

06

Aberdeen Growth Opportunities VCT PLC

Interim Report
Six months ended 31 May 2006



Aberdeen

Investment Manager's Review

For the six months ended 31 May 2006

A total of £14.95 million before expenses was raised in the 'C' share issue which closed on 5 April 2006. The 70% qualifying threshold must be achieved on this pool of money by November 2008 to meet the VCT regulations.

The companies forming the unlisted portfolio in which the original pool is invested are showing encouraging signs of maturing into candidates for successful trade sales or IPO on the AIM market.

Net Asset Value

The Net Asset Value (NAV) per share of the original pool at 31 May 2006 was 96.1p per share ("pps") compared with 95.4pps as at 30 November 2005 (as restated) after payment of the capital dividend of 1.5p on 28 April 2006. The NAV of the 'C' share pool was 95.3pps, up from 95.0pps immediately after launch expenses. The increase in NAV of the original pool of 0.7% compares with the FTSE Small Cap Index, which increased by 11.2% over the period, and the FTSE AIM 100 Index, which increased by 10.6%.

Over the twelve month period ending 31 May 2006, the NAV has increased by 1.7p taking account of the capital dividend paid in April 2006 and the NAV at 31 May 2005 as restated for the change in accounting rules as explained in the Annual Report.

Unquoted investments held by Aberdeen Growth Opportunities VCT are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines, which superseded the British Venture Capital Guidelines for reporting periods beginning after 1 January 2005.

Investments which are quoted or traded on the Alternative Investment Market (AIM) or a recognised stock exchange are valued at their bid price, discounted where necessary to reflect any trading restrictions.

Co-investment

Aberdeen Growth Opportunities VCT has co-invested with other funds managed by the Aberdeen Asset Management Group in a number of investments 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.

Dividends and returns to date

The Board does not intend to declare an interim dividend for the period ended 31 May 2006. Since launch, the Company has paid 5.0pps in tax free dividends. Given the current NAV of 96.1p, the total return since launch on the original pool is 101.1pps, being the sum of dividends paid plus current NAV, while for the 'C' share pool it is 95.3pps. The Board has decided to suspend the operation of the dividend reinvestment scheme until it is clear how the new VCT regulations are to be applied to the management of reinvested dividends.

Investment activity

During the six-months to 31 May 2006, three new unquoted and eight new AIM investments were made at a total cost of £2.0 million. One AIM investment was realised in a share-for-share transaction with the proceeds re-invested in the acquiring company. Of the new investments, £1,089,000 and £921,000 was invested from the original and 'C' share pools respectively. The analysis contained elsewhere within this report shows the amounts invested by each pool at the period end. A total of £2.2 million was invested during the six month period, including amounts invested in existing investee companies, resulting in an investment portfolio attributable to the Ordinary shares of forty-one unlisted and AIM investments having a total cost of £7,303,000 at 31 May 2006, and seven unlisted and AIM investments having a total cost of £919,000 attributable to the 'C' Ordinary shares.

The following eleven new investments, of which all except one are VCT qualifying, have been made since the publication of the Annual Report:

Unlisted investments

Homelux Nenplas Limited (May 2006) - £472,000: Homelux Nenplas Limited is a manufacturer of tile trims and other wet room furnishing accessories. Its products are distributed through major DIY retail outlets and trade product distributors. (No website available)

IRW Systems Limited (April 2006) - £45,000: IRW Systems provides software solutions and services to a range of clients across the central belt of Scotland focusing on consultancy, bespoke software development and network managed services. IRW Systems acquired the trade and assets of IRW Solutions Limited via the administration of the Albanet Group in April 2006. (www.irw.co.uk)

Styles & Wood Holdings Limited (December 2005) - £200,000: Styles & Wood is the leading independent provider of store fit-out and refurbishment programmes to the UK retail sector; customers include John Lewis, Marks and Spencer and Boots. (www.stylesandwood.co.uk)

AIM investments

Debts.co.uk plc (May 2006) - £50,000: Debts.co.uk provides personal debt solutions. (www.debts.co.uk)

Gold Frost plc (March 2006) - £151,000: Gold Frost designs, develops & distributes kosher food products. (No website available)

Interactive World plc (April 2006) - £175,000: Interactive World is a digital media content provider which distributes its content (images and video downloads) via UK mobile network operators and Internet search engines. (No website available)

Invocas plc (March 2006) - £172,000: Invocas is an insolvency practitioner that specialises in advising and administering protected trust deeds and sequestrations (bankruptcies) as well as providing corporate insolvency and advisory services. (www.invocas.com)

Leadcom Integrated Solutions plc (May 2006) - £99,000: Leadcom is an international leader in the supply, implementation and management of telecommunication network services and solutions. (www.leadcom-is.com)

Litcomp plc (March 2006) - £150,000: Litcomp is a national supplier of medical reports in support of legal actions. (www.legal-reports.co.uk)

MTI Wireless Edge plc (March 2006) - £70,000: MTI is a developer and manufacturer of sophisticated antennas and antenna systems for fixed broadband wireless communications. (www.mtiwe.com)

Work Group plc (February 2006) - £200,000: Work Group is a leading UK recruitment services provider that helps employers to recruit and retain their staff more effectively. (www.workcomms.com)

Portfolio developments

The fund has achieved a profitable exit from Travel Class from the sale of the business to a major plc. Proceeds of £562,000 were received compared to the cost of investment of £225,000 resulting in a gain of £337,000 equivalent to c3.4p per share. As mentioned in the Annual Report for 2005, a partial exit was achieved in November 2005 from Enterprise Food Group and the deferred consideration amounting to £39,000 was received in the reporting period. In addition, the remaining manufacturing business

Investment Manager's Review - continued

which had been spun out of Enterprise Food was sold and contributed further modest gain of £9,000 which brings the total gain from the realisations so far to £56,000 while retaining a significant equity share in the remaining fulfilment business.

These positive developments were partially offset by two significant reductions in the valuation of investee companies which had to be processed at the end of the period. Albanet was placed in administration during April and a full provision was taken against the carrying value; this was partially offset by the investment in IRW Systems, a subsidiary of Albanet, which was purchased from the Administrator at an agreed price. The administration came about because of the lack of market penetration which was achieved by the Company leading to a funding requirement the terms of which could not be agreed by all shareholders. Kingsley Cards was also placed in administration during April but again the loss was minimised by acquiring the business and certain assets through a new investee company, Riverdale Publishing, from the Administrator.

The unlisted portfolio is showing signs of increasing maturity and further realisations may be expected over the course of the remainder of the year.

The AIM portfolio has continued to be actively managed during the reporting period resulting in gains of £112,000 equivalent to c1.1p per share. The UK stock markets, including AIM, entered a period of instability around the middle of May 2006 resulting in a fall in the FTSE AIM index of c11% between mid May and the end of the reporting period. This market movement affected many of the investments held by the Company and the value fell by around 9% over the same period.

The table opposite shows details of all of the sales made by the Company over the reporting period. All of the realisations occurred in the original pool with the exception of Invocas which was made by the 'C' share pool.

Market conditions

The downturn in retail activity which was experienced towards the end of 2005 has continued with little respite into 2006. Meanwhile crude oil prices have reached historically high levels as increasing demand from growth in the world economy, in particular China, has squeezed the supply and demand balance. House price increases have slowed and new mortgage applications have reduced in number but personal levels of debt remain high and are increasing. While there has been speculation that the Monetary Policy Committee would increase interest rates to curb inflationary tendencies, no changes have been made since the last reduction in rates in August 2005 and we now expect rates to remain unchanged for some time to come.

Outlook

The outlook for new investments remains positive, with a steady flow of both unquoted and AIM opportunities available for consideration by the Manager. The primary focus is two fold; first to ensure that the Company continues to build, in a measured fashion, a properly diversified portfolio of good quality smaller company assets which will deliver sustained long term performance and secondly to employ a similar strategy on the 'C' share pool while achieving the 70% threshold within the three year timescale required by the VCT legislation. Asset quality will not be sacrificed for short term growth in the qualifying investment portfolio.

Aberdeen Asset Managers Limited, Manager

14 July 2006

Realisations during the reporting period

	Date first invested	Complete/ partial exit	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/(loss) £'000
Unlisted					
Enterprise Food Group	2003	Partial	–	39	39
Patisserie UK	2005	Complete	–	9	9
Travel Class	2005	Complete	225	562	337
Total unlisted			225	610	385
AIM					
Asfare	2003	Partial	10	8	(2)
Axeon	2003	Partial	90	139	49
Careforce Group	2004	Partial	56	60	4
Cello Group	2004	Partial	46	56	10
Datong	2005	Partial	13	13	–
Gold Frost	2006	Partial	21	25	4
Imagesound	2004	Complete	68	25	(43)
Inspicio	2005	Partial	56	68	12
Invocas	2006	Partial	2	4	2
Legend Communications	2004	Complete	100	51	(49)
MTI Wireless Edge	2006	Partial	29	39	10
Neutrahealth	2005	Partial	7	8	1
Spectrum Interactive	2005	Partial	19	14	(5)
Tanfield Group	2004	Partial	77	156	79
United Clearing	2005	Partial	202	220	18
Zetar	2005	Partial	65	87	22
Total AIM			861	973	112
Total			1,086	1,583	497

Investment Portfolio Summary (Ordinary Shares)

As at 31 May 2006

	Bookcost £'000	Valuation £'000	% of total assets	% of equity held by fund	% of equity held by other clients*
Unlisted investments					
Bond Aviation Solutions					
Provision of pilot training services	300	420	4.5	4.8	35.2
Fieldstreet (Investments)					
Insurance provider and broker	301	300	3.2	0.2	1.3
MoneyPlus Group (formerly Chiltern (UK))					
Debt management	300	300	3.2	6.0	24.9
Original Shoe Company					
Retailer of branded clothing and footwear	300	300	3.2	–	–
Cash Bases (formerly Deckflat)					
Design and manufacture of customised cash drawers	250	286	3.1	8.3	20.2
Sanastro					
Financial publishing house	275	275	3.0	3.5	9.6
Transrent Holdings					
Rent and sales of truck trailers	218	218	2.3	0.8	35.6
Styles & Wood Holdings					
Leading independent provider of store fit-out and refurbishment programmes to the UK retail sector	200	200	2.1	0.8	45.6
Homelux Nenplas					
Extruder of plastic tiling trims and related products	199	199	2.1	3.4	41.6
Palgrave Brown (Holdings)					
Manufacture and distribution of specialist timber products for the housebuilding and builders' merchant sectors	150	179	1.9	1.1	48.3
PSCA International					
Producer of publications aimed at public sector officials	138	174	1.9	1.6	21.6
Essential Viewing Systems					
Video streaming software	171	171	1.8	7.9	41.5
FFC (UK)					
Design and manufacture of office furniture	150	150	1.6	7.5	30.0

	Bookcost £'000	Valuation £'000	% of total assets	% of equity held by fund	% of equity held by other clients*
Oled-T (previously Elam T)					
Developer of flat panel display technologies	150	150	1.6	3.5	15.0
Vibration Technology					
Seismic surveys	150	150	1.6	1.3	8.8
RMS Europe					
Provider of stevedoring and ships agency services	116	138	1.5	1.3	26.8
Riverdale Publishing					
Publisher of greeting cards	1	117	1.2	7.4	57.6
Inovas					
IP rights for fixed asset management applications, linking moving data such as video to positional references	115	115	1.2	9.2	50.8
Driver Hire					
Supplier of temporary drivers	100	100	1.1	0.6	39.1
Llanllyr Water Company					
Extraction and bottling of spring water	100	100	1.1	7.5	42.4
IRW Systems					
Design, building and management of bespoke software and network solutions	45	92	1.0	8.9	48.6
PLM Dollar Group					
On-shore helicopter services	50	50	0.5	0.6	30.3
AMGas					
Manufacturer of flammable gas sensors	100	50	0.5	0.4	4.1
Enterprise Food Group Holdings					
Supply management service	–	29	0.3	1.5	15.7
Kingsley Cards					
Manufacturer and distributor of greetings cards	250	–	0.0	3.1	24.4
Albanet					
Network services and software	172	–	0.0	7.0	38.4
Enterprise Food Group					
Supply chain and management services in the bakery sector	–	–	0.0	–	–
Total unlisted		4,301	4,263	45.5	

* clients of the Aberdeen Asset Management Group

Investment Portfolio Summary (Ordinary Shares) – continued

	Bookcost £'000	Valuation £'000	% of total assets	% of equity held by fund	% of equity held by other clients*
AIM investments					
Software Radio Technology					
Provider of wireless technology products and services	284	503	5.3	1.4	2.8
Axeon					
Developer of semiconductor intellectual properties specifically geared to the automotive industry	247	346	3.7	2.0	6.0
Avanti Screenmedia					
Provider of in-store media services to the retail and leisure sector	223	222	2.4	0.5	1.8
Work Group					
Provider of recruitment services	200	204	2.2	1.0	2.6
Neutrahealth					
Manufacturer and distributor of nutraceutical products	140	174	1.9	0.9	2.1
Gold Frost					
Designer, developer & distributor of kosher food products	130	160	1.7	0.7	0.7
Tanfield Group					
Technical solutions and manufacturing group	62	157	1.7	0.3	1.0
Invocas					
Provider of services to individuals and corporates requiring insolvency advice	90	144	1.5	0.3	0.4
Zetar					
Manufacturer of confectionary	68	133	1.4	0.4	1.0
Datong Electronics					
Producer of devices that enable government intelligence and defence agencies covertly to track vehicles and mobile phones	151	107	1.1	0.9	1.1
Cello Group					
Consolidator of niche businesses in the marketing and media services industry	84	102	1.1	0.3	1.7
Strategic Retail					
Trading as "Fads" - decorating specialist	117	99	1.1	0.4	4.8
Billing Services Group					
Provider of billing services for the telecommunications industry	131	95	1.0	0.1	0.3
Inspicio					
Provider of testing, inspection and conformity services	70	90	1.0	0.1	0.2

	Bookcost £'000	Valuation £'000	% of total assets	% of equity held by fund	% of equity held by other clients*
Litcomp					
National supplier of medical reports in support of legal actions	80	81	0.9	2.9	2.5
Fountains					
Land management and related outsourced services in the UK and North America	102	59	0.6	0.5	2.2
Debts.co.uk					
Provider of personal debt solutions	50	54	0.6	0.1	0.3
Air Music and Media					
Leading UK producer and supplier of low-priced entertainment products to the international market	150	49	0.5	0.4	–
MTI Wireless Edge					
Developer & manufacturer of sophisticated antennas & antenna systems for fixed broadband wireless communications	41	48	0.5	0.2	0.3
Careforce Group					
Provider of domiciliary care services, primarily caring for the elderly and infirm in their own homes	55	44	0.5	0.4	0.9
Public Recruitment Group					
Leading specialist in public sector staffing in healthcare and education	133	33	0.4	0.3	1.7
Asfare					
Manufacture and supply of equipment for the emergency services	46	32	0.3	0.6	2.8
Elevation Events Group					
Events management and corporate hospitality	150	28	0.3	2.5	8.1
Spectrum Interactive					
Operator of payphones and internet terminals in both the UK and Germany	98	27	0.3	0.3	1.3
Award International Holdings					
Sourcing and delivery of merchandising materials for major blue chip customers	100	–	0.0	3.1	15.4
Total AIM	3,002	2,991	32.0		
Unit trust					
Aberdeen Global Fixed Interest Opportunities Fund	485	509	5.4	–	–
	485	509	5.4		
Total investments	7,788	7,763	82.9		

* clients of the Aberdeen Asset Management Group

Investment Portfolio Summary ('C' Ordinary Shares)

As at 31 May 2006

	Bookcost £'000	Valuation £'000	% of total assets	% of equity held by fund	% of equity held by other clients*
Unlisted investments					
Homelux Nenplas					
Extruder of plastic tiling trims	274	274	1.9	4.7	40.3
Total unlisted	274	274	1.9		
AIM investments					
Interactive World					
Digital media content provider	175	175	1.2	0.6	0.8
Invocas					
Provider of services to individuals and corporates requiring insolvency advice	78	125	0.9	0.2	0.4
Leadcom Integrated Solutions					
Telecommunication network services and solutions	99	101	0.7	0.1	–
Litcomp					
National supplier of medical reports in support of legal actions	70	71	0.5	2.5	2.9
Zetar					
Manufacturer of confectionery	225	253	1.8	0.8	0.6
Total AIM	647	725	5.1		
Listed fixed income					
Treasury 4% 2009	3,844	3,827	26.9		
Treasury 4.5% 2007	3,901	3,894	27.3		
Treasury 5% 2008	3,881	3,869	27.2		
Total listed fixed income	11,626	11,590	81.4		
Unit trust					
Aberdeen Global Fixed Interest Opportunities Fund	1,000	1,000	7.0		
Total unit trusts	1,000	1,000	7.0		
Total investments	13,547	13,589	95.4		

* clients of the Aberdeen Asset Management Group

Summary of Investment Changes

For the six months ended 31 May 2006

Ordinary shares

	Valuation		Net investment/ (disinvestment)	Appreciation/ (depreciation)	Valuation	
	30 November 2005 (restated)				31 May 2006	
	£'000	%	£'000	£'000	£'000	%
Listed investments						
Unit trusts	712	7.4	(207)	4	509	5.4
AIM investments	3,221	33.5	(196)	(34)	2,991	32.0
Unlisted investments						
Equities	1,566	16.3	(378)	354	1,542	16.5
Preference shares	200	2.1	(1)	1	200	2.1
Loan stocks	2,468	25.6	248	(195)	2,521	26.9
Total investments	8,167	84.9	(534)	130	7,763	82.9
Other net assets	1,456	15.1	142	-	1,598	17.1
Total assets	9,623	100.0	(392)	130	9,361	100.0

'C' Ordinary shares

	Net proceeds of share issue*		Net investment/ (disinvestment)	Appreciation/ (depreciation)	Valuation	
	£'000	%			31 May 2006	
	£'000	%	£'000	£'000	£'000	%
Listed investments						
Fixed income	-	-	11,626	(36)	11,590	81.4
Unit trusts	-	-	1,000	-	1,000	7.0
AIM investments	-	-	644	81	725	5.1
Unlisted investments						
Equities	-	-	28	-	28	0.2
Loan stocks	-	-	246	-	246	1.7
Total investments	-	-	13,544	45	13,589	95.4
Other net assets	14,206	100	(13,549)	-	657	4.6
Total assets	14,206	-	(5)	45	14,246	100.0

* After issue expenses of £747,725 which were equivalent to 5% of monies raised.

Income Statement (unaudited)

For the six months ended 31 May 2006

	Ordinary shares		
	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	130	130
Income from investments	110	–	110
Other income	9	–	9
Investment management fees	(27)	(107)	(134)
Other expenses	(55)	–	(55)
Profit on ordinary activities before taxation	37	23	60
Tax on ordinary activities	(10)	10	–
Profit on ordinary activities after taxation	27	33	60
Earnings per Ordinary share (pence)	0.27	0.33	0.60

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

		Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000
Opening Shareholders' funds	(Note 2)	9,623	–	9,623
Movements in the period				
Total profit/(loss) for the period		60	40	100
Net proceeds of issue of shares		–	14,206	14,206
Repurchase and cancellation of shares		(123)	–	(123)
Dividends paid – revenue		(50)	–	(50)
Dividends paid – capital		(149)	–	(149)
Closing Shareholders' funds		9,361	14,246	23,607

'C' Ordinary shares			Total		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	45	45	–	175	175
62	–	62	172	–	172
16	–	16	25	–	25
(11)	(44)	(55)	(38)	(151)	(189)
(28)	–	(28)	(83)	–	(83)
39	1	40	76	24	100
(7)	7	–	(17)	17	–
32	8	40	59	41	100
0.23	0.06	0.29			

Income Statement (unaudited)(restated)

For the six months ended 31 May 2005

	Ordinary shares		
	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	385	385
Income from investments	102	–	102
Other income	11	–	11
Investment management fees	(28)	(112)	(140)
Other expenses	(99)	–	(99)
Profit/(loss) on ordinary activities before taxation	(14)	273	259
Tax on ordinary activities	–	–	–
Profit/(loss) on ordinary activities after taxation	(14)	273	259
Earnings per Ordinary share (pence)	(0.14)	2.66	2.52

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

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

Reconciliation of movements in Shareholders' funds

		Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000
Opening Shareholders' funds	(Note 2)	9,751	–	9,751
Movements in the period				
Total profit for the period		259	–	259
Net proceeds of issue of shares		9	–	9
Repurchase and cancellation of shares		(148)	–	(148)
Dividends paid - revenue		(102)	–	(102)
Closing Shareholders' funds		9,769	–	9,769

'C' Ordinary shares			Total		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	–	–	–	385	385
–	–	–	102	–	102
–	–	–	11	–	11
–	–	–	(28)	(112)	(140)
–	–	–	(99)	–	(99)
–	–	–	(14)	273	259
–	–	–	–	–	–
–	–	–	(14)	273	259
–	–	–	(0.14)	2.66	2.52

Income Statement (audited)(restated)

For the year ended 30 November 2005

	Ordinary shares		
	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	443	443
Income from investments	322	–	322
Other income	23	–	23
Investment management fees	(56)	(224)	(280)
Other expenses	(202)	–	(202)
Profit on ordinary activities before taxation	87	219	306
Tax on ordinary activities	(12)	12	–
Profit on ordinary activities after taxation	75	231	306
Earnings per Ordinary share (pence)	0.74	2.27	3.01

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

		Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000
Opening Shareholders' funds	(Note 2)	9,751	–	9,751
Movements in the period				
Total profit for year		306	–	306
Net proceeds of issue of shares		10	–	10
Repurchase and cancellation of shares		(342)	–	(342)
Dividends paid – revenue		(102)	–	(102)
Closing Shareholders' funds		9,623	–	9,623

'C' Ordinary shares			Total		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	-	-	-	443	443
-	-	-	322	-	322
-	-	-	23	-	23
-	-	-	(56)	(224)	(280)
-	-	-	(202)	-	(202)
-	-	-	87	219	306
-	-	-	(12)	12	-
-	-	-	75	231	306
-	-	-	0.74	2.27	3.01

Balance Sheet

As at 31 May 2006

31 May 2006
(unaudited)

	Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000
Fixed assets			
Investments	7,763	13,589	21,352
Current assets			
Debtors	399	128	527
Cash and overnight deposits	1,292	713	2,005
	1,691	841	2,532
Creditors			
Amounts falling due within one year	(93)	(184)	(277)
Net current assets	1,598	657	2,255
Net assets	9,361	14,246	23,607
Capital and reserves			
Called up share capital	974	1,495	2,469
Share premium	4,685	12,711	17,396
Distributable reserve	3,692	–	3,692
Capital redemption reserve	73	–	73
Capital reserves – realised	3	(35)	(32)
– unrealised	(33)	43	10
Revenue reserve	(33)	32	(1)
Equity Shareholders' funds	9,361	14,246	23,607
Net Asset Value per Ordinary share (pence)	96.1	95.3	–

31 May 2005 (unaudited) (restated)			30 November 2005 (audited) (restated)		
Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000	Ordinary shares £'000	'C' Ordinary shares £'000	Total £'000
7,142	–	7,142	8,167	–	8,167
164	–	164	376	–	376
2,615	–	2,615	1,253	–	1,253
2,779	–	2,779	1,629	–	1,629
(152)	–	(152)	(173)	–	(173)
2,627	–	2,627	1,456	–	1,456
9,769	–	9,769	9,623	–	9,623
1,019	–	1,019	993	–	993
4,685	–	4,685	4,685	–	4,685
4,009	–	4,009	3,815	–	3,815
28	–	28	54	–	54
(398)	–	(398)	(400)	–	(400)
377	–	377	337	–	337
49	–	49	139	–	139
9,769	–	9,769	9,623	–	9,623
95.9	–	95.9	96.9	–	96.9

Cash Flow Statement

For the six months ended 31 May 2006

	Six months to 31 May 2006 (unaudited)		Six months to 31 May 2005 (unaudited)		Year ended 30 November 2005 (audited)
	'C'				
	Ordinary shares £'000	Ordinary shares £'000	Total £'000	Ordinary shares £'000	Ordinary shares £'000
Operating activities					
Investment income received	93	(62)	31	88	261
Deposit interest received	9	14	23	12	25
Other income	–	–	–	–	–
Investment management fees paid	(137)	–	(137)	(132)	(273)
Secretarial fees paid	(39)	–	(39)	(30)	(60)
Cash paid to and on behalf of Directors	(31)	(2)	(33)	(35)	(66)
Other cash payments	(34)	(1)	(35)	(34)	(77)
Net cash outflow from operating activities	(139)	(51)	(190)	(131)	(190)
Taxation					
Corporation tax	–	3	3	–	3
Financial investment					
Purchase of investments	(1,252)	(14,449)	(15,701)	(2,433)	(5,095)
Sale of investments	1,752	1,004	2,756	456	2,007
Net cash inflow/(outflow) from financial investment	500	(13,445)	(12,945)	(1,977)	(3,085)
Equity dividends paid	(199)	–	(199)	(94)	(102)
Net cash inflow/(outflow) before use of liquid resources and financing	162	(13,493)	(13,331)	(2,202)	(3,377)
Financing					
Issue of shares	–	14,206	14,206	–	–
Repurchase of Ordinary shares	(123)	–	(123)	(148)	(345)
Expenses of share issue	–	–	–	–	10
Net cash inflow/(outflow) from financing	(123)	14,206	14,083	(148)	(335)
Increase/(decrease) in cash	39	713	752	(2,350)	(3,712)

Notes to the Financial Statements

1. Accounting policies

The financial information for the 6 months ended 31 May 2006 and the 6 months ended 31 May 2005 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 30 November 2005 with the exception of the items set out in Note 2.

The results for the year ended 30 November 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.

2. Basis of restatement

During the 6 months ended 31 May 2006 the company became subject to new Financial Reporting Standards issued as part of the programme to converge UK GAAP with international accounting standards. As a result of this the results for the year ended 30 November 2005 and 6 months to 31 May 2005 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. For listed and AIM quoted investments this is deemed to be bid market prices sourced from The London Stock Exchange. Unlisted investments are valued by the Directors at fair value, in line with the guidelines of the International Private Equity and Venture Capital Valuation Guidelines.

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. Final dividends are therefore recognised in the period in which they are declared and paid. As a result of this change the accounts for the year ended 30 November 2005 have been restated.

The impact of these changes are shown below:

	31 May 2005 (unaudited) £'000	30 November 2005 (audited) £'000	30 November 2004 (audited) £'000
Reconciliation of Balance Sheets			
Ordinary shares			
Net assets as previously reported	9,854	9,700	9,716
Restatement of investments at bid value	(85)	(127)	(69)
Reversal of provision for final dividend	–	50	104
Restated net assets	9,769	9,623	9,751

	6 months ended 31 May 2005 (unaudited) £'000	Year ended 30 November 2005 (audited) £'000
Reconciliation of the Statement of Total Return		
Total transfer to reserves per original reported Statement of Total Return	276	316
Add year to 30 November 2005 final dividend on ordinary shares	(1)	48
Change from mid to bid basis at 30 November 2004	69	69
Change from mid to bid basis at 30 November 2005	–	(127)
Change from mid to bid basis at 31 May 2005	(85)	–
Return on ordinary activities after tax per Income Statement	259	306

3. Statement of changes in equity

	Share capital £'000	Share premium account £'000	Distributable reserve £'000
Ordinary shares			
At 30 November 2004	1,038	4,676	4,157
Effect of restatement	–	–	–
At 30 November 2004 (as restated)	1,038	4,676	4,157
Final dividend 2004 paid and declared	–	–	–
Shares issued	1	9	–
Shares bought back and cancelled	(46)	–	(342)
Net return on ordinary activities	–	–	–
At 30 November 2005 (as restated)	993	4,685	3,815
Final dividend 2005 paid and declared	–	–	–
Shares bought back and cancelled	(19)	–	(123)
Net return on ordinary activities	–	–	–
At 31 May 2006	974	4,685	3,692
	Share capital £'000	Share premium account £'000	Distributable reserve £'000
'C' Ordinary shares			
At 30 November 2005	–	–	–
Shares issued	1,495	12,711	–
Net return on ordinary activities	–	–	–
At 31 May 2006	1,495	12,711	–

Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
8	(498)	273	62	9,716
-	-	(69)	104	35
8	(498)	204	166	9,751
-	-	-	(102)	(102)
-	-	-	-	10
46	-	-	-	(342)
-	98	133	75	306
54	(400)	337	139	9,623
-	-	-	(199)	(199)
19	-	-	-	(123)
-	403	(370)	27	60
73	3	(33)	(33)	9,361

Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
-	-	-	-	-
-	-	-	-	14,206
-	(35)	43	32	40
-	(35)	43	32	14,246

4. Returns per Ordinary share and 'C' Ordinary share

	6 months ended 31 May 2006 £'000	6 months ended 31 May 2005 £'000 (restated)	Year ended 30 November 05 £'000 (restated)
Ordinary shares			
The return per Ordinary share is based on the following figures:			
Revenue return	27	(14)	75
Capital return	33	273	231
Total return	60	259	306
Weighted average number of Ordinary shares in issue	9,901,276	10,278,864	10,170,995
Revenue return per Ordinary share	0.27p	(0.14p)	0.74p
Capital return per Ordinary share	0.33p	2.66p	2.27p
Return per Ordinary share	0.60p	2.52p	3.01p

The Net Asset Value per Ordinary share has been calculated using the number of Ordinary shares in issue at 31 May 2006 of 9,744,243.

	6 months ended 31 May 2006 £'000
'C' Ordinary shares	
The return per 'C' Ordinary share is based on the following figures:	
Revenue return	32
Capital return	8
Total return	40
Weighted average number of 'C' Ordinary shares in issue	14,197,900
Revenue return per 'C' Ordinary share	0.23p
Capital return per 'C' Ordinary share	0.06p
Return per 'C' Ordinary share	0.29p

The Net Asset Value per 'C' Ordinary share has been calculated using the number of 'C' Ordinary shares in issue at 31 May 2006 of 14,954,494.

Corporate Information

Directors	W G M Michie, Chairman I A Craig M J Gilbert A H Murison W R Nixon (alternate to M J Gilbert) S F Wood
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Secretary	Aberdeen Asset Management PLC 123 St Vincent Street Glasgow G2 5EA
Points of Contact	The Chairman and/or the Company Secretary At the registered office of the Company email: company.secretary@invtrusts.co.uk
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Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU Shareholder Helpline 0870 162 3100
Bankers	J P Morgan Chase Bank
Solicitors	S J Berwin
Stockbrokers	Teather & Greenwood Limited
Auditors	Ernst & Young LLP
Website	www.aberdeen-asset.com

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