

**ABERFORTH GEARED CAPITAL & INCOME
TRUST plc**

Registered in England No. 4283484

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27/07/2011

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COMPANIES HOUSE

INTERIM ACCOUNTS

1 January 2011 to 20 July 2011

Prepared and lodged pursuant to s.838 of the Companies Act 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM ACCOUNTS

The law requires that a company shall not make a distribution except out of profits available for the purpose. The accounts that are relevant for determining the profits available for distribution are, in the first instance, the last annual accounts. Where the distribution would be found to contravene the law if reference were made to the Company's last annual accounts, then the Directors may prepare interim accounts. Interim accounts are required to give a true and fair view of the state of affairs of the Company as at the balance sheet date and of the profit or loss of the Company for the period in respect of which the accounts are prepared. In preparing these accounts, the Directors are required to ensure

- Interim accounts must be accounts that enable a reasonable judgement to be made as to the amounts of the profits, losses, assets, liabilities, provisions, share capital and reserves,
- The accounts must have been properly prepared, or have been so prepared subject to matters that are not material for determining (by reference to the amounts mentioned above) whether the distribution would contravene the relevant Part of the Act;
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts,
- the accounts are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- The balance sheet comprised in the accounts must have been signed,
- A copy of the accounts must have been delivered to Companies House

Recommended proposals in connection with the reconstruction and voluntary winding-up of the Company were published to shareholders on 28 June 2011 and shareholders voted in favour of the reconstruction resolution on 25 July 2011. Consequently the Interim Accounts as at 20 July 2011 have been prepared on a break-up basis resulting in: (i) investments being classified as current assets; and (ii) a provision for reconstruction and liquidation costs having been made

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

ABERFORTH GEARED CAPITAL & INCOME TRUST PLC

INCOME STATEMENT

(unaudited)

For the period from 1 January 2011 to 20 July 2011

	Revenue £ 000	Capital £ 000	Total £ 000
Realised net gains on sales	-	6,852	6,852
Movement in fair value	-	(454)	(454)
Net gains on investments	-	6,398	6,398
Dividend income	3,052	-	3,052
Other investment income	-	-	-
Other income	-	-	-
Investment management fee	(168)	(393)	(561)
Transaction costs	-	(275)	(275)
Reconstruction costs	-	(210)	(210)
Other expenses	(146)	-	(146)
Net return before finance costs and tax	2,738	5,520	8,258
Finance costs			
Interest	(329)	(769)	(1,098)
Change in fair valuation of interest rate swap	-	741	741
	2,409	5,492	7,901
Finance costs			
Dividends on Income Shares classified as financial liabilities	(1,838)	-	(1,838)
Return on ordinary activities before tax	571	5,492	6,063
Tax on ordinary activities	-	-	-
Return attributable to shareholders	571	5,492	6,063
Returns per Share:			
Income Share	9.83p	-	9.83p
Capital Share	-	52.30p	52.30p

INCOME STATEMENT

(unaudited)

	For the six months ended 30 June 2010		
	Revenue	Capital	Total
	£ 000	£ 000	£ 000
Realised net gains on sales	-	2,760	2,760
Movement in fair value	-	149	149
	-----	-----	-----
Net gains on investments	-	2,909	2,909
Dividend income	2,423	-	2,423
Other investment income	-	-	-
Other income	8	-	8
Investment management fee	(118)	(276)	(394)
Transaction costs	-	(196)	(196)
Other expenses	(125)	-	(125)
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Net return before finance costs and tax	2,188	2,437	4,625
Finance costs			
Interest	(296)	(691)	(987)
Change in fair valuation of interest rate swap	-	322	322
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	1,892	2,068	3,960
Finance costs			
Dividends on Income Shares classified as financial liabilities	(1,642)	-	(1,642)
	-----	-----	-----
Return on ordinary activities before tax	250	2,068	2,318
Tax on ordinary activities	-	-	-
	-----	-----	-----
Return attributable to shareholders	<u>250</u>	<u>2,068</u>	<u>2,318</u>
 Returns per Share:			
Income Share	7 72p	-	7 72p
Capital Share	-	19 70p	19 70p

INCOME STATEMENT

(unaudited)

	For the year ended 31 December 2010		
	Revenue	Capital	Total
	£ 000	£ 000	£ 000
Realised net gains on sales	-	8,028	8,028
Movement in fair value	-	16,220	16,220
	-----	-----	-----
Net gains on investments	-	24,248	24,248
Dividend income	4,109	-	4,109
Other investment income	83	-	83
Other income	9	-	9
Investment management fee	(231)	(538)	(769)
Transaction costs	-	(382)	(382)
Other expenses	(244)	-	(244)
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Net return before finance costs and tax	3,726	23,328	27,054
Finance costs			
Interest	(595)	(1,390)	(1,985)
Change in fair valuation of interest rate swap	-	974	974
	-----	-----	-----
	3,131	22,912	26,043
Finance costs			
Dividends on Income Shares classified as financial liabilities	(3,234)	-	(3,234)
	-----	-----	-----
Return on ordinary activities before tax	(103)	22,912	22,809
Tax on ordinary activities	-	-	-
	-----	-----	-----
Return attributable to shareholders	(103)	22,912	22,809
	=====	=====	=====
Returns per Share:			
Income Share	12 78p	-	12 78p
Capital Share	-	218 21p	218 21p

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

(unaudited)

For the period ended 20 July 2011

	Share capital £ 000	Capital redemp- tion reserve £ 000	Special reserve £ 000	Capital reserve £ 000	Revenue reserve £ 000	Total £ 000
Equity shareholders funds as at 31 December 2010	105	50	9,674	44,742	2,705	57,276
Return attributable to shareholders	-	-	-	5,492	571	6,063
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Equity shareholders funds as at 20 July 2011	<u>105</u>	<u>50</u>	<u>9,674</u>	<u>50,234</u>	<u>3,276</u>	<u>63,339</u>

For the year ended 31 December 2010

	Share capital £ 000	Capital redemp- tion reserve £ 000	Special reserve £ 000	Capital reserve £ 000	Revenue reserve £ 000	Total £ 000
Equity shareholders funds as at 31 December 2009	105	50	9,674	21,830	2,808	34,467
Return attributable to shareholders	-	-	-	22,912	(103)	22,809
	-----	-----	-----	-----	-----	-----
Equity shareholders funds as at 31 December 2010	<u>105</u>	<u>50</u>	<u>9,674</u>	<u>44,742</u>	<u>2,705</u>	<u>57,276</u>

For the six months ended 30 June 2010

	Share capital £ 000	Capital redemp- tion reserve £ 000	Special reserve £ 000	Capital reserve £ 000	Revenue reserve £ 000	Total £ 000
Equity shareholders funds as at 31 December 2009	105	50	9,674	21,830	2,808	34,467
Return attributable to shareholders	-	-	-	2,068	250	2,318
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Equity shareholders funds as at 30 June 2010	<u>105</u>	<u>50</u>	<u>9,674</u>	<u>23,898</u>	<u>3,058</u>	<u>36,785</u>

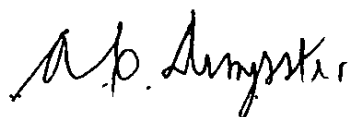
BALANCE SHEET*(unaudited)*

	20 July 2011	31 December 2010	30 June 2010
	£'000	£'000	£'000
Fixed Assets: Investments			
Investments at fair value through profit or loss	-	112,698	92,661
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Current assets			
Investments at fair value through profit or loss	118,320	-	-
Amounts due from brokers	-	-	276
Other debtors	769	310	423
Cash at bank	57	5	1,294
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	119,146	315	1,993
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Creditors (amounts falling due within one year)			
Amounts due to brokers	(32)	-	(1,669)
Loan facility	(31,025)	(30,175)	-
Income Shares	(24,500)	(24,500)	-
Interest rate swap	-	(1,017)	-
Other creditors	(250)	(45)	(45)
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	(55,807)	(55,737)	(1,714)
	-----	-----	-----
Net current assets	63,339	(55,422)	279
	-----	-----	-----
Total assets less current liabilities	63,339	57,276	92,940
Creditors (amounts falling due after more than one year)	-	-	(56,155)
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Total net assets	63,339	57,276	36,785
	=====	=====	=====
Capital and reserves: Equity interests			
Called up share capital			
Capital shares	105	105	105
Reserves:			
Capital redemption reserve	50	50	50
Special reserve	9,674	9,674	9,674
Capital reserve	50,234	44,742	23,898
Revenue reserve	3,276	2,705	3,058
	-----	-----	-----
Total equity	63,339	57,276	36,785
	=====	=====	=====
Net Asset Values.			
- per Capital Share	572.03p	522.82p	330.64p
- per Income Share (Income Shares are classified as financial liabilities)	113.37p	109.71p	108.44p

Note

The Company had 24.5 million Income Shares and 10.5 million Capital Shares in issue as at 20 July 2011, 31 December 2010 and 30 June 2010

These financial statements were approved by the Board of Directors on 25 July 2011 and signed on its behalf by A C Dempster, Chairman



CASH FLOW STATEMENT*(unaudited)*

	Period ended 20 July 2011 £'000	6 months ended 30 June 2010 £'000	Year ended 31 December 2010 £'000
Net cash inflow from operating activities	1,846	1,805	3,202
Returns on investments and servicing of finance			
Interest and other finance costs	(1,337)	(984)	(1,977)
Dividends paid	(1,838)	(1,642)	(3,234)
Net cash outflow from returns on investments and servicing of finance	(3,175)	(2,626)	(5,211)
Capital expenditure and financial investment			
Payments to acquire investments	(24,617)	(12,768)	(28,423)
Receipts from sales of investments	25,148	17,832	33,211
Net cash inflow from capital expenditure and financial investment	531	5,064	4,788
Net cash (outflow)/inflow before financing activities	(798)	4,243	2,779
Financing activities			
Loans drawn down/(repaid)	850	(2,950)	(2,775)
Net cash inflow/(outflow) from financing activities	850	(2,950)	(2,775)
Change in cash during the period	52	1,293	4
Reconciliation of net return before finance costs and taxation to net cash inflow from operating activities			
Net return before finance costs and tax	8,258	4,625	27,054
Net gains on investments	(6,398)	(2,909)	(24,248)
Transaction costs	275	196	382
(Increase)/decrease in debtors	(459)	(108)	5
Increase in creditors	170	1	9
Net cash inflow from operating activities	1,846	1,805	3,202