

# 08

## Aberdeen Income and Growth VCT PLC

Interim Report

Six months ended 31 August 2008 (unaudited)



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# Financial Highlights

## Financial history

	31 August 2008	31 August 2007	29 February 2008
Net assets (£ million)	£24.7	£27.4	£25.8
Net Asset Value per share	69.7p	77.4p	72.8p
Dividends paid to date	31.1p	25.3p	28.8p
Total return (without tax reliefs) <sup>1</sup>	100.8p	102.7p	101.6p
Total return (with tax reliefs) <sup>2</sup>	120.8p	122.7p	121.6p
Share price <sup>3</sup>	38.5p	49.5p	46.5p
Discount to Net Asset Value	44.8%	36.0%	36.1%
Ordinary Shares in issue at period end	35,463,992	35,463,992	35,463,992

<sup>1</sup> Sum of current Net Asset Value and dividends paid to date.

<sup>2</sup> Sum of current Net Asset Value, initial income tax relief at 20% and dividends paid to date.

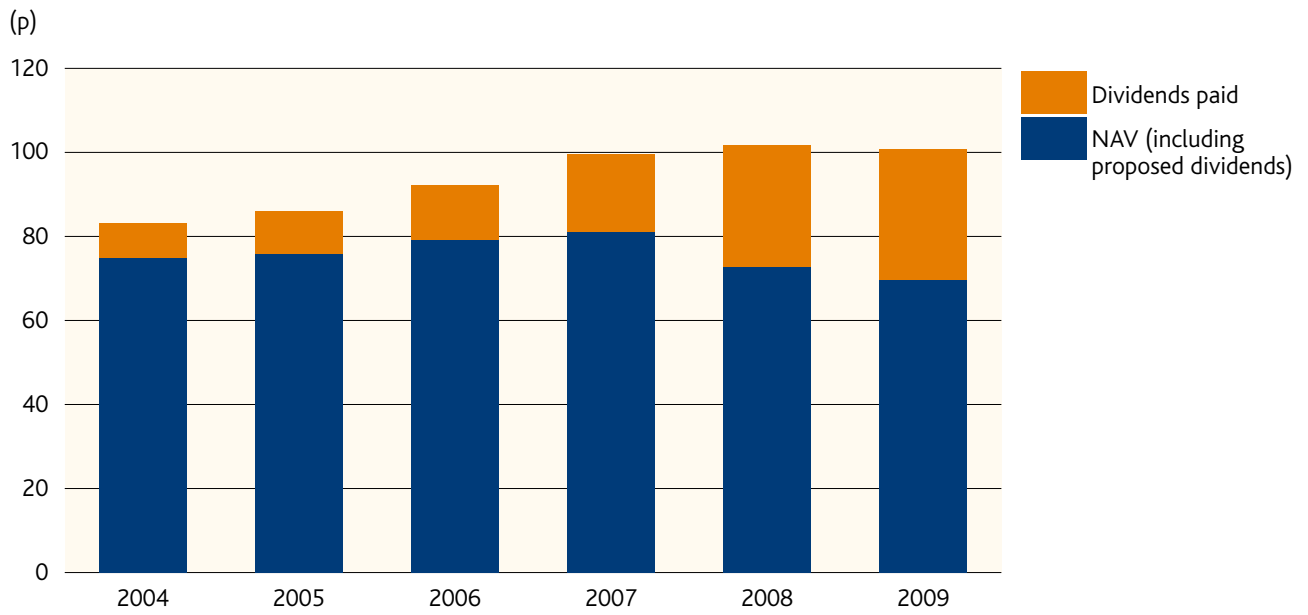
<sup>3</sup> Source: Bloomberg.

## Dividends

Year ended February	Payment date	Revenue/capital	Interim/final	Rate (p)
2001	8 December 2000	Revenue	Interim	1.0
	31 July 2001	Revenue	Final	1.8
2002	7 December 2002	Revenue	Interim	1.0
	22 July 2002	Revenue	Final	1.5
2003	10 December 2002	Revenue	Interim	1.0
	18 July 2003	Revenue	Final	1.5
2004	12 December 2003	Revenue	Interim	0.5
	16 July 2004	Revenue	Final	1.2
2005	10 December 2004	Revenue	Interim	0.5
	22 July 2005	Revenue	Final	0.6
2006	9 December 2005	Capital	Interim	2.0
	9 December 2005	Revenue	Interim	0.5
	28 July 2006	Revenue	Final	0.8
2007	28 July 2006	Capital	Interim	1.6
	15 December 2006	Capital	Interim	3.0
	23 March 2007	Capital	Interim	4.0
	27 July 2007	Revenue	Final	0.8
2008	27 July 2007	Capital	Final	2.0
	7 December 2007	Capital	Interim	3.0
	7 December 2007	Revenue	Interim	0.5
	25 July 2008	Revenue	Final	2.3
<b>Total dividends paid</b>				<b>31.1</b>
2009	12 December 2008	Revenue	Interim	1.0
<b>Total dividends paid or declared</b>				<b>32.1</b>

# Financial Highlights continued

## NAV total return performance



The bar chart shows the NAV total return (Net Asset Value plus dividends paid since launch) at end February each year, except 2009 which is at 31 August 2008.

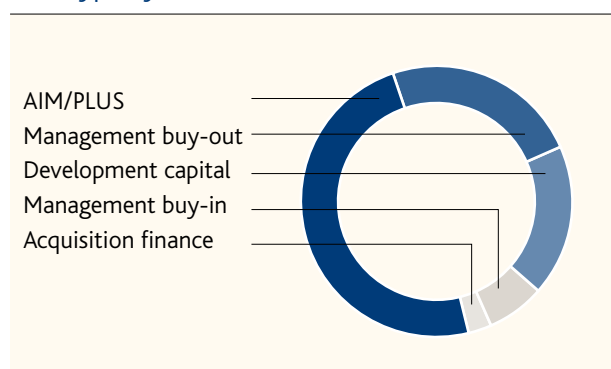
# Analysis of Unlisted and AIM/PLUS Portfolio

As at 31 August 2008

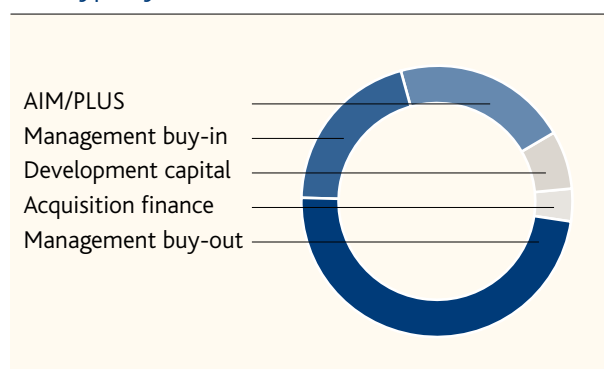
FT industrial sector	Unlisted valuation		AIM/PLUS valuation		Total valuation	
	£'000	%	£'000	%	£'000	%
Support services	3,361	16.8	1,062	5.4	4,423	22.2
Engineering & machinery	2,721	13.6	68	0.3	2,789	13.9
Food producers & processors	2,389	12.0	79	0.4	2,468	12.4
Oil & gas	2,462	12.3	–	–	2,462	12.3
Household goods & textiles	838	4.2	751	3.8	1,589	8.0
Media & entertainment	422	2.1	642	3.2	1,064	5.3
Electronic & electrical equipment	884	4.4	–	–	884	4.4
Telecommunication services	786	3.9	22	0.1	808	4.0
Leisure & hotels	446	2.2	244	1.2	690	3.4
Software & computer services	–	–	609	3.0	609	3.0
Transport	402	2.0	120	0.6	522	2.6
Chemicals	499	2.5	–	–	499	2.5
Aerospace & defence	371	1.9	–	–	371	1.9
Speciality & other finance	–	–	232	1.2	232	1.2
Finance (general)	144	0.7	–	–	144	0.7
Utilities (ex-electricity)	137	0.7	–	–	137	0.7
Pharmaceutical & biotechnology	–	–	120	0.6	120	0.6
Electricity	–	–	69	0.3	69	0.3
Construction & building materials	53	0.3	–	–	53	0.3
Health	–	–	53	0.3	53	0.3
<b>Total</b>	<b>15,915</b>	<b>79.6</b>	<b>4,071</b>	<b>20.4</b>	<b>19,986</b>	<b>100.0</b>

Deal type	Number of deals	Valuation	
		£'000	%
<b>Unlisted</b>			
Management buy-out	17	9,637	48.2
Management buy-in	5	4,159	20.8
Development capital	13	1,374	6.9
Acquisition finance	2	745	3.7
<b>Total unlisted</b>	<b>37</b>	<b>15,915</b>	<b>79.6</b>
<b>AIM/PLUS</b>	<b>35</b>	<b>4,071</b>	<b>20.4</b>
<b>Total</b>	<b>72</b>	<b>19,986</b>	<b>100.0</b>

Deal type by number of deals



Deal type by valuation



The charts illustrate deal type by valuation rather than cost and reflect only the invested portfolio, excluding cash.

# Interim Management Report

For the six months ended 31 August 2008

This Interim Management Report covers a period when equity markets generally have seen a downward trend in the face of tighter credit conditions and with many commentators predicting negative growth in the UK economy for the second half of the calendar year. Prices are likely to remain unstable given these economic conditions. Your Company has a limited exposure to the AIM/PLUS market, representing 16.5% of net assets at 31 August 2008, where there has been continued volatility that has affected the results for the period under review. Despite these significant and adverse influences, the NAV at the reporting period end is almost unchanged from the position at the end of February 2008 after adjusting for the dividend paid in July 2008. This is primarily due to the more robust performance of the private equity portfolio which continues to mature and enhance its value.

- NAV total return of 100.8p per share (pps) at period end, down 0.8% over the period; the AIM All-share Index fell by 21.4% over the same period.
- NAV at period end of 69.7pps.
- Realised gains on the disposal of unlisted holdings of £1,089,000 equivalent to 3.1pps.

## Performance

The NAV total return at 31 August 2008 was 100.8pps, a fractional decrease of 0.8% over the equivalent figure at 29 February 2008.

The Net Asset Value (NAV) per Ordinary Share at 31 August 2008, after payment of the final dividend of 2.3pps in respect of the year ended 29 February 2008, was 69.7pps compared with 72.8pps at 29 February 2008.

## Dividends

The Board intends to pay regular dividends from realised gains and hopes that the level of payment will be increased over time but this cannot be guaranteed. All dividends are, of course, paid tax-free to Shareholders and the net dividend of 5.8pps paid in respect of the year ended 29 February 2008 is equivalent to a yield of 7.7% to a higher rate taxpayer from an equity investment; if the initial tax relief of 20% is taken into account the effective annual yield rises to 9.7%. Since the Company's launch and after receipt of the interim dividend, Ordinary Shareholders will have received 32.1p per share in tax-free dividends, of which 22.6p will have been paid since September 2004.

The Directors have declared an interim revenue dividend of 1.0p per share to be paid on 12 December 2008 to Shareholders on the register at close of business on 14 November 2008.

## VCT qualifying status

The VCT qualifying status of your Company is monitored on a continuous basis to ensure that all of the criteria required to maintain VCT status are being achieved.

## Investment activity

During the six-month period ended 31 August 2008, six new unlisted and AIM/PLUS quoted investments were completed and a total of £2.0 million was invested, of which £1.5 million was in unlisted companies and £500,000 was in AIM/PLUS quoted companies. At the period end, the portfolio stood at 73 unlisted and AIM/PLUS investments at a total cost of £29.0 million. Since 31 August 2008, one further AIM investment has been made at a cost of £16,000.

The following investments have been completed during the period:

Investment	Date	Activity	Investment cost	
			£'000	Website
<b>Unlisted</b>				
Broomco (4136)	July 2008	Provider of CCTV and air conditioning services throughout the UK	89	No website available
MoneyPlus Group	July 2008	Provider of debt management services to individuals	135	www.moneyplusgroup.co.uk
Nessco Group Holdings	June 2008	Telecommunication services provider	472	www.nessco.co.uk
PSCA International	May 2008	Producer of publications aimed at public sector officials	154	www.publicservice.co.uk
TC Communications Holdings	May 2008	Marketing and communications services agency	199	www.tccommunications.co.uk
Training for Travel Group	April 2008	Provider of assessment, tuition and training in travel services	446	www.trainingfortravel.com
<b>Total unlisted investment</b>			<b>1,495</b>	

Investment	Date	Activity	Investment cost	
			£'000	Website
<b>AIM/PLUS</b>				
Betbrokers	March 2008	Provider of independent betting brokerage services	110	www.betbrokers.com
Brookwell	June 2008	Close-ended investment company established to acquire AIM quoted and listed securities from financial institutions	202	www.brookwelllimited.com
OPG Power Ventures	May 2008	Develops, owns and manages power generation plants in India	98	www.opgpower.org
Optare	July 2008	Bus manufacturer and low emission technology group	49	www.elcb.co.uk
Praesepe	July 2008	Pursues acquisition and consolidation opportunities in the low-stake, high-volume gaming sector in the United Kingdom and Europe	49	www.aldgatecapital.com
<b>Total AIM/PLUS investment</b>			<b>508</b>	
<b>Total investment</b>			<b>2,003</b>	

Aberdeen Income and Growth VCT has co-invested with Aberdeen Growth Opportunities VCT, Aberdeen Growth Opportunities VCT 2, Aberdeen Growth VCT I, Gateway VCT, Talisman First Venture Capital Trust and Guinness Flight Venture Capital Trust in some or all of the above transactions and is expected to continue to do so with these as well as other clients of the Manager. The advantage 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

There were two significant realisations from the unlisted investment portfolio during the period which resulted in gains of £1,089,000 equivalent to 3.1p per share. The investment in ID Support Services Holdings was sold generating a gain of £487,000 which is a return, including the interest received during the life of the investment, of 1.8 times the cost of £746,000 over the fifteen month holding period.

The holdings in PSCA International were also sold for proceeds of £1,121,000 resulting in a gain of £603,000. Over the life of the investment, including the income received and earlier repayments of loan stock, a total return of 2.2 times the original cost of £518,000 was achieved.

In addition to these two successful sales, a further £800,000 was received by the Company, the most significant proportion of which related to repayments of loan stock at par from Lime Investments and from Homelux Nenplas.

Conditions in the AIM market continued to be volatile during the reporting period and there were few opportunities to actively trade the portfolio.

A strategic decision was taken to dispose of four AIM holdings to an active investor that will aggregate the holdings from a number of managers and seek to realise them at higher values than could be achieved individually. The holdings were realised at market value, resulting in realised losses of £650,000; however, the carrying value at 29 February 2008 had already recognised almost all of this reduction and, therefore, the impact on the NAV was minimal.

In addition, one holding was sold at a loss under the compulsory purchase provisions when an offer for that company was accepted by its shareholders and a loss was incurred on the disposal of a further holding where its technology failed to be adopted by the market with inevitable consequences for its share price.

In contrast, net realised gains of £91,000 were generated from actively traded stocks during the period. The FTSE AIM All-share index decreased over the period by 21.4% and has now fallen by over 27% since August 2007; in comparison the performance of the Company's portfolio showed a decline of 18.4% for the six-month period. The underlying performance of the businesses in the AIM portfolio remains sound and is expected to remain so. It is anticipated that this will be reflected in positive share price movements when market conditions improve, although the timing is uncertain.

## Investments realised

Investment	Date first invested	Complete/ partial exit	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/(loss) £'000
<b>Unlisted</b>					
ID Support Services Holdings	2007	Complete	746	1,233	487
PSCA International	2002	Complete	518	1,121	603
Others			801	800	(1)
<b>Total unlisted disposals</b>			<b>2,065</b>	<b>3,154</b>	<b>1,089</b>
<b>AIM/PLUS</b>					
1st Dental Laboratories	2004	Complete	177	53	(124)
AT Communications	2005	Complete	44	29	(15)
Autoclenz	2005	Complete	185	70	(115)
Citel Technologies	2001	Complete	166	1	(165)
Fountains	2004	Complete	136	156	20
Imprint	2005	Complete	204	78	(126)
Optare	2007	Partial	27	80	53
Synarbor	2004	Complete	447	51	(396)
Other			126	144	18
<b>Total AIM/PLUS disposals</b>			<b>1,512</b>	<b>662</b>	<b>(850)</b>
<b>Total disposals</b>			<b>3,577</b>	<b>3,816</b>	<b>239</b>

The table above gives details of all realisations during the reporting period.

Subsequent to the period end, complete and partial disposals of four AIM quoted holdings generated a net realised gain at £53,000.

## Risk and uncertainties

The Board has reviewed the principal risks and uncertainties facing the Company in the second half of its financial year; these are unchanged from those it faced at the start of the year, being the risks involved in investment in small and unquoted companies. In order to reduce the exposure to investment risk, the Company has invested in a broadly-based portfolio of investments in unlisted and AIM/PLUS quoted companies in the United Kingdom. The Company remains compliant with the regulations governing venture capital trusts and the Manager closely monitors the position of the Company to ensure that it complies with the various tests at all times.

## Outlook

The performance of the quoted markets generally during the period has been volatile and events since the period end affecting the banking market have caused further uncertainty. It appears that these conditions will prevail for some time, given the continuing speculation over the future of the economy. Opportunities to invest in companies seeking to achieve an IPO on AIM have, therefore, been limited and little change is expected in the short term.

Whilst the Company's AIM/PLUS quoted investments have obviously suffered as a result of the extended period of volatility which continues to affect the equity markets, most of the underlying businesses in which that portfolio is invested are performing in line with the Manager's expectations and the Directors are confident that this will be demonstrated by increasing share prices when markets recover. Shareholders should also take comfort from the composition of the unlisted portfolio, which is now largely invested in a number of mature private companies which are paying a regular yield while continuing to demonstrate reasonable growth potential and whose values are not directly affected by the short term fluctuations of the quoted markets.

To maintain the qualifying level of the Company, the Manager continues to invest selectively from its flow of introductions sourced by its regional network of offices. The private company portfolio is still relatively young but is maturing and a number of successful realisations may be possible, which will result in a continuing need to re-invest the proceeds in due course in accordance with the VCT Regulations.

On behalf of the Board  
**Aberdeen Asset Management PLC**  
 Secretary  
 14 October 2008



# Summary of Investment Changes

For the six months ended 31 August 2008

	Valuation 29 February 2008		Net investment/ (disinvestment) £'000	Appreciation/ (depreciation) £'000	Valuation 31 August 2008	
	£'000	%			£'000	%
<b>Unlisted investments</b>						
Equities	5,317	20.6	(1,259)	152	4,210	17.0
Preference shares	1,602	6.2	(43)	–	1,559	6.3
Loan stocks	10,450	40.5	(357)	53	10,146	41.0
	<b>17,369</b>	<b>67.3</b>	<b>(1,659)</b>	<b>205</b>	<b>15,915</b>	<b>64.3</b>
<b>AIM/PLUS investments</b>						
Equities	5,141	19.9	(154)	(916)	4,071	16.5
<b>Listed investments</b>						
Fixed income	2,492	9.7	1,291	(8)	3,775	15.3
<b>Total investments</b>	<b>25,002</b>	<b>96.9</b>	<b>(522)</b>	<b>(719)</b>	<b>23,761</b>	<b>96.1</b>
Other net assets	800	3.1	169	–	969	3.9
<b>Total assets</b>	<b>25,802</b>	<b>100.0</b>	<b>(353)</b>	<b>(719)</b>	<b>24,730</b>	<b>100.0</b>

## Investment Portfolio Summary

As at 31 August 2008

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>Unlisted</b>					
Transys Holdings	2,721	2,721	11.0	31.7	40.1
House of Dorchester	1,725	910	7.0	44.2	–
Funeral Services Partnership	1,160	970	4.7	6.9	23.0
MoneyPlus Group	950	950	3.8	17.5	57.5
Homelux Nenplas	838	391	3.4	8.9	36.1
Martel Instruments Holdings	796	796	3.2	11.3	22.1
Camwatch	786	786	3.2	12.1	30.4
Oliver Kay Holdings	771	771	3.1	4.9	15.1
Energy Services Investment Company (ESIC)	745	745	3.0	28.5	51.5
Atlantic Foods Group	664	522	2.7	2.9	5.9
Steminic (trading as MS Industrial Services)	546	546	2.2	9.3	35.7
Adler & Allan Holdings	499	499	2.0	2.2	38.8
Nessco Group Holdings	472	472	1.9	6.2	31.6
Training For Travel Group	446	446	1.8	5.1	24.9
Silkwater Holdings (trading as Cyclotech)	425	348	1.7	4.8	15.3
PLM Dollar Group	402	402	1.6	4.6	26.2
ELE Advanced Technologies	371	192	1.5	11.3	–
Countcar	273	21	1.1	6.9	19.6
Sanastro	268	750	1.1	9.6	3.5
TC Communications Holdings	199	199	0.8	4.1	31.2
Driver Hire Investments Group	198	203	0.8	1.1	43.6
PSCA International	154	154	0.6	–	–
Enpure Holdings	137	100	0.6	0.4	79.2
Broomco (4136)	89	89	0.4	0.6	1.6
Lime Investments	83	83	0.3	26.6	53.4
Buildstore	52	105	0.2	0.6	6.8
Others	145	8,939	0.6		
<b>Total unlisted</b>	<b>15,915</b>	<b>23,110</b>	<b>64.3</b>		

## Investment Portfolio Summary continued

Investment	Valuation £'000	Cost £'000	% of total assets	% of equity held	% of equity held by other clients <sup>1</sup>
<b>AIM/PLUS</b>					
Strategic Retail	560	700	2.3	2.0	2.0
Concateno	514	332	2.1	0.7	1.8
Avanti Communications Group	307	283	1.3	0.5	0.9
System C Healthcare	242	311	1.0	0.6	0.7
Cello Group	207	310	0.8	0.8	0.3
Plastics Capital	191	281	0.8	–	2.7
AMZ Holdings (formerly Amazing Holdings)	176	251	0.7	0.8	1.4
Animalcare Group (formerly Ritchey)	142	147	0.6	1.4	3.2
Axeon	138	176	0.6	0.7	2.9
Hasgrove	136	168	0.5	0.7	1.3
Brookwell	132	202	0.5	–	–
Optare (formerly Darwen Group)	120	109	0.5	1.1	8.9
Neuropharm Group	120	100	0.5	0.2	0.5
Brulines (Holdings)	100	77	0.4	0.3	0.5
Betbrokers	99	110	0.4	0.4	–
Mattioli Woods	96	48	0.4	0.2	–
Formation Group	95	105	0.4	0.3	1.0
Melorio	92	98	0.4	0.3	2.5
Individual Restaurant Company	79	133	0.3	0.3	0.7
Craneware	71	46	0.3	0.2	1.6
OPG Power Ventures	69	81	0.3	0.1	0.4
Neutrahealth	52	91	0.2	0.6	1.3
Praesepe (formerly Aldgate Capital)	51	49	0.2	1.2	10.6
Hexagon Human Capital	47	73	0.2	0.2	0.5
St Helen's Capital	37	50	0.1	1.2	3.6
Tangent Communications	36	98	0.1	0.5	0.9
Mount Engineering	33	35	0.1	0.2	2.3
Essentially Group	33	49	0.1	0.2	2.8
Others	96	1,410	0.4		
<b>Total AIM/PLUS</b>	<b>4,071</b>	<b>5,923</b>	<b>16.5</b>		
<b>Listed fixed income</b>					
Treasury 4% 7/3/09	1,652	1,653	6.7		
Treasury 5.75% 31/12/09	1,622	1,622	6.6		
Treasury 4.75% 7/6/10	501	499	2.0		
<b>Total listed fixed income</b>	<b>3,775</b>	<b>3,774</b>	<b>15.3</b>		
<b>Total</b>	<b>23,761</b>	<b>32,807</b>	<b>96.1</b>		

<sup>1</sup> Other clients of the Aberdeen Asset Management Group.

# Income Statement

For the six months ended 31 August 2008

	Six months ended 31 August 2008 (unaudited)			Six months ended 31 August 2007 (unaudited)			Year ended 29 February 2008 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income and deposit interest	870	–	870	771	–	771	1,677	–	1,677
Investment management fees	(31)	(122)	(153)	(58)	(234)	(292)	(67)	(270)	(337)
Other expenses	(86)	–	(86)	(105)	–	(105)	(221)	–	(221)
(Losses)/gains on investments	–	(719)	(719)	–	744	744	–	(360)	(360)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>753</b>	<b>(841)</b>	<b>(88)</b>	<b>608</b>	<b>510</b>	<b>1,118</b>	<b>1,389</b>	<b>(630)</b>	<b>759</b>
Tax on ordinary activities	(205)	37	(168)	(168)	168	–	(395)	343	(52)
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>548</b>	<b>(804)</b>	<b>(256)</b>	<b>440</b>	<b>678</b>	<b>1,118</b>	<b>994</b>	<b>(287)</b>	<b>707</b>
<b>Earnings per share (pence)</b>	<b>1.5</b>	<b>(2.2)</b>	<b>(0.7)</b>	<b>1.2</b>	<b>1.9</b>	<b>3.1</b>	<b>2.8</b>	<b>(0.8)</b>	<b>2.0</b>

A Statement of Total Recognised Gains and Losses has not been prepared, as all gains and losses are recognised in the Income Statement.

All items in the above statement are derived from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits.

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

## Reconciliation of Movements in Shareholders' Funds

For the six months ended 31 August 2008

	Six months ended 31 August 2008 (unaudited) £'000	Six months ended 31 August 2007 (unaudited) £'000	Year ended 29 February 2008 (audited) £'000
Opening Shareholders' funds	25,802	28,745	28,745
Total (loss)/profit for year	(256)	1,118	707
Dividends paid – revenue	(816)	(284)	(461)
Dividends paid – capital	–	(2,134)	(3,189)
<b>Closing Shareholders' funds</b>	<b>24,730</b>	<b>27,445</b>	<b>25,802</b>

The accompanying Notes are an integral part of the Financial Statements.

# Balance Sheet

As at 31 August 2008

	Notes	31 August 2008 (unaudited) £'000	31 August 2007 (unaudited) £'000	29 February 2008 (audited) £'000
<b>Fixed assets</b>				
Investments at fair value through profit or loss		23,761	24,735	25,002
<b>Current assets</b>				
Debtors		652	1,040	617
Cash and overnight deposits		659	1,819	272
		1,311	2,859	889
<b>Creditors</b>				
Amounts falling due within one year		342	149	89
<b>Net current assets</b>		969	2,710	800
<b>Net assets</b>		<b>24,730</b>	<b>27,445</b>	<b>25,802</b>
<b>Capital and reserves</b>				
Called up share capital	2	3,546	3,546	3,546
Share premium account	2	17,235	17,235	17,235
Realised capital reserve	2	2,445	2,618	2,287
Unrealised capital reserve	2	(8,354)	(6,758)	(7,392)
Capital redemption reserve	2	339	339	339
Profit and loss account	2	9,519	10,465	9,787
<b>Net assets attributable to Ordinary Shareholders</b>		<b>24,730</b>	<b>27,445</b>	<b>25,802</b>
<b>Net Asset Value per Ordinary Share (pence)</b>		<b>69.7</b>	<b>77.4</b>	<b>72.8</b>

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

14 October 2008

**Fiona E Wollocombe**  
Director

The accompanying Notes are an integral part of the Financial Statements.

# Cash Flow Statement

For the six months ended 31 August 2008

	Six months ended 31 August 2008 (unaudited)		Six months ended 31 August 2007 (unaudited)		Year ended 29 February 2008 (audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Operating activities</b>						
Investment income received	850		618		1,355	
Deposit interest received	10		56		74	
Investment management fees paid	(77)		(621)		(789)	
Secretarial fees paid	(14)		(25)		(50)	
Directors' expenses paid	(30)		(31)		(57)	
Other cash payments	(42)		(68)		(112)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>697</b>		<b>(71)</b>		<b>421</b>
<b>Financial investment</b>						
Purchase of investments	(3,899)		(8,974)		(15,640)	
Sale of investments	4,405		6,360		12,219	
<b>Net cash inflow/(outflow) from financial investment</b>		<b>506</b>		<b>(2,614)</b>		<b>(3,421)</b>
<b>Equity dividends paid</b>		<b>(816)</b>		<b>(2,418)</b>		<b>(3,650)</b>
<b>Increase/(decrease) in cash</b>		<b>387</b>		<b>(5,103)</b>		<b>(6,650)</b>

The accompanying Notes are an integral part of the Financial Statements.

# Notes to the Financial Statements

For the six months ended 31 August 2008

## 1 Accounting policies

The financial information for the six months ended 31 August 2008 and the six months ended 31 August 2007 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 29 February 2008.

The results for the year ended 29 February 2008 are extracted from the full accounts for that year, which received an unqualified report from the Auditors and have been filed with the Registrar of Companies.

	Share premium account £'000	Realised capital reserve £'000	Unrealised capital reserve £'000	Capital redemption reserve £'000	Profit and loss account £'000
<b>2 Movement in reserves</b>					
<b>At 29 February 2008</b>	17,235	2,287	(7,392)	339	9,787
Gains on sales of investments	–	243	–	–	–
Net decrease in value of investments	–	–	(962)	–	–
Investment management fees	–	(122)	–	–	–
Dividends paid	–	–	–	–	(816)
Tax effect of capital items	–	37	–	–	–
Profit on ordinary activities after taxation	–	–	–	–	548
<b>As at 31 August 2008</b>	<b>17,235</b>	<b>2,445</b>	<b>(8,354)</b>	<b>339</b>	<b>9,519</b>

## 3 Return per Ordinary Share

Six months ended  
31 August 2008

The returns per share have been based on the following figures:

Weighted average number of Ordinary Shares	35,463,992
Revenue return	£548,000
Capital return	(£804,000)

## Directors' Responsibility Statement

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

- the Financial Statements for the six months ended 31 August 2008 have been prepared in accordance with applicable accounting standards and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies' (the SORP) issued in December 2005;
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R in relation to the indication of important events during the first six months, and of the principal risks and uncertainties facing the Company during the second six months, of the year ending 28 February 2009; and
- the Interim Management Report includes adequate disclosure of the information required by DTR 4.2.8R in relation to related party transactions and any changes therein.

By order of the Board  
**Aberdeen Asset Management PLC**  
Secretary  
14 October 2008

# Corporate Information

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## Directors

Fiona E Wollocombe (Chairman)  
Arthur G MacMillan  
John D W Pocock  
Charles G Stuart-Menteth

## Manager

Aberdeen Asset Managers Limited  
Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW

Customer Services Department:  
Freephone 0845 300 2830  
(open Monday to Friday, 9am to 5pm)  
e-mail: [vcts@aberdeen-asset.com](mailto:vcts@aberdeen-asset.com)

## Secretary

Aberdeen Asset Management PLC  
Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW

## Points of Contact

The Chairman and/or the Company Secretary at:  
Sutherland House  
149 St Vincent Street  
Glasgow G2 5NW

## Registered Office

One Bow Churchyard  
Cheapside  
London EC4M 9HH

Registered in England and Wales  
Company No: 3908220

## Registrars

Capita Registrars  
Northern House  
Woodsome Park  
Fenay Bridge  
West Yorkshire HD8 0LA

Shareholder Helpline: 0870 162 3100  
(Calls cost 10 per minute plus network extras)

## Auditors

Deloitte & Touche LLP

## Custodian Bankers

J P Morgan Chase Bank

## Solicitors

S J Berwin

## Stockbroker

Teathers Limited

## Website

[www.aigvct.co.uk](http://www.aigvct.co.uk)

**Aberdeen Asset Managers Limited**

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Authorised and Regulated by The Financial Services Authority  
Member of the Aberdeen Asset Management Group of Companies

