

(INTERIM)

VALUE AND INCOME TRUST PLC

ACCOUNTS FOR PERIOD 1 APRIL 2011 TO 30 SEPTEMBER 2011

COMPANY NO: SC 50366



VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

		6 months ended 30 September 2011 (Unaudited)			6 months ended 30 September 2010 (Unaudited)			Year ended 31 March 2011 (Audited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
INVESTMENT INCOME	Notes									
Dividend income		2,690	-	2,690	2,309	-	2,309	3,823	-	3,823
OTHER OPERATING INCOME	2	1,769	-	1,769	1,765	-	1,765	3,575	-	3,575
OTHER COMPREHENSIVE INCOME										
Unrealised losses on investment properties			(540)	(540)	-	(176)	(176)	-	(58)	(58)
		<u>4,459</u>	<u>(540)</u>	<u>3,919</u>	<u>4,074</u>	<u>(176)</u>	<u>3,898</u>	<u>7,398</u>	<u>(58)</u>	<u>7,340</u>
GAINS AND LOSSES ON INVESTMENTS										
Realised (losses)/gains on held-at-fair-value investments		-	(822)	(822)	-	2,744	2,744	-	3,090	3,090
Unrealised (losses)/gains on held-at-fair-value investments		-	(6,919)	(6,919)	-	(712)	(712)	-	5,743	5,743
TOTAL INCOME		<u>4,459</u>	<u>(8,281)</u>	<u>(3,822)</u>	<u>4,074</u>	<u>1,856</u>	<u>5,930</u>	<u>7,398</u>	<u>8,775</u>	<u>16,173</u>
EXPENSES										
Investment management fees		(151)	(353)	(504)	(137)	(319)	(456)	(290)	(786)	(1,076)
Other operating expenses		(212)	-	(212)	(174)	-	(174)	(457)	-	(457)
FINANCE COSTS		<u>(1,751)</u>	<u>-</u>	<u>(1,751)</u>	<u>(1,751)</u>	<u>-</u>	<u>(1,751)</u>	<u>(3,501)</u>	<u>-</u>	<u>(3,501)</u>
TOTAL EXPENSES		<u>(2,114)</u>	<u>(353)</u>	<u>(2,467)</u>	<u>(2,062)</u>	<u>(319)</u>	<u>(2,381)</u>	<u>(4,248)</u>	<u>(786)</u>	<u>(5,034)</u>
(LOSS)/PROFIT BEFORE TAX		<u>2,345</u>	<u>(8,634)</u>	<u>(6,289)</u>	<u>2,012</u>	<u>1,537</u>	<u>3,549</u>	<u>3,150</u>	<u>7,989</u>	<u>11,139</u>
TAXATION		-	27	27	-	51	51	-	221	221
(LOSS)/PROFIT FOR THE PERIOD		<u>2,345</u>	<u>(8,607)</u>	<u>(6,262)</u>	<u>2,012</u>	<u>1,588</u>	<u>3,600</u>	<u>3,150</u>	<u>8,210</u>	<u>11,360</u>
EARNINGS PER ORDINARY SHARE (Pence)	3	<u>5.15</u>	<u>(18.90)</u>	<u>(13.75)</u>	<u>4.42</u>	<u>3.48</u>	<u>7.90</u>	<u>6.92</u>	<u>18.02</u>	<u>24.94</u>

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 2011

Group		Notes	6 months ended 30 September 2011				Year ended 31 March 2011			
			(Unaudited)				(Audited)			
			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 2011			4,555	18,446	90,462	113,463	4,555	18,446	82,564	105,565
Net (loss)/profit for the period			-	-	(6,262)	(6,262)	-	-	11,360	11,360
Dividends paid		4	-	-	(1,818)	(1,818)	-	-	(3,462)	(3,462)
NET ASSETS AT 30 SEPTEMBER 2011			4,555	18,446	82,382	105,383	4,555	18,446	90,462	113,463

Group		Notes	6 months ended 30 September 2010			
			(Unaudited)			
			Share capital £000	Share premium £000	Retained earnings £000	Total £000
Net assets at 31 March 2011			4,555	18,446	82,564	105,565
Net profit for the period			-	-	3,600	3,600
Dividends paid		4	-	-	(1,731)	(1,731)
NET ASSETS AT 30 SEPTEMBER 2011			4,555	18,446	84,433	107,434

VALUE AND INCOME TRUST PLC
GROUP STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

		As at 30 September 2011 (Unaudited)		As at 31 March 2011 (Audited)		As at 30 September 2010 (Unaudited)	
		£'000	£'000	£'000	£'000	£'000	£'000
ASSETS	Notes						
NON CURRENT ASSETS							
Investments held at fair value through profit or loss			90,020		99,431		91,658
Investment properties held at fair value through profit or loss			48,675		49,825		47,600
			<u>138,695</u>		<u>149,256</u>		<u>139,258</u>
CURRENT ASSETS							
Cash and cash equivalents		3,737		2,344		5,399	
Other receivables		444		300		449	
			<u>4,181</u>		<u>2,644</u>		<u>5,848</u>
TOTAL ASSETS			<u>142,876</u>		<u>151,900</u>		<u>145,106</u>
CURRENT LIABILITIES							
Other payables			(1,587)		(2,493)		(1,545)
			<u>141,289</u>		<u>149,407</u>		<u>143,561</u>
NON-CURRENT LIABILITIES							
Debenture stock		(35,361)		(35,372)		(35,385)	
Deferred tax		(545)		(572)		(742)	
			<u>(35,906)</u>		<u>(35,944)</u>		<u>(36,127)</u>
			<u>105,383</u>		<u>113,463</u>		<u>107,434</u>
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		82,382		90,462		84,433
			<u>105,383</u>		<u>113,463</u>		<u>107,434</u>
NET ASSET VALUE PER ORDINARY SHARE			<u>231.36p</u>		<u>249.10p</u>		<u>235.86p</u>

The financial statements on pages 2 to 9 were approved by the Board on 3 November 2011 and were signed on its behalf by:

JAMES FERGUSON, Chairman

J.F. Ferguson

VALUE AND INCOME TRUST PLC
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011

		As at 30 September 2011 (Unaudited)		As at 31 March 2011 (Audited)		As at 30 September 2010 (Unaudited)	
		£'000	£'000	£'000	£'000	£'000	£'000
ASSETS	Notes						
NON CURRENT ASSETS							
Investments held at fair value through profit or loss			106,279		115,579		107,625
Investment properties held at fair value through profit or loss			16,775		16,675		15,975
			<u>123,054</u>		<u>132,254</u>		<u>123,600</u>
CURRENT ASSETS							
Cash and cash equivalents		3,251		2,384		4,756	
Other receivables		460		322		428	
			<u>3,711</u>		<u>2,706</u>		<u>5,184</u>
TOTAL ASSETS			<u>126,765</u>		<u>134,960</u>		<u>128,784</u>
CURRENT LIABILITIES							
Other payables			(1,021)		(1,125)		(965)
			<u>125,744</u>		<u>133,835</u>		<u>127,819</u>
NON-CURRENT LIABILITIES							
Debenture stock		(20,361)		(20,372)		(20,385)	
Deferred tax		-		-		-	
			<u>(20,361)</u>		<u>(20,372)</u>		<u>(20,385)</u>
			<u>105,383</u>		<u>113,463</u>		<u>107,434</u>
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		82,382		90,462		84,433
			<u>105,383</u>		<u>113,463</u>		<u>107,434</u>
NET ASSET VALUE PER ORDINARY SHARE			<u>231.36p</u>		<u>249.10p</u>		<u>235.86p</u>

The financial statements on pages 2 to 9 were approved by the Board on 3 November 2011 and were signed on its behalf by:

JAMES FERGUSON, Chairman

Jh) Ferguson

VALUE AND INCOME TRUST PLC

GROUP STATEMENT OF CASH FLOW
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	6 months ended 30 September 2011 (Unaudited)		6 months ended 30 September 2010 (Unaudited)		Year ended 31 March 2011 (Audited)	
	£000	£000	£000	£000	£000	£000
CASH FLOWS FROM OPERATING ACTIVITIES						
Dividend income received		2,470		2,146		3,783
Rental received		1,722		1,641		3,595
Interest received		1		139		139
Other income		-		-		-
VAT recovered on management fees		-		-		-
Operating expenses paid		(756)		(689)		(1,506)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>3,437</u>		<u>3,237</u>		<u>6,011</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(5,026)		(7,799)		(15,352)	
Sale of investments	6,563		7,785		13,002	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		<u>1,537</u>		<u>(14)</u>		<u>(2,350)</u>
CASH FLOW FROM FINANCING ACTIVITIES						
Interest paid	(1,763)		(1,763)		(3,525)	
Dividends paid	(1,818)		(1,731)		(3,462)	
NET CASH USED IN FINANCING ACTIVITIES		<u>(3,581)</u>		<u>(3,494)</u>		<u>(6,987)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>1,393</u>		<u>(271)</u>		<u>(3,326)</u>
Cash and cash equivalents at the start of the period		2,344		5,670		5,670
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>3,737</u>		<u>5,399</u>		<u>2,344</u>

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 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) 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.

(c) 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.

In respect of property investments, fair value is established by a half-yearly professional valuation on an open market basis by Jones Lang LaSalle, Chartered Surveyors and Valuers and in accordance with the RICS Valuation Standards.

2 Other operating income

	6 months ended September 2011	6 months ended September 2010	Year ended March 2011
Rental income	1,768	1,763	3,573
Interest receivable on short term deposits	1	2	2
	1,769	1,765	3,575

3 Earnings per ordinary share

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

	6 months ended September 2011	6 months ended September 2010	Year ended March 2011
	£000	£000	£000
Revenue return	2,345	2,012	3,150
Capital return	(8,607)	1,588	8,210
Weighted average ordinary shares in issue	45,549,975	45,549,975	45,549,975
Return per share - revenue	5.15p	4.42p	6.92p
Return per share - capital	(18.90)p	3.48p	18.02p
Total return per share	(13.75)p	7.90p	24.94p

	6 months ended 30 September 2011	6 months ended 30 September 2010	Year ended 31 March 2011
	£000	£000	£000
4 Dividends paid			
Ordinary dividends on equity shares deducted from reserves are as follows:-			
Dividends on ordinary shares:			
Final dividend of 4.0p per share (2010 - 3.8p) paid 15 July 2011	1,822	1,731	1,731
Interim dividend of 3.8p per share (2010 - 3.8p) paid 7 January 2011	-	-	1,731
Unclaimed dividends refunded by Registrar	(4)	-	-
	1,818	1,731	3,462

5 Interim dividend

The Directors have declared an interim dividend of 3.90p (2011 - 3.80p) per ordinary share, payable on 6 January 2012 to shareholders registered on 9 December 2011. The shares will be quoted ex dividend on 7 December 2011.

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 2011	3,543	88,637	90,462
Movement during the period:-			
Profit for the period	2,345	(8,418)	(6,262)
Dividends paid on ordinary shares	(1,818)	-	(1,818)
At 30 September 2011	4,070	80,219	82,382

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 2011 £000	6 months ended 30 September 2010 £000	Year ended 31 March 2011 £000
The total costs are as follows:-			
Purchases	23	51	71
Sales	9	6	15
	32	57	86

8 Related Party Transactions

Angela Lascelles and Matthew Oakeshott, Directors of the Company, are directors of OLIM Limited ('OLIM') which has an agreement with the Group to provide investment management services. OLIM receives a quarterly fee of 1/6% of the Group's total assets less current liabilities. OLIM is also entitled to a performance fee, charged wholly to capital, if the total positive returns to shareholders from their investment in the Company exceed the total return on the FTSE All-Share Index by more than 10 percentage points in any three year period.

OLIM received an investment management fee of £504,000 (half year to 30 September 2010: £456,000 and year to 31 March 2011: £1,076,000). At the period end, the balance owed by the Group to OLIM Limited was £84,000 (31 March 2011: £191,000) comprising management fees for the month of September 2011, subsequently paid in October 2011.

On 27 September 2011, the Directors announced that, as a result of a management buyout of the property management side of OLIM, it had agreed terms to split its investment management contract between OLIM Limited, which will manage the Group's equity portfolio and OLIM Property Limited, which will manage the Group's property portfolio. The timing of the change in terms is subject to FSA approval.

There will be no change in the management team responsible for the Group's affairs or the total fees payable by the Group.

Audax Properties plc is a wholly owned subsidiary of Value and Income Trust plc and accordingly Value and Income Trust plc 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 2011 and 30 September 2010 has not been audited.

The financial information for the year ended 31 March 2011 has been extracted from 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 Financial Report was approved by the Board on 3 November 2011.