap Index (60%) and the Hoare Govett UK Smaller Companies (including investment companies) Index (40%). In April 2012 the Hoare Govett UK Smaller Companies Index changed its name to the Numis UK Smaller Companies Index. The method of calculation remained unchanged.

Geographical distribution of the investment portfolio



Source: F&C Management Limited
The percentages in brackets are as at 30 April 2013

The share price ended the period at a 0.8% premium to the NAV including the debenture at market value. The Company issued 2,750,000 new shares during the period to satisfy demand from the market.

Dividends

Many stocks held in the investment portfolio increased their dividend payments in the period and as noted in the 2013 Annual Report, the Company no longer bears F&C savings scheme costs. As a result of these favourable dynamics, and in order to reduce the disparity between the interim and final dividends, the Board has decided to raise the interim payment by 25% to 2.50p per share. This will be paid to shareholders on 31 January 2014.

Economic and market background

As usual over the course of six months, a number of economic and political

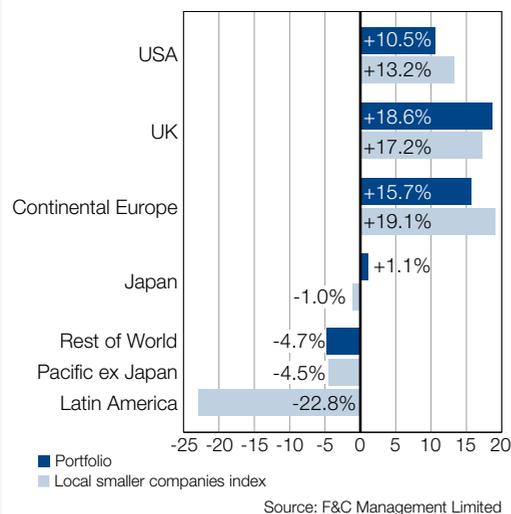
factors have set the background for the performance of stock markets. Developments in the US are always important and this was certainly the case in this period. In the early Summer, the markets were shaken by the Chairman of the Federal Reserve Bank's suggestion that quantitative easing ("QE") could be tapered later in 2013 and wound down completely in 2014. The potential withdrawal of support for the US bond market led to a rapid move up in bond yields and global equity markets sold off. There was also significant pressure on the currencies of a number of the leading developing countries. Subsequently however, a weaker set of US economic data led to something of a U-turn from Ben Bernanke and tapering was delayed. Equity markets ended the period by rallying despite the distraction of the political wrangling over the US fiscal deficit in October.

Outside the US, newsflow was generally more positive. The UK economy accelerated with both the manufacturing and service sectors expanding at more normal rates commensurate with a proper economic recovery. Whilst things are not yet as rosy in Europe, even in the worst hit parts of the Continent economic activity appears to have stabilised and the euro gained against the US dollar.

Manager's Review (continued)

Geographical performance (total return sterling adjusted)

for the half-year ended 31 October 2013



Equity markets in Asia and particularly in Latin America were buffeted by the QE situation mentioned above. Economic growth in China and elsewhere in Asia has slowed and persistent high inflation in some countries, such as India, squeezed corporate profit margins. Within Latin America the largest equity market, Brazil, was undermined by civil unrest and a weakening currency.

Portfolio performance

We started the new financial year on the back of two years of consistent outperformance

in all five regional sub-portfolios. In the first six months we were again ahead of the local small cap indices in the UK and Japan. While our absolute returns in Europe and the US were strong, we were unable to keep up with the rising local indices over this period. Returns from the Rest of the World portfolio were disappointing, in common with the market backdrop.

While we underperformed in the US, there were nevertheless a number of good performers at the individual stock level. Retailer **Conn's** rose as a result of an improving product offering augmented by new store openings. **ViaSat** reported improving new subscriber growth for its enhanced broadband satellite service. **Grand Canyon Education** was lifted by strong student enrolment numbers and **Alere** gained as cost cuts and reduced debt levels pleased the markets. Oil stocks have generally struggled on a global basis but there are always exceptions and **Rex Energy** rose as the market warmed to its production growth prospects.

On the downside, the worst contributor was **Allied Nevada Gold**. A fall in the gold price combined with production problems and management change led us to lose confidence and the position was sold at a loss. Conferencing business **Premiere Global** was another underperformer as its organic revenue growth fell. **Pernix Therapeutics** was weak, suffering from

downgrades as it sold its generic drugs business and its Chief Executive stepped down. **America's Car-Mart** lagged the rising market as greater availability of finance led to a switch towards new car purchases, and **Allscripts Healthcare Solutions** fell back as it lost an important customer.

The UK portfolio performed well. A number of our holdings with exposure to residential property rose significantly, with **Workspace Group** benefiting as it advanced several redevelopment schemes across its London estate. An improving consumer spending environment helped a number of companies including car dealer **Vertu Motors** and **Restaurant Group**. **Enterprise Inns** was strong as the market became more prepared to invest in highly leveraged stocks, and the company produced solid results. From the more recently acquired holdings **Polar Capital** was the star, lifted by surging fund inflows into its broadening range of equity funds. Another winner was recruitment company **Robert Walters**, which rose as employment trends improved.

In terms of weaker stocks in the UK, IT services and commodity related stocks were a feature. **SDL**, **Anite** and **Idox** all downgraded their expectations for sales and profits while generally disappointing exploration news undermined **Salamander Energy** and delays beset Cameroon based **Bowleven**. **Synergy Healthcare**

was a laggard as new business proved slower to arrive.

Within the European portfolio generally, the areas that performed well were in either the value areas of the portfolio or the cyclical stocks. The major contributions came from financials with **Aareal Bank** performing particularly well. There was no stock specific news to drive this, rather an increased risk appetite that drove investors to invest in assets which had been excessively discounted. **Azimut**, the Italian asset manager, produced strong first half results during the Summer when they announced that they had reached their full year flow targets. The cyclical stocks that performed well were companies that sell products into either the truck or automobile market. Within this area **Plastic Omnium** stood out as investors took a more positive view on Europe's economic outlook, whilst also reassessing the intrinsic growth potential of the business. The other strong performer of note was **Origin Enterprises**, the leading agronomist in the UK, which produced strong first half results in the face of tough market conditions. They also announced that they were handing a substantial amount of cash to shareholders through a tender offer.

The two standout poor performers were **Providence Resources** and **Andritz**. **Providence** performed poorly due to delay

Manager's Review (continued)

of the farm-out process associated with their Barryroe oilfield. **Andritz** struggled following a profit warning earlier in the year, due to poor project execution. Other weak performers were **C&C Group**, **Tomra**, and **Kuka** which had suffered more from lagging the rally rather than any stock specific news.

We obtain exposure to Japan through collectives and we introduced a new holding in the **Aberdeen Global-Japanese Smaller Companies Fund**. This has a good long-term record and is managed in much the same way as the **Aberdeen Global-Asian Smaller Companies Fund**, which has performed well for us. This

purchase was funded by the sale of the iShares Exchange Traded Fund.

Our Rest of World portfolio did not change materially over the period. Once again our holding in **The Scottish Oriental Smaller Companies Trust** helped our performance. This fund and the **Utilico Emerging Markets** fund benefited from their generally defensive country and sector positioning against the weak market background. The **Advance Brazil Leblon Equities Fund** by contrast was well down, although it performed satisfactorily compared to the very weak local market. We added to our holding in the **Advance Frontier Markets Fund**. Frontier markets have benefited from increased investor interest and this is expected to continue in the medium term.

Asset allocation

Early in the period we decided to increase our exposure to the UK market. In part, this was because we felt that a recovering UK economy could lift sterling but, more pertinently, we had also been able to identify some promising new investments in the UK market. We were overweight in Japan through the whole period on the basis that the pick-up in the local economy was likely to be supportive for both corporate earnings and hence share prices. In practice however, Japanese small caps lagged most of the other markets as some of the initial euphoria surrounding

the Abe administration's agenda faded. We are sticking to our positive view on this market looking into the rest of the year.

With absolute valuations higher than elsewhere and relatively few new stock ideas coming through, we have been a little more cautious in relation to the US and the extent of our underweight stance increased during the first half. In contrast we remained overweight towards Europe, where valuations look more appealing, and the markets rewarded us by performing well. Fund managers are now more prepared to invest in Europe and flows into the markets have already experienced something of a re-rating.

With Asian and Latin American markets lagging it has been tempting to add to our Rest of World exposure. We have, however, been concerned by the path of local corporate earnings and the managers of a number of the funds in

which we invest to gain exposure to these markets have themselves been cautious on near-term prospects.

Outlook

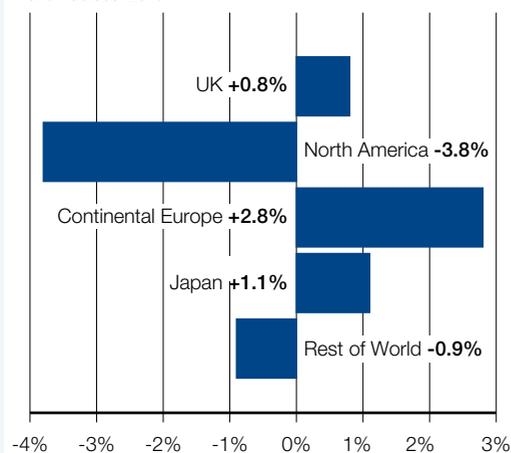
While there are still gains to be had at an individual stock level, the extent of the move up in global equity prices in 2013 argues for caution near-term. As a result at this stage the Company is ungeared, with cash balances exceeding the value of the debenture liability. We firmly believe that the Company's investment mandate continues to offer the potential for strong returns taking a longer term perspective.

Peter Ewins

16 December 2013

Geographical weightings against benchmark

at 31 October 2013



Source: F&C Management Limited and MSCI

Thirty Largest Holdings at 31 October 2013

31 Oct 2013	30 Apr 2013			Value £'000s	% of total investments
1	–	Aberdeen Global-Japanese Smaller Companies Fund	<i>Japan</i>	15,438	4.0
		Fund providing exposure to Japanese smaller companies.			
2	1	M&G Japan Smaller Companies Fund	<i>Japan</i>	15,413	4.0
		Fund providing exposure to Japanese smaller companies.			
3	3	Aberdeen Global-Asian Smaller Companies Fund	<i>Rest of World</i>	8,993	2.3
		Fund providing exposure to Asian smaller companies.			
4	4	Utilico Emerging Markets	<i>Rest of World</i>	8,681	2.2
		Investment company focusing on utility and infrastructure companies in emerging markets.			
5	5	The Scottish Oriental Smaller Companies Trust	<i>Rest of World</i>	7,827	2.0
		Investment trust providing exposure to Asian smaller companies.			
6	7	Allianz GIS RCM Little Dragons Fund	<i>Rest of World</i>	5,056	1.3
		Fund providing exposure to Asian smaller companies.			
7	10	Rex Energy	<i>United States</i>	4,546	1.2
		Oil and gas exploration and production company.			
8	8	Alere	<i>United States</i>	4,209	1.1
		Diagnostic and patient monitoring equipment.			
9	24	CLS Holdings	<i>United Kingdom</i>	4,203	1.1
		Property investment company mainly operating in the UK, France, Germany and Sweden.			
10	14	Orbital Sciences	<i>United States</i>	3,853	1.0
		Manufacturer of small rockets, satellites and space systems.			
11	9	Atlantic Tele-Network	<i>United States</i>	3,763	1.0
		Telecommunications holding company.			
12	22	Airgas	<i>United States</i>	3,759	1.0
		The leading distributor of packaged gases in the US.			
13	38	The Chefs' Warehouse	<i>United States</i>	3,674	1.0
		Distributor of specialty foods to the restaurant trade.			
14	28	Conn's	<i>United States</i>	3,609	0.9
		Retailer of home appliance and consumer electronics in Texas.			
15	41	Bottomline Technologies	<i>United States</i>	3,570	0.9
		Payments automation software supplier.			

31 Oct 2013	30 Apr 2013			Value £'000s	% of total investments
16	13	ViaSat	<i>United States</i>	3,569	0.9
		Satellite communications and networking equipment services.			
17	32	ACI Worldwide	<i>United States</i>	3,519	0.9
		A leading provider of software for electronic funds transfer used by banks, retailers and credit card companies.			
18	53	Genesee & Wyoming "A"	<i>United States</i>	3,508	0.9
		Operator of short line railways.			
19	12	Universal Truckload Services	<i>United States</i>	3,478	0.9
		Provider of asset-light transport services.			
20	20	Monro Muffler Brake	<i>United States</i>	3,433	0.9
		Automobile servicing in the North East of the US.			
21	26	Alleghany	<i>United States</i>	3,384	0.9
		Specialist commercial insurer.			
22	23	DENTSPLY International	<i>United States</i>	3,292	0.9
		Manufacturer of dental supplies.			
23	17	Australian New Horizons Fund	<i>Australia</i>	3,252	0.9
		Fund providing exposure to Australian smaller companies.			
24	49	Vail Resorts	<i>United States</i>	3,252	0.9
		Owner and operator of ski resorts.			
25	35	DeVry	<i>United States</i>	3,242	0.8
		Post secondary education provider.			
26	33	FTI Consulting	<i>United States</i>	3,233	0.8
		Provider of a broad range of consultancy services.			
27	15	Allscripts Healthcare Solutions	<i>United States</i>	3,209	0.8
		Provider of clinical software.			
28	43	Willbros Group	<i>United States</i>	3,182	0.8
		Contracting services for the energy infrastructure market.			
29	34	Microsemi	<i>United States</i>	3,182	0.8
		High performance analogue semiconductor manufacturer.			
30	21	Grand Canyon Education	<i>United States</i>	3,179	0.8
		Post secondary education provider.			

The value of the thirty largest holdings represents 37.9% (30 April 2013: 38.8%) of the Company's total investments.

Unaudited Condensed Income Statement

Notes	Half-year ended 31 October 2013			Half-year ended 31 October 2012			Year ended 30 April 2013		
	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s	Revenue £'000s	Capital £'000s	Total £'000s
	–	35,740	35,740	–	13,396	13,396	–	71,859	71,859
	3	(323)	(320)	(2)	(100)	(102)	1	(2)	(1)
2	3,069	–	3,069	2,515	–	2,515	4,834	–	4,834
3	(172)	(516)	(688)	(117)	(1,146)	(1,263)	(262)	(2,262)	(2,524)
	(287)	(14)	(301)	(556)	(11)	(567)	(1,010)	(17)	(1,027)
	2,613	34,887	37,500	1,840	12,139	13,979	3,563	69,578	73,141
	(145)	(434)	(579)	(145)	(434)	(579)	(288)	(864)	(1,152)
	2,468	34,453	36,921	1,695	11,705	13,400	3,275	68,714	71,989
	(78)	–	(78)	(111)	–	(111)	(231)	–	(231)
	2,390	34,453	36,843	1,584	11,705	13,289	3,044	68,714	71,758
4	5.15	74.31	79.46	3.76	27.78	31.54	7.10	160.38	167.48

The total column of this statement is the profit and loss account of the Company. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

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

A statement of total recognised gains and losses is not required as all gains and losses of the Company have been reflected in the above statement.

Unaudited Condensed Reconciliation of Movements in Shareholders' Funds

Notes	Half-year ended 31 October 2013	Called up share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance at 30 April 2013	11,243	53,009	16,158	250,760	8,920	340,090
	Movements during the half-year ended 31 October 2013						
5	Dividends paid	-	-	-	-	(2,071)	(2,071)
8	Shares issued	688	21,092	-	-	-	21,780
	Return attributable to equity shareholders	-	-	-	34,453	2,390	36,843
	Balance at 31 October 2013	11,931	74,101	16,158	285,213	9,239	396,642
	Half-year ended 31 October 2012	Called up share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance at 30 April 2012	10,345	29,818	16,158	182,046	8,409	246,776
	Movements during the half-year ended 31 October 2012						
5	Dividends paid	-	-	-	-	(1,676)	(1,676)
	Shares issued	276	6,175	-	-	-	6,451
	Return attributable to equity shareholders	-	-	-	11,705	1,584	13,289
	Balance at 31 October 2012	10,621	35,993	16,158	193,751	8,317	264,840
	Year ended 30 April 2013	Called up share capital £'000s	Share premium account £'000s	Capital redemption reserve £'000s	Capital reserves £'000s	Revenue reserve £'000s	Total shareholders' funds £'000s
	Balance at 30 April 2012	10,345	29,818	16,158	182,046	8,409	246,776
	Movements during the year ended 30 April 2013						
5	Dividends paid	-	-	-	-	(2,533)	(2,533)
	Shares issued	898	23,191	-	-	-	24,089
	Return attributable to equity shareholders	-	-	-	68,714	3,044	71,758
	Balance at 30 April 2013	11,243	53,009	16,158	250,760	8,920	340,090

Unaudited Condensed Balance Sheet

Notes	31 October 2013		31 October 2012		30 April 2013
	£'000s	£'000s	£'000s	£'000s	£'000s
Fixed assets					
6		386,317		270,086	334,036
Current assets					
		1,283		866	2,372
		20,602		7,004	20,771
		21,885		7,870	23,143
Creditors: amounts falling due within one year					
		(1,560)		(3,116)	(7,089)
Net current assets					
		20,325		4,754	16,054
Total assets less current liabilities					
		406,642		274,840	350,090
Creditors: amounts falling due after more than one year					
7		(10,000)		(10,000)	(10,000)
Net assets					
		396,642		264,840	340,090
Capital and reserves					
8		11,931		10,621	11,243
		74,101		35,993	53,009
		16,158		16,158	16,158
		285,213		193,751	250,760
		9,239		8,317	8,920
		384,711		254,219	328,847
9	Total shareholders' funds			264,840	340,090
9	Net asset value per share – pence			623.35	756.21

Unaudited Condensed Cash Flow Statement

Notes	Half-year ended 31 October 2013 £'000s	Half-year ended 31 October 2012 £'000s	Year ended 30 April 2013 £'000s
10 Net cash inflow from operating activities	166	677	1,702
Cash outflow from servicing of finance	(577)	(577)	(1,152)
Net cash outflow from financial investment	(19,315)	(3,320)	(6,505)
Equity dividends paid	(2,071)	(1,676)	(2,533)
Net cash outflow before use of liquid resources and financing	(21,797)	(4,896)	(8,488)
Movement in short-term deposits	–	–	–
Net cash inflow from financing	21,949	6,451	23,710
Increase in cash	152	1,555	15,222
Reconciliation of net cash flow to movement in net cash/(debt)			
Increase in cash	152	1,555	15,222
Movement in short-term deposits	–	–	–
Movement in net cash/(debt) resulting from cash flows	152	1,555	15,222
Foreign exchange movement	(321)	(101)	(1)
Movement in net cash/(debt)	(169)	1,454	15,221
Net cash/(debt) brought forward	10,771	(4,450)	(4,450)
Net cash/(debt) carried forward	10,602	(2,996)	10,771
Represented by:			
Cash at bank	20,602	7,004	20,771
Short-term deposits	–	–	–
	20,602	7,004	20,771
Debenture	(10,000)	(10,000)	(10,000)
	10,602	(2,996)	10,771

Unaudited Notes on the Condensed Accounts

1. Significant accounting policies

These financial statements have been prepared on the basis of the accounting policies set out in the Company's financial statements at 30 April 2013. These accounting policies are expected to be followed throughout the year ending 30 April 2014.

2. Income

	Half-year ended 31 October 2013 £'000s	Half-year ended 31 October 2012 £'000s	Year ended 30 April 2013 £'000s
Income from investments			
UK dividends	1,791	1,404	2,249
UK scrip dividends	72	43	113
Overseas dividends	1,177	1,050	2,426
Overseas scrip dividends	4	9	23
	3,044	2,506	4,811
Other income			
Interest on cash and short-term deposits	25	9	23
Underwriting commission	–	–	–
	25	9	23
Total income	3,069	2,515	4,834

3. Management and performance fees

There have been no changes to the terms of the management and performance fee agreements with F&C Management Limited, which are set out in detail in the Report and Accounts to 30 April 2013. Management fees have been allocated 75% to capital reserves in accordance with accounting policies. No performance fee, allocated 100% to capital reserves in accordance with accounting policies, has been accrued in the period to 31 October 2013 as the Company's net asset value per share underperformed the Benchmark (half-year ended 31 October 2012: £795,000 and year ended 30 April 2013: £1,478,000).

Unaudited Notes on the Condensed Accounts (continued)

4. Return per share

	Half-year ended 31 October 2013	Half-year ended 31 October 2012	Year ended 30 April 2013
Revenue return per share – pence	5.15	3.76	7.10
Revenue return attributable to shareholders – £'000s	2,390	1,584	3,044
Capital return per share – pence	74.31	27.78	160.38
Capital return attributable to shareholders – £'000s	34,453	11,705	68,714
Weighted average number of ordinary shares in issue during the period	46,365,005	42,138,490	42,845,491

5. Dividends

	Half-year ended 31 October 2013 £'000s	Half-year ended 31 October 2012 £'000s	Year ended 30 April 2013 £'000s
Dividends on ordinary shares			
Final for the year ended 30 April 2013 of 4.50p	2,071	–	–
Interim for the year ended 30 April 2013 of 2.00p	–	–	857
Final for the year ended 30 April 2012 of 4.00p	–	1,676	1,676
	2,071	1,676	2,533

The Directors have declared an interim dividend in respect of the year ending 30 April 2014 of 2.50p per share, payable on 31 January 2014 to all shareholders on the register at close of business on 3 January 2014. The amount of this dividend will be £1,210,000 based on 48,416,102 shares in issue at 12 December 2013. This amount has not been accrued in the results for the half-year ended 31 October 2013.

6. Investments

	Level 1* £'000s	Level 2* £'000s	Level 3* £'000s	Total £'000s
Cost at 30 April 2013	235,330	–	1,228	236,558
Gains at 30 April 2013	95,563	–	1,915	97,478
Valuation at 30 April 2013	330,893	–	3,143	334,036
Movements in the period:				
Purchases at cost	65,340	–	4	65,344
Sales proceeds	(48,803)	–	–	(48,803)
Gains on investments sold in period	12,917	–	–	12,917
Gains on investments held at period end	22,718	–	105	22,823
Valuation of investments held at 31 October 2013	383,065	–	3,252	386,317
	Level 1* £'000s	Level 2* £'000s	Level 3* £'000s	Total £'000s
Cost at 31 October 2013	264,784	–	1,232	266,016
Gains at 31 October 2013	118,281	–	2,020	120,301
Valuation at 31 October 2013	383,065	–	3,252	386,317

* Level 1 includes investments listed on any recognised stock exchange or quoted on AIM in the UK.
Level 2 includes investments for which the quoted price has been suspended.
Level 3 includes any unquoted investments which are held at net asset value.

Unaudited Notes on the Condensed Accounts (continued)

7. Creditors: amounts falling due after more than one year

	31 October 2013	31 October 2012	30 April 2013
	£'000s	£'000s	£'000s
11.5% debenture stock 2014	10,000	10,000	10,000

The debenture stock is secured by floating charges against the assets of the Company and is stated at nominal value. It is redeemable at par on 31 December 2014. The market value of the debenture at 31 October 2013, which was based on a comparable UK gilt, was £10,694,000 (31 October 2012: £11,927,000 and 30 April 2013: £11,681,000).

8. Called up share capital

Equity share capital	Issued and fully paid	
	Number	£'000s
Ordinary shares of 25p each		
Balance at 30 April 2013	44,973,102	11,243
Issue of new shares	2,750,000	688
Balance at 31 October 2013	47,723,102	11,931

During the half-year ended 31 October 2013 2,750,000 ordinary shares were issued for net proceeds of £21,780,000. There were no shares purchased for cancellation.

Since the period end a further 693,000 ordinary shares have been issued, raising additional capital of £5,769,000.

9. Net asset value per ordinary share

	31 October 2013	31 October 2012	30 April 2013
Net asset value per share (with debenture at nominal value) – pence	831.13	623.35	756.21
Net assets attributable at the period end – £'000s	396,642	264,840	340,090
Number of ordinary shares in issue at the period end	47,723,102	42,486,316	44,973,102

The net asset value per share at 31 October 2013 with the debenture at market value was 829.68p (31 October 2012: 618.82p and 30 April 2013: 752.47p).

10. Reconciliation of return before finance costs and taxation to net cash inflow from operating activities

	Half-year ended 31 October 2013	Half-year ended 31 October 2012	Year ended 30 April 2013
	£'000s	£'000s	£'000s
Total return before finance costs and taxation	37,500	13,979	73,141
Adjust for returns from non-operating activities			
Gains on investments	(35,740)	(13,396)	(71,859)
Foreign exchange losses of a capital nature	323	100	2
Management and performance fees charged to capital	516	1,146	2,262
Non-operating expenses of a capital nature	14	11	17
Return from operating activities	2,613	1,840	3,563
Adjust for non-cash flow items			
Transfer of management and performance fees to capital reserve	(516)	(1,146)	(2,262)
Exchange (gains)/losses of a revenue nature	(3)	2	(1)
(Increase)/decrease in prepayments and accrued income	(38)	182	48
(Decrease)/increase in creditors	(1,738)	(83)	704
Scrip dividends	(72)	(52)	(136)
Overseas taxation	(80)	(66)	(214)
Net cash inflow from operating activities	166	677	1,702

Unaudited Notes on the Condensed Accounts (continued)

11. Results

The results for the half-year ended 31 October 2013 and 31 October 2012, which are unaudited and which have not been reviewed by the Company's auditors pursuant to the Auditing Practices Board guidance on "Review of Interim Financial Information", constitute non-statutory accounts within the meaning of Section 434 of the Companies Act 2006. The latest published accounts which have been delivered to the Registrar of Companies are for the year ended 30 April 2013; the report of the auditors thereon was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The abridged financial statements shown above for the year ended 30 April 2013 are an extract from those accounts.

By order of the Board
F&C Management Limited, Secretary
Exchange House
Primrose Street
London EC2A 2NY
16 December 2013

Directors' Statement of Principal Risks and Uncertainties

The Company's assets consist mainly of listed equities and its principal risks are therefore market related. The large number of investments held, together with the geographic and sector diversity of the portfolio, enables the Company to spread its risk with regard to liquidity, market volatility, currency movements and revenue streams.

In addition to the risks arising from the ongoing global financial instability, key risks faced by the Company relate to investment strategy, management and resources, regulatory issues, operational

matters, financial controls, counterparty failure and custody of assets. These risks, and the way in which they are managed, are described in more detail under the heading "Principal risks and their management" within the Directors' Report and Business Review in the Company's annual report for the year ended 30 April 2013. The Company's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change materially for the remainder of the Company's financial year.

Statement of Directors' Responsibilities in Respect of the Half-Yearly Financial Report

In accordance with Chapter 4 of the Disclosure and Transparency Rules the Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with applicable UK Accounting Standards on a going concern basis and gives a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the half-yearly report includes a fair review of the important events that have occurred during the first six months of the financial year and their impact on the financial statements;
- the Directors' Statement of Principal Risks and Uncertainties shown above is a fair review of the principal risks and

uncertainties for the remainder of the financial year;

- the half-yearly report includes details on related party transactions; and
- in light of the controls and monitoring processes that are in place, the Company has adequate resources and arrangements to continue operating within its stated objective and policy for the foreseeable future. Accordingly, the accounts continue to be drawn up on the basis that the Company is a going concern.

On behalf of the Board
Anthony Townsend
Chairman
16 December 2013

How to Invest

You can invest directly in F&C Global Smaller Companies PLC or through one of the convenient savings plans run by F&C Management Limited (“F&C”).

F&C Private Investor Plan (“PIP”)

A flexible way to invest with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250.

F&C Investment Trust ISA

Use your ISA allowance to make an annual tax-efficient investment of up to £11,520 for the 2013/14 tax year with a lump sum from £500 or regular savings from £50 a month. You can also make additional lump sum top-ups at any time from £250 and transfer any existing ISAs to us whilst maintaining all the tax benefits.

F&C Child Trust Fund (“CTF”)

CTFs are closed to new investors; however, if your child has a CTF with another provider, it is easy to transfer it to F&C. Additional contributions can be made from as little as £25 per month or £100 lump sum – up to a maximum of £3,720 for the 2013/14 tax year.

F&C Children’s Investment Plan (“CIP”)

A flexible way to save for a child. With no maximum contributions, the plan can easily be written under trust to help reduce inheritance tax liability or kept in your name if you may need access to the funds before the child is 18. Investments can be made from a £250 lump sum or £25 a month. You can also make additional lump sum top-ups at any time from £100.

Junior ISA (“JISA”)

This is a tax-efficient savings plan for children who did not qualify for a CTF. It allows you to invest up to £3,720 for the 2013/14 tax year with all the tax benefits of the CTF. You can invest from £30 a month, or £500 lump sum, or a combination of both.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and you may not receive back the full amount originally invested. Tax rates and reliefs depend on the circumstances of the individual. The CTF and JISA accounts are opened in the child’s name. Money cannot be withdrawn until the child turns 18.

Annual management charges and certain transaction costs apply according to the type of plan.

Annual account charge

ISA: £60+VAT

JISA: £25+VAT

PIP: £40+VAT

CIP/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits)

Dealing charge per holding

ISA: 0.2%

PIP/CIP/JISA: postal instructions £12, online instruction £8

The dealing charge applies when shares are bought or sold but the fixed rate charge does not apply to the reinvestment of dividends or the investment of regular monthly savings.

There is no dealing charge on a CTF but a switching charge of £25 applies if more than 2 switches are carried out in one year.

Government stamp duty of 0.5% also applies on purchases (where applicable).

There may be additional charges made if you transfer a plan to another provider or transfer the shares from your plan. For full details of charges, please read the Key Features and Terms and Conditions of the plan before investing.

How to Invest

You can invest in all our savings plans online.

New Customers:

Contact our Investor Services Team

Call: **0800 136 420***

Email: **info@fandc.com**

Investing online: **www.fandc.com**

*8:30 am – 5:30 pm, weekdays

Calls may be recorded.

Existing Plan Holders:

Contact our Investor Services Team

Call: **0845 600 3030****

Email: **investor.enquiries@fandc.com**

By post: F&C Plan Administration Centre
PO Box 11114
Chelmsford
CM99 2DG

**9:00 am – 5:00 pm, weekdays.

Calls may be recorded.

Availability of report and accounts

The Company’s report and accounts are available on the internet at www.fandcglobalsmallers.com. Printed copies may be obtained from the Company’s registered office, Exchange House, Primrose Street, London EC2A 2NY

If you have trouble reading small print, please let us know. We can provide literature in alternative formats, for example large print or on audiotape.

Please call 0845 600 3030.**

The above has been approved by F&C Management Limited which is a member of the F&C Asset Management Group and is authorised and regulated by the Financial Conduct Authority.