VALUE AND INCOME TRUST PLC

ACCOUNTS FOR PERIOD 1 APRIL 2012 TO 30 SEPTEMBER 2012

COMPANY NO: SC 50366

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2012

	Notes	As at 30 September 2012 (Unaudited) £'000	£'000	As at 31 March 2012 (Audited) £'000	£'000	As at 30 September 2011 (Unaudited) £'000	£'000
ASSETS							
NON CURRENT ASSETS							
Investments held at fair value through profit or loss			105,989		101,197		90,020
Investment properties held at fair value through profit or loss			47,225		48,250		48,675
			153,214		149,447		138,695
CURRENT ASSETS							
Cash and cash equivalents		2,908		3,726		3,737	
Other receivables		500		277		444	
			3,408		4,003		4,181
TOTAL ASSETS			156,622		153,450		142,876
CURRENT LIABILITIES							
Other payables			(1,617)		(2,114)		(1,587)
			155,005		151,336		141,289
NON-CURRENT LIABILITIES							
Debenture stock		(35,337)		(35,349)		(35,361)	
Deferred tax		(209)		(390)		(545)	
			(35,546)		(35,739)		(35,906)
			119,459		115,597		105,383
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS							
Ordinary called up share capital			4,555		4,555		4,555
Share premium			18,446		18,446		18,446
Retained earnings	6		96,458		92,596		82,382
			119,459		115,597		105,383
NET ASSET VALUE PER ORDINARY SHARE			262.26p		253.78p		231.36p

The financial statements on pages 2 to 9 were approved by the Board on 5 November 2012 and were signed on its behalf by:

JAMES FERGUSON, Chairman

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	Notes	6 months ended 30 September 2012 (Unaudited)			6 months ended 30 September 2011 (Unaudited)			Year ended 31 March 2012 (Audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
INVESTMENT INCOME										
Dividend income		2,913	-	2,913	2,690	-	2,690	4,459	-	4,459
OTHER OPERATING INCOME	2	1,748	-	1,748	1,769	-	1,769	3,399	-	3,399
OTHER COMPREHENSIVE INCOME										
Unrealised losses on investment properties		-	(1,289)	(1,289)	-	(540)	(540)	-	(798)	(798)
		4,661	(1,289)	3,372	4,459	(540)	3,919	7,858	(798)	7,060
GAINS AND LOSSES ON INVESTMENTS										
Realised gains/(losses) on held-at-fair-value investments		-	905	905	-	(822)	(822)	-	105	105
Unrealised gains/(losses) on held-at-fair-value investments		-	3,883	3,883	-	(6,919)	(6,919)	-	3,782	3,782
TOTAL INCOME		4,661	3,499	8,160	4,459	(8,281)	(3,822)	7,858	3,089	10,947
EXPENSES										
Investment management fees		(153)	(358)	(511)	(151)	(353)	(504)	(292)	(1,184)	(1,476)
Other operating expenses		(326)	-	(326)	(212)	-	(212)	(421)	-	(421)
FINANCE COSTS		(1,751)	-	(1,751)	(1,751)	-	(1,751)	(3,505)	-	(3,505)
TOTAL EXPENSES		(2,230)	(358)	(2,588)	(2,114)	(353)	(2,467)	(4,218)	(1,184)	(5,402)
(LOSS)/PROFIT BEFORE TAX		2,431	3,141	5,572	2,345	(8,634)	(6,289)	3,640	1,905	5,545
TAXATION		-	180	180	-	27	27	-	182	182
PROFIT/(LOSS) FOR THE PERIOD		2,431	3,321	5,752	2,345	(8,607)	(6,262)	3,640	2,087	5,727
EARNINGS PER ORDINARY SHARE (Pence)	3	5.34	7.29	12.63	5.15	(18.90)	(13.75)	7.99	4.58	12.57

The total column of this statement represents the Group's Income Statement prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidance issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.
All income is attributable to the equity holders of the parent company. There are no minority interests.

VALUE AND INCOME TRUST PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Group		6 months ended 30 September 2012 (Unaudited)				Year ended 31 March 2012 (Audited)			
	Notes	Share capital £000	Share premium £000	Retained earnings £000	Total £000	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Net assets at 31 March 2012		4,555	18,446	92,596	115,597	4,555	18,446	90,462	113,463
Net profit/(loss) for the period		-	-	5,752	5,752	-	-	5,727	5,727
Dividends paid	4	-	-	(1,890)	(1,890)	-	-	(3,593)	(3,593)
NET ASSETS AT 30 SEPTEMBER 2012		4,555	18,446	96,458	119,459	4,555	18,446	92,596	115,597

Group		6 months ended 30 September 2011 (Unaudited)			
	Notes	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Net assets at 31 March 2012		4,555	18,446	90,462	113,463
Net profit/(loss) for the period		-	-	(6,262)	(6,262)
Dividends paid	4	-	-	(1,818)	(1,818)
		4,555	18,446	82,382	105,383

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	6 months ended 30 September 2012 (Unaudited)		6 months ended 30 September 2011 (Unaudited)		Year ended 31 March 2012 (Audited)	
	£000	£000	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES						
Dividend income received		2,719		2,470		4,413
Rental received		1,347		1,722		3,379
Interest received		1		1		1
Operating expenses paid		(1,048)		(756)		(1,445)
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,019		3,437		6,348
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(4,206)		(5,026)		(10,416)	
Sale of investments	4,022		6,563		12,571	
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES		(184)		1,537		2,155
CASH FLOW FROM FINANCING ACTIVITIES						
Interest paid	(1,763)		(1,763)		(3,528)	
Dividends paid	(1,890)		(1,818)		(3,593)	
NET CASH USED IN FINANCING ACTIVITIES		(3,653)		(3,581)		(7,121)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(818)		1,393		1,382
Cash and cash equivalents at the start of the period		3,726		2,344		2,344
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,908		3,737		3,726

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

(a) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee (IASC) that remain in effect, and to the extent that they have been adopted by the European Union.

The functional and reporting currency of the Group is pounds sterling because that is the currency of the primary economic environment in which the Group operates.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of certain financial assets. Where presentational guidance set out in the Statement of Recommended Practice *'Financial Statements of Investment Trust Companies and Venture Capital Trusts'* (the SORP) issued by the Association of Investment Companies (AIC) in January 2009 is consistent with the requirements of IFRSs, the directors have sought to prepare the financial statements on a basis compliant with the recommendations of the SORP.

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business.

(b) Going concern

The Group's business activities, together with the factors likely to affect its future development and performance, are set out in the Interim Board Report. The assets of the Group consist mainly of securities and investment properties that are held in accordance with the Group's investment policy. Most of these securities are readily realisable, even in volatile markets. The Directors, who have reviewed carefully the Group's forecasts for the coming year, consider that the Group has adequate financial resources to enable it to continue in operational existence for the foreseeable future. Accordingly the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Group's accounts.

(c) Dividends payable

Interim dividends are recognised as a liability in the period in which they are paid as no further approval is required in respect of such dividends. Final dividends are recognised as a liability only after they have been approved by shareholders in general meeting.

(d) Investments

All investments have been designated upon initial recognition as fair value though profit or loss. Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within the timeframe established by the market concerned, and are initially measured at fair value.

Subsequent to initial recognition, investments are recognised at fair value through profit or loss. For listed investments, this is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 constituents along with some other securities. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the retained earnings.

The Group leases out all of its properties on operational leases. A property held under an operating lease is classified and accounted for as an investment property where the group holds it to earn rental, capital appreciation or both. Any such property leased under an operating lease is carried at fair value. Fair value is established by half-yearly professional valuation on an open market basis by Jones Lang LaSalle, Chartered Surveyors and Valuers, and in accordance with the RICS Valuation Professional Standards.

2 Other operating income

	6 months ended September 2012		6 months ended September 2011		Year ended March 2012	
	Group	Company	Group	Company	Group	Company
	£000	£000	£000	£000	£000	£000
Rental income	1,747	655	1,768	629	3,398	1,277
Interest receivable on short term deposits	1	-	1	-	1	-
	1,748	655	1,769	629	3,399	1,277

3 Earnings per ordinary share

The return per ordinary share is based on the following figures:

	6 months ended September 2012		6 months ended September 2011		Year ended March 2012	
	Group	Company	Group	Company	Group	Company
	£000	£000	£000	£000	£000	£000
Revenue return	2,431	2,342	2,345	2,156	3,640	4,561
Capital return	3,321	3,410	(8,607)	(8,418)	2,087	1,166
Weighted average ordinary shares in issue	45,549,975	45,549,975	45,549,975	45,549,975	45,549,975	45,549,975
Return per share - revenue	5.34p	5.14p	5.15p	4.73p	7.99p	10.01p
Return per share - capital	7.29p	7.49p	(18.90)p	(18.48)p	4.58p	2.56p
Total return per share	12.63p	12.63p	(13.75)p	(13.75)p	12.57p	12.57p

4 Dividends paid

	6 months ended 30 September 2012	6 months ended 30 September 2011	Year ended 31 March 2012
4 Dividends paid	**£000**	**£000**	**£000**
Ordinary dividends on equity shares deducted from reserves are as follows:-			
Dividends on ordinary shares:			
Final dividend of 4.15p per share (2011 - 4.0p) paid 20 July 2012	1,890	1,822	1,822
Interim dividend of 3.9p per share (2011 - 3.8p) paid 6 January 2012	-	-	1,776
Unclaimed dividends refunded by Registrar	-	(4)	(5)
	1,890	1,818	3,593

5 Interim dividend

The Directors have declared an interim dividend of 4.0p (2012 - 3.9p) per ordinary share, payable on 4 January 2013 to shareholders registered on 7 December 2012. The shares will be quoted ex dividend on 5 December 2012.

6 Retained earnings

The table below shows the movement in retained earnings analysed between revenue (distributable) and capital (non-distributable) items.

	Group			Company		
	Revenue	Capital	Total	Revenue	Capital	Total
	£000	£000	£000	£000	£000	£000
At 31 March 2012	3,590	89,006	92,596	2,793	89,803	92,596
Movement during the period:-						
Profit for the period	2,431	3,321	5,752	2,342	3,410	5,752
Dividends paid on ordinary shares	(1,890)	-	(1,890)	(1,890)	-	(1,890)
At 30 September 2012	4,131	92,327	96,458	3,245	93,213	96,458

7 Transaction costs

During the period, expenses were incurred in acquiring and disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains and losses on investments in the Statement of Comprehensive Income.

	6 months ended 30 September 2012	6 months ended 30 September 2011	Year ended 31 March 2012
	£000	£000	£000
The total costs are as follows:-			
Purchases	14	23	46
Sales	4	9	19
	18	32	65

8 Related Party Transactions

Angela Lascelles is a Director, and Matthew Oakeshott was a Director (until April 2012), of OLIM Limited which has an agreement with the Group to provide investment management services. Matthew Oakeshott is a Director of OLIM Property Limited which has an agreement with the Group to provide property management services.

As a result of a management buyout of the property management side of the Company's investment managers, OLIM Limited, the Company has agreed terms to split its investment management contract between OLIM Limited, which will continue to manage the Company's equity portfolio and OLIM Property Limited, which will manage the Group's property portfolio. The new agreements were effective from 19 April 2012 amd may be terminated by either party on giving one year's notice. There has been no change in the management team responsible for the Group's affairs or the total fees payable by the Group.

OLIM and OLIM Property will receive an investment management fee of 2/3 of 1% of the Group's total assets, which is allocated 2/3 to OLIM and 1/3 to OLIM Property.

OLIM and OLIM Property are also entitled to a performance fee, subject to the achievement of certain criteria. The objective is to give the Managers a performance fee of 10% of any out-performance if the VIT share price total return (VIT SPTR) over the preceding three year period (after deducting for any out- performance of the FTSE All-Share Index share price total return (FTSE SPTR) against the VIT SPTR over the period since 31 March 2011) exceeds the FTSE SPTR over the preceding three years by more than 10%.

OLIM Limited received an investment management fee of £344,000 (half year to 30 September 2011: £504,000 and year to 31 March 2012: £1,476,000). At the period end, the balance owed by the Group to OLIM Limited was £56,000 (31 March 2012: £585,000) comprising management fees for the month of September 2012, subsequently paid in October 2012.

OLIM Property Limited received an investment management fee of £167,000 (half year to 30 September 2011: £nil and year to 31 March 2012: £nil). At the period end, the balance owed by the Group to OLIM Property Limited was £28,000 (31 March 2012: £nil) comprising management fees for the month of September 2012, subsequently paid in October 2012.

Audax Properties plc is a wholly owned subsidiary of the Company and accordingly the Company is the ultimate controlling party.

9 Comparative information

The financial information contained in this report does not constitute statutory financial statements as defined in sections 434 - 436 of the Companies Act 2006 The financial information for the six months ended 30 September 2012 and 30 September 2011 has not been audited.

The information for the year ended 31 March 2012 has been extracted from latest published audited financial statements which have been filed with the Registrar of Companies. The report of the Independent Auditor on those accounts contained no qualification under section 498 (2), (3) or (4) of the Companies Act 2006.

10 Approval

This Half-Yearly Financial Report was approved by the Board on 5 November 2012.