

# 07

## Talisman First Venture Capital Trust PLC

Interim Report  
Six months ended 30 September 2007



Aberdeen



# Analysis of Unlisted and AIM/PLUS Portfolio

As at 30 September 2007

FT industrial sector	Cost		Valuation	
	£'000	%	£'000	%
<b>Unlisted</b>				
Support services	490	13.1	371	13.1
Electricity	250	6.6	135	4.7
Oil and gas	126	3.3	126	4.5
Household goods and textiles	50	1.3	94	3.3
Telecommunication services	296	7.8	75	2.7
Electronic and electrical equipment	75	2.0	75	2.7
Utilities (ex-electricity)	50	1.3	50	1.8
Chemicals	50	1.3	50	1.8
Transport	50	1.3	50	1.8
Financial (general)	25	0.7	24	0.9
	<b>1,462</b>	<b>38.7</b>	<b>1,050</b>	<b>37.3</b>
<b>AIM/PLUS</b>				
Support services	519	13.8	555	19.6
Software and computer services	300	7.9	524	18.6
Media and entertainment	316	8.4	196	7.0
Engineering and machinery	179	4.7	110	3.9
Speciality and other finance	108	2.9	105	3.7
Food producers and processors	81	2.1	81	2.9
Mining	40	1.1	77	2.7
Leisure and hotels	707	18.8	62	2.2
Electronic and electrical equipment	47	1.2	40	1.4
Health	9	0.2	10	0.4
Telecommunication services	8	0.2	8	0.3
	<b>2,314</b>	<b>61.3</b>	<b>1,768</b>	<b>62.7</b>
<b>Total unlisted and AIM/PLUS</b>	<b>3,776</b>	<b>100.0</b>	<b>2,818</b>	<b>100.0</b>

Analysis of Unlisted and AIM/PLUS Portfolio - continued

Deal type	No. of deals	Cost £'000	%	Valuation	
				£'000	%
<b>Unlisted</b>					
Management buy-out	8	523	13.9	568	20.2
Early stage	3	674	17.8	218	7.7
Development capital	2	114	3.0	114	4.0
Management buy-in	2	76	2.0	76	2.7
Pre-IPO	1	50	1.3	50	1.8
Acquisition finance	1	25	0.7	24	0.9
	<b>17</b>	<b>1,462</b>	<b>38.7</b>	<b>1,050</b>	<b>37.3</b>
<b>AIM/PLUS</b>	<b>36</b>	<b>2,314</b>	<b>61.3</b>	<b>1,768</b>	<b>62.7</b>
<b>Total unlisted and AIM/PLUS</b>	<b>53</b>	<b>3,776</b>	<b>100.0</b>	<b>2,818</b>	<b>100.0</b>



# Interim Management Report (unaudited)

For the six months ended 30 September 2007

The Directors present the unaudited Interim Management Report for the six months ended 30 September 2007.

## Highlights

- Increase of 3.9% in Net Asset Value ("NAV") since 30 September 2006 and a reduction of 5.6% since 31 March 2007.
- NAV of 50.3p per share ("pps") at 30 September 2007; compared to 48.4 pps at 30 September 2006 and 53.3pps at 31 March 2007.
- 17 significant unlisted and AIM/PLUS investments made during the period under review.
- Disposals generated net realised gain of £26,000 during the period under review.

## Performance

The NAV at 30 September 2007 was 50.3pps compared with 48.4pps as at 30 September 2006 and 53.3pps as at 31 March 2007. An increase of 3.9% has been achieved over the year, although a reduction of 5.6% has occurred in the six-month period. The AIM/PLUS portfolio fell by 7.6% over the six-months, which compares to a decrease in the FTSE AIM All-share Index of 2.5% for the same period.

However, since the change of Manager in March 2005, the performance of the AIM/PLUS portfolio has seen a positive contribution of 32.6% overall, including an increase of 35.3% from realisations, compared to a 2.6% rise in the FTSE AIM All-share Index over the same period.

There is no venture capital trust index with which to compare the performance of the Company and comparison with the FTSE AIM All-share Index is becoming less relevant as the proportion of the portfolio invested in unlisted entities has increased.

Unlisted investments held by Talisman First Venture Capital Trust are valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Investments which are traded on the Alternative Investment Market (AIM) or a recognised stock exchange are valued at their bid price.

## Dividends

The Board is not proposing the payment of a dividend. The reserves position has improved since the appointment of Aberdeen Asset Managers, but it is likely to be some time before dividends are paid.

## Co-investment

Talisman First Venture Capital Trust has co-invested with other funds managed by the Aberdeen Asset Management Group in a number of investments and expects to continue to do so. The advantage of this arrangement is that, by investing together, the funds are able to underwrite a wider range and size of transaction in more mature companies with more experienced management teams than they would if they were investing on an individual basis. In addition, the Manager's staff co-investment scheme has continued to co-invest alongside the Company in each investment made during the period.

### Regulatory changes

The overall VCT market declined by approximately two thirds in the year to 5 April 2007, which reflected the changes to the VCT regulations announced in the last two Budgets. For funds raised after 5 April 2006, new restrictions on the size of company in which VCTs can invest, where those investments are to be treated as qualifying, were introduced. The regulations introduced in the 2007 Budget are particularly onerous in this regard, focussing on the maximum number of employees in addition to placing a limit on the amount which can be raised under venture capital schemes by the investee company. However, the new 2007 regulations do not affect the money raised originally by the Company, which can continue to invest in the same scale and type of company that has helped drive recent performance improvement.

### Investment activity

We are pleased to report on a period when the strategy of investing in an increasing number of unlisted companies capable of paying a yield continued. In addition, new holdings were acquired in AIM and PLUS quoted companies and this element of the portfolio continued to be actively traded as circumstances allowed. During the six months to 30 September 2007, four new unlisted investments were made together with a second round of investment in one existing company and twelve significant AIM investments. A total of £726,000 was invested during the six-month period. At 30 September 2007, the investment portfolio consisted of forty-nine active unlisted and AIM/PLUS investments having a total cost of £3.8 million.

The following investments were made during the reporting period:

Investment	Date	Activity	Cost £'000
<b>Unlisted</b>			
Adler & Allan Holdings	June 2007	Handling, transport, clean-up and disposal of oil and sewage based waste. <a href="http://www.adlerandallan.co.uk">www.adlerandallan.co.uk</a>	50
Cyclotech	May 2007	Provider of services to the energy sector. <a href="http://www.cyclotech.com">www.cyclotech.com</a>	50
Darwen Group	September 2007	Manufacturer of buses. <a href="http://www.elcb.co.uk">www.elcb.co.uk</a>	50
Funeral Services Partnership	June 2007	Operator of funeral director businesses. No website available.	40
MS Industrial Services	April 2007	Provider of industrial cleaning and waste management services to the oil and industrial sectors. <a href="http://www.msis.uk.com">www.msis.uk.com</a>	74
Other unlisted investment			27
<b>Total unlisted investment</b>			<b>291</b>

Interim Management Report - continued

Investment	Date	Activity	Cost £'000
<b>AIM</b>			
Bglobal	April 2007	Provider of smart meters allowing the remote reading of electricity and gas meters. www.bglobalmetering.com	25
Craneware	September 2007	Provider of billing software to the US healthcare market. www.craneware.com	35
DM	April 2007	Direct marketing group specialising in the gathering of consumer data. www.dmplc.com	50
Essentially Group	July 2007	Sports marketing, media management and professional services group. www.essentiallygroup.com	49
eXpansys	April 2007	Seller of mobile and wireless technology products over the internet. www.expansys.com	25
Formation Group	June 2007	Provider of wealth management and related professional services. www.formationgroupplc.com	50
Mount Engineering	June 2007	Manufacturer, stockist and distributor of engineering products to a wide range of industrial markets. www.mountengineering.com	49
SDI Group	June 2007	Specialist in the design, build and support of automated warehouse handling systems within the retail distribution sector. www.sdigroup.com	25
Smart Identity	September 2007	Developer of identity management solutions. www.smartidentity.co.uk	25
St Helen's Capital	April 2007	Provider of corporate advisory services. www.sthelenscapital.com	25
Universe Group	April 2007	Provider of managed services and solutions for petrol and other retailers. www.universe-group.co.uk	40
Worthington Nicholls Group	May 2007	Installation and maintenance of air conditioning units in the hotel and retail markets. www.worthington-nicholls.co.uk	33
Other AIM/PLUS investment			4
<b>Total AIM/PLUS investment</b>			<b>435</b>
<b>Total</b>			<b>726</b>



## **Portfolio developments**

### **Unlisted investments**

The unlisted portfolio now consists of fifteen active investments all of which, with the exception of two, were purchased since the change of Manager, including five in the period under review. It is standard practice for new unlisted holdings to be valued at cost immediately following investment and for some time thereafter until increased profitability justifies an increased valuation; for all but one of the new investments, this was the case. The exception is Homelux Nenplas where an increased valuation based on expected profitability has been adopted, resulting in an increase of £15,000 in the value of the holding. In addition to this unrealised gain, deferred consideration of £4,000 was paid on the finalisation of the completion accounts for EIG (Investments) following its sale earlier in the year. The total gain on the investment is now £52,000 on the initial cost of £50,000. The new investments are trading in line with expectations.

### **AIM/PLUS investments**

During the reporting period, a total of £431,000 was invested in eleven new holdings and one further substantial investment in an existing investee company. The AIM/PLUS portfolio has continued to be actively managed during the reporting period, resulting in net realised gains over cost of £22,000; details of these transactions can be found in the table on page 10. This includes a realised loss of £75,000 on Fairground Gaming Holdings which completed its liquidation during the reporting period. This outcome was known before 31 March 2007, the previous year end, and the value of the investment had been fully provided for at that time. Realisation of this loss did not, therefore, further affect the NAV.

Realised gains were achieved for the six-month period totalling £22,000 which are shown in the table on page 10. However, these were offset by unrealised losses against the valuations as at March 2007 amounting to £185,000 which were sustained when the market became more unstable towards the end of the reporting period. While substantial increases in valuation were achieved in a number of AIM quoted investments, notably Hambledon Mining (£18,000) and Litcomp (£20,000), and on Associated Network Solutions (£77,000) and St Helen's Capital (£14,000), which are both traded on the PLUS market, these were offset by reductions in the valuation of Brulines (Holdings) (£12,000), Gold Frost (£10,000), Imprint (£31,000) and Worthington Nicholls Group (£236,000). The reduction in Worthington Nicholls Group followed a trading statement, at the end of June, which did not meet market expectations and the share price fell by 35%. Since then, the company issued a further trading statement in mid August and a further announcement in September after which the share price fell further to the extent that the price at 30 September 2007 was only 14% of that on 31 March 2007. Board and management changes have followed these announcements, with action having been brought about by a group of institutional shareholders, including clients of the Manager.

**Realisations**

The following table shows all sales from the investment portfolio made by the Company during the reporting period:

	Year acquired	Complete/ partial exit	Cost of shares disposed of £'000	Sales proceeds £'000	Realised gain/loss £'000
<b>Unlisted</b>					
ELG (Investments)	2005	Deferred consideration	–	4	4
<b>AIM/PLUS</b>					
Bglobal	2007	Complete	25	27	2
Cohort	2006	Partial	31	45	14
Eleco	2006	Complete	10	12	2
eXpansys	2007	Partial	17	21	4
Fairground Gaming Holdings	2006	Complete	75	–	(75)
Inspicio	2005	Complete	29	50	21
K3 Business Technology Group	2007	Complete	50	64	14
Neutrahealth	2005	Partial	21	24	3
Velosi	2006	Complete	43	56	13
Zetar	2005	Complete	21	36	15
Other AIM/PLUS disposals			16	25	9
<b>Total AIM/PLUS disposals</b>			<b>338</b>	<b>360</b>	<b>22</b>
<b>Total portfolio disposals</b>			<b>338</b>	<b>364</b>	<b>26</b>

**Risk and uncertainties**

The Board has reviewed the principal risks and uncertainties facing the Company in the second half of its financial year and these are unchanged from those that it faced at the start of the year. The Directors ensure that the Manager closely monitors the Company's compliance with the venture capital trust regulations at all times, in particular the 70% test. The Company had a qualifying level of 86% at the period end, well above the required threshold. In order to minimise the Company's exposure to investment risk, the Manager has built a portfolio of investments in unlisted and AIM/PLUS quoted companies across a diverse range of industrial sectors in the United Kingdom.

**Outlook**

During the first half of 2007, the Company has invested in a number of new transactions which offer significant medium-term return potential in a continuation of the strategy of investing in yielding unlisted investments. These new investee companies have all traded in line with their forecasts and offer the prospect of substantial capital gains over the course of the next three to five years.

The strategy applied by the Manager is to use its extensive UK network to identify suitable private companies and invest the majority of the portfolio in private equity transactions which offer growth potential and a healthy running yield, in conjunction with an actively managed AIM/PLUS portfolio primarily focused on new companies seeking an IPO on those markets. AIM and PLUS quoted investments are traded out as soon as market liquidity permits, providing the opportunity for early capital gains. Going forward, the Manager believes that this dual approach on AIM/PLUS and private equity provides the optimum medium to long-term return model for VCT investors.

28 November 2007

On behalf of the Board  
**Aberdeen Asset Management PLC**  
Secretary

# Directors' Responsibility Statement

The implementation of the EU Transparency Obligations Directive and the associated amendments to the rules laid down by the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

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

- the Financial Statements for the six months ended 30 September 2007 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 31 March 2008; 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.

28 November 2007

On behalf of the Board  
**Aberdeen Asset Management PLC**  
Secretary

# Summary of Portfolio Performance

For the six months ended 30 September 2007

	Opening valuation 31 March 2007 £'000	Purchases £'000	Sales proceeds £'000	Realised gain over opening valuation £'000	Unrealised gain over opening valuation £'000	Closing valuation 30 September 2007 £'000	Total gain/ (loss) £'000
<b>Legacy portfolio</b>							
Unlisted	220	–	–	–	–	220	–
PLUS	326	–	–	–	77	403	77
AIM	144	–	–	–	(4)	140	(4)
<b>Total legacy portfolio</b>	<b>690</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>73</b>	<b>763</b>	<b>73</b>
<b>Investments made after the appointment of Aberdeen Asset Managers</b>							
Unlisted	527	291	4	4	12	830	16
PLUS	–	50	–	–	18	68	18
AIM	1,365	385	360	40	(273)	1,157	(233)
<b>Total new portfolio</b>	<b>1,892</b>	<b>726</b>	<b>364</b>	<b>44</b>	<b>(243)</b>	<b>2,055</b>	<b>(199)</b>
<b>Total portfolio*</b>	<b>2,582</b>	<b>726</b>	<b>364</b>	<b>44</b>	<b>(170)</b>	<b>2,818</b>	<b>(126)</b>

\* Total portfolio excludes items classified as "other investments" in the Investment Portfolio Summary on page 15.

# Investment Portfolio Summary

As at 30 September 2007

Investment	Cost £'000	Valuation £'000	% of net assets	% of equity held	% of equity held by other clients*
<b>Unlisted investments</b>					
Adler & Allan Holdings	50	50	1.9	0.2	40.8
Camwatch	75	75	2.8	1.4	42.0
Countcar	2	2	0.1	0.6	26.0
Cyclotech	50	50	1.9	0.7	19.3
Darwen Group	50	50	1.9	1.4	20.3
Enpure Holdings	50	50	1.9	0.2	79.4
Fotolec Technologies	250	135	5.0	4.2	–
Funeral Services Partnership	79	79	3.0	0.8	31.2
Homelux Nenplas	50	94	3.5	0.8	44.2
ID Support Services Holdings	74	74	2.8	0.8	32.5
Isle of Wight Cable & Telephone Company	222	–	–	1.9	–
Lime Investments	64	64	2.4	2.5	77.5
Martel Instruments Holdings	75	75	2.8	1.1	32.3
MS Industrial Services	74	74	2.7	1.3	43.8
Oliver Kay Holdings	70	70	2.6	0.4	19.6
Spectral Fusion Technologies	202	84	3.1	4.8	–
Trading account	25	24	0.9	4.8	–
<b>Total unlisted investments</b>	<b>1,462</b>	<b>1,050</b>	<b>39.3</b>		
<b>AIM/PLUS investments</b>					
Associated Network Solutions	193	403	15.1	3.2	–
Autoclenz	45	35	1.3	0.3	1.4
Avanti Communications Group	25	19	0.7	–	1.4
Award International Holdings	3	2	0.1	1.3	30.4
Bank Restaurant Group	150	33	1.2	0.9	–
Brulines (Holdings)	47	51	1.9	0.2	1.0
Cohort	21	27	1.0	0.1	0.2
Concateno	114	142	5.3	0.2	2.3
Craneware	35	42	1.6	0.2	2.5
Datong Electronics	47	40	1.5	0.3	1.7
Debts.co.uk	51	27	1.0	0.1	0.3
DM	47	47	1.8	0.2	1.3
Essentially Group	49	48	1.8	0.9	7.2
eXpansys	8	8	0.3	–	0.3
Flightstore Group	100	2	0.1	–	–
Formation Group	50	57	2.1	0.1	0.3
Gold Frost	43	27	1.0	0.2	1.2
Hambledon Mining	40	77	2.9	0.1	0.2
Hasgrove	49	58	2.2	0.2	1.9
Imprint	52	17	0.6	–	0.5

<b>Investment</b>	<b>Cost £'000</b>	<b>Valuation £'000</b>	<b>% of net assets</b>	<b>% of equity held</b>	<b>% of equity held by other clients*</b>
Individual Restaurant Company	38	54	2.0	0.1	1.1
Interactive Digital Solutions	368	–	–	7.7	–
Invocas	25	23	0.9	0.1	0.3
Leisure & Gaming	43	5	0.2	0.1	0.6
Litcomp	50	92	3.4	–	4.9
Lo-Q	194	52	1.9	1.3	–
Mattioli Woods	7	16	0.6	–	0.2
Mount Engineering	49	46	1.7	0.3	2.9
Neutrahealth	9	10	0.4	0.1	1.8
SDI Group	25	26	1.0	0.1	0.9
Smart Identity	25	29	1.1	3.3	23.3
Sport Media Group	41	40	1.5	0.1	1.0
St Helen's Capital	25	39	1.5	1.1	8.1
Universe Group	40	40	1.5	0.5	2.1
Work Group	101	97	3.6	0.5	2.8
Worthington Nicholls Group	105	37	1.4	0.2	1.4
<b>Total AIM/PLUS investments</b>	<b>2,314</b>	<b>1,768</b>	<b>66.2</b>		
<b>Other investments</b>					
Net current liabilities/cash	(148)	(148)	(5.5)		
<b>Total assets</b>	<b>3,628</b>	<b>2,670</b>	<b>100.0</b>		

\*Other clients of the Aberdeen Asset Management Group

# Income Statement (unaudited)

for the six months ended 30 September 2007

	Six months to 30 September 2007 (unaudited)		
	Revenue £'000	Capital £'000	Total £'000
<b>Gains on investments</b>			
– realised	–	50	50
– unrealised	–	(176)	(176)
Investment income and deposit income	46	–	46
Investment management fees	(11)	(46)	(57)
Performance fees	(2)	(9)	(11)
Other expenses	(10)	(1)	(11)
<b>Net return/(loss) on ordinary activities before taxation</b>	<b>23</b>	<b>(182)</b>	<b>(159)</b>
Tax on ordinary activities	–	–	–
<b>Return/(loss) attributable to Equity Shareholders</b>	<b>23</b>	<b>(182)</b>	<b>(159)</b>
<b>Return per Ordinary Share (pence) (note 3)</b>	<b>0.4</b>	<b>(3.4)</b>	<b>(3.0)</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

	Six months to 30 September 2007 £'000	Six months to 30 September 2006 £'000	Year to 31 March 2007 £'000
Opening Shareholders' funds	2,829	2,646	2,646
Return/(loss) attributable to Equity Shareholders	(159)	(79)	183
<b>Closing Shareholders' funds</b>	<b>2,670</b>	<b>2,567</b>	<b>2,829</b>

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



Six months to 30 September 2006  
(unaudited)

Year to 31 March 2007  
(audited)

Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
-	98	98	-	(192)	(192)
-	(126)	(126)	-	529	529
22	-	22	48	-	48
(57)	-	(57)	(114)	-	(114)
-	-	-	-	(46)	(46)
(16)	-	(16)	(42)	-	(42)
(51)	(28)	(79)	(108)	291	183
-	-	-	-	-	-
<b>(51)</b>	<b>(28)</b>	<b>(79)</b>	<b>(108)</b>	<b>291</b>	<b>183</b>
<b>(1.0)</b>	<b>(0.4)</b>	<b>(1.4)</b>	<b>(2.0)</b>	<b>5.5</b>	<b>3.5</b>

## Balance Sheet (unaudited)

As at 30 September 2007

	30 September 2007 (unaudited)	30 September 2006 (unaudited)	31 March 2007 (audited)
	£'000	£'000	£'000
<b>Fixed assets</b>			
Investments	2,818	2,244	2,618
<b>Current assets</b>			
Debtors	37	60	9
Cash and overnight deposits	56	300	300
	93	360	309
Creditors: amounts falling due within one year	241	37	98
<b>Net current (liabilities)/assets</b>	(148)	323	211
<b>Net assets</b>	<b>2,670</b>	<b>2,567</b>	<b>2,829</b>
<b>Capital and reserves</b>			
Called up share capital	2,655	2,655	2,655
Share premium	2,389	2,389	2,389
Capital reserve - realised	(418)	(76)	(412)
Capital reserve - unrealised	(958)	(1,437)	(782)
Revenue reserve	(998)	(964)	(1,021)
<b>Net assets attributable to Equity Shareholders</b>	<b>2,670</b>	<b>2,567</b>	<b>2,829</b>
<b>Net Asset Value per Ordinary Share (pence)</b>	<b>50.3</b>	<b>48.4</b>	<b>53.3</b>

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

# Cash Flow Statement (unaudited)

For the six months ended 30 September 2007

	Six months to 30 September 2007 (unaudited) £'000	Six months to 30 September 2006 (unaudited) £'000	Year to 31 March 2007 (audited) £'000
<b>Reconciliation of operating profit/(loss) to net cash inflow from operating activities</b>			
Net revenue from ordinary activities before tax	23	(51)	(108)
Expenses charged to capital	(56)	–	(46)
(Increase)/decrease in debtors	(28)	121	172
Increase/(decrease) in creditors	143	(54)	7
<b>Net cash outflow from operating activities</b>	<b>82</b>	<b>16</b>	<b>25</b>
<b>Financial investment</b>			
Purchase of investments	(755)	(1,008)	(1,984)
Sale of investments	429	982	1,949
<b>Net cash outflow from financial investment</b>	<b>(326)</b>	<b>(26)</b>	<b>(35)</b>
Equity dividends paid	–	–	–
<b>Decrease in cash</b>	<b>(244)</b>	<b>(10)</b>	<b>(10)</b>
<b>Reconciliation of net cash flow to movements in net funds</b>			
Decrease in cash for the period	(244)	(10)	(10)
Net funds at the start of the period	300	310	310
<b>Net funds at the end of the period</b>	<b>56</b>	<b>300</b>	<b>300</b>

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

# Notes to the Financial Statements

## 1. Accounting policies

The financial information for the six months ended 30 September 2007 and the six months ended 30 September 2006 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 31 March 2007.

The results for the year ended 31 March 2007 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.

In prior accounting periods, 100% of the investment management fees were charged through the revenue account, with performance fees being charged 100% against realised capital reserves to reflect the basis on which they had been calculated. For the current financial year, the Board has decided to charge expenses to realised capital reserves where a connection with the maintenance or enhancement of the value of the Company's investments can be demonstrated. In this respect, the Board has decided to allocate 80% of the investment management fees, performance fees and finance costs of borrowing to realised capital reserves, with the remainder being charged to revenue in order to reflect the Company's investment policy and the Board's expectations for the long-term balance of returns, in the forms of capital gains and income respectively.

	Share premium	Capital reserve- realised	Capital reserve- unrealised	Revenue reserve
	£'000	£'000	£'000	£'000
<b>2. Movement in reserves</b>				
At 31 March 2007	2,389	(412)	(782)	(1,021)
Gains on sales of investments	–	50	–	–
Net decrease in value of investments	–	–	(176)	–
(Loss)/profit on ordinary activities	–	(56)	–	23
<b>At 30 September 2007</b>	<b>2,389</b>	<b>(418)</b>	<b>(958)</b>	<b>(998)</b>

	Six months to 30 September 2007 £'000	Six months to 30 September 2006 £'000	Year to 31 March 2007 £'000
<b>3. Returns per Ordinary Share</b>			
The return per Ordinary Share is based on the following figures:			
Revenue return	23	(51)	(108)
Capital return	(182)	(28)	291
<b>Total return</b>	<b>(159)</b>	<b>(79)</b>	<b>183</b>
Weighted average number of Ordinary Shares in issue	5,309,102	5,309,102	5,309,102
Revenue return per Ordinary Share	0.4p	(1.0)p	(2.0)p
Capital return per Ordinary Sshare	(3.4)p	(0.4)p	5.5p
<b>Total return per Ordinary Share</b>	<b>(3.0)p</b>	<b>(1.4)p</b>	<b>3.5p</b>

The Net Asset Value per Ordinary Share has been calculated using the number of shares in issue at 30 September 2007 of 5,309,102.

# Corporate Information

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<b>Secretary</b>	Aberdeen Asset Management PLC 149 St Vincent Street Glasgow G2 5NW
<b>Points of Contact</b>	The Chairman and/or the Company Secretary at: 149 St Vincent Street Glasgow G2 5NW  email: company.secretary@invtrusts.co.uk
<b>Registered Office</b>	One Bow Churchyard London EC4M 9HH  Registered in England and Wales: Company Number 3870187
<b>Registrars</b>	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0LA  Shareholder Helpline: 0870 162 3100
<b>Bankers</b>	J P Morgan Chase Bank
<b>Solicitors</b>	Field Fisher Waterhouse
<b>Stockbrokers</b>	Seymour Pierce Limited
<b>Auditors</b>	Deloitte & Touche LLP
<b>Website</b>	<a href="http://www.aberdeen-asset.com/vct">www.aberdeen-asset.com/vct</a>



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