VALUE AND INCOME TRUST PLC

ACCOUNTS FOR PERIOD 1 APRIL 2014 TO 30 SEPTEMBER 2014

COMPANY NO: SC 50366

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

		As at 30 September 2014 (Unaudited)		As at 31 March 2014 (Audited)		As at 30 September 2013 (Unaudited)	
		£'000	£'000	£'000	£'000	£'000	£'000
ASSETS	**Notes**						
NON CURRENT ASSETS							
Investments held at fair value through profit or loss			127,687		135,229		126,395
Investment properties			48,850		46,475		46,400
			176,537		181,704		172,795
CURRENT ASSETS							
Cash and cash equivalents		3,920		3,308		4,219	
Other receivables		899		619		762	
			4,819		3,927		4,981
TOTAL ASSETS			181,356		185,631		177,776
CURRENT LIABILITIES							
Other payables			(1,839)		(2,073)		(1,497)
			179,517		183,558		176,279
NON-CURRENT LIABILITIES							
Debenture stock			(35,289)		(35,301)		(35,313)
			144,228		148,257		140,966
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		121,227		125,256		117,965
			144,228		148,257		140,966
NET ASSET VALUE PER ORDINARY SHARE			316.64p		325.48p		309.48p

The financial statements on pages 2 to 14 were approved by the Board on 4 November 2014 and were signed on its behalf by:

JAMES FERGUSON, Chairman

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 SEPTEMBER 2014
VALUE AND INCOME TRUST PLC

	Notes	6 months ended 30 September 2014 (Unaudited) Revenue £'000	Capital £'000	Total £'000	6 months ended 30 September 2013 (Unaudited) Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2014 (Audited) Revenue £'000	Capital £'000	Total £'000
INVESTMENT INCOME										
Dividend income		3,277	-	3,277	3,023	-	3,023	4,834	-	4,834
OTHER OPERATING INCOME	2	1,802	-	1,802	1,777	-	1,777	3,463	-	3,463
		5,079	-	5,079	4,800	-	4,800	8,297	-	8,297
GAINS AND LOSSES ON INVESTMENTS										
Realised gains on held-at-fair-value investments		-	1,107	1,107	-	686	686	-	6,159	6,159
Unrealised (losses)/gains on held-at-fair-value investments and investment properties		-	(5,463)	(5,463)	-	4,309	4,309	-	7,781	7,781
Net currency (losses)/gains		-	(3)	(3)	-	-	-	-	2	2
TOTAL INCOME		5,079	(4,359)	720	4,800	4,995	9,795	8,297	13,942	22,239
EXPENSES										
Investment management fees		(191)	(444)	(635)	(187)	(437)	(624)	(368)	(1,470)	(1,838)
Other operating expenses		(359)	-	(359)	(338)	-	(338)	(655)	(5)	(660)
FINANCE COSTS		(1,751)	-	(1,751)	(1,751)	-	(1,751)	(3,501)	-	(3,501)
TOTAL EXPENSES		(2,301)	(444)	(2,745)	(2,276)	(437)	(2,713)	(4,524)	(1,475)	(5,999)
(LOSS)/PROFIT BEFORE TAX		2,778	(4,803)	(2,025)	2,524	4,558	7,082	3,773	12,467	16,240
TAXATION		-	-	-	-	-	-	-	-	-
(LOSS)/PROFIT FOR THE PERIOD		2,778	(4,803)	(2,025)	2,524	4,558	7,082	3,773	12,467	16,240
EARNINGS PER ORDINARY SHARE (PENCE)	3	6.10	(10.54)	(4.44)	5.54	10.01	15.55	8.28	27.37	35.65

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.

GROUP STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2014

		6 months ended 30 September 2014 (Unaudited)				Year ended 31 March 2014 (Audited)			
		Share capital	Share premium	Retained earnings	Total	Share capital	Share premium	Retained earnings	Total
	Notes	£000	£000	£000	£000	£000	£000	£000	£000
Net assets at 31 March 2014		4,555	18,446	125,256	148,257	4,555	18,446	112,842	135,843
Net (loss)/profit for the period		-	-	(2,025)	(2,025)	-	-	16,240	16,240
Dividends paid	4	-	-	(2,004)	(2,004)	-	-	(3,826)	(3,826)
NET ASSETS AT 30 SEPTEMBER 2014		4,555	18,446	121,227	144,228	4,555	18,446	125,256	148,257

		6 months ended 30 September 2013 (Unaudited)			
		Share capital	Share premium	Retained earnings	Total
	Notes	£000	£000	£000	£000
Net assets at 31 March 2014		4,555	18,446	112,842	135,843
Net (loss)/profit for the period		-	-	7,082	7,082
Dividends paid	4	-	-	(1,959)	(1,959)
		4,555	18,446	117,965	140,966

VALUE AND INCOME TRUST PLC

GROUP CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	6 months ended 30 September 2014 (Unaudited)		6 months ended 30 September 2013 (Unaudited)		Year ended 31 March 2014 (Audited)	
	£000	£000	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES						
Dividend income received		2,907		3,118		5,117
Rental received		1,585		1,428		3,497
Interest received		7		-		2
Other income		8		-		-
Operating expenses paid		(1,162)		(986)		(2,312)
Taxation received/(paid)		62		-		(63)
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,407		3,560		6,241
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(4,236)		(730)		(11,711)	
Sale of investments	5,210		2,969		13,987	
NET CASH INFLOW FROM INVESTING ACTIVITIES		974		2,239		2,276
CASH FLOW FROM FINANCING ACTIVITIES						
Interest paid	(1,762)		(1,763)		(3,525)	
Dividends paid	(2,004)		(1,959)		(3,826)	
NET CASH USED IN FINANCING ACTIVITIES		(3,766)		(3,722)		(7,351)
NET INCREASE IN CASH AND CASH EQUIVALENTS		615		2,077		1,166
Cash and cash equivalents at the start of the period		3,308		2,140		2,140
Foreign exchange movements		(3)		2		2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,920		4,219		3,308

VALUE AND INCOME TRUST PLC

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

		As at 30 September 2014 (Unaudited)		As at 31 March 2014 (Audited)		As at 30 September 2013 (Unaudited)	
		£'000	£'000	£'000	£'000	£'000	£'000
ASSETS	**Notes**						
NON CURRENT ASSETS							
Investments held at fair value through profit or loss			141,141		148,486		139,384
Investment properties			48,850		46,475		17,950
			189,991		194,961		157,334
CURRENT ASSETS							
Cash and cash equivalents		3,720		2,094		3,905	
Other receivables		899		440		1,084	
			4,619		2,534		4,989
TOTAL ASSETS			194,610		197,495		162,323
CURRENT LIABILITIES							
Other payables			(15,093)		(13,937)		(1,044)
			179,517		183,558		161,279
NON-CURRENT LIABILITIES							
Debenture stock			(39,390)		(39,718)		(20,313)
			140,127		143,840		140,966
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS							
Ordinary called up share capital			4,555		4,555		4,555
Share premium			18,446		18,466		18,446
Retained earnings	6		117,126		120,839		117,965
			140,127		143,840		140,966
NET ASSET VALUE PER ORDINARY SHARE			307.63p		315.79p		309.48p

The financial statements on pages 2 to 14 were approved by the Board on 4 November 2014 and were signed on its behalf by:

JAMES FERGUSON, Chairman JMJ Ferguson.

VALUE AND INCOME TRUST PLC

COMPANY STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 SEPTEMBER 2014

		6 months ended 30 September 2014 (Unaudited)			6 months ended 30 September 2013 (Unaudited)			Year ended 31 March 2014 (Audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
	Notes									
INVESTMENT INCOME										
Dividend income		3,277	-	3,277	3,023	-	3,023	4,834	-	4,834
OTHER OPERATING INCOME	2	1,801	-	1,801	682	-	682	1,374	-	1,374
		5,078	-	5,078	3,705	-	3,705	6,208	-	6,208
GAINS AND LOSSES ON INVESTMENTS										
Realised gains on held-at-fair-value investments		-	1,107	1,107	-	686	686	-	5,265	5,265
Unrealised gains on held-at-fair-value investments and investment properties		-	(5,467)	(5,467)	-	4,258	4,258	-	4,047	4,047
Net currency gains		-	(2)	(2)	-	-	-	-	2	2
TOTAL INCOME		5,078	(4,362)	716	3,705	4,944	8,649	6,208	9,314	15,522
EXPENSES										
Investment management fees		(188)	(439)	(627)	(125)	(291)	(416)	(246)	(1,184)	(1,430)
Other operating expenses		(363)	-	(363)	(225)	-	(225)	(397)	(5)	(402)
FINANCE COSTS		(1,751)	316	(1,435)	(926)	-	(926)	(1,867)	-	(1,867)
TOTAL EXPENSES		(2,302)	(123)	(2,425)	(1,276)	(291)	(1,567)	(2,510)	(1,189)	(3,699)
PROFIT BEFORE TAX		2,776	(4,485)	(1,709)	2,429	4,653	7,082	3,698	8,125	11,823
TAXATION		-	-	-	-	-	-	-	-	-
PROFIT FOR THE PERIOD		2,776	(4,485)	(1,709)	2,429	4,653	7,082	3,698	8,125	11,823
EARNINGS PER ORDINARY SHARE (Pence)	3	6.09	(9.85)	(3.76)	5.33	10.22	15.55	8.12	17.84	25.96

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.

VALUE AND INCOME TRUST PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2014

		6 months ended 30 September 2014 (Unaudited)				Year ended 31 March 2014 (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 2014		4,555	18,446	120,839	143,840	4,555	18,446	112,842	135,843
Net (loss)/ profit for the period		-	-	(1,709)	(1,709)	-	-	11,823	11,823
Dividends paid	4	-	-	(2,004)	(2,004)	-	-	(3,826)	(3,826)
NET ASSETS AT 30 SEPTEMBER 2014		4,555	18,446	117,126	140,127	4,555	18,446	120,839	143,840

		6 months ended 30 September 2013 (Unaudited)			
	Notes	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Net assets at 31 March 2014		4,555	18,446	112,842	135,843
Net (loss)/ profit for the period		-	-	7,082	7,082
Dividends paid	4	-	-	(1,959)	(1,959)
		4,555	18,446	117,965	140,966

VALUE AND INCOME TRUST PLC

COMPANY CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

	6 months ended 30 September 2014 (Unaudited)		6 months ended 30 September 2013 (Unaudited)		Year ended 31 March 2014 (Audited)	
	£000	£000	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES						
Dividend income received		2,907		3,118		5,117
Rental received		1,585		533		1,393
Other income received		14		2		-
Operating expenses paid		(1,341)		(696)		(1,339)
Taxation received/(paid)		62		-		(63)
NET CASH INFLOW FROM OPERATING ACTIVITIES		3,227		2,957		5,108
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(4,436)		(730)		(8,272)	
Sale of investments	5,210		2,969		9,719	
Decrease in loan from subsidiary	1,394		(432)		25	
NET CASH INFLOW FROM INVESTING ACTIVITIES		2,168		1,807		1,472
CASH FLOW FROM FINANCING ACTIVITIES						
Interest paid	(1,762)		(938)		(2,700)	
Dividends paid	(2,004)		(1,959)		(3,826)	
NET CASH USED IN FINANCING ACTIVITIES		(3,766)		(2,897)		(6,526)
NET INCREASEIN CASH AND CASH EQUIVALENTS		1,629		1,827		54
Cash and cash equivalents at the start of the period		2,094		2,038		2,038
Foreign exchange movements		(3)		-		2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		3,720		3,905		2,094

VALUE AND INCOME TRUST PLC

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 presentational currency of the Group is pounds sterling because that is the currency of the primary economic environment in which the Group and Company operate. The financial statements and the accompanying notes are presented in pounds sterling and rounded to the nearest thousand pounds except where otherwise indicated.

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 Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is charged with setting the Group's investment strategy. The Board has delegated the day to day implementation of this strategy to the Investment Managers but the Board retain responsibility to ensure that adequate resources of the Group are directed in accordance with its decisions. The Board is of the view that the Group is engaged in a single segment of business, being investments in quoted UK equities and UK commercial properties. The view that the Group is engaged in a single segment of business is based on the fact that one of the key financial indicators received and reviewed by the Board is the total return from the investment portfolio taken as a whole.

The Group's financial statements have been prepared using the same accounting policies as those applied for the financial statements for the year ended 31 March 2014 which received an unqualified audit report.

(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 financial position of the Group as at 30 September 2014 is shown in the Statement of Financial Position. The Group had fixed debt totalling £35,289,000 as at 30 September 2014; none of the borrowings is repayable before 2021. The Group had no short term borrowings As at 30 September 2014, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of over five.

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 financial statements.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(d) 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.

(e) Investments

Equity investments

All investments have been designated upon initial recognition as fair value through 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.

Investment property

All investment properties have been designated upon initial recognition as fair value through profit or loss. Investment properties are recognised and derecognised on the date where a purchase or sale is legally completed and are initially measured at fair value.

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. The determination of fair value by Jones Lang LaSalle is supported by market evidence. It is not more heavily based on other factors because of the nature of the properties and the availability of comparable market data.

2 Other operating income

	6 months ended 30 September 2014 £000	6 months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Rental income	1,787	1,775	3,462
Underwriting commission	8	-	-
Interest receivable on short term deposits	7	2	1
	1,802	1,777	3,463

3 Return per ordinary share

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

	6 months ended 30 September 2014	6 months ended 30 September 2013	Year ended 31 March 2014
	£000	£000	£000
Revenue return	2,778	2,524	3,773
Capital return	(4,803)	4,558	12,467
Weighted average ordinary shares in issue	45,549,975	45,549,975	45,549,975
Return per share - revenue	6.10p	5.54p	8.28p
Return per share - capital	(10.54p)	10.01p	27.37p
Total return per share	(4.44p)	15.55p	35.65p

4 Dividends paid

	6 months ended 30 September 2014	6 months ended 30 September 2013	Year ended 31 March 2014
	£000	£000	£000
Ordinary dividends on equity shares deducted from reserves are as follows:-			
Dividends on ordinary shares:			
Final dividend of 4.40p per share (2013 - 4.30p) paid 18 July 2014	2,004	1,959	1,959
Interim dividend of 4.10p per share (2013 – 4.00p) paid 3 January 2014	-	-	1,867
	2,004	1,959	3,826

5 Interim dividend

The Directors have declared an interim dividend of 4.30p (2014: 4.10p) per ordinary share, payable on 2 January 2015 to shareholders registered on 5 December 2014. The shares will be quoted ex dividend on 4 December 2014.

6 Retained earnings

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

	Revenue £000	Capital £000	Total £000
At 31 March 2014	3,732	121,524	125,256
Movement during the period:-			
(Loss)/profit for the period	2,778	(4,803)	(2,025)
Dividends paid on ordinary shares	(2,004)	-	(2,004)
At 30 September 2014	4,506	116,721	121,227

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 2014 £000	6 months ended 30 September 2013 £000	Year ended 31 March 2014 £000
The total costs are as follows:-			
Purchases	23	5	47
Sales	10	5	17
	33	10	64

8 Relationship with the Portfolio Managers and other Related Parties

Angela Lascelles is a Director 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.

OLIM and OLIM Property receive an investment management fee of 2/3 of 1% of the Group's total assets, which is allocated 72.5% to OLIM and 27.5% 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 Portfolio Managers a performance fee of 10% of any out-performance if the VIT share price total return (VIT SPTR) over the FTSE All-Share Index share price total return (FTSE SPTR).

The performance fee is paid annually in respect of performance over the preceding three years. The fee is payable only if the VIT SPTR has been positive over the period and, in addition, the NAV total return has been positive and has exceeded the FTSE SPTR over the period.

The maximum performance fee payable in any year is 1/3 of 1% of VIT's total assets and is allocated 72.5% to OLIM and 27.5% to OLIM Property. The fee is charged wholly to capital.
OLIM Limited received an investment management fee of £460,000 (half year to 30 September 2013: £449,000 and year to 31 March 2014: £1,305,000 including a performance fee of £419,000). At the period end, the balance owed by the Group to OLIM Limited was £74,000 (31 March 2014: £419,000) comprising management fees for the month of September 2014, subsequently paid in October 2014.

OLIM Property Limited received an investment management fee of £175,000 (half year to 30 September 2013: £175,000 and year to 31 March 2014: £533,000 including a performance fee of £192,000). At the period end, the balance owed by the Group to OLIM Property Limited was £28,000 (31 March 2014: £192,000) comprising management fees for the month of September 2014, subsequently paid in October 2014.

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

9 Half Yearly Report

The financial information contained in this Half Yearly 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 2014 and 30 September 2013 has not been audited.

The information for the year ended 31 March 2014 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification under section 498 (2), (3) or (4) of the Companies Act 2006.

10 Approval

This Half Yearly report was approved by the Board on 4 November 2014.