

ABERDEEN PREFERRED INCOME INVESTMENT TRUST PLC

Interim accounts for the period ended

31st January 1998



ABERDEEN PREFERRED INCOME INVESTMENT TRUST PLC
BALANCE SHEET
AS AT 28 FEBRUARY 1998

	Notes	£'000
Fixed assets		
Investments	4	<u>47,904</u>
Current assets		
Debtors	5	<u>939</u>
Creditors:		
Amounts falling due within one year	6	<u>(1,898)</u>
Net current assets		(959)
Total assets less current liabilities		<u>46,945</u>
Provision for liabilities and charges	7	(1)
Net assets		<u><u>46,944</u></u>
Capital and reserves		
Called up Zero dividend preference shares	8	1,200
Share premium	9	12,091
Redemption reserve	9	<u>12,151</u>
Non equity shareholders' funds		<u>25,442</u>
Called up Capital Shares	8	1,900
Share premium	9	15,958
Capital redemption reserve	9	(12,151)
Capital reserve	9	3,875
Unrealised appreciation reserve	9	10,008
Revenue reserve	9	<u>1,912</u>
Equity shareholders' funds		<u>21,502</u>
Total shareholders' funds		<u><u>46,944</u></u>
Net asset value per share		
Ordinary share		<u>113.17p</u>
Zero dividend preference		<u><u>212.02p</u></u>

These accounts were approved by the Directors on 24th March 1998 and signed on behalf of the Board of Directors by:

Director



K.C. HALL ESQ

ABERDEEN PREFERRED INCOME INVESTMENT TRUST PLC
REVENUE ACCOUNT
FOR THE NINE MONTHS ENDED 28 FEBRUARY 1998

	Notes	£'000
		£
Income from investments		
Franked investment income		2,254
Unfranked investment income		250
Other income		
Bank interest		14
Underwriting income		0
		<hr/> 2,518
Administration expenses		(396)
Revenue from ordinary activities before taxation		<hr/> 2,122
Taxation	2	(412)
Revenue from ordinary activities after taxation		<hr/> 1,710
Ordinary Dividends		
First interim - 3.25p per share		(618)
Second interim - 5.00p per share		(950)
Third interim - 2.7p per share		(513)
Revenue deficit	9	<hr/> <hr/> (371)
Earnings per share	3	<hr/> <hr/> 9.00p

ABERDEEN PREFERRED INCOME INVESTMENT TRUST PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 28 FEBRUARY 1998

1. Accounting policies

The accounting policies adopted by the Company in the preparation of the financial statements to 28 February 1998 are as follows:

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of investments, and in accordance with applicable Accounting Standards.

(b) Valuation of investments

Quoted investments are valued at middle market prices. Where trading in the securities of an investee company is suspended the investment is valued at the Board's estimate of its net realisable value. Unlisted investments are included in the financial statements at valuation determined by the Directors. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve realised and and unrealised surpluses or deficits on the revaluation of investments are taken to capital reserve unrealised.

(c) Income

Dividends receivable on equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised where material on a time apportioned basis so as to reflect the effective yield on shares. Otherwise returns on non-equity shares are recognised when the right to the return is established. The fixed return on a debt security is recognised on a time apportioned basis so as to reflect the effective yield on the debt security. Where the company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividends is recognised in capital reserves.

(d) Expenses and interest payable

All expenses are accounted for on an accruals basis. Expenses are charges through the revenue account except as follows:
 - expenses which are incidental to the acquisition of an investment are included within the cost of the investment
 - expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

(e) Taxation

Advance corporation tax (ACT) payable on dividends paid or provided for in the period is written off, except when recoverability is considered to be reasonably certain and foreseeable. Irrecoverable ACT is charged to the revenue account except to the extent that it arises because of the allocation of expenses to capital, in which case it is charged to capital.

2. Tax on ordinary activities

£'000

Tax attributable to franked investment income
 Amount recoverable (£242 claim)

451

-39

412

3. Earnings per share

The calculation of earnings per Ordinary share is based on earnings of £1,710,000 and 19,000,042 shares in issue throughout the period.

4. Fixed asset investments

1998

£'000

Valuation at 1 June 1997
 Unrealised appreciation at 1 June 1997

39,102

(3,984)

Book cost at 1 June 1997
 Acquisitions at cost
 Disposals at cost

35,118

13,608

(10,830)

Book cost at 28 February 1998
 Unrealised appreciation at 28 February 1998
 Valuation at 28 February 1998

37,896

10,008

47,904

5. Debtors: Amounts falling due within one year

1998

£'000

Outstanding settlements
 Other debtors
 Tax recoverable

584

59

296

939

6. Creditors: Amounts falling due within one year

1998

£'000

Outstanding settlements
 Bank overdraft - unsecured
 Other creditors
 Proposed dividends

429

1,388

81

0

1,898

7. Provision for liabilities and charges	1998 £'000
Deferred tax	1

8. Called up share capital	No ('000)	1998 £'000
Authorised		
Zero dividend preference shares	12,000	1,200
Ordinary shares	19,000	1,900
Allotted, called up and fully paid		
Zero dividend preference shares	12,000	1,200
Ordinary shares	19,000	1,900

9. Reserves	Share Premium reserve £'000	Capital redemption account £'000
Zero dividend preference shares		
Beginning of year	12,091	10,113
Accrued redemption premium on non-equity shares	0	2,038
End of period	12,091	12,151

Ordinary shares	Share Premium reserve £'000	Capital redemption account £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue Reserve £'000
Beginning of year	15,958	(10,113)	1,750	3,972	2,283
Accrued redemption premium on non-equity shares	-	(2,038)	-	-	-
Capital losses on fixed interest stocks	-	-	(11)	-	-
Net gain on investments	-	-	2,136	-	-
Increase in unrealised appreciation	-	-	-	6,036	-
Revenue deficit	-	-	-	-	(371)
End of period	15,958	(12,151)	3,875	10,008	1,912