

COMPANY NUMBER: 3749536

SMALL COMPANIES DIVIDEND TRUST PLC

DIVIDEND INTERIM ACCOUNTS FOR THE PERIOD
1 MAY 2007 TO 31 JANUARY 2008

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SMALL COMPANIES DIVIDEND TRUST PLC

**Income statement
for the period ended 31 January 2008**

	Note	Period to 31 January 2008			Year to 30 April 2007		
		Revenue	Capital	Total	Revenue	Capital	Total
		£	£	£	£	£	£
Investments							
Losses/gains on investments	11	-	(17,714,284)	(17,714,284)	-	5,304,840	5,304,840
Income	2	2,000,228	-	2,000,228	2,846,478	-	2,846,478
Expenses							
Investment management fee	3	(94,860)	(284,580)	(379,440)	(176,852)	(530,556)	(707,408)
Other expenses	4	(153,988)	-	(153,988)	(233,408)	-	(233,408)
Exceptional item	5	-	-	-	-	(267,827)	(267,827)
Total expenses		(248,848)	(284,580)	(533,428)	(410,260)	(798,383)	(1,208,643)
Net return before finance costs and taxation		1,751,380	(17,998,864)	(16,247,484)	2,436,218	4,506,457	6,942,675
Finance costs	7	(201,819)	(631,905)	(833,724)	(127,465)	(1,282,886)	(1,410,351)
Net return before taxation		1,549,561	(18,630,769)	(17,081,208)	2,308,753	3,223,571	5,532,324
Taxation	8	(6,108)	-	(6,108)	(10,763)	-	(10,763)
Net return after taxation		1,543,453	(18,630,769)	(17,087,316)	2,297,990	3,223,571	5,521,561
		Revenue pence	Capital pence	Total pence	Revenue pence	Capital pence	Total pence
Return per Ordinary share	10	9.50	(114.65)	(105.15)	14.14	19.84	33.98

The notes on pages 5 to 12 form part of these Financial Statements

The total column of this statement is the income statement of the Company
All items in the above statement derive from continuing operations
No operations were acquired or discontinued in the period

SMALL COMPANIES DIVIDEND TRUST PLC

**Statement of changes in net equity
for the period ended 31 January 2008**

	Note	Share capital £	Share premium account £	Capital reserve £	Revenue reserve £	Total £
Period ended 31 January 2008						
1 May 2007		4,062,500	11,916,562	25,435,634	1,861,537	43,276,233
Net return after taxation for the period		-	-	(18,630,769)	1,543,453	(17,087,316)
Dividends paid and declared	9	-	-	-	(1,690,000)	(1,690,000)
At 31 January 2008		4,062,500	11,916,562	6,804,865	1,714,990	24,498,917
Year ended 30 April 2007						
1 May 2006		4,062,500	11,916,562	22,212,063	1,635,422	39,826,547
Net return after taxation for the period		-	-	3,223,571	2,297,990	5,521,561
Dividends paid and declared	9	-	-	-	(2,071,875)	(2,071,875)
At 30 April 2007		4,062,500	11,916,562	25,435,634	1,861,537	43,276,233

The notes on pages 5 to 12 form part of these Financial Statements

SMALL COMPANIES DIVIDEND TRUST PLC


Balance sheet

As at 31 January 2008

		31 January 2008	30 April 2007
	Note	£	£
Non - current assets			
Fair value through profit or loss investments	11	34,966,549	59,001,057
Current assets			
Debtors	13	192,139	877,342
Cash and cash equivalents		28,057	247,393
		<u>220,196</u>	<u>1,124,735</u>
Total assets		<u>35,186,745</u>	<u>60,125,792</u>
Current liabilities			
Creditors	14	687,828	5,275,568
Loan Note 30 April 2007 - SC	15	-	6,258,150
Commitment to subscribe for shares	16	-	5,315,841
		<u>687,828</u>	<u>16,849,559</u>
Net current liabilities		<u>(467,632)</u>	<u>(15,724,824)</u>
Total assets less current liabilities		<u>34,498,917</u>	<u>43,276,233</u>
Non - current liabilities			
Business loan	17	10,000,000	-
Total liabilities		<u>10,687,828</u>	<u>16,849,559</u>
Net assets		<u>24,498,917</u>	<u>43,276,233</u>
Represented by			
Called up share capital	18	4,062,500	4,062,500
Share premium account	19	11,916,562	11,916,562
Capital reserve	19	6,804,865	25,435,634
Revenue reserve	19	1,714,990	1,861,537
Issued capital and reserves		<u>24,498,917</u>	<u>43,276,233</u>
		pence	pence
Net Asset Value per ordinary share	20	150 76	266 32

The notes on pages 5 to 12 form part of these Financial Statements

These Financial Statements were approved by the Board on 26 March 2008

 Lord Lamont, Chairman

SMALL COMPANIES DIVIDEND TRUST PLC

**Statement of cash flows
for the period ended 31 January 2008**

	Note	Period to 31 January 2008 £	Year to 30 April 2007 £
Operating activities			
Investment income received		2,438,616	2,857,578
Deposit interest received		9,402	8,298
Investment management fees paid		(468,173)	(709,069)
Investment management performance fee paid		-	(243,264)
Administration and Secretarial fees paid		(40,906)	(56,612)
Exceptional expenses paid		-	(194,390)
Other cash payments		(134,940)	(169,928)
Cash generated from/(absorbed by) operations	21	1,803,999	1 492 613
Interest paid		(801,800)	(532,206)
Net cash inflow from operating activities		1,002,199	960,407
Taxation		-	-
Investing activities			
Purchases of investments		(6,213,106)	(14,501,676)
Sales of investments		12,770,523	20,109,813
Net cash inflow from investing activities		6,557,417	5,608,137
Financing activities			
Advance/repayment of loan		10,000,000	(5,000,000)
Dividends paid		(1,690,000)	(2,071,875)
Repayment of ZDP shares		(11,539,375)	-
Repayment of Preference shares		(57,715)	-
Net cash outflow from financing activities		(3,287,090)	(7 071 875)
Increase/(decrease) in cash and cash equivalents for the period	22	4,272,526	(503,331)
Cash and cash equivalents at start of period	23	(4,664,247)	(4,160,916)
Cash and cash equivalents at end of period	23	(391,721)	(4,664,247)

The notes on pages 5 to 12 form part of these Financial Statements

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in conformity with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (as adopted by the EU) and Interpretations issued by the International Financial Reporting Interpretations Committee, and applicable requirements of United Kingdom company law, and reflect the following policies which have been adopted and applied consistently

Convention

The financial statements are presented in Sterling rounded to the nearest thousand. The financial statements have been prepared on a going concern basis under the Historical Cost Convention, except for the measurement at fair value of investments classified as fair value through profit or loss. Where presentational guidance set out in the Statement of Recommended Practice regarding the Financial Statements of Investment Trust Companies ('SORP'), issued in 2003 and revised in December 2005, is consistent with the requirements of IFRS, the Directors have sought to prepare the financial statements on a consistent basis compliant with the recommendations of the SORP.

Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment business. The Company invests in companies listed in the United Kingdom.

Investments

All investments held by the Company are classified as 'fair value through profit or loss'. Investments are initially recognised at cost, being the fair value of the consideration given. Interest accrued on fixed interest rate securities at the date of purchase or sale is accounted for separately as accrued income or as an income receipt, so that the value or purchase price or sale proceeds is shown net of such items.

After initial recognition, investments are measured at fair value, with unrealised gains and losses on investments and impairment of investments recognised in the income statement and allocated to capital. Realised gains and losses on investments sold are calculated as the difference between sales proceeds and cost.

For investments actively traded in organised financial markets, fair value is generally determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance sheet date, without adjustment for transaction costs necessary to realise the asset.

Financial instruments

It is the Company's policy not to trade in derivative financial instruments.

Trade date accounting

All "regular way" purchases and sales of financial assets are recognised on the "trade date", i.e., the day that the entity commits to purchase or sell the asset. Regular way purchases, or sales, are purchases or sales of financial assets that require delivery of the asset within a time frame generally established by regulation or convention in the market place.

Income

Dividends receivable on quoted equity shares are taken into account on the ex-dividend date. Where no ex-dividend date is quoted, they are brought into account when the Company's right to receive payment is established. Other investment income and interest receivable are included in the financial statements on an accruals basis. Dividends received from UK registered companies are accounted for net of imputed tax credits.

Expenses

All expenses are accounted for on an accruals basis. All expenses are charged through the revenue account in the income statement except as follows:

- expenses which are incidental to the acquisition of an investment are included within the costs of the investment,
 - expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment, and
 - expenses are charged to the capital reserve where a connection with the maintenance or enhancement of the value of the investments can be demonstrated.
- The Company's investment management fees, bank interest and all other expenses are allocated to revenue with the exception of 75% of the investment manager's fee, 75% of bank interest and 100% of the provision for the investment manager's performance fee, all of which are allocated to capital. In respect of the investment management fee and bank interest allocation to revenue and capital this is in line with the Board's expected long-term split of returns in the form of income and capital gains respectively, from the investment portfolio of the Company.

Cash and cash equivalents

Cash in hand and in banks and short-term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand which form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Bank loans and borrowings

All bank loans and borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition all interest-bearing loans and borrowings are subsequently measured at amortised cost. Any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

Share issue costs

Costs incurred by the Company in relation to the issue of its own Ordinary shares and the issue by the subsidiary of Zero Dividend Preference shares has been apportioned between the two issues based on the relative proceeds of issue. Costs regarded as relating to the issue of the Company's own Ordinary shares are deducted from the share premium account.

Costs regarded as relating to the issue of Zero Dividend Preference shares which in substance are attributable to the loan note of the Company were amortised through the capital reserve, at a constant rate over the period from the issue of shares up until maturity on 30 April 2007.

Taxation

There is no charge to income tax as the Company's allowable expenses exceed its taxable income. Deferred tax assets in respect of unrelieved excess expenses are not recognised as it is unlikely that the Company will generate sufficient taxable income in the future to utilise these expenses.

Dividends payable to shareholders

Dividends to shareholders are recognised as a liability in the period in which they are paid or approved at general meetings and are charged to the statement of changes in net equity. Dividends declared and approved by the Company after the balance sheet date have not been recognised as a liability of the Company at the balance sheet date.

2 INCOME

	Period to 31 January 2008 £	Year to 30 April 2007 £
Income from listed Investments		
UK dividend income	1,966,871	2,766,002
Unfranked investment income	24,390	71,750
Interest and other income	-	-
Exchange gains	(55)	-
	1,991,206	2,837,752
Other income		
Bank interest receivable	9,022	8,726
	9,022	8,726
Total income	2,000,228	2,846,478
Total income comprises		
Dividends	1,991,206	2,837,752
Interest	9,022	8,726
	2,000,228	2,846,478

3 INVESTMENT MANAGEMENT FEE

	Period to 31 January 2008			Year to 30 April 2007		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Investment management fee	88,827	266,481	355,308	150,512	451,537	602,049
Irrecoverable VAT thereon	6,033	18,099	24,132	26,340	79,019	105,359
	94,860	284,580	379,440	176,852	530,556	707,408
Investment management performance fee	-	-	-	-	-	-
Irrecoverable VAT thereon	-	-	-	-	-	-
	-	-	-	-	-	-
Total investment management fee	94,860	284,580	379,440	176,852	530,556	707,408

4 OTHER EXPENSES

	Period to 31 January 2008			Year to 30 April 2007		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
Administrative & secretarial fee	41,103	-	41,103	56,720	-	56,720
Directors' remuneration	47,679	-	47,679	70,000	-	70,000
Auditors' remuneration						
audit services	14,415	-	14,415	18,213	-	18,213
non audit services	-	-	-	-	-	-
Insurance	10,648	-	10,648	15,669	-	15,669
Other expenses	40,143	-	40,143	72,806	-	72,806
Total other expenses	153,988	-	153,988	233,408	-	233,408

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

5 EXCEPTIONAL ITEM

For the year ended 30 April 2007, the exceptional item of £268,000 related to professional fees incurred in respect of advice and general meetings called to propose a deferral of the redemption date of the Zero Dividend Preference shares of the former subsidiary company

6 DIRECTORS' REMUNERATION

	31 January 2008 £	30 April 2007 £
Total fees	47,679	70,000
Remuneration to Directors	£	£
Lord Lamont (Chairman)	15,000	20,000
B N Lenygon	15,000	20,000
J E Chappell (resigned 27 September 2007)	6,429	15,000
D Harris	11,250	15,000
W van Heesewijk	-	-

7 FINANCE COSTS

	Period to 31 January 2008			Year to 30 April 2007		
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £
On bank loan and overdraft	201,819	605,457	807,276	127,465	382,396	509,861
Finance costs in respect of former subsidiary company						
Appropriations in respect of ZDP shares	-	-	-	-	854,522	854,522
Preference shares	-	-	-	-	4,274	4,274
Amortisation of ZDP share issue costs	-	-	-	-	31,810	31,810
Provision for loss in former subsidiary company	-	26,448	26,448	-	9,884	-
	<u>201,819</u>	<u>631,905</u>	<u>833,724</u>	<u>127,465</u>	<u>1,282,886</u>	<u>1,400,467</u>

8 TAXATION

	Period to 31 January 2008 £	Year to 30 April 2007 £
Based on the profits for the period		
Current tax	-	-
Irrecoverable withholding tax	6,108	10,763
Deferred tax	-	-

The current tax charge for the year is lower than the standard rate of corporation tax in the UK of 30% (2007 30%) The differences are explained below

	Period to 31 January 2008	Year to 30 April 2007
Revenue on ordinary activities before taxation	<u>1,751,380</u>	<u>2,436,218</u>
Theoretical tax at UK corporation rate of 30% (2007 30%)	525,414	730,865
Effects of		
UK dividends which are not taxable	(590,061)	(829,801)
Irrecoverable withholding tax	3,658	10,763
Irrecoverable withholding tax - prior year adjustment	2,450	-
Excess expenses in the year	<u>64,647</u>	<u>98,936</u>
Actual current tax charged to revenue	<u>6,108</u>	<u>10,763</u>

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

9 DIVIDENDS PAID

	Period to 31 January 2008 £	Year to 30 April 2007 £
Proposed per Ordinary share		
Proposed fourth interim dividend for the year ended 30 April 2007 of 4p	-	650,000
Third interim dividend proposed of 3 20p net	<u>520,000</u>	<u>-</u>
Declared and paid per Ordinary share		
Fourth interim dividend (2007) paid of 4p net (2007 3 75p)	650,000	609,375
First interim dividend paid of 3 20p (2007 3p)	520,000	487,500
Second interim dividend paid of 3 20p (2007 3p)	520,000	487,500
Third interim dividend proposed of 3 20p net (2007 3p)	<u>-</u>	<u>487,500</u>
	<u>1,690,000</u>	<u>2,071,875</u>

10 RETURN PER SHARE

Ordinary shares

Revenue return per Ordinary share is based on the net revenue on ordinary activities after taxation of £1,543,453 (2007 £2,297,990) and on 16,250,000 (2007 16,250,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year

Capital return per Ordinary share is based on capital losses of £18,630,769 (2007 gains of £3,223,571) and on 16,250,000 (2007 16,250,000) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year

11 INVESTMENTS

	31 January 2008 £	30 April 2007 £
Investments listed on a recognised investment exchange	<u>34,966,549</u>	<u>59,001,057</u>
	31 January 2008	30 April 2007
	£	£
Opening book cost	44,781,860	44,026,898
Opening unrealised appreciation	<u>14,219,197</u>	<u>15,712,810</u>
Opening valuation	59,001,057	59,739,708
Movements in the period		
Purchases at cost	6,213,106	14,283,515
Sales		
Proceeds	(12,533,330)	(20,327,006)
Realised gains on sales	3,018,711	6,798,453
(Decrease)/increase in unrealised appreciation	<u>(20,732,995)</u>	<u>(1,493,613)</u>
Closing valuation	<u>34,966,549</u>	<u>59,001,057</u>
Closing book cost	41,480,347	44,781,860
Closing unrealised (depreciation)/appreciation	<u>(6,513,798)</u>	<u>14,219,197</u>
	<u>34,966,549</u>	<u>59,001,057</u>
	31 January 2008	30 April 2007
	£	£
Realised gains on sales	3,018,711	6,798,453
(Decrease)/increase in unrealised appreciation	<u>(20,732,995)</u>	<u>(1,493,613)</u>
(Losses)/gains on investments	<u>(17,714,284)</u>	<u>5,304,840</u>

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

12 SIGNIFICANT INTERESTS

The Company had holdings of 3% or more in the following investments

Name of undertaking	Class of share	Percentage held
		31 January 2008
ATA Group	Ordinary	5 730
Sanderson Group	Ordinary	4 730
Victoria	Ordinary	4 321
Sinclair(William) Holdings	Ordinary	4 078
THB Group	Ordinary	3 860
Stadium Group	Ordinary	3 298
Portmeirion Group	Ordinary	3 288
Avesco	Ordinary	3 197
Chamberlin	Ordinary	3 160
Macfarlane Group	Ordinary	3 043

13 DEBTORS - amounts falling due within one year

	31 January 2008	30 April 2007
	£	£
Sales for future settlement	-	237,193
Dividends receivable	180,718	631,732
Prepayments and accrued income	11,421	8,417
Taxation recoverable	-	-
	<u>192,139</u>	<u>877,342</u>

14 CREDITORS - amounts falling due within one year

	31 January 2008	30 April 2007
	£	£
Purchases for future settlement	-	-
Corporation tax	-	-
Other creditors	268,050	363,928
Bank overdraft	419,778	4,911,640
	<u>687,828</u>	<u>5,275,568</u>

The Company has bank loan and overdraft facilities which are secured by a legal mortgage over the Company's investment portfolio

15 UNSECURED LOAN NOTES

On 25 May 1999 the Company issued a loan note to its subsidiary, Small Companies PLC "SC" with a value of £6,258,150. The loan note was non interest bearing and was redeemable at par on 30 April 2007 on the winding up of the the subsidiary. The loan note was settled on 3 May 2007. The costs of issuing this loan note were amortised through the capital reserve.

	31 January 2008	30 April 2007
	£	£
Opening balance	6,258,150	6,226,340
Amortisation of costs	-	31,810
Settlement of loan note	<u>(6,258,150)</u>	<u>-</u>
	<u>-</u>	<u>6,258,150</u>

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

16 COMMITMENT TO SUBSCRIBE FOR SHARES

The Company entered into an agreement with its then subsidiary, Small Companies PLC "SC", pursuant to which the Company subscribed on 30 April 2007 for one ordinary share in SC. The subscription would be at such a premium as would result in the assets of SC being sufficient to satisfy the capital entitlement on 30 April 2007 of £1 8463 per share of the zero dividend preference shares and the preference shares in issue on that date.

The proceeds from this issue were used by the subsidiary to subscribe for a loan note in the Company. The premium hence in substance reflects a finance cost attributable to the loan note.

The capital entitlement of the zero dividend preference shares and the preference shares increased daily at a compound rate over the period to redemption on 30 April 2007. A provision was made in the financial statements for the company's commitment to subscribe for the SC share, equal to the increase in the capital entitlement of the zero dividend preference shares and the preference shares. This provision was taken to the capital reserve. The commitment was crystallised as a liability on 30 April 2007 on which date the subsidiary was wound-up.

	31 January 2008 £	30 April 2007 £
Opening balance	5,315,841	4,520,267
Increase in capital entitlement of zero dividend preference shareholders	-	854,522
Increase in capital entitlement of preference shareholders	-	4,274
Revenue Reserve losses/(gains) in former subsidiary	26,448	(58,456)
Net unrealised losses on investments in subsidiary	-	(4,766)
Commitment to subscribe repaid	<u>(5,342,289)</u>	<u>-</u>
	<u>-</u>	<u>5,315,841</u>

The liability on 30 April 2007 arising under the commitment to subscribe for shares was repaid on 3 May 2007.

17 BUSINESS LOAN

The Company has arranged a £10,000,000 term loan facility effective from 1 May 2007, repayable on 1 May 2014. Interest on this facility is payable quarterly in arrears at LIBOR plus 1%.

18 SHARE CAPITAL

	31 January 2008 £	30 April 2007 £
Authorised		
33,000,000 Ordinary shares of 25p each	<u>8,250,000</u>	<u>8,250,000</u>
	<u>8,250,000</u>	<u>8,250,000</u>
Issued, allotted and fully paid		
16,250,000 Ordinary shares of 25p each	<u>4,062,500</u>	<u>4,062,500</u>
	<u>4,062,500</u>	<u>4,062,500</u>

DURATION AND RIGHTS ON WINDING UP

As to dividends each year

Ordinary shares are entitled to all the revenue profits of the Company available for distribution, including all undistributed income.

As to capital on winding up

On a winding up, the holders of Ordinary shares will receive all the assets available for distribution to shareholders after payment of all debts and satisfaction of all liabilities of the Company rateably according to the amounts paid or credited as paid up on the Ordinary shares held by them respectively.

Duration

The Directors shall convene an Extraordinary General Meeting of the Company to be held on 30 April 2014, or if that is not a business day, on the immediately preceding business day (the First EGM), at which an ordinary resolution shall be proposed, to the effect that the Company continues in existence. In the event that such resolution is not passed, the Directors shall put forward further proposals to shareholders regarding the future of the Company (Restructuring Resolution) at an Extraordinary General Meeting of the Company to be convened not more than four months after the date of the First EGM. The Restructuring Resolution shall be proposed as a special resolution. If the Restructuring Resolution is either not proposed or not passed then the Directors shall convene an Extraordinary General Meeting not more than four months after the date of the First EGM. If the Restructuring Resolution is not proposed or four months after the date the Restructuring Resolution is not passed, an ordinary resolution pursuant to section 84 of the Insolvency Act 1986 to voluntarily wind-up the Company shall be put to the shareholders at this extraordinary general meeting and the votes taken on such resolution shall be on a poll.

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

19 RESERVES	Share premium account £	Capital reserve realised £	Capital reserve unrealised £	Revenue reserve £
At 1 May 2006	11,916,562	11,216,437	14,219,197	1,861,537
Net gains on realisation of investments	-	3,018,711	-	-
Movement in unrealised appreciation	-	-	(20,732,995)	-
Costs charged to capital	-	(916,485)	-	-
Retained net revenue for the period	-	-	-	(146,547)
At 31 January 2008	11,916,562	13,318,663	(6,513,798)	1,714,990

20 NET ASSET VALUE PER SHARE

The net asset value per share and the net assets attributable to the ordinary shareholders at the period end include current period revenue, are calculated in accordance with the Company's Articles of Association and are as follows

	Net assets attributable		Net assets attributable	
	31 01 08 Pence	30 04 07 Pence	31 01 08 £	30 04 07 £
Ordinary shares	150 76	266 32	24,498,917	43,276,233

21 RECONCILIATION OF NET REVENUE BEFORE TAXATION TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period to 31 January 2008 £	Year to 30 April 2007 £
Net return before taxation	(17,081,208)	5,532,324
Taxation	(6,108)	(10,763)
Net capital return	18,630,769	(3,223,571)
Decrease/(increase) in debtors	448,010	34,146
Decrease in creditors	(99,227)	(190,950)
Interest and expenses charged to capital reserve	(890,037)	(1,180,779)
	<u>1,002,199</u>	<u>960,407</u>

22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	31 January 2008 £	30 April 2007 £
Increase/(decrease) in cash in period	4,272,526	(503,331)
Appropriations in respect of zero dividend preference shares and preference shares	-	(858,796)
Amortisation of loan note issue costs	-	(31,810)
Revenue reserve losses in former subsidiary	(26,448)	58,012
Loan note & commitment to subscribe repaid	11,600,439	-
Advance/repayment of loan	(10,000,000)	5,000,000
Movement in net funds	<u>5,846,517</u>	<u>3,664,075</u>
Net debt at 1 May	(16,238,238)	(19,902,313)
Net debt at 31 January 2008	<u>(10,391 721)</u>	<u>(16,238 238)</u>

SMALL COMPANIES DIVIDEND TRUST PLC

Notes to the Financial Statements - at 31 January 2008

23 ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 2007	Cash flows	Other changes	At 31 January 2008
	£	£	£	£
Cash at bank	247,393	(219,336)	-	28,057
Overdraft	(4,911,640)	4,491,862	-	(419,778)
Debts due within one year	(11,573,991)	-	11,573,991	-
Debts due in more than 5 years	-	(10,000,000)	-	(10,000,000)
	(16,238,238)	(5,727,474)	11,573,991	(10,391,721)

24 COMMITMENTS

At 31 January 2008 the Company had underwritten share issues to a value of £nil (30 April 2007 £nil)

25 RELATED PARTY TRANSACTIONS

The Company's investments are managed by Chelverton Asset Management Ltd, a company in which W van Heesewijk, a Director of the Company, has an interest. The amounts paid to the Manager are disclosed in note 3.