

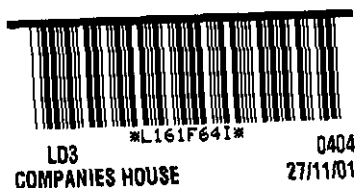


Aberdeen
*Asian Smaller
Companies*
Investment Trust PLC

3106339

Above average returns through capital growth
from investment in companies in Asia

31/07/01



Annual Report & Accounts
2001

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Financial Calendar

3 October 2001	Announcement of the results for the year ended 31 July 2001
27 November 2001	Annual General Meeting
30 November 2001	Payment of dividend for 2001
30 November 2001	Warrant subscription date for 2001
March 2002	Announcement of interim results for six months ending 31 January 2002



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*Asian Smaller
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Investment Trust PLC

Corporate Summary

Investment Objective and Benchmark Index

The investment objective of the Company is to maximise total return to shareholders over the long-term from a portfolio of smaller quoted companies (market capitalisation of under US\$250 million at time of investment) in the emerging economies of Asia. There is presently no meaningful smaller companies index against which to compare the performance of the Company. The managers utilise a general regional index, the MSCI AC Asia Pacific ex Japan Index, for Board reporting.

Risk

Many of the stocks in which the Company invests are exposed to the risk of political change, exchange controls, tax or other regulations which may affect their value and marketability. Currency fluctuations may also affect the value of the Company's investments and the income derived therefrom. Companies in the Asia Pacific region are not always subject to the equivalent accounting, auditing and financial standards of those in the United Kingdom. There may therefore be less supervision and regulation in this respect.

Duration

The Company does not have a maximum fixed life.

Capital Structure

The Company has a capital structure comprising Ordinary shares and Warrants. The Warrants confer the right to subscribe for Ordinary shares and further details are included inside the back cover.

PEP and ISA Status

The Company intends to manage its affairs so as to be a fully qualifying investment trust for inclusion in a PEP and also so that the Company's shares will be qualifying investments for the stocks and shares component of an ISA.

Summary Management Agreement

The Company has an agreement with Aberdeen Asset Management Asia Limited for the provision of management services. The management fee is payable monthly in arrears and is based on an annual amount of 1.2% of the average net asset value of the Company over a twenty four month period valued monthly, excluding other funds managed by the manager. The agreement is terminable on two years' notice.

Corporate Information

Directors

Nigel Cayzer, Chairman
Eric Elstob
Martin Gilbert*
Alan Kemp
Hugh Young**
Radhika Ajmera* (Alternate Director)
Peter Hames** (Alternate Director)

Manager

Aberdeen Asset Management Asia Limited
21 Church Street
#01-01 Capital Square Two
Singapore 049480

Secretaries

Aberdeen Asset Management PLC
One Bow Churchyard, Cheapside,
London EC4M 9HH

Registered Office

One Bow Churchyard, Cheapside,
London EC4M 9HH
Registration Number: 3106339

Registrars

Lloyds TSB Registrars Scotland
117 Dundas Street
Edinburgh EH3 5ED
Shareholder Helpline 0870 601 5366
(calls charged at National Call Rate)

Solicitors

The City Law Partnership
Brough Skerrett
99 Charterhouse Street
London EC1M 6NQ

Stockbrokers

Teather & Greenwood Limited
Beaufort House
15 St. Botolph Street
London EC3A 7QR

Auditors

Ernst & Young LLP
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

Bankers

Bank of Scotland
Corporate Banking (Scotland)
38 Albyn Place
Aberdeen AB10 1ZS

Chase Manhattan International
25 Copthall Avenue
London EC2R 7DR

Board Members

Chairman

Nigel Cayzer*, aged 47, Chairman of the Company, is chairman of Oryx Fund Limited and Oryx International Growth Fund Limited. He is a non-executive director of Caledonia Investments Limited and a director of a number of other private companies.

Directors

Eric Elstob*, aged 58, was joint manager and a director of The Foreign & Colonial Investment Trust PLC from 1972 to 1995 and was a vice-chairman of Foreign & Colonial Management Limited in charge of the Far Eastern and European desks. He is chairman of MW Japan Fund, deputy chairman of Foreign & Colonial Pacific Investment Trust PLC and a director of GT Japan Investment Trust PLC and other investment trusts.

Martin Gilbert, aged 46, qualified as a chartered accountant in 1982 and thereafter pursued a career in investment management. He was one of the founding directors, and is chief executive of Aberdeen Asset Management PLC. He is a director of a number of investment trusts and of Lombard International Assurance SA and FirstGroup PLC. Ms Radhika Ajmera is an Alternate Director for Mr Gilbert.

Alan Kemp*, aged 57, has been involved in fund management since 1970 and with investment trusts since 1972. He was deputy manager of The Edinburgh Investment Trust from 1974 to 1985 and was subsequently deputy chief executive of Dunedin Fund Managers. He is now an independent financial consultant. He is a director of Fleming US Discovery Investment Trust PLC.

Hugh Young, aged 43, was an investment manager with Fidelity International and MGM Assurance prior to joining what is now Aberdeen Asset Managers Limited in December 1985. He is currently a director of Aberdeen Asset Management PLC and managing director of Aberdeen Asset Management Asia Limited, responsible for investment in the Far East. He is also a director of Aberdeen New Dawn Investment Trust PLC, Aberdeen New Thai Investment Trust PLC, J F Philippine Fund Inc. and a number of other companies. Mr Peter Hames is an Alternate Director for Mr Young.

** Members of the Audit Committee and Management Engagement Committee.*

All Directors are non-executive and independent, with the exception of Mr M Gilbert and Mr H Young.

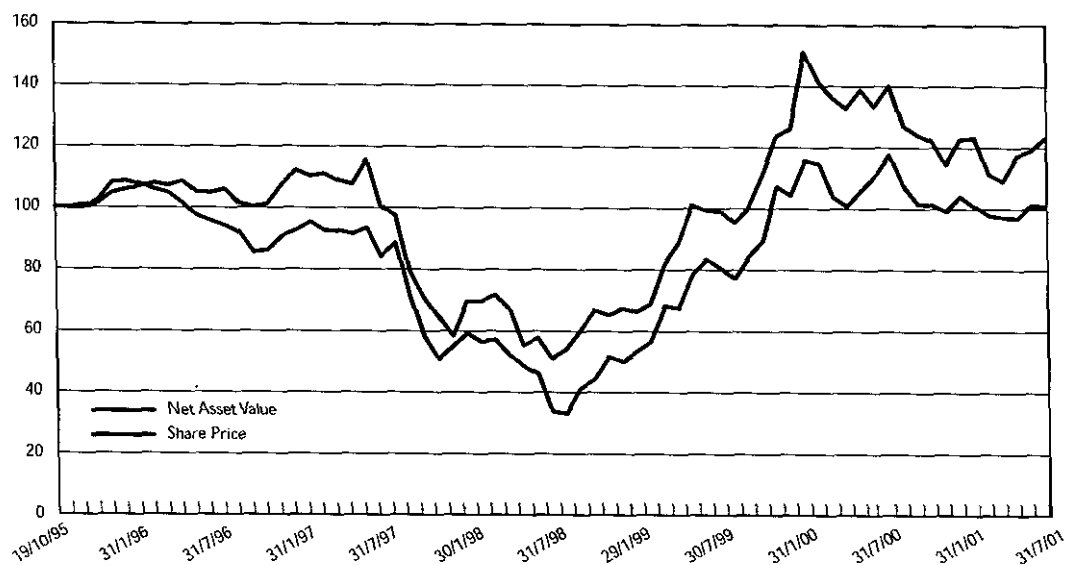
Manager

Aberdeen Asset Management Asia Limited is the Manager of the Company. It is a subsidiary of Aberdeen Asset Management PLC whose group companies as at 31 August 2001 managed a combined £36.6 billion for institutions, unit trusts, investment trusts, closed end investment funds, private clients and offshore funds.

Performance Summary

	Launch 19.10.95	31.7.00	31.7.01	Since launch %	Year on year %
Ordinary share					
Net asset value per Ordinary share (undiluted)	97.06p	129.46p	118.83p	22.4	(8.2)
Net asset value per Ordinary share (diluted)	97.06p	123.85p	114.92p	18.4	(7.2)
Share price (mid market)	92.00p	102.00p	93.00p	1.1	(8.8)
Discount (undiluted)	5.2%	21.2%	21.7%	-	-
Discount (diluted)	5.2%	17.6%	19.1%	-	-
Warrant					
Warrant price (mid market)	32.50p	43.50p	31.50p	(3.1)	(27.6)
Assets attributable to equity shareholders	£33.97m	£38.52m	£31.79m	(6.4)	(17.5)

Net asset value (undiluted) and share price (re-based to 100 at 19 October 1995)



Chairman's Statement

In the past twelve months, we have seen an abrupt deterioration in global growth. Asian economies have suffered and markets everywhere have been in retreat. Against this backdrop, the Company's undiluted net asset value per share fell just 8.2% to 118.83p as at 31st July 2001. This compares with a 24.3% plunge in the MSCI AC Asia Pacific ex-Japan Index over the same period. The relative resilience of your Company's net asset value is testimony both to the quality and the attractive valuation of the underlying investments.

The Board is pleased to recommend the payment of an increased dividend of 2.0p per Ordinary share, against 1.22p last year.

Outwardly, Asia's recent export-led reliance on the US has been rudely exposed, with growth rates stagnating. Yet the reaction in the region's stock markets has been an orderly decline. In part, this is because influential investors had already voted with their feet, preferring only the fashionable large cap stocks. Yet this closet benchmarking, like the obsession with growth, may have peaked with the market.

For our managers, good investment opportunities have been evident for some time. Value in small caps has been less hidden than neglected. As a result there has been no reason to change strategy. Portfolio activity has been an almost mundane matter of topping up well-managed stocks and re-visiting ones that were earlier trading at prohibitive levels. A pick-up in takeovers and buybacks has also facilitated the recycling of funds. The experience of the investment team, now with seven managers, has counted too.

One point to note is the portfolio's exposure primarily to domestic oriented companies. These should continue to perform despite a deteriorating environment. We have been encouraged that, on a political level, complacency toward corporate reform that has prevailed since the debt crisis of 1997-98 has been replaced with a new sense of urgency. Governments appear to accept that export growth no longer provides cover for inaction, and the next phase of growth will have to be domestically driven. This recognition coincides with the emergence of a new generation of politicians. So far their words have been positive – it just remains to be seen whether their deeds live up to expectations.

Following the recent tragic events in the US, it is unlikely that Asia will return to favour in the short term. An increase in risk aversion and heightened recession fears will affect absolute and relative performance. However, we have been here before. Asia, as a core emerging market region, has led recovery in previous cycles. We would be surprised if it were not to do so again. This is less a market call than an observation on price. Stocks were already at near-'97 crisis levels prior to the events in the US. Today, many companies are trading close to book or cash on balance sheet. Our focus on these fundamentals should pay off in a period of unclear earnings' visibility. Certainly Asian smaller companies offer compelling value for the patient investor.

3 October 2001

Nigel Cayzer
Chairman



Manager's Review

Over the past twelve months, Asian economies have slowed more sharply than expected. The abrupt decline in US demand, on which the region is reliant, hit Asian exporters hard. As hopes of an early 'U-shaped' recovery faded, domestic consumption also faltered.

The net effect is that Asia today faces sluggish economic conditions. Factory closures and job cuts have once again become part of the landscape. One country after another has reduced GDP forecasts for 2001: Thailand to 2-3%; South Korea to 4-5%; while Taiwan is growing at its slowest in about a quarter of a century. All this after double-digit increases last year.

However, the stock markets do not appear so bleak. Shares were generally oversold through the second half of 2000. The smaller exchanges were notably beaten down as foreign investors quit entirely. There are exceptions: tech prices still appear unrealistic as index-led institutions persist in holding 'big names' as a hot-money proxy, despite a continuous collapse in utilisation rates.

The major exception to this pattern is China. After a ten-year modernisation drive, the country stands on the threshold of WTO membership, entry to which would confirm its transformation into a market-led economy. Growth has been maintained around 7-8%, thanks to a balance of exports, foreign investment, government spending and domestic demand. China is now the second largest destination in the world for foreign direct investment (after the US, which is ironically one of its largest investors) because of its combination of cheap labour and large domestic market.

The competitive threat from China is a wake-up call to the rest of the region. It also comes at an awkward time, as governments struggle elsewhere to deal with reforms. But at the stock market level, China remains a Wild West of inadequate regulation, poor corporate accountability and market protection. We continue to access its best assets through the Hong Kong exchange.

By implication, we did not participate in a major B-share rally that began in February following new rules allowing purchases by mainland buyers. That was an arbitrage play (on the more expensive A shares), and had little fundamental basis. China stocks, both A and B shares, are over-valued. Forward price earnings multiples of 90-100 times make no sense, especially when regional shares offer such good value. (The rally, incidentally, is now dissipating fast).

Our preferred arena has traditionally been southeast Asia. Here politics have been unhelpful. President Estrada's eventual ejection from office in the Philippines strained investor nerves. There was a similarly protracted end-game that led to Abdurrahman Wahid's departure as president of Indonesia. A power struggle in Malaysia between prime minister Mahathir and his finance minister offered drama there; in Thailand a prime minister was elected even as a constitutional court judgement hung over him, for having concealed personal assets. Only recently was he acquitted.

Outside tech and electronics, where we have been underweight for almost two years, company earnings have held up relatively well. The good companies are using capital sensibly and quietly disposing of non-core businesses. Our view is that with the price falls caused by the knock-back in sentiment, valuations look very undemanding relative to growth prospects.

The portfolio has been defensively positioned over the entire period, both as a matter of style and circumstance. Our aversion to tech on price grounds led us to be sharply underweight Taiwan, and be neutral on Korea, both tech-heavy markets. As a result we had overweight positions in southeast Asia. Singapore was our main overweight, with exposure to the consumer, property and finance sectors. Relative to its index weighting, we have also been heavily exposed to Indonesia, accessing a variety of cheap high-quality blue chips, affiliates or subsidiaries of BAT, Heineken, and Unilever.

Manager's Review

Of our large holdings, Rowe Evans, a plantation company run from Tunbridge Wells in the UK, should benefit from the restructuring of its sister companies. In Singapore, our holding in Industrial and Commercial Bank, a subsidiary of United Overseas Bank (the country's largest bank), has performed well in the wake of consolidation in the sector. It still is cheap.

At the tail end of the portfolio, we have also had our disappointments. Eicher in India has been hit by poor rural demand for its tractors – the consolation is that it is in an industry with problems resulting from weakness in the rural economy and that is a consequence not a stock specific issue; meanwhile good monsoons herald some recovery in demand. Cebu Holdings, a subsidiary of blue-chip firm Ayala Land in the Philippines, has seen its stock price collapse on lack of investor interest and poor sentiment toward the country; fortunately, its business is stable. Sri Lankan stocks have also been affected across the board by the continuing strife in the country. As stocks, they are amongst the cheapest and best run in Asia, but until peace breaks out (which appears as distant as ever), they might remain cheap.

One of the key themes was the pick-up in corporate activity in the region. This had often been predicted since the Asian crisis, but had been slow in coming. In Hong Kong, the restructuring of CDL Hotels resulted in a substantial gain, as did in Singapore the liquidation of Harimau, a closed-end fund, at net asset value. A narrowing discount also helped us exit our stake in Govett Asian Smaller. Buy-ins by majority owners Thomson CSF and potential acquirer Schneider of Avimo and Clipsal, respectively, in Singapore, were also profitable. News that Otis Elevator was seeking to take its Indian subsidiary private came at the period end.

Other than this, turnover has been low and we have resisted being swayed by the momentum in markets, on the downside as well as the up. As we write, the recent World Trade Centre catastrophe has brought the prospect of a global recession even closer. The immediate aftermath is one of falling stock markets and gathering consumer pessimism that is likely to delay eventual recovery.

In Asia, earnings revisions have already absorbed a wealth of the bad news – unlike the main markets where the adjustments have been slower in coming. Asia's macro fundamentals look sound, too. However, the case for investment is only a relative one at this point (it being wishful thinking to expect further escape from global shocks, including any US military retaliation against terrorists). On this basis, our policy will be to sit tight and pick up or add to oversold stocks as the opportunities arise.

22 October 2001

Aberdeen Asset Management Asia Limited

Investment Process

Aberdeen Asset Management Asia's ("Aberdeen Asia") twelve-strong investment team manages assets across Asia, including Japan, as well as the Indian sub-Continent and Australasia.

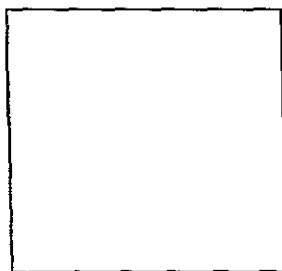
Its investment style is predominantly "growth at a reasonable price", meaning it aims to identify good quality companies, on reasonable or low valuations, that are likely to deliver above average growth in earnings and dividends over the long term.

Aberdeen Asia's emphasis on primary research reflects its belief that Asia's stock markets are relatively inefficient, and thus give ample scope for spotting undervalued investment opportunities. No company becomes an investment without Aberdeen Asia's managers having first met the management; typically, the investment team makes over 600 company visits a year, with a high degree of cross-coverage.

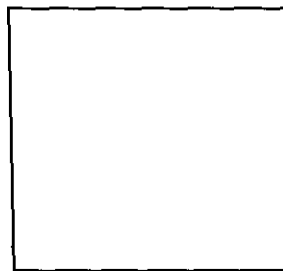
Weightings in individual securities, sectors and countries may vary substantially against the index weight. This is because indices and index weights are viewed as representative of market consensus rather than as key drivers in the stock selection process. Many index stocks will anyway fail to meet stringent criteria of strong management, balance sheets and attention to corporate governance. Prevailing stock prices may be unacceptably expensive on a relative and/or absolute basis, too.

Generally, Aberdeen Asia prefers to limit downside risk. Portfolio holdings have lower-than-market volatility, which may in large part be due to their defensive business nature and relatively conservative capital structure. Overly cyclical stocks and theme plays are thus rarely included. Finally, there is little attempt to time the market or to trade on momentum; rather, the investment focus is long term. Average portfolio turnover since the inception of the Trust is around 25-30% p.a. The Trust has usually held between 35-50 securities at any one time, providing what Aberdeen Asia considers an optimum trade-off between risk diversification and return for a trust of this type.

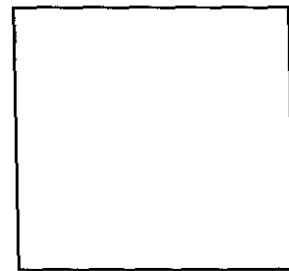
Investment Team



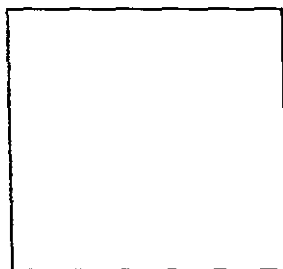
Hugh Young



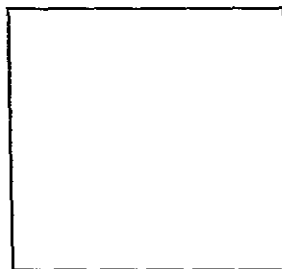
Peter Hames



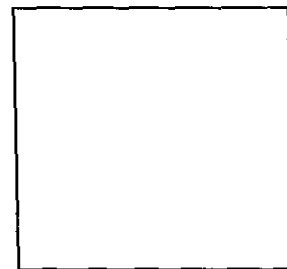
Chong Yoon Chou



Shahreza Yusof



Flavia Cheong



Robert Penaloza

Investment Portfolio

As at 31 July 2001

Company	Valuation £'000	Total net assets %
Giordano International Sector: Consumer Country: Hong Kong Hong Kong-listed retailer of fashion clothing, with outlets across Asia, touted as the Asian GAP. The company has been a beneficiary of the rebound in mainland China's consumer spending.	2,095	6.6
Unilever Indonesia Sector: Consumer Country: Indonesia Listed subsidiary of the multi-national corporation, the leader in household non-durable consumer products, which has continued to post surprisingly strong results despite the weak macro environment.	1,825	5.7
Robinson & Co. Sector: Consumer Country: Singapore Singaporean retailer, who has the Marks and Spencer franchise for Singapore and Malaysia. Its cash and investments per share are roughly equivalent to its share price.	1,786	5.6
Informatics Holdings Sector: Technology Country: Singapore A Singapore-based IT and commercial training company with operations in 33 countries.	1,547	4.9
BRL Hardy Sector: Consumer Country: Australia BRL is an Australian based wine company, its most recognisable wines being Eileen Hardy.	1,463	4.6
Rowe Evans Investments Sector: Agriculture Country: Other Asia Owns and operates palm oil plantations in Indonesia and Malaysia, some of which in Malaysia are being converted to property developments.	1,285	4.0
Café de Coral Sector: Consumer Country: Hong Kong Hong Kong fast food chain, focused on local consumers. It also has a growing business supplying meals to schools and offices and runs the Manchu Wok chain in North America.	1,224	3.9
La Tondena Distilleries Sector: Consumer Country: Philippines One of the largest distilleries in the Philippines, producing a rather rough tasting gin.	1,166	3.7
Courts Sector: Consumer Country: Singapore Largest retailer of furniture and electrical appliances in Singapore, catering to low and mid-end consumers, with a high proportion of hire purchase sales and majority owned by Courts the UK retailer.	1,162	3.7
Industrial & Commercial Bank Sector: Banks Country: Singapore A majority owned subsidiary of United Overseas Bank, one of Singapore's big 3 banks. It holds a full bank licence and caters to small and medium sized companies.	1,054	3.3
Top ten investments	14,607	46.0

Investment Portfolio (continued)

As at 31 July 2001

Company	Valuation £'000	Total net assets %
Bukit Sembawang Estates	823	2.6
Sector: Property		
Country: Singapore		
Shifted from rubber estates to property developer, with a huge land bank bought at minimal cost.		
Malaysian Oxygen	753	2.4
Sector: Chemicals		
Country: Malaysia		
The leading Malaysian producer of industrial gases and electrodes, partly owned by BOC and Air Liquide. A proxy for recovery in industrial and manufacturing activities.		
LPI Capital	699	2.2
Sector: Insurance		
Country: Malaysia		
Conservatively run general insurance company with a tremendous distribution system.		
Sime UEP Properties	673	2.1
Sector: Property		
Country: Malaysia		
A property developer which owns a low cost land bank in the Klang Valley.		
Hana Microelectronics	670	2.1
Sector: Electronics		
Country: Thailand		
An electronics company engaged in IC packaging, PCB assembly and microdisplays, one of few high tech manufacturers in Thailand.		
Lotte Confectionery	664	2.1
Sector: Consumer		
Country: South Korea		
The leading confectionary company in Korea.		
Singapore Food Industries	664	2.1
Sector: Consumer		
Country: Singapore		
Predominately involved in food distribution, preparation, manufacturing and processing in Singapore but also operates in the UK and Australia.		
Hung Hing Printing	640	2.0
Sector: Manufacturing		
Country: Hong Kong		
One of the largest printers of consumer packages for multi-nationals, specialises in toys and consumer goods. Also manufactures paper and corrugated boxes.		
SHL Consolidated	598	1.9
Sector: Construction & building materials		
Country: Malaysia		
Property developer with its own construction arm and building material business.		
ERG Australia	590	1.9
Sector: Technology		
Country: Australia		
Manufactures, installs and sells electronic ticketing equipment around the world for use in rail and bus services, including Manchester.		
Top twenty investments	21,381	67.4

Investment Portfolio (continued)

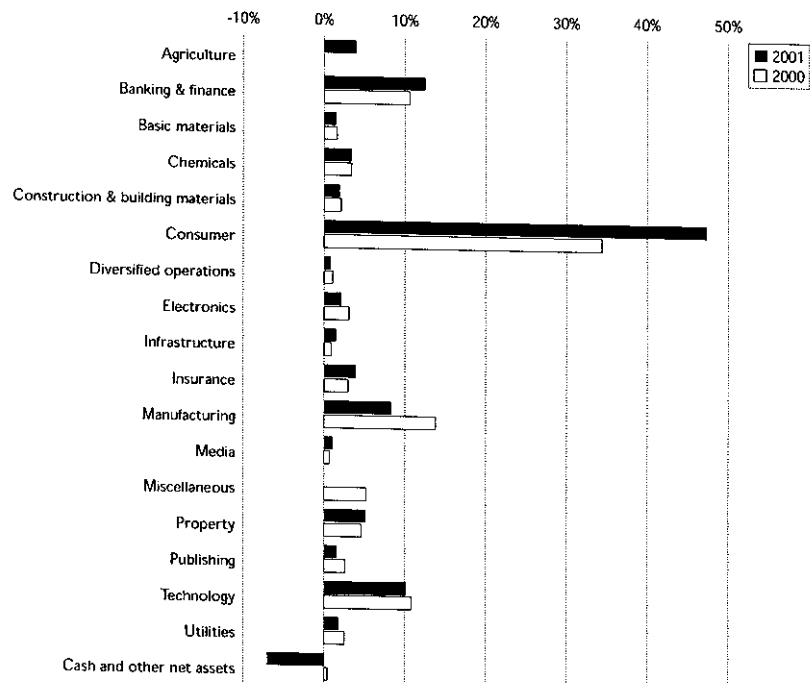
As at 31 July 2001

Company	Sector	Country	Total net assets %	
Eastern Water Resources	Utilities	Thailand	584	1.8
Automated Systems	Technology	Hong Kong	581	1.8
China Hong Kong Photo Products	Consumer	Hong Kong	573	1.8
ICICI	Banks	India	571	1.8
Jollibee Foods	Consumer	Philippines	528	1.7
Otis Elevator	Manufacturing	India	522	1.7
Bank Nisp	Banks	Indonesia	515	1.6
Mustika Ratu	Consumer	Indonesia	506	1.6
Dynaplast	Manufacturing	Indonesia	500	1.6
Goodyear	Manufacturing	Thailand	489	1.5
Caltex Lubricants	Basic Material	Sri Lanka	488	1.5
Star Publications	Publishing	Malaysia	482	1.5
City E-Solutions	Technology	Hong Kong	467	1.5
Asian Terminals	Infrastructure	Philippines	460	1.4
Haad Thip	Consumer	Thailand	445	1.4
Aeon Credit Services	Finance	Hong Kong	385	1.2
Standard Foods	Consumer	Taiwan	385	1.2
Harimau Investment	Investment company	Singapore	380	1.2
Post Publishing	Media	Thailand	361	1.2
ICI India	Chemicals	India	333	1.0
Phatra Insurance	Insurance	Thailand	329	1.0
Orix Leasing	Finance	Pakistan	317	1.0
Credit Rating Information Service	Finance	India	306	1.0
BAT Indonesia	Consumer	Indonesia	303	1.0
Keells (I.)	Diversified operations	Sri Lanka	258	0.8
American Standard Sanitaryware	Manufacturing	Thailand	251	0.8
Pacifica Group	Manufacturing	Australia	231	0.7
Thai Reinsurance	Insurance	Thailand	217	0.7
Commercial Bank of Ceylon	Banks	Sri Lanka	206	0.6
Distilleries	Consumer	Sri Lanka	192	0.6
DFCC Bank	Banks	Sri Lanka	150	0.5
Cebu Holdings	Property	Philippines	130	0.4
National Development Bank	Banks	Sri Lanka	77	0.2
Multi Bintang Indonesia	Consumer	Indonesia	74	0.2
Eicher	Manufacturing	India	17	0.1
Total fixed asset investments			33,994	107.0
Net current liabilities and provision for liabilities and charges			(2,203)	(7.0)
Total net assets			31,791	100.0

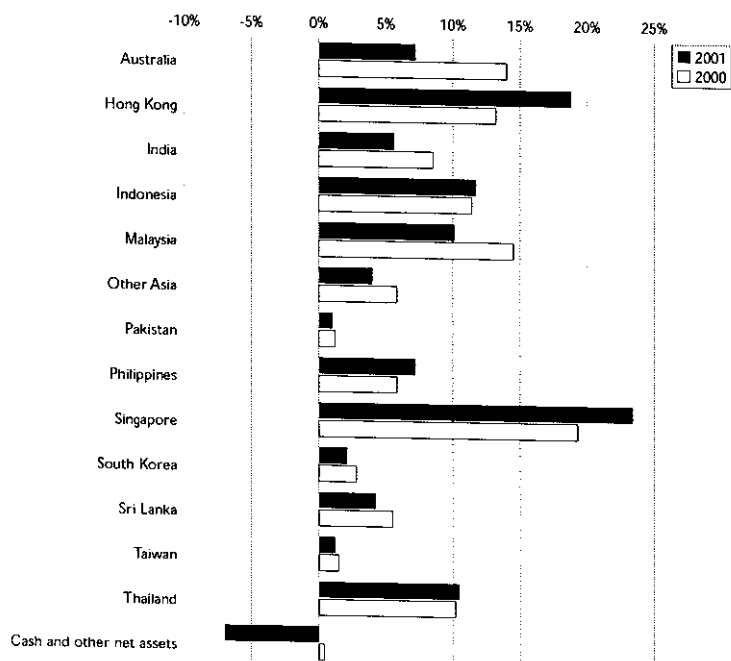
Sector/Geographic Analysis

As at 31 July 2001

Sector Breakdown



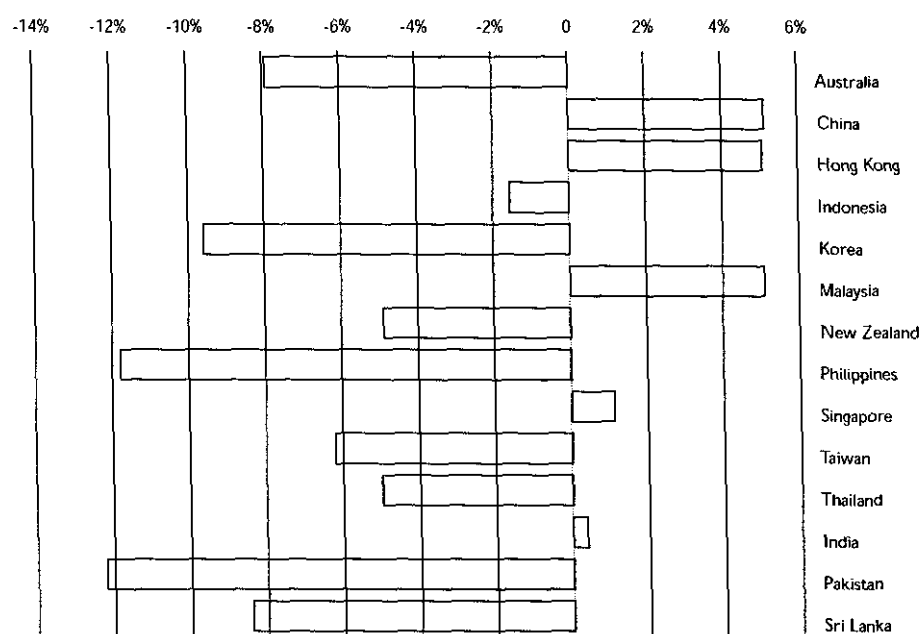
Geographical Summary



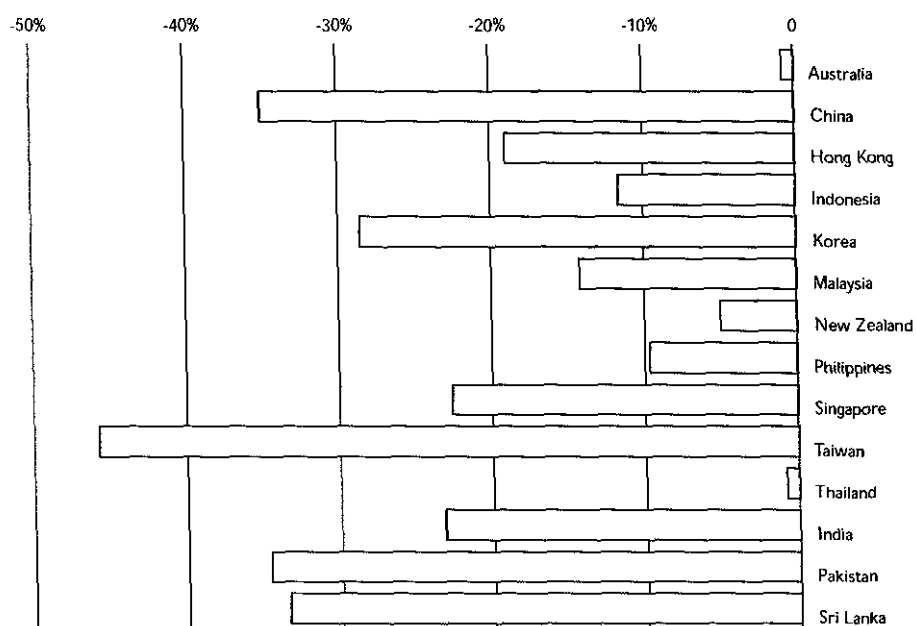
Currency/Market Performance

12 months to 31 July 2001

Currency returns (£)



MSCI Country Index Total Returns (£)



Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 July 2001.

Review of the Business

A review of the Company's activities is given in the Chairman's Statement on page 5 and the Manager's Review on pages 6 and 7.

Results and Dividends

The net revenue after taxation for the year to 31 July 2001 amounted to £545,000. A final dividend of 2.00p per share, which will absorb £535,000, has been proposed and, if approved, will be payable on 30 November 2001.

Principal Activity

The business of the Company is that of an investment trust investing in Asia.

Status

The Company is an investment trust company and a member of the Association of Investment Trust Companies ('AITC').

During the year ended 31 July 2001 the Company has conducted its affairs so as to enable it to seek approval as an investment trust which is given retrospectively by the Inland Revenue. The Company has complied with the requirements with respect to income from shares and securities, distributions of income and the retention of profits.

Investment trust status has not yet been approved by the Inland Revenue for the accounting period ended 31 July 2000. This is the first accounting period to fall within Corporation Tax Self Assessment ('CTSA'). Under CTSA the Inland Revenue have until 31 July 2002 to raise an enquiry into the Company's corporation tax return. Initially under CTSA, the Inland Revenue considered the conferring of Section 842 status as falling within this enquiry and if no enquiry was opened within the period, then the Company would qualify as an investment trust. However, under certain circumstances, the Inland Revenue could review investment trust status outwith this period. The AITC has made representations to have Section 842 approval handled by the Revenue outside the CTSA process and deadlines. In light of the recent change of practice agreed by the Revenue the managers have written to request confirmation of Section 842 status for the year to 31 July 2000 and intend to do so in respect of the year to 31 July 2001.

The Directors are of the opinion, under advice, that the Company has conducted its affairs for the periods ended 31 July 2000 and 31 July 2001 so as to be able to obtain approval as an authorised investment trust under Section 842 of the Income & Corporation Taxes Act 1988.

The Company is a qualifying trust for the purposes of Personal Equity Plans and Individual Savings Accounts and it is the Directors' intention that the Company should continue to be a qualifying trust.

Following changes in legislation, the Company's shares now qualify as an eligible security in a PEP, providing that the investment is funded from proceeds raised from the sale of an existing PEP holding. The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

At the fifth Annual General Meeting of the Company held on 28 November 2000, shareholders and warrantholders authorised the Company to purchase in the market up to 4,460,139 Ordinary shares representing approximately 14.99% of its then issued share capital. On 5 June 2001 the Company purchased for cancellation 500,000 Ordinary shares at 90.25p and on 31 July 2001 the Company purchased for cancellation 2,500,000 Ordinary shares at 91.5p.

Directors' Report

Directors

The Directors at the year end and their interests in the share capital of the Company were as follows:

	31 July 2001		31 July 2000	
	Ordinary shares	Warrants	Ordinary shares	Warrants
N K Cayzer	–	–	–	–
E C Elstob	30,000	20,000	30,000	20,000
M J Gilbert	66,233	9,773	66,233	9,773
A S Kemp	5,363	–	5,298	–
H Young	20,000	104,000	20,000	104,000
P Hames	15,357	–	14,566	–
R Ajmera	–	–	–	–

As at 31 July 2001, Mr Elstob had a non-beneficial interest in 104,000 Ordinary shares (2000 – nil).

Ms R Ajmera was appointed as a non-executive alternate director for Mr Gilbert on 22 May 2001.

Mr M J Gilbert and Mr H Young are directors of Aberdeen Asset Management PLC and its subsidiary Aberdeen Asset Management Asia Limited. Mr M J Gilbert is a director of Aberdeen Asset Managers Limited. Aberdeen Asset Management Asia Limited and Aberdeen Asset Managers Limited are entitled to receive fees under the Agreements described in notes 3 and 4.

Mr Young and Mr Elstob retire by rotation and, being eligible, offer themselves for re-election.

No Director has a service contract with the Company.

Special Business at the Annual General Meeting

Under resolution 6 it is proposed that, in line with common practice, the Directors be authorised to allot up to £334,426 of relevant securities in the Company (equivalent to 1,337,705 Ordinary shares of 25p, representing approximately 5% of the Company's issued share capital) without further reference to the Company in general meeting for a period ending at the conclusion of the Annual General Meeting in 2002.

Under section 89(1) of the Companies Act 1985, where it is proposed to issue equity securities (which includes Ordinary shares, Warrants and convertible debt securities) for cash they must first be offered to existing shareholders in proportion to their holdings. In some circumstances it is beneficial to allot such securities for cash without first offering them in this way. The Directors will therefore propose a special resolution (resolution 6) at the Annual General Meeting which, if passed, will allow them to allot equity securities for cash up to an aggregate nominal value of £334,426 as if section 89(1) did not apply. This authority will lapse (unless renewed) at the conclusion of the Annual General Meeting in 2002. Ordinary shares would not be issued at a price less than net asset value.

Under resolution 8, which is a special resolution, it is proposed that the general authority for the Company to buy back up to 14.99% of its Ordinary shares, approved by shareholders and warrant holders on 28 November 2000 be renewed at the Annual General Meeting for an amount up to 4,010,439 of its Ordinary shares for a further 12 months unless renewed before that time.

Corporate Governance

The Board has put in place a framework for corporate governance which it believes is suitable for an investment trust and which enables the Company to comply with the Principles of Good Governance and Code of Best Practice ("the Combined Code"), prepared by the Committee on Corporate Governance, published in June 1998.

Directors' Report

The Board considers that the Company has complied with the provisions contained within the Combined Code throughout this accounting period except where indicated below. This statement describes how the relevant principles of governance are applied to the Company.

The Board

The Board currently consists of five non-executive Directors, the majority of whom are independent of the Company's Investment Manager, with the Chairman fulfilling the role of senior independent non-executive director. Given the size and composition of the Board it is not felt necessary to separate the roles of Chairman and senior non-executive Director. From the biographies on page 3 it will be seen that the Board has a breadth of experience relevant to the Company. The Articles of Association provide that the number of Directors nearest to, but not greater than, one third of the Board retire by rotation every year; there is no requirement for Directors to be re-elected every 3 years. Consideration will be given to altering the Articles in due course to make them comply with the Combined Code on this subject. However, it is unlikely to be undertaken until the Company requires a general re-drafting of its Articles. In order to satisfy this requirement Mr Young and Mr Elstob will retire and offer themselves for re-election at the forthcoming AGM.

The Board meets at least six times a year and between these formal meetings there is regular contact with the Investment Manager. The Directors also have access to the Company Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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. The Board has delegated the following areas of responsibility:

Management and Administration

The management of the investment portfolio and the administration of the Company has been delegated to Aberdeen Asset Management PLC ("Aberdeen") and its subsidiaries. Custody and settlement services are undertaken by State Street Bank & Trust Co., a subsidiary of State Street Corporation. The Board has delegated the exercise of voting rights attaching to the Company's investments to the Investment Manager.

All other matters are reserved for the approval of the Board.

Board Committees

Separate Audit and Management Engagement Committees have been established. The Board as a whole fulfils the function of a Nomination Committee which meets when necessary to select and propose suitable candidates for appointment. Given the size of the Board it is not felt appropriate to establish a separate Nomination Committee.

The Audit and Management Engagement Committees each consist of Directors independent of the Investment Manager. The Audit Committee examines the effectiveness of the Company's internal controls system and receives information from the Investment Manager's internal audit and compliance departments and the external auditors. The Management Engagement Committee keeps under review the terms of the investment management and related agreements.

Internal Controls

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

Directors' Report

Following publication of guidance for directors 'Internal Control: Guidance for Directors' on the Combined Code (the Turnbull guidance), the Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the period under review and up to the date of approval of this Annual Report and Accounts, and is regularly reviewed by the Board and accords with the guidance. The significant risks faced by the Company are as follows:

- financial;
- operational;
- compliance; and
- risk management.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed.

The key components designed to provide effective internal control are outlined below:

- The Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- The Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Investment Manager's evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;
- As a matter of course the compliance department of Aberdeen continually reviews the Investment Manager's operations;
- Written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third party service providers;
- The Board has considered the need for an internal audit function, but because of the internal control system in place at the Investment Manager, has decided to place reliance on the Investment Manager's systems and internal control procedures; and
- At its September Board meeting, the Board carried out an annual assessment of internal controls for the year to 31 July 2001 by considering documentation from the Investment Manager, including their internal audit and compliance functions and taking account of events since 31 July 2001.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Financial Statements

The Directors' responsibilities regarding the financial statements are set out on page 19. The Directors acknowledge that their responsibility to present a balanced and understandable assessment extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

Going Concern

After making enquiries and given the nature of the Company and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

Directors' Report

Relations with Shareholders

The Investment Manager maintains a regular dialogue with institutional shareholders, the feedback from which is reported to the Board. In addition, Board members and representatives of the Investment Manager are available to answer shareholders' questions at the Annual General Meeting of the Company.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at the date of this Report.

Shareholder	Number of Ordinary shares held	% held
Clients of Aberdeen Asset Management PLC	6,964,733	26.03
M & G Investment Management Limited	4,000,000	14.95
AGF Management Limited	1,620,000	6.06
Rio Tinto Pensions	1,400,000	5.23
Quilter & Co	1,370,000	5.12
Bank of England Pension Fund	1,200,000	4.49
Exeter Asset Management Limited	1,100,000	4.11
Reliance Mutual	1,000,000	3.74
Aberdeen Investment Trust Share Plan/ISA (Non Beneficial)	918,114	3.43
Aberdeen New Dawn Investment Trust PLC*	900,000	3.36

**Also included within the interest of Clients of Aberdeen Asset Management PLC*

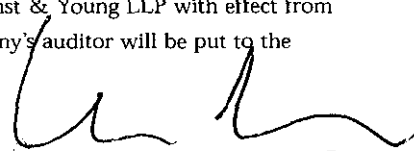
Creditor payment policy

The Company policy is to pay Stock Exchange trade creditors on dates of settlement and all other creditors are paid within 30 days of receipt of invoice. At the end of the financial year there were 11 days (2000 - 4) of outstanding purchases. There were £2,473,000 of outstanding creditors at 31 July 2001 (31 July 2000 - nil) in relation to the purchase of investments.

Auditors

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

One Bow Churchyard, Cheapside,
London EC4M 9HH
22 October 2001


By order of the Board
 **Aberdeen Asset Management PLC**
Secretaries

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the total return of the Company for that period. In preparing those financial statements, the Directors are required to:

- 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 departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Auditors' Report to the Members of Aberdeen Asian Smaller Companies Investment Trust PLC

We have audited the financial statements on pages 21 to 31 which have been prepared under the historic cost convention as modified by the revaluation of fixed asset investments and on the basis of the accounting policies set out on pages 24 and 25.

Respective responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 19, this includes the responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of The Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the Corporate Governance statement on pages 15 to 17 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Financial Services Authority and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the Corporate Governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 July 2001 and of its total return and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP
Registered Auditor
London

22 October 2001

Statement of Total Return

(Incorporating the Revenue Account of the Company*)

		Year ended 31 July 2001			Year ended 31 July 2000		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
	Notes						
(Losses)/gains on investments	9	–	(4,021)	(4,021)	–	10,188	10,188
Income	2	1,673	–	1,673	1,334	–	1,334
Investment management fee	3	(445)	–	(445)	(340)	–	(340)
Other expenses	4	(243)	–	(243)	(296)	–	(296)
Exchange gains/(losses)		–	38	38	–	(103)	(103)
Net return/(loss) before finance costs and taxation		985	(3,983)	(2,998)	698	10,085	10,783
Interest payable and similar charges	5	(153)	–	(153)	(145)	–	(145)
Return/(loss) on ordinary activities before taxation		832	(3,983)	(3,151)	553	10,085	10,638
Tax on ordinary activities	6	(287)	–	(287)	(189)	–	(189)
Return/(loss) on ordinary activities after taxation		545	(3,983)	(3,438)	364	10,085	10,449
Dividends in respect of equity shares	7	(535)	–	(535)	(363)	–	(363)
Transfer to/(from) reserves	14	10	(3,983)	(3,973)	1	10,085	10,086
Return/(loss) per Ordinary share (pence):							
Basic	8	1.84	(13.43)	(11.59)	1.12	31.08	32.20

* The revenue column of this statement is the revenue account of the Company.

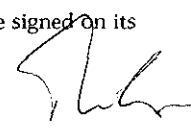
The accompanying notes on pages 24 to 31 are an integral part of the financial statements.

All revenue and capital items in the above statement derive from continuing operations.

Balance Sheet

		As at 31 July 2001 £'000	As at 31 July 2000 £'000
	Notes		
Fixed assets			
Investments	9	33,994	38,693
Current assets			
Debtors	10	258	160
Cash at bank and in hand		797	1,010
		1,055	1,170
Creditors: amounts falling due within one year	11	(3,232)	(1,321)
Net current liabilities		(2,177)	(151)
Total assets less current liabilities		31,817	38,542
Provisions for liabilities and charges	12	(26)	(22)
Total net assets		31,791	38,520
Capital and reserves			
Called-up share capital	13	6,689	7,439
Capital redemption reserve	14	2,062	1,312
Special reserve	14	14,990	17,746
Other capital reserves:			
Warrant reserve	14	2,275	2,275
Capital reserve - realised	14	6,556	4,837
Capital reserve - unrealised	14	(1,031)	4,671
Revenue reserve	14	250	240
Total equity shareholders' funds		31,791	38,520
Net asset value per Ordinary share (pence):	15		
Basic		118.83	129.46
Fully-diluted		114.92	123.85

The financial statements were approved by the Board of Directors on 22 October 2001 and were signed on its behalf by:


Nigel Cayzer
Chairman

The accompanying notes on pages 24 to 31 are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 31 July 2001		Year ended 31 July 2000	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	16		757		590
Servicing of finance					
Interest paid		(154)		(149)	
Net cash outflow from servicing of finance			(154)		(149)
Taxation					
Net taxation (paid)/recovered			(12)		344
Financial investment					
Purchase of investments		(8,238)		(10,519)	
Sale of investments		8,962		15,660	
Net cash inflow from financial investment			724		5,141
Equity dividends paid			(363)		(93)
Net cash inflow before financing			952		5,833
Financing					
Repurchase of Ordinary shares		(453)		(5,195)	
Expenses paid in respect of share buybacks		–		(153)	
Repayment of loans		(750)		(1,000)	
Net cash outflow from financing			(1,203)		(6,348)
Decrease in cash	17		(251)		(515)
Reconciliation of net cash flow to movements in net funds/(debt)					
Decrease in cash as above			(251)		(515)
Cash outflow from repayment of loan			750		1,000
Exchange movements			38		(118)
Movement in net funds in the year			537		367
Opening net funds/(debt)			260		(107)
Closing net funds	17		797		260

The accompanying notes on pages 24 to 31 are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 31 July 2001

1. Accounting policies

(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 and with the Statement of Recommended Practice ('SORP') 'Financial Statements of Investment Trust Companies'.

(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. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve-realised, and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve-unrealised as explained in note 1(f) below.

(c) Income

Dividends receivable on equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is quoted are brought in to account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective yield on shares. Other returns on non-equity shares are recognised when the right to 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 dividend is recognised in capital reserves. In accordance with Financial Reporting Standard 16 'Current Tax' franked investment income is shown net of notional tax credits.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged 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

The charge for taxation is based on the net revenue for the year. Provision is made for deferred taxation, using the liability method on all material timing differences, to the extent that it is probable that a liability will crystallise.

(f) Capital reserves

Capital reserve - realised

The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- realised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

Capital reserve - unrealised

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year-end;
- unrealised exchange differences of a capital nature;
- unrealised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

Notes to the Financial Statements

(g) Foreign currency

Overseas monetary assets are converted into sterling at the rate of exchange ruling at the balance sheet date. Transactions during the year involving foreign currencies are converted into sterling at the rate of exchange ruling at the transaction date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in capital or revenue depending on whether the gain or loss is of a capital or revenue nature respectively.

	2001 £'000	2000 £'000
2. Income		
Income from investments		
Franked investment income	71	–
Overseas dividends	1,568	1,230
	<u>1,639</u>	<u>1,230</u>
Other income		
Deposit interest	34	104
	<u>1,673</u>	<u>1,334</u>

	2001			2000		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
3. Investment management fee	445	–	445	340	–	340
Investment management fee	445	–	445	340	–	340

The Company has an agreement with Aberdeen Asset Management Asia Limited ('AAM Asia') for the provision of management services. During the period the management fee was payable monthly in arrears and is based on an annual amount of 1.2%, calculated on the average net asset value of the Company over a 24 month period, valued monthly. The agreement is terminable on two years' notice. The balance due to AAM Asia at the year end was £77,000 (2000 – £65,000).

	2001 £'000	2000 £'000
4. Other expenses		
Administration fees	56	64
Directors' fees	60	44
Share Plan marketing contribution	18	17
Auditors' remuneration		
– audit	12	12
– for other services	2	1
Custodian charges	51	84
Other expenses	44	74
	<u>243</u>	<u>296</u>

Notes to the Financial Statements

The Company has an agreement with Aberdeen Asset Managers Limited ('AAM') for the provision of administration services. The administration fee is payable quarterly in advance and was based on an annual amount of £56,000. The agreement is terminable on six months' notice. There was no balance due to/from AAM at the year end (2000 – £nil).

The Company also has an agreement with AAM for the provision of marketing services in relation to the Company's participation in the Aberdeen Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement was £18,000 (2000 – £17,000) and the net amount prepaid to AAM at the year end was £3,000 (2000 – prepayment of £3,000).

The emoluments of the highest paid Director, being the Chairman, amounted to £15,000 (2000 – £10,000).

No pension contributions were made in respect of any of the Directors.

The Company does not have any employees.

	2001			2000		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
5. Interest payable and similar charges						
On bank loans and overdrafts	153	–	153	145	–	145

	2001			2000		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
6. Tax on ordinary activities						
Corporation tax	194	–	194	140	–	140
Deferred taxation	4	–	4	(1)	–	(1)
Overseas taxation	188	–	188	118	–	118
Relief for overseas taxation	(99)	–	(99)	(68)	–	(68)
	287	–	287	189	–	189

	2001			2000		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
7. Dividends and other appropriations						
Dividends on equity shares:						
– final 2.00p per share (2000 – 1.22p)	535	–	535	363	–	363

	2001			2000		
	Revenue	Capital	Total	Revenue	Capital	Total
	p	p	p	p	p	p
8. Return per Ordinary share						
Basic	1.84	(13.43)	(11.59)	1.12	31.08	32.20

The basic revenue return per Ordinary share is based on net revenue on ordinary activities after taxation of £545,000 (2000 – £364,000) and on 29,669,197 (2000 – 32,453,641) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

Notes to the Financial Statements

The basic capital return per Ordinary share is based on net capital losses for the financial year of £3,983,000 (2000 - gains of £10,085,000) and on 29,669,197 (2000 - 32,453,641) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The fully-diluted return per Ordinary share has not been shown as it is in excess of basic earnings per share.

9. Investments

	2001	2000
Investments	£'000	£'000
Investments listed on a recognised investment exchange	33,994	38,693

	Listed in UK £'000	Listed overseas £'000	Total £'000
Book cost at 1 August 2000	1,242	32,780	34,022
Unrealised appreciation at 1 August 2000	743	3,928	4,671
Valuation at 1 August 2001	1,985	36,708	38,693
Movements in the year:			
Purchases at cost	1,184	7,372	8,556
Sales – proceeds	(1,601)	(7,633)	(9,234)
– realised gains	359	1,322	1,681
Amounts recognised as unrealised in previous years	(743)	(1,208)	(1,951)
Increase/(decrease) in unrealised appreciation	101	(3,852)	(3,751)
Valuation at 31 July 2001	1,285	32,709	33,994
Book cost at 31 July 2001	1,184	33,841	35,025
Unrealised appreciation/(depreciation) at 31 July 2001	101	(1,132)	(1,031)
	1,285	32,709	33,994
Realised gains on sales	359	1,322	1,681
Amounts recognised as unrealised in previous years	(743)	(1,208)	(1,951)
Increase/(decrease) in unrealised appreciation	101	(3,852)	(3,751)
	(283)	(3,738)	(4,021)

10. Debtors: amounts falling due within one year

	2001	2000
Debtors: amounts falling due within one year	£'000	£'000
Amounts due from brokers	123	—
Other debtors	5	12
Tax recoverable	8	64
Prepayments and accrued income	122	84
	258	160

Notes to the Financial Statements

	2001 £'000	2000 £'000
11. Creditors: amounts falling due within one year		
Amounts due to brokers	2,473	-
Other creditors	129	137
Bank loan	-	750
Corporation tax payable	95	71
Proposed dividend	535	363
	3,232	1,321

	Deferred taxation on accrued income £'000
12. Provision for liabilities and charges	
At 1 August 2000	22
Movement in year	4
Balance at 31 July 2001	26

	2001 Authorised £'000	2001 Issued and fully paid £'000	2000 Authorised £'000	2000 Issued and fully paid £'000
13. Called up share capital				
Ordinary shares of 25p each	10,500	6,689	10,500	7,439

During the financial year 3,000,000 Ordinary shares were bought back for cancellation at a cost of £2,756,000.

At 31 July 2001 there were 6,999,400 Warrants in issue (2000 - 6,999,400). Each Warrant entitles a holder to subscribe for one Ordinary share of 25p at a price of 100p. Details of exercise are highlighted on the inside back cover of this Report.

	Redemption reserve £'000	Special reserve £'000	Warrant reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000
14. Reserves						
At 1 August 2000	1,312	17,746	2,275	4,837	4,671	240
Repurchase of Ordinary shares	750	(2,756)	-	-	-	-
Exchange gains	-	-	-	38	-	-
Transfer on disposal of assets	-	-	-	1,951	(1,951)	-
Net loss on realisation of investments	-	-	-	(270)	-	-
Decrease in unrealised appreciation	-	-	-	-	(3,751)	-
Net surplus for the year	-	-	-	-	-	10
At 31 July 2001	2,062	14,990	2,275	6,556	(1,031)	250

Notes to the Financial Statements

15. Net asset value per share

The net asset value per share and the net asset values attributable to equity shareholders at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share attributable		Net asset values attributable	
	2001	2000	2001	2000
	p	p	£'000	£'000
Ordinary shares – basic	118.83	129.46	31,791	38,520
– fully-diluted	114.92	123.85		

The movements during the year of the assets attributable to the Ordinary shares were as follows:-

	2001	2000
	£'000	£'000
Opening net assets attributable	38,520	33,782
Total recognised (losses)/gains for the year	(3,438)	10,449
Share buyback expenses	–	(153)
Repurchase of Ordinary shares	(2,756)	(5,195)
Dividends appropriated in the year	(535)	(363)
Closing net assets attributable	31,791	38,520

The basic net asset value per Ordinary share is based on net assets, and on 26,754,100 (2000 – 29,754,100) Ordinary shares, being the number of Ordinary shares in issue at the year end.

The fully-diluted net asset value per Ordinary share is 114.92p (2000 – 123.85p). This has been calculated on the assumption that 6,999,400 (2000 – 6,999,400) Warrants in issue were exercised on the first day of the financial year at 100p per share giving an average of 33,753,500 (2000 – 36,753,500) Ordinary shares.

16. Reconciliation of net return on ordinary activities before finance costs and taxation to net cash inflow from operating activities	2001	2000
	£'000	£'000
Net revenue before finance costs and taxation	985	698
(Increase)/decrease in accrued income	(37)	46
Decrease/(increase) in other debtors	6	(11)
(Decrease)/increase in other creditors	(6)	33
UK Income tax deducted at source	(3)	(57)
Overseas withholding tax suffered	(188)	(119)
Net cash inflow from operating activities	757	590

Notes to the Financial Statements

	1 August 2000 £'000	Cash flow £'000	Exchange movements £'000	31 July 2001 £'000
17. Analysis of changes in net funds				
Net cash:				
Cash at bank and overdrafts	1,010	(251)	38	797
Debt:				
Debts falling due within one year	(750)	750	–	–
Net funds	260	499	38	797

18. Related party transactions

Mr M J Gilbert and Mr H Young are directors of Aberdeen Asset Management PLC and its subsidiary Aberdeen Asset Management Asia Limited ('AAM Asia'). Mr Gilbert is also a director of Aberdeen Asset Managers Limited ('AAM'). AAM Asia has an agreement to provide management services to the Company, the terms of which are outlined in note 3. AAM has an agreement to provide both administration and marketing services to the Company, the terms of which are outlined in note 4.

19. Financial instruments

The Company's financial instruments comprise:

- Equity and non-equity shares that are held in accordance with the Company's investment objectives, which are set out on page 1 of this Report and Accounts; and
- Cash and liquid resources that arise directly from the Company's operations.

The main risks arising from the Company's financial instruments are market price risk, foreign currency risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Company.

The Company has taken advantage of the exemption allowed under FRS 13, 'Derivatives and other Financial Instruments', and excluded short-term debtors and creditors from disclosures under financial instruments.

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long term investments. An appropriate spread of investments are held in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a country or sector. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

A list of the investments held by the Company as at 31 July 2001 is shown in the 'Investment Portfolio' table on pages 9 to 11. All investments are stated at market value.

Notes to the Financial Statements

Interest rate risk

Financial assets

The Company has financial assets in the form of bank balances held. These balances are mainly held at floating rates of interest, the average at the year-end being 4.56%.

Financial liabilities

The Company finances its operations through its term loans. The Company had no outstanding loans at the year end.

Foreign currency risk

The Company's total return and net assets can be significantly affected by currency translation movements as the majority of the Company's assets and revenue are denominated in currencies other than Sterling, which is the Company's functional currency. The Investment Manager mitigates the individual currency risks through the international spread of investments. A breakdown of the investments denominated in the currency of the country classification can be seen in the 'Geographic Analysis' graph on page 12.

Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments, if necessary. Short-term flexibility is achieved through use of overdraft facilities. At the year end the Company had no bank overdraft.

Shareholder Information

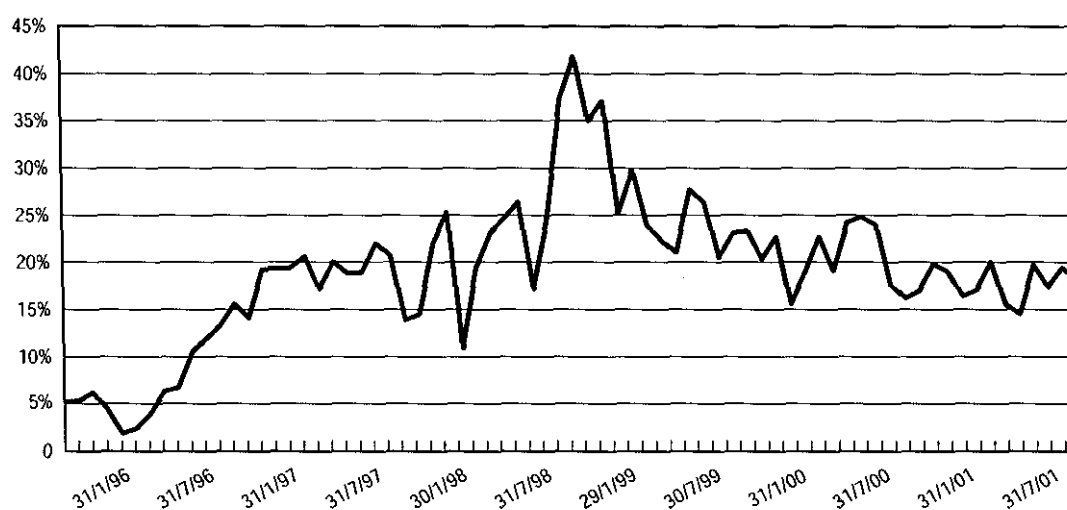
Shareholder Distribution

As the date of this report there were 26,754,100 Ordinary shares in issue. The distribution of these was as follows:

Range	Number of shareholders	%	Number of shares held	%
1 - 1,000	42	15.33	20,080	0.08
1,001 - 5,000	81	29.56	230,714	0.86
5,001 - 10,000	34	12.41	260,603	0.97
10,001 - 100,000	88	32.12	2,457,603	9.19
100,001 and over	29	10.58	23,785,100	88.90
	274	100.00	26,754,100	100.00

In addition to the above the Company has 107 participants through the Aberdeen Investment Trust Share Plan and ISA.

Discount to fully diluted net asset value per share



Net Asset Value/Share Prices

The net asset value of the Company's Ordinary shares can be obtained daily by contacting Aberdeen Asset Managers Limited on **0500 00 00 40**, or by e-mail at inv.trusts@aberndeen-asset.com. The prices of the Company's Ordinary shares are published daily in the *Financial Times*, *Times*, *Daily Telegraph*, *The Scotsman*, *Herald* and the *Evening Standard*. The prices of the Company's Warrants are published daily in the *Financial Times*.

The share price is also available by accessing the internet at www.asian-smaller.com

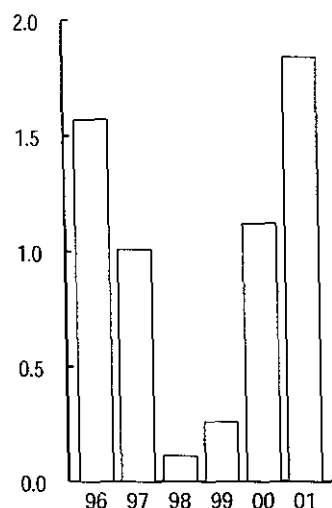
Six Year Financial Record

Year to 31 July

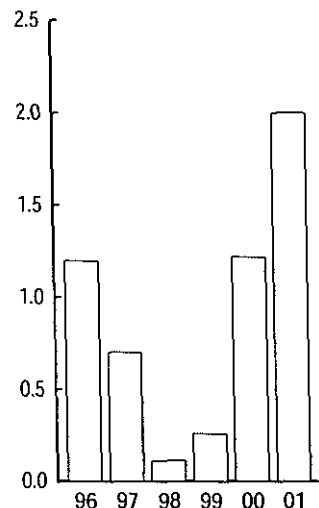
	1996	1997	1998	1999	2000	2001
Total revenue (£'000)*	1,361	1,194	801	869	1,334	1,673
<i>Per Ordinary share</i>						
Net earnings (pence)	1.57	1.01	0.11	0.26	1.12	1.84
Net dividends paid (pence)	1.20	0.70	0.11	0.26	1.22	2.00
<i>Net asset value:</i>						
Undiluted (pence)	101.96	112.34	56.06	96.52	129.46	118.83
Diluted (pence)	101.64	110.28	n/a	n/a	123.85	114.92
Equity shareholders' funds (£'000)	35,687	39,319	19,620	33,782	38,520	31,791

*The total revenue figure for 1999 has been restated in line with FRS 16 'Current Tax'. No restatement was required for 1996 to 1998 as no franked investment income was received.

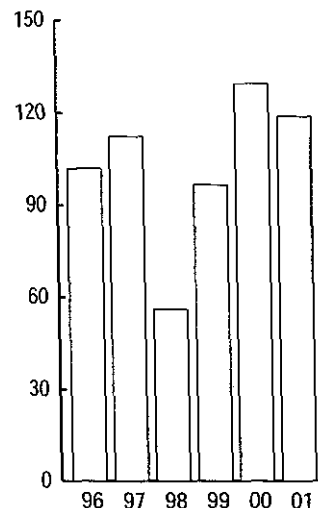
Earnings per share
pence



Net dividends per share
pence



Net asset value per share (undiluted)
pence



Six Year Performance Record

Indexed performance for year to 31 July

(figures rebased to 100 at 31 October 1995)

	1996	1997	1998	1999	2000	2001
Net asset value (undiluted)	105.01	115.70	57.73	99.38	133.33	122.43
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	104.54	111.41	55.96	86.88	94.43	71.49

The Company's total expense ratio was for the year ended 31 July 2001 was 1.97% (2000 – 1.65%).

Information about the Manager

Aberdeen Asset Management Asia Limited

The Company's manager is Aberdeen Asset Management Asia Limited (AAM Asia), a wholly-owned subsidiary of Aberdeen Asset Management PLC whose Group companies manage a combined £36.6 billion of funds for UK institutions, investment trusts, closed-end funds, unit trusts, private clients and offshore funds.

Aberdeen Asset Management PLC has been listed on the London Stock Exchange since 1991, although its origins go back to an investment company founded in 1876 to assist Scottish farmers to set up in the Canadian prairies. It has its headquarters in Aberdeen with offices in London, Edinburgh, Inverness, Glasgow, Singapore, Dublin, Fort Lauderdale, Luxembourg, Hong Kong, Sydney, Jersey and Chicago.

Over the past dozen years the Group has grown rapidly through a combination of acquisition and organic growth. The Group now has 29 investment trusts and other closed-end funds under management. They adhere closely to the Group's investment style which is that of fundamental investors, with an emphasis on company visits and original research.

Aberdeen Managed Investment Trusts

The Group manages investment trusts and closed-end funds which have combined total assets of around £7.1 billion. The funds cover a wide range of markets and sectors, including the UK, Europe, the Far East, emerging markets and the technology sector. As well as portfolio management, company secretarial, administrative and marketing services to the individual funds are also provided.

Aberdeen Investment Trust Share Plan

AAM runs a Share Plan which covers the majority of investment trusts and closed-end funds under its management including Aberdeen Asian Smaller Companies Investment Trust PLC. All investments are free of dealing charges on the initial purchase of shares. Lump sum investment starts at £250 per trust, while regular savers may invest from just £50 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and all other rights of share ownership.

Aberdeen Investment Trust Individual Savings Account

The Aberdeen Investment Trust ISA ("the ISA") is now available. It aims to generate income and/or capital growth within a tax efficient environment. The ISA allows investors to hold a wider range of investments than is possible with a PEP. We have therefore made available Aberdeen's full range of investment trusts and closed-end funds in the ISA. You can also hold up to three components within an ISA: stocks and shares (including investment trusts and closed-end funds), cash and life insurance. AAM offers both a Mini and Maxi stocks and shares ISA.

Maxi ISA

The Maxi ISA offers the full range of AAM managed investment trusts and closed-end funds including emerging markets and specialist trusts. The Maxi ISA does not have a cash or life insurance component. An investment of up to £7,000 can be made in the tax year 2001/2002.

Mini ISA

AAM offers a Mini ISA which will enable you to invest up to £3,000 in Aberdeen investment trusts and closed-end funds in the tax year 2001/2002.

There are no brokerage or initial charges for the Aberdeen Investment Trust ISA. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA management charge is 0.5%, calculated monthly and deducted from income quarterly. Under current legislation, trusts can grow free of income or capital gains tax. In the case of dividends paid by investment trusts held within an ISA, a 10% tax credit will be reclaimed until April 2004, when the tax credit will be abolished.

Information about the Manager

Trust Information

If you would like details of any of the following trusts managed by AAM, or copies of Share Plan or ISA brochures please telephone AAM's Brochureline on 0500 00 40 00 or write to Aberdeen Asset Managers Limited, One Albyn Place, Aberdeen AB10 1YG, or email on inv.trusts@aberdeen-asset.com. Details are also available by accessing the internet on pages <http://www.aberdeen-asset.com>

Aberdeen Asian Smaller Companies Investment Trust PLC Invests in Asian companies with a market capitalisation less than US\$250m at launch.

Aberdeen Convertible Income Trust PLC High income from convertibles.

Aberdeen Development Capital PLC Development capital.

Aberdeen Emerging Economies Investment Trust PLC Long term capital growth from global emerging markets.

Aberdeen High Income Trust PLC High income from UK split-capital investment trusts.

Aberdeen Latin American Investment Trust PLC Long term capital growth from Latin America.

Aberdeen New Dawn Investment Trust PLC Above-average capital growth from Asia's emerging markets.

Aberdeen New Thai Investment Trust PLC Single-country trust.

Aberdeen Preferred Income Trust PLC High income with exposure to the UK equity market.

Aberdeen Preferred Securities PLC Capital growth from zero dividend preference shares.

Broadgate Investment Trust PLC Income and capital growth from a portfolio of blue chip and high yielding securities.

Danae Investment Trust PLC Capital and income growth split-capital trust from a higher yielding portfolio of securities.

European Growth and Income Trust PLC Income and capital growth from Continental European equities and high yielding securities.

Jersey Phoenix Trust Limited Capital and income growth split-capital trust from a portfolio of mainly equity investments.

Jove Investment Trust PLC Capital and income growth split-capital trust from a portfolio of high yielding securities.

Leveraged Income Fund Limited Income and capital growth split-capital trust.

St. David's Investment Trust PLC Income and capital growth principally through investment in UK blue-chip and investment trust income shares and euro-denominated securities.

The American Monthly Income Trust Limited Investing in quoted US companies and high yielding securities for a monthly income.

The Enhanced Zero Trust PLC Capital growth primarily from zero dividend preference shares.

The European Monthly Income Trust Limited Income and capital growth from European equities and high yielding securities.

The European Technology and Income Company Limited Income and capital growth from a portfolio of high yielding and European technology stocks.

The Income & Growth Trust PLC Long term capital and income growth from investments primarily in higher yielding securities.

Income & Growth Securities PLC Capital growth from zero dividend preference shares.

The Media and Income Trust PLC Investing for income and growth in the media industry.

Media Zeros PLC Capital growth from zero dividend preference shares.

The Smaller Companies Investment Trust PLC Capital and income growth from a portfolio of UK-quoted smaller companies.

The Taverners Trust PLC Capital growth from the brewing and licensed retailing industry.

The Technology and Income Trust Limited Income and capital growth from a portfolio of high yielding and technology securities.

Themis FTSE All-Small Index Trust PLC Tracks capital growth of the FTSE All-Small Index (excluding investment Companies).

All trusts are available within the Aberdeen Share Plan, Aberdeen PEP and Aberdeen ISA.

The information on pages 34 and 35 is issued and has been approved for the purposes of the Financial Services Act 1986 by Aberdeen Asset Managers Limited, One Bow Churchyard, Cheapside, London EC4M 9HH which is regulated by IMRO.

Marketing Strategy

Aberdeen Asian Smaller Companies Investment Trust PLC has agreed to contribute to the Marketing Programme run by Aberdeen Asset Managers Limited ('Aberdeen'), on behalf of a number of investment trusts under its management. This agreement will cost the Company £17,557 (plus VAT) a year, reviewed on an annual basis. The Company's contribution is matched by an equivalent sum from Aberdeen.

The purpose of the Programme is to communicate effectively with existing shareholders and gain more new shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company's shares. Our recent experience has also shown that well-targeted marketing of the Company's investment merits through packaged products, whether singly, or in conjunction with other trusts managed by Aberdeen, can be a cost-effective way of gaining new investors.

These aims can be met in several ways:

Investor relations programme Aberdeen runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month, institutional investors and prospects receive a Manager's report on your Company that includes detailed performance analysis.

Group schemes The Manager runs both a group Share Plan and ISA. These schemes allow investment free of dealing costs and with only nominal exit charges, and have proved popular with private investors.

Direct response advertising The Manager advertises the packaged product availability of the Trust over the past few years in selected surveys in national broadsheets as well as the specialist financial press.

Direct mail Periodic mail shots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other Aberdeen investment trusts as well as known buyers of investment trusts.

Newsletter The 'Bulletin' newsletter, an informed commentary on markets and investment trusts managed by Aberdeen is distributed free of charge twice a year, and shortly, quarterly.

Public relations The Manager undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

Shareholder services Aberdeen runs an investment help desk for retail enquirers and investors with a staff of more than 80. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Marketing Programme is under the direction of Aberdeen's Investment Trust Marketing Director, who has fifteen years experience in the marketing and communications of investment products. He is supported by a team of three marketing professionals.

Internet The Aberdeen Investment Trusts web site contains a link to TrustNet, which allows web users to access real time information on the Company's share price performance, yield, as well as historic data. The site is continuously being evaluated for improvement. The site is www.asian-smaller.com.

It is intended that ongoing Programme activities in these various fields, both proactive and supportive, will assist the Company to increase and maintain its shareholder base, improve liquidity and sustain ratings.

The Company is committed to a close monitoring of the Marketing Programme. The Marketing Director reports to the Board twice a year, and provides a written summary quarterly.

If you have any questions about your Company, the Manager or performance, please telephone our Customer Services Department (direct private investors) on 0500 00 00 40 or our Broker Desk on 0800 592 487 (Institutions and IFAs). Alternatively, internet users may e-mail us on inv.trusts@aberdeen-asset.com or write to us at One Albyn Place, Aberdeen AB10 1YG.

Notice of Meeting

Notice is hereby given that the sixth Annual General Meeting of Aberdeen Asian Smaller Companies Investment Trust PLC will be held at One Bow Churchyard, Cheapside, London EC4M 9HH, at 12.30pm on Tuesday 27 November 2001 for the following purposes:

To consider and if thought fit, pass the following Resolutions of which Resolutions 1 – 6 will be proposed as Ordinary Resolutions and Resolutions 7 and 8 will be proposed as Special Resolutions:

Ordinary Business

1. To receive the Directors' report and financial statements for the year ended 31 July 2001, together with the auditors' report thereon.
2. To approve the payment of a final dividend.
3. To re-elect Mr Young as a Director.
4. To re-elect Mr Elstob as a Director.
5. To re-appoint Ernst & Young LLP as auditors and to authorise the Directors to determine their remuneration.

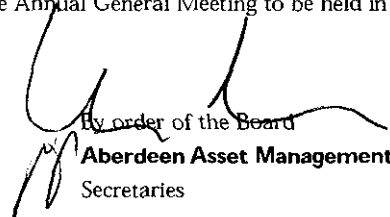
Special Business

6. THAT with effect from the time of the passing of this resolution the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate amount of £334,426 representing approximately 5 per cent. of the present issued share capital during the period expiring at the conclusion of the next Annual General Meeting of the Company in 2002, but so that this authority shall allow the Company and its Directors to make offers or agreements before such expiry and the Directors may do so as if such expiry had not occurred.
7. THAT subject to the passing of resolution number 6 set out above, the Directors be and are hereby empowered, pursuant to Section 95(1) of the Companies Act 1985, to allot equity securities (within the meaning of Section 94(2) of the said Act) for cash pursuant to the authority conferred by resolution number 5 as if Section 89(1) of the said Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:
 - (a) (otherwise than pursuant to sub-paragraph (b) below) which are, or are to be wholly paid up in cash, at the price of not less than the net asset value per share at allotment, as determined by the Directors, up to an aggregate nominal value of £334,426; and
 - (b) in connection with issues by way of rights in favour of all holders of Ordinary shares where the equity securities respectively attributable to the interests of all such holders are either proportionate (as nearly as may be) to the respective number of Ordinary shares held by them on the record date of such allotment or otherwise allotted in accordance with the right conferred on such equity securities (but subject in either case to such exclusions or other arrangements or legal problems under the laws of or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price of not less than the net asset value per share at allotment, as determined by the Directors;and shall expire at the conclusion of the Annual General Meeting of the Company in 2002, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.

Notice of Meeting

8. THAT the Company is, pursuant to Section 166 of the Companies Act 1985, hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") provided that:
- 1) the maximum number of Ordinary shares hereby authorised to be purchased is 4,010,439 Ordinary shares being 14.99 per cent. of the issued share capital at the date of the passing of the resolution;
 - 2) the minimum price which may be paid for Ordinary shares is 25p per Ordinary share;
 - 3) the maximum price which may be paid for an Ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary share derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased;
 - 4) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract to purchase would or might require to be executed wholly or partly after the expiry of such authority, and may make the purchase of Ordinary shares in pursuance of any such contract; and
 - 5) the authority hereby conferred shall expire on the day of the Annual General Meeting to be held in 2002.

One Bow Churchyard, Cheapside,
London EC4M 9HH
22 October 2001


By order of the Board
Aberdeen Asset Management PLC
Secretaries

Notice of Meeting

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to The Registrars, Aberdeen Asian Smaller Companies Investment Trust PLC, Lloyds TSB Registrars Scotland, 117 Dundas Street, Edinburgh EH3 5ED so as to arrive not less than forty eight hours before the time fixed for the meeting.
3. Completing and returning a form of proxy will not prevent a member from attending in person at the meeting referred to above and voting should he or she so wish.
4. To have the right to attend and vote at the meeting referred to above (and also for the purposes of calculating how many votes a member may cast), a member must first have his or her name entered in the register of members by not later than 12 noon on 25 November 2001. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.
5. The Register of Directors' interests is kept by the Company in accordance with Section 325 of the Companies Act 1985 and will be open for inspection at the meeting.

Capital Structure

Issued share capital

26,754,100	Ordinary shares of 25p
6,999,400	Warrants to subscribe at 100p

Capital history

19 October 1995	35,000,000 Ordinary shares of 25p each placed at 100p with 7,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 100p.
21 December 1998	600 Ordinary shares issued following the exercise of Warrants.
27 January 2000	3,500,000 Ordinary shares purchased for cancellation at 95p per share.
22 February 2000	1,746,500 Ordinary shares purchased for cancellation at 105p per share.
5 June 2001	500,000 Ordinary shares purchased for cancellation at 90.25p.
31 July 2001	2,500,000 Ordinary shares purchased for cancellation at 91.5p.

Warrants

The Company has 6,999,400 Warrants in issue. The Warrants confer the right to subscribe for one Ordinary share of 25p at 100p on 30 November in any of the years 2000 to 2010 inclusive or, if later, the date in any such year thirty days after the date on which copies of the audited accounts of the Company for its then immediately preceding financial year are dispatched to shareholders.