

05

Murray VCT 4 PLC

Interim Report
Six months ended 31 August 2005



Aberdeen

Key Facts

	31 August 2005	28 February 2005 (as restated)	% change
Assets			
Net assets	£28,105,000	£28,632,000	(1.84%)
Cumulative returns to Shareholders since launch			
Total return ¹ (without tax reliefs)	86.7p	85.9p	
Total return ¹ (with tax reliefs ²)	106.7p	105.9p	
Ordinary shares			
Net Asset Value	76.1p	75.9p	0.26%
Share price	56.5p	51.5p	9.71%
Discount to Net Asset Value	25.8%	32.1%	
Ordinary shares in issue at period end	36,942,839	37,743,567	

¹ Sum of current Net Asset Value and dividends paid to date.

² Income tax relief at 20%.

Source: Aberdeen Asset Managers Limited, except share price (Bloomberg).

Dividend History

Year ended February	Payment date	Interim/final/capital	Dividend paid (p)
2001	8 December 2000	Interim	1.0
	13 July 2001	Final	1.8
2002	7 December 2001	Interim	1.0
	22 July 2002	Final	1.5
2003	10 December 2002	Interim	1.0
	18 July 2003	Final	1.5
2004	12 December 2003	Interim	0.5
	16 July 2004	Final	1.2
2005	10 December 2004	Interim	0.5
	22 July 2005	Final	0.6
2006	9 December 2005	Interim	0.5
	9 December 2005	Capital	2.0
Total			13.1

Analysis of Unlisted and AIM Portfolio

As at 31 August 2005

FT Industrial Sector	Valuation £'000	%
Unlisted		
Media & Entertainment	2,409	11.0
Food Producers & Processors	1,909	8.7
Transport	1,789	8.2
Engineering & Machinery	1,789	8.2
Personal Care & Household Products	1,516	6.9
Pharmaceuticals & Biotechnology	927	4.2
General Retailers	750	3.4
Household Goods & Textiles	750	3.4
Support Services	690	3.2
Aerospace & Defence	616	2.8
Leisure & Hotels	429	2.0
Food & Drug Retailers	395	1.8
Telecommunication Services	221	1.0
Speciality & Other Finance	199	0.9
Information Technology Hardware	75	0.4
Automobiles & Parts	61	0.3
	14,525	66.4
AIM		
Support Services	2,156	9.9
Media & Entertainment	1,309	6.0
Software & Computer Services	1,077	4.9
Health	877	4.0
Household Goods & Textiles	702	3.2
Engineering & Machinery	681	3.1
Leisure & Hotels	316	1.4
Telecommunication Services	239	1.1
	7,357	33.6
	21,882	100.0

Deal Type	Number	Valuation £'000	%
Unlisted			
Development Capital	15	6,285	28.7
Management Buy-out	12	6,019	27.5
Management Buy-in	3	1,318	6.0
Early Stage	3	837	3.9
Acquisition Finance	2	66	0.3
	35	14,525	66.4
AIM			
Development Capital	21	7,357	33.6
	56	21,882	100.0

Investment Review

Investment activity

The following new investments have been made since publication of the Annual Report:

- **Talarius PLC* (March 2005) £353,000** Talarius is a newly incorporated company established for the purpose of acquiring, or making investments in, companies or businesses engaged primarily in the "high street" gaming market, with associated property assets and related opportunities for development. (www.talarius.com)
- **Inspicio PLC* (April 2005) £125,000** Inspicio is a newly incorporated company, established to acquire and manage companies and businesses in the UK and international testing, inspection and performance conformity markets. The company's initial objective is to acquire one or more attractive, profitable businesses and then use these as a platform to increase shareholder value by acquiring and consolidating further businesses in the same sector. (no website available)
- **Spectrum Interactive PLC* (April 2005) £250,000** Spectrum Interactive is the second largest operator of payphones in the UK and provides internet access through terminals located in public areas in both the UK and Germany. (www.spectruminteractive.co.uk)
- **Elevation Events Group PLC* (May 2005) £200,000** Elevation Events intends to buy, invest in and develop events management, corporate hospitality and related niche supplier businesses to form an integrated event marketing service group. (www.elevationevents.co.uk)
- **Original Shoe Company Limited (May 2005) £750,000** Original Shoe Company is one of the leading branded clothing and footwear retailers in the UK. It currently employs around 550 staff and has 43 stores and intends to use the development capital provided to fund the geographic expansion of the business. (www.originalshoe.biz)
- **United Clearing PLC* (May 2005) £468,000** United Clearing is a support services company which provides software based solutions to mobile communications operators. It also offers a financial clearing service, which provides settlement of international mobile telephone roaming traffic. (www.unitedclearing.com)
- **Axeon PLC* (June 2005) £250,000** Axeon is a developer of semiconductor intellectual properties specifically focussed on the automotive industry. Major customers and development contracts include Clarion, General Motors and Ford. Axeon's products can be implemented in a microprocessor, enabling high performance real time solutions to complex problems in a variety of different industry sectors. (www.axeon.com)
- **Leisure & Gaming PLC* (June 2005) £187,000** Leisure & Gaming's strategy is to acquire businesses in the on-line gaming sector. It has already identified a predominantly US focussed business with an embryonic European operation, a recently launched poker product and an overall product suite that comprises sports betting, horse racing and casino games. (www.lngplc.com)
- **System C Healthcare PLC* (June 2005) £311,000** System C Healthcare provides information services and IT systems and also develops and provides healthcare related software applications to the healthcare sector in England. (www.systemc.com)
- **Kingsley Cards Limited (July 2005) £750,000** Kingsley Cards Limited is engaged in the design and production of greeting cards and the supply of these products to many of the main high street retailers and to trade distributors. (www.kingsley-cards.co.uk)

- **NeutraHealth PLC* (August 2005) £154,000** NeutraHealth operates in the highly fragmented nutraceutical sector and has acquired BioCare, a leading provider of vitamins, mineral supplements, probiotics and other food supplements to health practitioners and specialist retailers. (www.biocare.co.uk)

* quoted on the Alternative Investment Market ("AIM").

Co-investment

Murray VCT 4 has co-invested with Aberdeen Development Capital, Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Talisman First Venture Capital Trust and West Yorkshire Pension Fund in some or all of the above transactions and is expected to continue to do so. The advantage of this arrangement is that, together, the funds are able to underwrite a wider range and size of transaction than would be the case on a stand-alone basis.

Portfolio developments

The increasing maturity of some of the unquoted investments made by the Company is now leading to an improved level of exit opportunities. Two holdings, Black Teknigas and ScotNursing were realised during the period, resulting in gains over their cost of £131,000 and £188,000 respectively. The holdings in First Line were also realised during the period, but resulted in a loss of £167,000 compared to cost. Partial repayments of loan stocks, all at par and totalling £598,000, were made during the six months by ELE, PSCA and TMI Foods; redemption premiums on these stocks were also received and have been included in the income received by the Company for the period under review. On the last day of the reporting period, the business and trade of Room 2 was sold to Strategic Retail, an AIM quoted company, for a consideration of ordinary shares and convertible loan stock with a value equivalent to the original cost of the investment. The Manager remains actively engaged in portfolio management to improve the performance of investee companies and to determine which businesses justify further support where that is necessary.

The AIM portfolio has been actively traded and, during the reporting period, substantial realisations were made from seven companies resulting in a net gain of £279,000. At the period end, the remaining AIM portfolio had achieved an uplift over cost of £1,037,000 (16.4%). The Board, having initially sanctioned a lower level of exposure to AIM quoted companies, has now resolved to increase the maximum exposure to this market to 25% of the total book cost of the investment portfolio (18.9% at 31 August 2005). This is due to a shift in the market dynamics of AIM, which is now consistently attracting earlier stage companies that previously would have used private equity funding directly, and in recognition of the success that the Manager has achieved with this part of the portfolio and the prospects that the Manager believes continue to exist.

Investment Manager's Review – continued

	Year acquired	Original cost £'000	Sales proceeds £'000	Realised gain £'000
Unlisted				
Black Teknigas	2002	180	311	131
ELE Advanced Technologies*	2000	149	149	–
First Line	2000	595	428	(167)
PSCA International*	2002	90	90	–
ScotNursing	2002	750	938	188
TMI Foods*	2003	359	359	–
		2,123	2,275	152
AIM				
1st Dental	2004	60	84	24
Augean	2004	342	415	73
Avanti ScreenMedia	2004	38	49	11
Careforce Group	2004	227	284	57
Leisure & Gaming	2005	16	28	12
Talarius	2005	5	7	2
Tanfield	2004	133	233	100
		821	1,100	279
Total		2,944	3,375	431

* *Repayment of loan stock*

Valuation policy

The unlisted companies in which Murray VCT 4 is invested are valued in accordance with the British Venture Capital Association guidelines. Investments are normally valued at cost until they have been held for at least one year; thereafter, investments are valued by reference to their underlying performance and future prospects.

Revised UK Financial Reporting Standards are being introduced for the current financial year and the introduction of these standards requires that listed holdings, including AIM quoted stocks, are valued at their closing bid price where previously they would have been valued at their mid-market price. The effect of this change has been to reduce the value of the quoted portfolio by £176,000, representing 0.5p per share, at 31 August 2005.

Net Asset Value

Following on from the increase in Net Asset Value ("NAV") over the year ended 28 February 2005, and notwithstanding the required change in valuation policy referred to above, the Company has still achieved a modest improvement in NAV since the publication of the Annual Report, with a NAV per share at 31 August 2005 of 76.1p compared with 75.9p at 28 February 2005, as restated. Whilst this slight increase in NAV per share partly reflects the benefit of buying back the Company's shares at a discount to NAV, there has also been an improvement in the performance of the underlying portfolio.

Dividends

The Board is pleased to declare an interim dividend of 2.5p per Ordinary share, payable on 9 December 2005 to Shareholders on the register at close of business on 11 November 2005. The dividend includes an amount of 2.0p per Ordinary share in respect of capital gains from realisations made during the period and in the previous year. The Board intends to distribute such gains when meaningful amounts have been accumulated, in addition to paying dividends arising from the revenue account.

Returns to date

Since the Company's launch, and including the forthcoming payment of the interim dividend declared above, most Shareholders will have received 13.1p per share ("pps") in tax-free dividends. To an investor who took advantage of the initial income tax relief, and who therefore has an effective initial investment cost of 80pps, the tax free dividends represent a return of 16.4% of that cost. The total return, being 10.6p of dividends paid to date plus NAV at 31 August 2005, is 86.7pps, representing 108.4% of the effective initial investment cost. The Board is confident that the Manager is working to an agreed strategy to increase this figure. In the short-term, NAV on its own is a less important measure of performance as the underlying investments are long-term in nature and not readily realisable. The most important measures for a VCT are the long-term record of dividend payments and the timing of those payments over the life of the Company.

Share buy-back policy

Purchases of shares, which will be funded from distributable reserves, will be effected at prices below the prevailing NAV per Ordinary share and in accordance with the rules of the UK Listing Authority, and within guidelines established from time to time by the Board. The Board is continually reviewing these guidelines and will make such changes as it sees fit throughout the Company's financial year.

The effect of share buy-backs has been to reduce total assets by £460,000 during the period and by £1,080,000 over the life of the Company. However, it should be noted that, to the extent that shares are purchased at a discount, the NAV of the remaining shares has increased.

Investment strategy

The Manager is pursuing a strategy of investing in larger, more profitable businesses where there is a greater likelihood of them being able to meet their yield obligations, even if the business plan projections are not achieved, thus protecting the Company's ability to continue to pay revenue dividends.

Outlook

The Company has a broad spread of investments and the immediate priority of the Manager is to concentrate efforts with a view to continuing the improvement in performance. Where the Manager believes that the prospects for an investment do not justify further support, a number of exits will be actively pursued in the short to medium term, which may result in a failure to recover the full cost of the investment. This will allow the release of funds for re-investment in new investments in line with the strategy mentioned previously and, thereby, improve prospects in the longer term. Deal flow has increased and new investments will be made on a selective basis. The primary focus is to ensure that the Company builds a properly diversified portfolio of good quality assets which will deliver sustained long term performance.

14 October 2005

On behalf of the Board
Murray Johnstone Limited
Manager and Secretary

Summary of Investment Changes

For the six months ended 31 August 2005

	Valuation 28 February 2005 (as restated)		Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 31 August 2005	
	£'000	%			£'000	%
Unlisted investments						
Equities	4,197	14.6	(95)	122	4,224	15.0
Preference shares	792	2.8	(9)	(323)	460	1.6
Loan stocks	10,930	38.2	(877)	(212)	9,841	35.0
	15,919	55.6	(981)	(413)	14,525	51.6
AIM investments						
Equities	5,044	17.6	1,904	409	7,357	26.2
Listed investments						
Fixed income	6,273	21.9	(1,441)	46	4,878	17.4
Total investments	27,236	95.1	(518)	42	26,760	95.2
Other net assets	1,396	4.9	(51)	–	1,345	4.8
Total assets*	28,632	100.0	(569)	42	28,105	100.0

* Total assets represents Equity Shareholders' funds.

Investment Portfolio Summary

As at 31 August 2005

Investment	Nature of business	31 August 2005		
		Valuation £'000	% of total assets	Bookcost £'000
Unlisted				
Transys Projects	Engineering services to the rail industry	1,789	6.4	825
TLC (Tender Loving Childcare)	Operator of daycare nurseries	1,516	5.4	1,516
PSCA International	Producer of publications aimed at public sector officials	1,031	3.7	660
Synexus	Management of clinical trials	927	3.3	927
RMS Europe	Provider of stevedoring and ships agency services	771	2.7	771
Kingsley Cards	Design and production of greeting cards	750	2.7	750
Original Shoe Company	Branded clothing and footwear retailer	750	2.7	750
Sanastro	Business to business financial publishing	750	2.7	750
Heathcotes Restaurants	Restaurant chain and providers of outside catering	726	2.6	975
ELE Advanced Technologies	Precision engineering	616	2.2	491
Astraeus	Charter airline	616	2.2	616
Enterprise Food Group	Supply chain and management services bakery	598	2.1	598
House of Dorchester	Chocolate manufacturer	585	2.1	910
Mining Communications	Publisher of specialist trade journals	562	2.0	750
Transrent Holdings	Rental and sale of trailers	519	1.8	721
GW 1016	Operator of managed public houses	429	1.5	590
PLM Dollar Group	Onshore helicopter services	402	1.4	402
TMI Foods	Manufacturer of cooked bacon and vegetable products	346	1.1	391
Voxsurf	Software development	221	0.8	662
Link Up Mitaka	Language management business	199	0.7	398
Driver Hire	Supplier of temporary drivers	171	0.6	171
Citel Technologies	Integrated solutions for the telephony & communications sector	75	0.3	156
Unique Communications Group	TV production and communications consultancy	66	0.2	798
First Line	Automotive aftermarket parts	62	0.2	46
Conveco	Convenience stores	48	0.2	758
Other unlisted investments		-	-	5,830
		14,525	51.6	22,212

Investment	Nature of business	31 August 2005		
		Valuation £'000	% of total assets	Bookcost £'000
AIM				
Cello Group	Marketing and media services	953	3.4	751
Strategic Retail	Retailer of homeware	702	2.5	702
Tanfield Group	Technical solutions and manufacturing group	681	2.4	369
United Clearing	Provider of software based solutions to mobile communications operators	625	2.2	468
Bond International Software	Human resources software	487	1.7	186
Public Recruitment Group	Public sector staffing in healthcare and education	453	1.6	467
Talarius	High street gambling	389	1.4	347
Careforce Group	Provider of domiciliary care services	350	1.2	275
System C Healthcare	Provider of information services and IT systems to the healthcare sector	323	1.1	311
1st Dental Laboratories	Provider of dental laboratory services	278	1.0	242
Leisure & Gaming	On-line gaming	273	1.0	170
Axon	Developer of semi conductor intellectual properties	268	1.0	250
Fountains	Land management services	258	0.9	252
NeutraHealth	Provider of biocare products to health practitioners and specialist retailers	249	0.9	154
Spectrum Interactive	Provider of payphones and internet access throughout the UK	239	0.9	250
Elevation Events Group	Events management	217	0.8	200
Asfare	Manufacture and supply of equipment for the emergency services	159	0.6	187
Augean	Waste management	146	0.5	160
Avanti Screenmedia	Provider of screens and media advertising	138	0.5	104
Inspicio	Aquisition and management of businesses in the inspection and testing sector	125	0.4	125
Award International Holdings	Sourcing and delivery of merchandising materials	44	0.2	350
		7,357	26.2	6,320
Listed fixed income				
Treasury 4.5% 2007		1,579	5.6	1,566
Treasury 7.5% 2006		1,457	5.2	1,452
Treasury 7.25% 2007		1,099	3.9	1,090
Treasury 8.5% 2005		743	2.7	739
		4,878	17.4	4,847
Total		26,760	95.2	33,379

Income Statement

For the six months ended 31 August 2005

Six months to 31 August 2005
(unaudited)

	Revenue £'000	Capital £'000	Total £'000
Investment income and deposit income	494	–	494
Investment management fees	(59)	(235)	(294)
Other expenses	(86)	–	(86)
Operating profit/(loss)	349	(235)	114
Increase in fair value of investments held	–	20	20
Increase in fair value of investments realised	–	22	22
Amounts written off investments	–	–	–
Profit on ordinary activities before taxation	349	(193)	156
Tax on ordinary activities	(110)	110	–
Profit on ordinary activities after taxation	239	(83)	156
Return per share (pence) (Note 4)			0.4
Amounts recognised as distributions to equity holders in the period			
Interim dividend for the year ended 28 February 2005 of 0.5p per share	–	–	–
Final dividend for the year ended 28 February 2005 of 0.6p (2004 - 1.2p) per share	223	–	223
	223	–	223
Proposed distributions to equity holders at period end			
Interim dividend for the year ending 28 February 2006 of 0.5p (2005 - 0.5p) per share	185	–	185
Capital dividend for the year ending 28 February 2006 of 2.0p (2005 - nil) per share	–	739	739
Final dividend for the year ended 28 February 2005 of 0.6p (2004 - 1.2p) per share	–	–	–
	185	739	924

The total column of this statement is the Profit and Loss Account of the Company.

* These Financial Statements have been restated to reflect the change to financial reporting practices as set out in Note 2.

Six months to 31 August 2004 (unaudited) (restated*)			Audited Year ended 28 February 2005 (audited) (restated*)		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
600	–	600	1,093	–	1,093
(168)	(251)	(419)	(284)	(426)	(710)
(99)	–	(99)	(220)	–	(220)
333	(251)	82	589	(426)	163
–	457	457	–	552	552
–	398	398	–	714	714
–	(569)	(569)	–	(569)	(569)
333	35	368	589	271	860
(78)	78	–	(158)	132	(26)
255	113	368	431	403	834
		1.0			2.2
–	–	–	190	–	190
459	–	459	459	–	459
459	–	459	649	–	649
187	–	187	–	–	–
–	–	–	–	–	–
–	–	–	223	–	223
187	–	187	223	–	223

Balance Sheet

As at 31 August 2005

	31 August 2005 (unaudited)	31 August 2004 (unaudited) (restated*)	28 February 2005 (audited) (restated*)
	£'000	£'000	£'000
Fixed assets			
Investments	26,760	22,645	27,236
Current assets			
Debtors	963	1,369	1,382
Cash and overnight deposits	503	4,737	260
	1,466	6,106	1,642
Creditors			
Amounts falling due within one year	121	279	246
Net current assets	1,345	5,827	1,396
Net assets	28,105	28,472	28,632
Capital and reserves			
Called up share capital	3,694	3,801	3,774
Share premium account	17,235	17,236	17,235
Revaluation reserve	(5,946)	(5,933)	(5,364)
Capital redemption reserve	191	82	111
Profit and loss account	12,931	13,286	12,876
Equity Shareholders' funds	28,105	28,472	28,632
Net Asset Value per Ordinary share (pence)	76.1	74.6	75.9

The Financial Statements were approved by the Board of Directors and were signed on its behalf by:

14 October 2005

F E Wollocombe
Director

* These Financial Statements have been restated to reflect the change to financial reporting practices as set out in Note 2.

Cash Flow Statement

For the six months ended 31 August 2005

	Six months to 31 August 2005 (unaudited)	Six months to 31 August 2004 (unaudited)	Year ended 28 February 2005 (audited)
	£'000	£'000	£'000
Operating activities			
Investment income received	947	494	1,007
Deposit interest received	14	5	13
Miscellaneous income received	19	12	–
Investment management fees paid	(377)	(177)	(627)
Secretarial fees paid	(41)	(19)	(50)
Cash paid to and on behalf of Directors	(35)	(25)	(53)
Other cash payments	(56)	(106)	(94)
Net cash inflow from operating activities	471	184	196
Financial investment			
Purchase of investments	(5,405)	(3,774)	(11,834)
Sale of investments	5,960	3,574	7,387
Net cash inflow/(outflow) from financial investment	555	(200)	(4,447)
Equity dividends paid	(223)	(459)	(649)
Net cash inflow/(outflow) before financing	803	(475)	(4,900)
Financing			
Issue of Ordinary shares	–	–	(1)
Repurchase of Ordinary shares	(560)	(249)	(300)
Net cash outflow from financing	(560)	(249)	(301)
Increase/(decrease) in cash	243	(724)	(5,201)

Notes to the Financial Statements

1. Accounting policies

The financial information for the 6 months ended 31 August 2005 and the 6 months ended 31 August 2004 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information contained in this report has been prepared on the basis of the accounting policies set out in the Annual Report and Financial Statements for the year ended 28 February 2005, with the exception of the items set out in Note 2.

The results for the year ended 28 February 2005 are extracted from the full accounts for that year, subject to the adjustments detailed in Note 2, which received an unqualified report from the Auditors and have been filed with the Registrar of Companies.

For the current financial year, the Board has changed the allocation of the investment management fee between revenue and capital. The allocation to capital has changed from 60% to 80%, representing the proportion of the investment management fee attributable to the enhancement of the value of the investments of the Company. The balance is charged to revenue. This does not represent a change in accounting policy, but reflects the Board's expected long-term split of returns, in the forms of capital gains and income respectively.

2. Basis of restatement

During the 6 months ended 31 August 2005, the Company became subject to new Financial Reporting Standards issued as part of the programme to converge UK Generally Accepted Accounting Principles with International Financial Reporting Standards. As a result of this, the results for the year ended 28 February 2005 and 6 months to 31 August 2004 have been restated to reflect the changes of accounting practice in relation to the following:

- investments are measured initially at cost and are recognised at trade date. For financial assets acquired, the cost is the fair value of the consideration. Subsequent to initial recognition, investments are valued at fair value;
- in accordance with FRS 25 (Financial Instruments: Disclosure and Presentation) and FRS 26 (Financial Instruments: Measurement), investments quoted on AIM or listed on a recognised stock exchange are now valued at their closing bid, instead of mid-market, prices. As a result of this change, the Company's NAV at 31 August 2005 has reduced by £176,000;
- unlisted investments are valued by the Directors at fair value, in line with the guidelines of the British Venture Capital Association; and
- in accordance with FRS 21 (Events after the Balance Sheet Date), dividends are not accrued in the Financial Statements unless they have been declared before the Balance Sheet Date. Dividends are, therefore, recognised in the period in which they are declared and paid. As a result of this change, the Company's NAV at 31 August 2005 has effectively increased by £924,000 (being the 0.5p per share interim revenue dividend and the 2.0p per share capital dividend, both to be paid on 9 December 2005).

The impact of these changes are shown below:

	28 February 2005 (audited) £'000	31 August 2004 (unaudited) £'000	29 February 2004 (audited) £'000
Reconciliation of Balance Sheets			
Net assets as previously reported	28,556	28,354	28,367
Restatement of investments at bid value	(150)	(69)	(12)
Reversal of provision for interim dividend	–	187	–
Reversal of provision for final dividend	226	–	462
Restated net assets	28,632	28,472	28,817

	Year ended 28 February 2005 (audited) £'000	6 months to 31 August 2004 (unaudited) £'000
Reconciliation of the Income Statement		
Total transfer to reserve per original reported		
Profit and Loss Account	(131)	(276)
Add dividends on Ordinary shares	413	187
Change from mid to bid basis at 29 February 2004	12	12
Change from mid to bid basis at 28 February 2005	(150)	–
Change from mid to bid basis at 31 August 2004	–	(69)
Add unrealised gain on revaluation of investments	690	514
Profit on ordinary activities after tax per restated Income Statement	834	368

Notes to the Financial Statements – continued

3. Statement of changes in Equity Shareholders' Funds	Called up share capital £'000	Share premium account £'000	Revaluation reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 29 February 2004	3,849	17,236	(6,952)	36	14,198
Effect of restatement	–	–	(12)	–	462
At 29 February 2004 (as restated)	3,849	17,236	(6,964)	36	14,660
Repurchase and cancellation of shares	(75)	(1)	–	75	(395)
Transfer of realised losses to Profit and Loss Account	–	–	1,331	–	(1,331)
Tax effect of transfer of losses to Profit and Loss Account	–	–	(309)	–	309
Taxation attributable to unrealised loss on investments	–	–	26	–	–
Net increase in value of investments	–	–	552	–	(552)
Equity dividends	–	–	–	–	(649)
Net return on ordinary activities	–	–	–	–	834
At 28 February 2005 (as restated)	3,774	17,235	(5,364)	111	12,876
Repurchase and cancellation of shares	(80)	–	–	80	(460)
Transfer of realised profits to Profit and Loss Account	–	–	(602)	–	602
Net increase in value of investments	–	–	20	–	(20)
Equity dividends	–	–	–	–	(223)
Net return on ordinary activities	–	–	–	–	156
At 31 August 2005	3,694	17,235	(5,946)	191	12,931

4. Returns per Ordinary Share	6 months to 31 August 2005 (unaudited) £'000	6 months to 31 August 2004 (unaudited) (restated) £'000	Year ended 28 February 2005 (audited) (restated) £'000
<i>The return per Ordinary share is based on the following figures:</i>			
Revenue return	239	255	431
Capital return	(83)	113	403
Total return	156	368	834
Weighted average number of Ordinary shares in issue	36,942,839	38,262,927	38,172,746
Revenue return per Ordinary share	0.6p	0.7p	1.1p
Capital return per Ordinary share	(0.2p)	0.3p	1.1p
Return per Ordinary share	0.4p	1.0p	2.2p

The NAV per Ordinary share has been calculated using the number of Ordinary shares in issue at 31 August 2005 of 36,942,839.

Corporate Information

Directors	F E Wollocombe (Chairman) A G MacMillan C G Stuart-Menteth A E Whitworth
Manager and Secretary	Murray Johnstone Limited Customer Services Department: freephone 0845 300 2830 (open Monday to Friday, 9am to 5pm) E-mail: invtrusts@aberdeen-asset.com <i>Points of Contact</i> The Chairman and/or the Company Secretary at: 123 St Vincent Street Glasgow G2 5EA E-mail: company.secretary@invtrusts.co.uk
Website	www.aberdeen-asset.com
Registered Office	One Bow Churchyard Cheapside London EC4M 9HH Registered in England and Wales Company Registration Number: 3908220
Registrar	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Shareholder Helpline: 0870 162 3100
Auditors	Ernst & Young LLP
Custodian Bankers	J P Morgan Chase Bank
Solicitors	S J Berwin
Stockbroker	Teather & Greenwood Limited

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