VALUE AND INCOME TRUST PLC

ANNUAL REPORT 2013

Contents

Financial Calendar

4 January 2013	Interim Ordinary dividend per share of 4.00p paid for year ended 31 March 2013
24 May 2013	Announcement of preliminary statement of annual results for year ended 31 March 2013
12 July 2013	Annual General Meeting, Edinburgh (12.30pm)
19 July 2013	Proposed Final Ordinary dividend per share of 4.30p payable for year ended 31 March 2013
November 2013	Announcement of Half-Yearly Financial Report for six months ended 30 September 2013
January 2014	Interim Ordinary dividend payable for year to 31 March 2014

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser. If you have sold or otherwise transferred all your Ordinary shares or Debenture stock in Value and Income Trust PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Aims of the Company

Value and Income Trust ('VIT') is an investment trust whose shares are listed on the London Stock Exchange. VIT invests in higher-yielding, less fashionable areas of the UK commercial property and quoted equity markets, particularly in medium and smaller sized companies. VIT aims for long term real growth in dividends and capital value without undue risk.

Investment Policy

VIT's policy is to invest in quoted UK equities, UK commercial property and cash or near cash securities. It is not normally VIT's policy to invest in overseas shares or in unquoted companies. UK equities usually account for between half and three-quarters of the total portfolio and property for a quarter to a half but the asset allocation may go outside these ranges if relative market levels and investment value, or a desired increase in cash or near cash securities, make it appropriate.

VIT focuses on the fundamental values and incomes of the businesses in which it invests – their profitability, cashflows, balance sheets, management and products or services – and the location, tenants and leases of its property investments. The share portfolio has always yielded more than the FTSE All-Share Index. VIT has held between 30 and 40 individual shareholdings and between 20 and 30 individual properties in recent years, but both these ranges may change as market conditions or the size of each portfolio vary in future. No individual shareholding will account for more than 10% of the equity portfolio at the time of purchase.

VIT has had a long standing policy, since 1986, of increasing its exposure to equities and, particularly, to property through the judicious use of borrowings. All borrowings have been long term debentures to provide secure long term funding, avoiding the risks associated with short term funding of having to sell illiquid assets at a low point in markets if loans have to be repaid. Gearing has varied between a quarter and two-fifths of the total portfolio. VIT will not raise new borrowings if total net borrowings would then represent more than half of the total assets.

The Year

- Net Asset Value total return (with debt at par value) of 21.2% over one year and 40.1% over three years.
- Share price total return of 22.7% over one year and 43.6% over three years.
- FTSE All-Share Index total return of 16.3% over one year and 28.2% over three years.
- Dividends for year up 3.1% – increased for the 26th consecutive year.

Long Term Record

Financial Record

	30 Sept 1986*	31 Mar 1987	31 Mar 2001	31 Mar 2002	31 Mar 2003	31 Mar 2004	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008	31 Mar 2009	31 Mar 2010	31 Mar 2011	31 Mar 2012	31 Mar 2013
NAV (valuing debt at par) (p)	44.0	55.1	177.4	185.3	138.8	170.9	213.9	260.6	299.0	251.0	165.6	231.8	249.1	253.8	298.2
NAV (valuing debt at market) (p)	N/A	N/A	150.9	166.3	118.8	151.9	189.0	226.9	271.1	222.7	129.6	218.3	233.7	227.6	269.8
Ordinary share price (p)	42.0	52.0	136.5	152.5	114.0	143.3	181.0	227.0	253.0	166.0	88.5	169.0	186.0	181.5	210.8
Discount of share price to NAV (valuing debt at market) (%)	–	–	9.5	8.3	4.0	5.7	4.2	0.0	6.7	25.5	31.7	22.5	20.4	20.3	21.9
Dividend per share (p)	N/A	1.25	5.40	5.60	5.80	6.00	6.20	6.40	6.70	7.40	7.50	7.60	7.80	8.05	8.30
Total assets less current liabilities (£m)	17.4	24.8	116.4	120.0	98.8	113.4	133.0	156.8	174.8	151.8	111.5	141.8	149.4	151.3	171.2

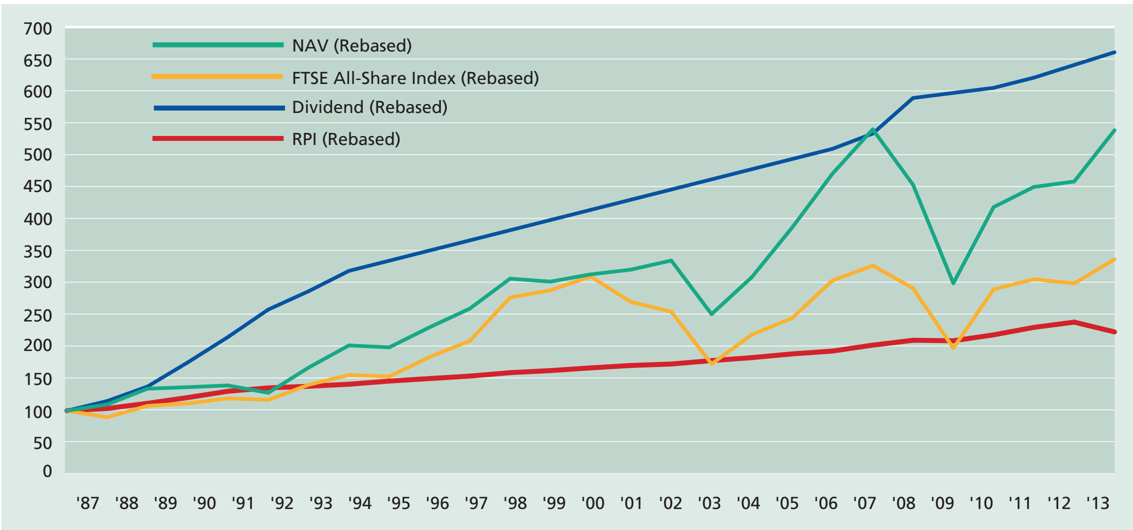
* Date from which the current investment managers were appointed.
# The figures for net asset values for 2005 and thereafter reflect the restatement of the financial statements under International Financial Reporting Standards including the effect of a deduction for a potential deferred tax liability relating to the Group's investment properties.

Compound Annual Growth Rates (%)

To 31 March 2013	Net Asset Value*	FTSE All-Share Index	Dividend	Retail Prices Index
1 Year	17.5	12.6	3.1	3.3
3 Years	8.8	5.1	3.0	4.0
5 Years	3.5	2.9	2.3	3.2
10 Years	7.9	6.9	3.6	3.3
20 Years	7.5	5.4	4.8	3.0

* Figures are Capital Return; Net Asset Value calculated with debt valued at par.
(Source: Maven Capital Partners UK LLP, London Stock Exchange & Office for National Statistics)

Growth In Net Asset Value*



* Net Asset Value calculated with debt valued at par; 31 March 1987= 100.
(Source: Maven Capital Partners UK LLP, London Stock Exchange & Office for National Statistics)

Over the year to 31 March 2013 Value and Income Trust's net asset value total return per share (that is taking the growth in net asset value and dividend together) showed an increase of 22.9% with debt valued at market and 21.2% with debt valued at par. Our equity portfolio had a particularly good year and our property portfolio performed satisfactorily in what continued to be a difficult market.

The share price total return was 22.7% while the FTSE All-Share Index total return was 16.3% over the same period. Over three years the share price total return was 43.6% compared to the increase in the Index of 28.2%. This result entitled OLIM to a performance fee of £83,000 and OLIM Property to a performance fee of £42,000. Details of the investment management agreements are shown on pages 16 and 17.

The proposed final dividend of 4.30p would make total dividends for the year of 8.30p, an increase of 3.1%. Subject to approval at the Annual General Meeting, the final dividend would be payable on 19 July 2013 to shareholders on the register on 21 June 2013. The ex dividend date is 19 June 2013. It is pleasing to report that the dividend has been increased every year since the change of investment policy in 1986. The table on page 14 shows the revenue reserve after the payment of the proposed final dividend.

Our two debentures have covenants attached to them. Information about these is included in note 12 to the financial statements; there is plenty of headroom in terms of both capital and income.

James Ferguson

During the course of last year Maven became our company secretary. The transfer from Aberdeen took place smoothly, which is a tribute to those involved. We are grateful to Aberdeen, our secretary since October 2000, and particularly to Stuart Reid, who was responsible for VIT for over 7 years.

The prospects for dividend growth from our equities are encouraging. Our property portfolio is providing an attractive yield with no voids in the portfolio; the table of yields on page 9 shows that property offers good value when compared to gilt edged securities. Consequently we remain fully invested, as was our position a year ago.

I hope that we shall see as many shareholders as possible at the Annual General Meeting on Friday 12 July 2012, which is to be held in Edinburgh this year. There will be a brief presentation on the investment outlook.

James Ferguson
Chairman

24 May 2013

Directors and Advisers

Investment Managers
OLIM Limited and
OLIM Property Limited
Pollen House
10/12 Cork Street
London W1S 3NP
Tel: 020 7439 4400
www.olim.co.uk
www.olimproperty.co.uk

Company Secretary
(Until 1 February 2013)
Aberdeen Asset Management PLC
7th Floor
40 Princes Street
Edinburgh EH2 2BY
Tel: 0131 528 4000

Company Secretary
(From 1 February 2013)
Maven Capital Partners UK LLP
1st Floor
Kintyre House
205 West George Street
Glasgow
G2 2LW
Tel: 0141 306 7400

Registered Office
1st Floor
Kintyre House
205 West George Street
Glasgow
G2 2LW
Registered in Scotland-
SC 50366

Registrars
Computershare Investor
Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Tel: 0870 703 0168
www-uk.computershare.com/
investor

Independent Auditor
Chiene + Tait
Chartered Accountants and
Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

Property Managers
Workman & Partners
Alliance House
12 Caxton Street
London SW1H 0QS

James Ferguson*
Chairman
James Ferguson was appointed a director in 1986 and chairman in 1994. He joined Stewart Ivory in 1970, became chairman in 1989 and retired in 2000. He is chairman of Scottish Oriental Smaller Companies Trust PLC, The North American Income Trust PLC (formerly Edinburgh US Tracker Trust PLC), Northern 3 VCT PLC and The Monks Investment Trust PLC. He is a director of The Independent Investment Trust PLC. He is a former deputy chairman of the Association of Investment Companies.

John Kay*
John Kay is an economist specialising in the application of economics to business issues. He has been chairman of London Economics, has held chairs at the London Business School and Oxford University and is currently a visiting Professor of Economics at the London School of Economics. He is a director of The Law Debenture Corporation PLC and Scottish Mortgage Investment Trust PLC. He was appointed a director in 1994.

Angela Lascelles
Managing Director OLIM Limited
Angela Lascelles has been professionally engaged in investment business since graduating in philosophy from London University. She spent four years in stockbroking before becoming a fund manager first of an investment trust, then at the Associated British Foods Pension Fund and at Courtaulds Pension Fund from 1979 until 1986. She has been a director of OLIM since 1986. She was appointed as a director on 6 March 2008.

Matthew Oakeshott
Chairman OLIM Property Limited
Matthew Oakeshott, after studying economics at Oxford University and a period as special adviser to Mr Roy Jenkins as Home Secretary, joined S.G. Warburg & Co in 1976 and became a director of Warburg Investment Management in 1978. He was Investment Manager of Courtaulds Pension Fund from 1981 to 1985. He was a director of OLIM from 1986 to April 2012 and is now Chairman of OLIM Property Limited which is controlled by Matthew Oakeshott through his investment in Seagrove Investments Limited. He is a Life Peer and was appointed a director on 1 April 2007.

David Smith*
David Smith retired from the legal firm Shepherd and Wedderburn LLP in 2008 where he was a partner for 34 years, specialising in commercial property. He was appointed a director on 10 July 2009.

*Member of the Audit and Management Engagement Committee.
All Directors are members of the Nomination Committee.

EQUITY PORTFOLIO

MARKET BACKGROUND

Our year began amidst further concerns about the state of the world economy and renewed strains within the Eurozone. Forecasts of GDP growth in 2012 were downgraded for the UK, US and China and generally in both developing parts of the world and in the emerging economies. In May the credit ratings of Spanish banks were downgraded to junk status, though the banks were subsequently rescued by €100bn loans and confidence in the Eurozone was further restored by Mario Draghi's statement in July that the ECB would do 'whatever is necessary to preserve the euro'. In the first quarter of our year the FTSE All Share Index fell by 3.7%. The remainder of our year to the end of March 2013 saw a steady recovery in UK equities, and for the year as a whole the All Share Index rose by 12.6% and recorded a total return of 16.3%. Mid and small sized companies both rose by 21% and recorded total returns of just over 24%. The FTSE Higher Yield Index rose slightly less than the All Share Index with a rise of 12.0% but gave a higher total return of 17.4%.

Equities generally rose in the developed economies of the world. In Japan, measured in yen, the Nikkei 225 Index rose by 23% and in America, measured in dollars, the S&P 500 rose by 11%. In contrast, the FTSE All Emerging All Cap Index fell by 0.5% in response to the slowdown in world economic growth. Interest rates remained low and bond yields fell further worldwide, supported by further programmes of Quantitative Easing in the UK and regular purchases of US Treasury bonds by the Federal Reserve. In the currency markets the pound fell by 5% against the dollar but rose by 8% against the yen. It was little changed against the euro.

Simon Jaffé, Angela Lascelles and Andrew Impey

The rise in equities during the last nine months may have surprised some investors, conscious of the lack of economic growth during this time. Looking back to the summer of 2012 will remind them that UK equities were yielding 3.7%, more than twice the 1.7% yield on UK ten year gilts and with cash returns remaining negligible. Moreover, equity dividends were growing, reflecting the health of the UK listed corporate sector. In the year to end March 2013 the ex-dividend adjustment on the All Share Index rose by 7.6%. After Mario Draghi's statement, referred to above, concerns about Europe faded and bond yields in the peripheral countries of Southern Europe fell back to manageable levels. Confidence was also restored by economists' forecasts for GDP growth in China, where the declining rate of growth levelled out, and is now gently rising again.

Summary of Portfolio

	31 March 2013		31 March 2012	
	£m	%	£m	%
UK equities	123.8	72.3	101.2	67.0
UK property	46.2	27.0	48.2	32.0
Cash	1.2	0.7	1.9	1.0
	171.2	100.0	151.3	100.0

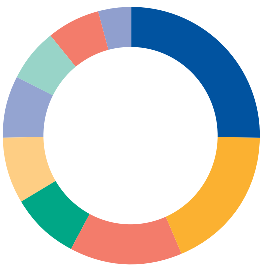
Performance

VIT's equity performance over the year was again significantly ahead of the All Share Index. In capital terms the portfolio rose by 22.0%, which was 9.4 percentage points above the Index return. Including income, the total return was +26.5%, compared with the total return on the All Share Index of +16.3%. Over the last three years the performance of the portfolio has been +52.4% compared to the All Share Index return of +28.2%.

In the last year our strategy has continued to tilt the portfolio towards a heavy weighting in companies operating in industrial sectors trading in global economies. Rotork, our largest holding, rose by 42% over the year, and Spectris and Halma, also large holdings, both rose by 36%. In the chemical sector Croda rose by 30%. Some of our Mid-cap companies which depend on consumer spending performed very well, with rises of 58% in the price of Restaurant Group and 45% in Marstons. Our holdings in the insurance sector also rose strongly with Beazley up by 49%, Amlin by 28% and Legal and General with a rise of 32%. Amongst our large company holdings strong performances were recorded by Unilever (+35%) and Reed Elsevier (+41%).

Distribution of Securities

At 31 March



	2013 %	2012 %
Industrials	25.3	27.3
Consumer Services	18.4	15.5
Financials	14.1	13.7
Telecommunications	8.8	9.3
Oil and Gas	8.1	8.1
Utilities	7.8	8.6
Consumer Goods	6.8	6.4
Basic Materials	6.7	6.6
Health Care	4.0	4.5
	100.0	100.0

Portfolio

With dividends growing above the rate of inflation and a high starting yield on the market, we have continued to be fully invested all through the year. In stock selection we continued to overweight the sectors operating in the faster growing economies of the world, and the defensive areas of the UK economy. We continued to underweight the resource and financial sectors.

Transactions during the year totalled £20.1m, with net sales of just £156,000. We reduced the very large holdings in Babcock and Rotork during the year and we sold the small holding in Smiths News. In the utility sectors, we sold National Grid and re-invested in Pennon. We were concerned that National Grid's cashflow might not be sufficient to support both the dividend payout and the current capital spending programme. We were attracted to Pennon by the well managed water business as well as the long term potential of the energy-for-water operation. In the oil sector we reduced the position in Royal Dutch Shell and added to the holding in BP. We believe that the valuation of BP more than reflects the likely cost of the current legal action related to the Macondo oil leak. In addition the company's future growth prospects look superior to Shell. We started a new holding in AMEC, which gives engineering consultancy services to the oil and gas producers, and in BG Group, the natural gas company. We also started a holding in Johnson Matthey, the global specialty chemicals company. At the end of March we were holding 36 companies with a total value of £123.81m and an overall net yield of 3.9%.

Outlook

UK GDP growth in 2012 was very muted, with a final reckoning for the year of +0.3%. Three of the four quarters recorded negative progress, but the third quarter showed growth stimulated partly by the Olympic games. The long hard winter has extended the flatlining of GDP into 2013 and in the Budget statement the Office for Budgetary Responsibility downgraded its forecast for this year to just +0.6% from the previous level of +1.2%. Analysts are now forecasting growth in earnings and dividends for UK listed companies in 2013 of about 5% on average, modestly positive in real terms.

The Budget forecast further delays in reducing the fiscal deficit, and public sector debt is not expected to decline until after the life of this parliament. Consumer spending received some stimulus in the Budget with the rise in personal allowances and some modest changes in indirect taxes. The economic background remains troubled, but markets are supported by the loose monetary policies pursued by central banks around the world. Though the immediate risks of a break-up of the Eurozone are perceived to have receded somewhat, the underlying problems of high levels of consumer and public debt in both Europe and the US remain. Equities continue to offer reasonable value to long-term investors. The yield on UK equities of 3.3% is still well ahead of the yield on ten-year gilts while the price earnings ratio of the market remains a little below the long term average of 14 times. We are continuing with our strategy of focusing our investments on high quality growth companies, particularly those with significant overseas economic exposure.

Angela Lascelles

OLIM Limited
17 May 2013

List of Equity Holdings as at 31 March 2013

Holding		Description	Market Value (£)
360,000	Rotork	The world's leading manufacturer of actuators serving particularly the oil, gas and water management industries.	10,454,400
275,000	Spectris Group	Leading supplier of instrumentation and controls.	6,754,000
2,000,000	BT Group	The fixed-line telecommunications company.	5,560,000
2,815,000	Vodafone	The leading mobile telecommunications company.	5,252,790
3,000,000	Legal & General Group	One of the UK's leading financial services companies, specialising in life assurance and pensions.	5,181,000
475,000	Babcock International	An engineering support services group; the main customer is the Ministry of Defence.	5,168,000
1,121,000	BP	One of the world's largest energy companies, providing fuel, retail services and petrochemicals.	5,155,479
184,000	Unilever	The global food, home and personal care company.	5,122,560
325,000	GlaxoSmithKline	The UK's largest pharmaceutical company.	5,000,125
1,000,000	Restaurant Group	The company owns chains of restaurants in airports and leisure parks.	4,679,000
660,000	HSBC	The banking group.	4,636,500
935,000	N Brown Group	An on-line and catalogue retailer.	3,814,800
2,530,000	Marstons	The regional brewer and pub company.	3,579,950
685,000	Halma	Operating in 22 countries, the company makes products to protect buildings and the environment.	3,548,300
126,300	Croda International	A world leader in natural based speciality chemicals which are sold to virtually every type of industry.	3,464,409
1,650,000	Beazley	A specialist international insurance company, primarily operating in Lloyds.	3,443,550
550,000	Pennon	Operates and invests in water, sewerage services and waste management operating in the UK and North Africa.	3,426,500
931,500	Centrica	An integrated gas and electricity company.	3,425,125
650,000	Informa	Provider of specialist information to the academic, scientific, professional and commercial communities through multiple distribution channels.	3,422,250
141,000	Royal Dutch Shell	A global group of energy and petrochemicals companies.	3,080,850
391,772	United Utilities	The UK's largest listed water company.	2,775,705
800,000	SThree	A staffing company, both permanent and contract.	2,774,000
350,000	Reed Elsevier	A publishing company specialising in professional journals, information and exhibitions.	2,733,500
981,300	Carillion	Support services in building contracts for the UK and Middle East.	2,672,080
620,000	Tesco	Food retailing and financial services.	2,365,610
150,000	Go-Ahead Group	Operator of trains and buses.	2,206,500
1,905,000	John Laing Infrastructure Fund	A closed-end investment company investing in mature infrastructure projects.	2,164,080
100,000	BHP Billiton	The world's largest mining company.	1,915,000
61,700	Rio Tinto	One of the world's largest mining companies.	1,903,445
375,000	Britvic	Manufacturer and distributor of soft drinks in the UK and Ireland.	1,666,500
380,000	Dairy Crest	Producer of milk and branded dairy products.	1,628,680
370,000	Amlin	A specialist insurance and reinsurance underwriting group.	1,566,950
115,000	BG	A leading integrated natural gas company.	1,298,350
41,045	Johnson Matthey	A leader in speciality chemicals and sustainable technologies.	944,035
50,000	Amec	A supplier of consultancy, engineering and project management services to the natural resources environment and infrastructure markets.	528,000
500,000	Hansard Global	Provides, supports and services life assurance products for financial institutions and independent financial intermediaries globally.	502,500
			123,814,523

Property Portfolio

The Market

UK commercial property showed an average total return of 2.5% over the year to March on the Investment Property Databank (IPD) Index, with a 4% fall in capital values. There is now a two way pull on property values. Very high yields on property compared with other asset classes are the main plus, as against the negative pressures on tenants and rents.

Capital values bounced back by about 20% from the depths of the property crash in mid-2009 to autumn 2011, but have been drifting down since in most sectors and regions. Retail and industrial/warehouse property, as well as office property outside Central London, fell in value by 4% - 6% on average last year. Rising London office values, mainly in the West End, reduced the national average fall in office capital values to 2%. In the retail sector, supermarkets (which have longer than average lease lengths and often indexed rent reviews) performed best, followed by retail warehouses, with high street shops and shopping centres under the most pressure. Industrial/warehouse and office property values held up better in South-East England than in the rest of the United Kingdom, but suffered everywhere, outside London, from shortening lease lengths and rising void levels where tenants exercised break clauses, or vacated property when leases ended. Three years of falling real incomes and a flat economy have cut the value of investment property let on conventional leases and increased the attraction of property let to strong tenants with indexed or fixed rent increases.

Rental values have also slipped slightly over the past year in the retail and industrial sectors, and in provincial offices, but office rents in the West End of London (where office buildings are increasingly being converted into residential use) are still growing. Letting markets generally are thin, with a shortage of evidence for valuers to use, and increasing incentives are necessary to persuade cautious tenants to sign or renew leases. This should be reflected in further falls in reported rental values over the year ahead.


Matthew Oakeshott and Louise Cleary

2013 is shaping up as another tough year, both for the UK economy and most tenants of commercial property. Average property rental values may slip again as fierce competitive pressure on occupiers and shortage of finance for smaller companies accentuate the established trends for offices to use less space per worker, for retailers to rationalise their physical property requirements and trade more online, and for warehousing to be ever more concentrated near a few motorway junctions. But there are still plenty of recession-beating businesses gaining market share and leasing new space, such as discounters and high quality retailers taking both large and small stores, and restaurant, pub, hotel and other leisure operators growing strong brands and signing leases for at least ten years.

Property's yield premium over gilts is much too high at nearly 5 points over conventional and over 7 points over long-dated index-linked

Equivalent Yields

Equivalent Yields (End Dec. except 2013: end March)		2013	2012	2011	2008	2006	2001	1990
Property		7.1	7.0	6.8	8.2	5.4	7.8	9.9
Long Gilts	Conventional	2.3	2.4	2.5	3.7	4.6	5.0	10.7
	Index Linked	-0.2	0.1	-0.2	0.8	1.1	2.3	4.5
UK Equities		3.3	3.5	3.5	4.5	2.9	2.6	5.5
Yield Gaps: Property	- Conventional Gilts	4.8	4.6	4.3	4.5	0.8	2.8	-1.0
	- Index Linked Gilts	7.3	6.9	7.0	7.4	4.4	5.5	5.2
	- Equities	3.8	3.5	3.3	3.7	2.5	5.2	4.2

Source: IPD

CAPITAL VALUES – ANNUALISED GROWTH RATES % TO MARCH 2013

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Retail	-3.3	-5.1	-5.6	-1.1	-6.1	-0.5
Office	-1.3	-1.4	-2.1	+1.1	-5.5	-1.1
Industrial	-1.8	-3.0	-3.6	-1.1	-5.7	-1.3
All Property	-2.4	-3.4	-4.0	-0.3	-5.7	-0.7

Source: IPD

RENTAL VALUES – ANNUALISED GROWTH RATES % TO MARCH 2013

	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Retail	-2.1	-2.0	-1.6	-1.3	-2.5	+0.3
Office	+2.0	+2.0	+1.4	+1.6	-2.8	-0.5
Industrial	-0.1	-0.1	-0.6	-0.9	-1.8	-0.4
All Property	-0.4	-0.3	-0.4	-0.3	-2.4	-0.0

Source: IPD

VIT'S PROPERTY RECORD

				Total Return	
31 March	Rental Income £000	Capital Value £000	Yield on Valuation %	VIT %	IPD Annual Index %
1987	1,155	11,375	10.2	N.A.	N.A
1988	1,329	14,939	8.9	24	26
1989	1,915	23,475	8.2	30	30
1990	2,050	24,390	8.4	15	15
1991	2,331	23,800	9.8	2	-8
1992	2,709	25,880	10.5	10	-3
1993	2,773	26,415	10.5	12	-2
1994	2,806	29,835	9.4	23	20
1995	2,948	31,125	9.5	10	12
1996	2,840	29,440	9.6	9	4
1997	3,111	32,805	9.5	10	10
1998	3,141	34,800	9.0	15	17
1999	3,410	41,055	8.3	25	12
2000	3,054	39,800	7.7	15	15
2001	3,117	39,825	7.8	10	10
2002	3,013	38,800	7.8	13	7
2003	3,089	40,550	7.6	12	10
2004	3,052	40,375	7.5	15	11
2005	3,124	45,875	6.8	21	18
2006	3,219	52,250	6.2	21	19
2007	3,116	54,525	5.7	15	18
2008	3,261	51,000	6.4	0	-3
2009	3,278	44,850	7.3	-11	-22
2010	3,463	48,750	7.1	18	4
2011	3,552	49,075	7.2	9	15
2012	3,537	48,250	7.3	7	8
2013	3,543	46,225	7.7	4	4

gilts. Long term property investors now have the chance to lock in an initial yield premium without precedent since Standard Life started to compile property yield statistics almost a century ago. Property's real yield premium is near a 30 year high since index-linked gilts were first issued in the UK. Property is fairly valued against UK equities at over double their running yield but with little rental growth likely over the next three years.

Average property capital values are likely to fall by about 2% this year, with average rental values slightly down again giving total returns of 4% - 5%. Void levels are rising to approach their peak levels in 2009, with office voids already well above it. But index-linked properties offer outstanding value and should continue to outperform. For most property types, security of income will drive outperformance.

Britain's banking system remains fragile and banks are speeding up disposals of property owned by distressed borrowers both by formal Receiverships and "consensual sales" under the threat of Receivership. This gives cash buyers a happy hunting ground so long as they are highly selective. Specific tenant and individual property risk remains high, and high yielding property with short leases or shaky tenants will continue to fall in value until the economy is clearly enjoying sustained recovery and finance for property is flowing more freely.

The UK economy was basically flat last year and most forecasters see a return to modest growth in 2013. Despite the Budget increase in income tax thresholds, real consumer incomes still look likely to fall again, with average earnings and transfer payments now growing just over 1% but price inflation stubbornly sticking near 3% under the influence of rising food and energy costs. Pressures in the Eurozone are hitting confidence and growth here, the service sector is inching ahead, but manufacturing is hesitant and construction remains deeply depressed. The Funding for Lending programme is clearly reducing mortgage interest rates but has not so far moved bank lending to small and medium sized businesses into positive territory.

The Bank of England Monetary Policy Committee's massive injections of Quantitative Easing are having uncomfortable side effects for pension funds and annuity rates, and are unlikely to be restarted in their present form. Larger businesses generally enjoy strong balance sheets and liquidity but many lack the confidence in future demand they need to invest. Britain's substantial public sector deficit is rising again, once special factors are stripped out, and the objective of public debt falling has now been postponed until after 2015.

The balance of risk and reward remains firmly in favour of safe property in all sectors, let at affordable rents to strong tenants on long leases, preferably with index-linked rent reviews where the net present value of the income stream alone often offers exceptional value against gilts and corporate bonds. Well-chosen and located property also provides significant capital growth potential based on its residual value at the end of the lease.

The Portfolio

VIT's property portfolio produced a total return of 3.5% over the year to March, 1% above the IPD Monthly Index return over the same period. Over the longer term, VIT's property record against the main benchmark IPD Annual Index, which covers calendar years and returned 4% in 2012, is shown in the table on page 10.

The Cask and Glass, Victoria, London

We concentrate on properties with strong income streams to meet the fixed interest payments on our long-term debt. These have also produced good long-term capital performance. The total return on our property portfolio has averaged 7% a year over the past 3 years, 5% over 5 years, 10% over 10 years, and 13% over the 26 years since the start. These returns are below the IPD average over 3 years but well above over longer periods.

Total Annualised Return (%)	VIT	IPD
3 years	7	9
5 years	5	2
10 years	10	7
26 years	13	9

Two properties were sold during the year, at Galashiels and Hereford, with the proceeds reinvested in properties at Risca, South Wales and Lynton, Devon with long index-linked leases to Caerphilly Council, Tesco and Costcutter. They were bought for £2,215,000 and valued at £2,350,000 at our year end.

All properties are fully let on full repairing and insuring leases, with upward only rent reviews

High Street, Kelso

Tredegar Street, Risca

and an average unexpired lease length of 13.5 years. Holland and Barrett, Card Factory and YMCA replaced tenants whose leases expired during the year. One tenant Metalrax, went into administration after the year end. The lease has since been assigned with no loss of rent. 99% of the rental income is reviewed five yearly, with 39% index-linked.

The property portfolio is matched with £35 million of long term, fixed rate loans - £20 million of VIT 9 3/8% Debenture Stock repayable in 2026 and £15 million of 11% Debenture Stock, issued by our subsidiary Audax Properties PLC and repayable in 2021. Because those Debenture Stocks were issued at a premium, their effective interest cost averaged 9%. We believe this is the right way to finance long-term property investment and we do not intend to replace it with shorter term bank debt. The upheavals in the property and banking markets since 2008 reinforce that view.

Results of Independent Revaluation

The VIT property portfolio, including properties held within our subsidiary Audax Properties PLC, was subject to an independent professional revaluation by Jones Lang LaSalle at 31st March 2013.

The revaluation showed a value of £46,225,000; properties within VIT were valued at £17,850,000 while Audax Properties PLC totalled £28,375,000. Our properties are revalued independently every six months, at 30th September and 31st March.

Capital values fell by 4% in line with the IPD Index, while the income yield is 1% higher. Twenty-seven of the properties valued at 31 March 2013 were freehold or the Scottish equivalent and one is held on a long lease with 44 years to run.

Matthew Oakeshott

OLIM Property Limited
17 May 2013

Property Portfolio

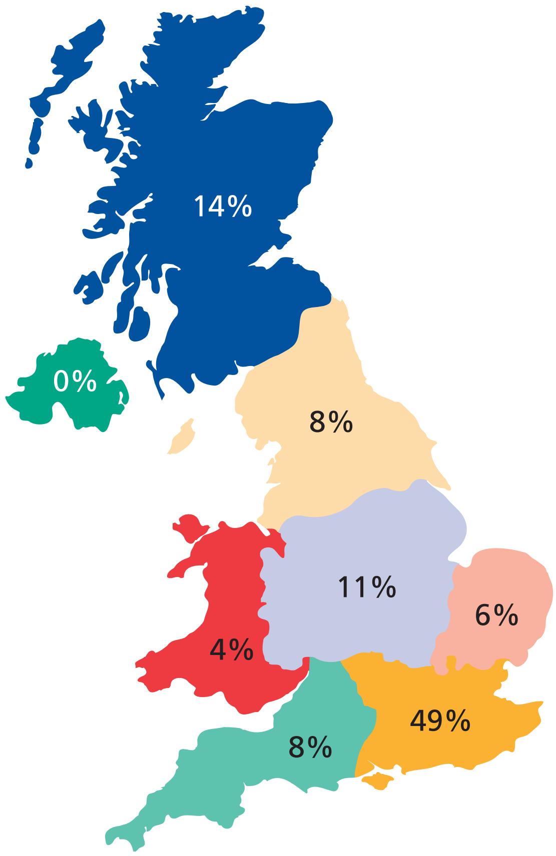
By Type

	%
In Town Retail	48
Out of Town Retail	16
Leisure	28
Industrial	8
	100

Top Ten Tenants – % of Total Rent

	%
Sytners	11
Park Resorts	11
W H Smith	10
Shepherd Neame	8
Co-op	6
Lloyds TSB	6
Satair	6
New Look	4
99p Stores	4
Metalrax	3
	69

By Region



Address	Tenant
Shops	
Ayr - 83 High Street	Sportswift
Ayr - 138 - 140 High Street	Tesco
Birmingham - 155 High Street, King's Heath	New Look
Dundee - 261 Brook Street, Broughty Ferry	M&Co and Superdrug
Elgin - 163 High Street	Poundland
Galashiels - 15-37 Channel Street	Co-op and WH Smith
Godalming - 80-82 High Street	WH Smith
Haddington - 54-56 Court Street	Clydesdale Bank and Clyde and Forth Press
Kelso - 8-16 Horsemarket	M&Co
Lymington - 78-80 High Street	99p Stores
Lynton - 15 - 16 Lee Road	Costcutter
Melton Mowbray - 29-29B Market Place	WH Smith
Oban - 42 George Street	Edinburgh Woollen Mill
Poole - 140 High Street	A - Plan Insurance
Risca - 77 Tredegar Street	Tesco and Caerphilly Council
Sevenoaks - 87-93 High Street	Santander, Oxfam, Specsavers and insurance brokers
St. Anne's-on-Sea - The Burlington Centre, St. Anne's Road West	New Look, Shoe Zone, Sportswift, National Council of YMCAs, TCCT Retail, Superdrug and TJ Morris
Worcester - 4 The Cross	Lloyds Banking Group
Out of Town Retail	
Horsham - Buck Barn, Worthing Road, West Grinstead	Co-op and McDonalds
Oxford - 171-173 Cumnor Hill	Sytners
Leisure	
Canterbury - The Bishop's Finger, 13 St. Dunstan Street	Shepherd Neame
Dover - St. Margaret's Holiday Park, Reach Road	Park Resorts
London - The Bishop's Finger, West Smithfield	Shepherd Neame
London - The Cask and Glass, 39/41 Palace Street	Shepherd Neame
London - The Prince of Wales, 48 Cleaver Square	Shepherd Neame
Sherborne - The Cross Keys, 88 Cheap Street	Eldridge Pope
Industrial	
Luton - Sedgwick Road	Metalrax (since assigned to Toolspec Manufacturing)
Rochford - 8 Purdeys Way	Satair A/S

Business Review

The Directors have prepared this Business Review in accordance with the requirements of Section 417 of the Companies Act 2006. A review of the Company's activities is given in the Corporate Summary and Long Term Record on pages 1 and 2, the Chairman's Statement on page 3 and the Investment Managers' Reports on pages 5 to 13, which includes likely future developments of the business.

The Directors have identified the principal risks and uncertainties which affect the Company's business and these are detailed in Note 20 to the Financial Statements. Additional risks include:

- Discount volatility: The Company's shares may trade at a price which represents a discount to its underlying net asset value; and

- Regulatory risk: The Company operates in a complex regulatory environment and faces a number of regulatory risks. A breach of Section 1158 of the Corporation Taxes Act 2010 ("Section 1158") would result in the Company being subject to capital gains tax on portfolio investments. Breaches of other regulations, including the Companies Act 2006, the UKLA Listing Rules or the UKLA Disclosure and Transparency Rules, could lead to a number of detrimental outcomes and reputational damage. Breaches of controls by service providers to the Company could also lead to reputational damage or loss. The Audit and Management Engagement Committee monitors compliance with regulations by reviewing internal control reports from the Company Secretary and Administrator and the Investment Managers, OLIM Limited ("OLIM") and OLIM Property Limited ("OLIM Property"), (collectively the "Managers").

There is also a further regulatory risk in the form of the Alternative Investment Fund Managers Directive ("AIFMD") which came into force in July 2011 and is due to be implemented by member states of the European Union by July 2013 The AIFMD will introduce a new authorisation and supervisory regime for all investment trust fund managers and investment companies in the European Union. This is expected to create some additional regulatory costs for the Company.

The Directors have identified the Company's share price total return and net asset value total return, relative to the FTSE All-Share Index (total return) and the Company's dividend growth, relative to the Retail Prices Index, as the three key performance indicators for determining the progress of the Company and the relevant figures may be found on pages 1 and 2.

Results and Dividend

The Directors recommend that a final dividend of 4.30pence per share (2012 - 4.15pence) is paid on 19 July 2013 to shareholders on the register on 21 June 2013. The ex-dividend date is 19 June 2013. An interim dividend of 4.0pence per share (2012 - 3.9pence) was paid to shareholders on 4 January 2013.

Table 1 shows the revenue reserve position and dividends paid and payable by the Group and the Company, under the former basis of accounting, subject to shareholders' approval of the proposed final dividend at the forthcoming Annual General Meeting.

	Group £000	Group Pence per share	Company £000	Company Pence per share
Revenue reserve at 31 March 2012	1,700	3.74	903	1.98
Net revenue earned in the year	3,907	8.58	3,590	7.88
Dividends paid and payable	(3,781)	(8.30)	(3,781)	(8.30)
Revenue reserve at 31 March 2013	**1,826**	**4.02**	**712**	**1.56**

Table 1 Group and Company revenue reserves

Principal Activity and Status

The business of the Company is that of an investment trust and the Directors do not envisage any change in this activity in the foreseeable future. The Company is registered as a public limited company in Scotland under company number SC50366 and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company is a member of The Association of Investment Companies.

The Company has been approved by HM Revenue & Customs as an investment trust for the purposes of Section 1158 for the year ended 31 March 2012. The Company has applied for and been accepted as an approved investment trust under Sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2, Chapter 1 of Statutory Instrument 2011/2999. This approval relates to accounting periods commencing on or after 1 April 2012. The Directors are of the opinion that the Company has conducted its affairs so as to be able to retain such approval. The Company intends to manage its affairs so that its Ordinary shares continue to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account.

The Company makes no political donations or expenditures or donations for charitable purposes and, in common with most investment trusts, has no employees.

Share Capital

As at 31 March 2012 and 31 March 2013, and the date of approval of this Report, the Company had 45,549,975 ordinary shares of 10p nominal in issue. Each ordinary share entitles the holder to one vote on a show of hands and, on a poll, to one vote for every share held.

Directors

Biographies of the current Directors are shown on page 4. As at the date of this Report the Board consists of a Chairman, James Ferguson, and four Directors. David Back resigned as a Director at the Annual General Meeting on 13 July 2012. John Kay has been appointed Senior Independent Director.

The Company's Articles of Association require that each Director shall retire and seek re-election at every third Annual General Meeting. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting.

The Directors take the view, in line with the AIC Code on Corporate Governance ("AIC Code"), that independence is not compromised by length of service on the Board and that experience can add significantly to the Board's strength.

With the exception of Matthew Oakeshott and Angela Lascelles, all Directors who served during the year are considered by the Board to be independent of the Managers and free of any material relationship with the Managers. Angela Lascelles is a Director of OLIM. Matthew Oakeshott is a Director of OLIM Property, and was a Director of OLIM up to 5 April 2012. Neither Angela Lascelles nor Matthew Oakeshott is considered to be independent under the UKLA Listing Rules and accordingly submit themselves annually for re-election. The Board has determined that Directors may serve for more than nine years but that any such Director should be subject to annual re-election.

The Chairman has reviewed the skills, experience and independence of John Kay and David Smith and has no hesitation in recommending to shareholders their re-election as Directors at the Annual General Meeting. The Chairman has also reviewed the skills and experience of Angela Lascelles and Matthew Oakeshott and has no hesitation in recommending to shareholders their individual re-election, as Directors, at the Annual General Meeting. John Kay, as Senior Independent Director, has led the Board in reviewing the skills, experience and independence of James Ferguson as Chairman and has no hesitation in recommending to shareholders his re-election as a Director at the Annual General Meeting.

There is an agreed procedure for Directors to take independent professional advice if necessary and at the Company's expense. This is in addition to the access which every Director has to the advice and services of the Company Secretary, Maven Capital Partners UK LLP, which is responsible to the Directors for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Directors at 31 March 2013 and 1 April 2012, and their interests in the share capital of the Company, are shown in Table 2. Subsequent to 31 March 2013 David Smith's beneficial holding increased following his purchase through the VIT ISA and Share Plan of a total of 226 Ordinary shares on 22 April and 22 May 2013 respectively.

With the exception of these changes to David Smith's holdings, the Directors' interests were unchanged at the date of this Report.

	31 March 2013	1 April 2012
James Ferguson	857,500	857,500
James Ferguson - Family	62,500	62,500
David Back*	N/A	30,000
John Kay	139,110	139,110
John Kay – as Trustee	67,830	67,830
Angela Lascelles	554,999	554,999
Angela Lascelles - Family	250,000	250,000
Angela Lascelles – as Trustee	12,000	12,000
Matthew Oakeshott	2,739,793	2,689,793
Matthew Oakeshott - Family	2,544,792	2,264,792
David Smith	15,179	12,959

Table 2 Directors and their interests in Value and Income Trust PLC

*David Back resigned as a Director at the Annual General Meeting on 13 July 2012

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006. As part of this process, the Directors prepare a list of other positions held and all other conflicts that may need to be authorised either in relation to the Director concerned or his/her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting. No Director has a service contract with the Company. The Directors' interests in contractual arrangements are as shown in Note 19 to the Financial Statements. No other contracts or arrangements subsisted in which any of the Directors was materially interested.

Directors' & Officers' Liability Insurance

The Company's Articles of Association provide for each of the Directors to be indemnified out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. Directors' and Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

Investment Management

Up to 5 April 2012, investment management of the Company's assets and responsibility for the Company's operations was delegated to OLIM. With effect from 5 April 2012, responsibility for providing property investment management services to the Company was transferred from OLIM to OLIM Property. OLIM continues to provide equity investment management services to the Company.

Under two separate investment management agreements entered into by the Company on 5 April 2012, both of which may be terminated by either party on giving one year's notice, OLIM and OLIM Property receive an investment management fee of 2/3 of 1% of

VIT total assets less current liabilities ("VIT 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 outperformance of 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 total assets and is divided 1/3 to OLIM Property and 2/3 to OLIM. The fee is wholly charged to capital.

During the year ended 31 March 2013 OLIM received an annual investment management fee of £697,000, excluding VAT, and OLIM Property received an annual investment management fee of £344,000 excluding VAT.

In addition, a performance fee of £83,000, excluding VAT was paid to OLIM, and a performance fee of £42,000, excluding VAT was paid to OLIM Property.

An additional fee is payable to the Company Secretary in respect of company secretarial and administrative services. Up to 1 February 2013 the Company Secretary was Aberdeen Asset Management PLC. On 1 February 2013 Maven Capital Partners UK LLP was appointed Company Secretary.

The Directors (excepting Matthew Oakeshott and Angela Lascelles) review the terms and conditions of the appointment of OLIM and OLIM Property on a regular basis. Following the most recent review, the Directors are satisfied that the continuing appointment of OLIM and OLIM Property as investment managers, on the current terms, is in the best interests of shareholders as a whole as the Company benefits from the specialised teams of investment professionals at OLIM and OLIM Property. In the event of termination on less than the agreed notice period, compensation is payable in lieu of the unexpired notice period.

Corporate Governance

The Company is committed to high standards of corporate governance and the Directors are accordingly accountable to the Company's shareholders.

The Directors have considered the principles and recommendations of the AIC Code of Corporate Governance ("AIC Code") by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses the principles set out in the UK Corporate Governance Code ("UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Directors consider that reporting against the main principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), would provide more relevant information to shareholders.

The Company has complied with the provisions of the AIC Code and UK Code except as set out below:

The UK Code includes provisions relating to:

- the role of the Chief Executive;
- Executive Directors' remuneration; and
- the need for an internal audit function

For the reasons set out in the AIC Guide, and in the pre-amble to the UK Code, the Directors consider that these provisions are not relevant to the position of the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Chairman of the Board chairs the Audit and Management Engagement Committee.

The AIC Code is available on the AIC's website at www.theaic.co.uk. The UK Code is available from the Financial Reporting Council's website at www.frc.org.uk.

The Board normally meets at least four times each year and more frequently when business needs require. The Board sets the Company's objectives and ensures that it obligations to its Shareholders are met. The Board has formally adopted a Schedule of Matters Reserved which are required to be brought to it for decision thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

The requirement for Board approval on these matters is communicated directly to the senior staff of the Managers.

The Schedule of Matters Reserved includes;

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company including investment performance and revenue budgets;
- Companies Act requirements such as the approval of the periodic financial statements and approval and recommendation of any dividends;
- major changes relating to the Company's structure, including share buybacks and share issues;
- succession planning including Board appointments and removals and the related terms;
- appointment and removal of the Managers and the terms and conditions of the investment management agreements relating thereto;
- terms of reference and membership of Board Committees; and
- Stock Exchange/UK Listing Authority/ Financial Services Authority matters, including responsibility for approval of all circulars, listing particulars and approval of all releases concerning matters decided by the Board.

The Board has conducted appraisals of the Chairman, the other Directors and the Board as a whole. Table 3 shows, for the year under review, the number of Board and Committee meetings attended by each Director against the total number of meetings that each Director was entitled to attend.

	Board Meeting	Audit and Management Engagement Committee	Nomination Committee
James Ferguson	4 (4)	2 (2)	2 (2)
David Back*	2 (2)	1 (1)	1 (1)
John Kay	4 (4)	2 (2)	2 (2)
Angela Lascelles	4 (4)	N/A	2 (2)
Matthew Oakeshott	4 (4)	N/A	2 (2)
David Smith	4 (4)	2 (2)	2 (2)

Table 3 Board and Committee meetings - Director eligibility and attendance

Angela Lascelles and Matthew Oakeshott being non-independent, are not members of the Audit and Management Engagement Committee

* David Back resigned as a director at the Annual General Meeting on 13 July 2012

A Nomination Committee has been established with specific terms of reference (copies of which are available from the Company on request). Every Director is a member of the Nomination Committee, which is considered appropriate given the Board's small size and composition. The Nomination Committee is responsible for considering appointment to the Board and reviewing the level of directors' fees. Possible new Directors are identified against requirements of the Company's business and the need to have a balanced Board. Every Director is entitled to receive appropriate training as deemed necessary.

Proxy Voting and Stewardship

The Financial Reporting Council ("FRC") published the UK Stewardship Code" for institutional shareholders in July 2010. The purpose of the UK Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors with the efficient exercise of their governance responsibilities. The FRC is encouraging institutional investors to make a statement of their commitment to the UK Stewardship Code.

The Board has delegated responsibility for monitoring the activities of portfolio companies to OLIM. The Board has also reviewed the Managers' Statement of Compliance with the UK Stewardship Code, which appears on OLIM's website at http://www.olim.co.uk/downloads/UK_stewardship_code.pdf

OLIM is responsible for reviewing, on a regular basis, the annual reports, circulars and other publications produced by the portfolio companies and for attending company meetings. OLIM is, in the absence of explicit instruction from the Board, empowered to use discretion in the exercise of the Company's voting rights.

Socially and Environmentally Responsible Investment

The Directors are aware of their duty to act in the best interests of the Company. They acknowledge that there are risks associated with investment in companies which fail to conduct business in a socially and environmentally responsible manner.

Internal Controls

The Directors are ultimately responsible for the Company's system of internal controls and risk management and for reviewing its effectiveness. Following publication by the FRC of "Internal Control: Revised Guidance for Directors on the Combined Code" (the "FRC Guidance"), the Directors confirm 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 year under review and up to the date of approval of this Annual Report and Financial Statements, is regularly reviewed by the Board and accords with the FRC Guidance.

The Directors have reviewed the effectiveness of the system of internal controls and risk management. In particular, the Directors have 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 significant risks faced by the Company are as follows:

- Financial;
- Operational; and
- Compliance.

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

- Forecasts and management accounts are prepared which allow the Directors to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- OLIM and OLIM Property regularly report to the Directors on the investment portfolios;
- OLIM's Compliance Officer keeps OLIM's operations under review;
- OLIM Property's Compliance Officer keeps OLIM Property's operations under review;
- written agreements are in place which specifically define the roles and responsibilities of OLIM, OLIM Property and other third party service providers; and

- at its meeting in May 2013, the Audit and Management Engagement Committee carried out an annual assessment of internal controls and risk management for the year ended 31 March 2013 by considering documentation from OLIM, OLIM Property, Aberdeen Asset Management PLC (Company Secretary until 1 February 2013) and Maven Capital Partners UK LLP (Company Secretary from 1 February 2013) and by taking account of events since 31 March 2013.

Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Accountability and Audit

The responsibilities of the Directors for the Annual Report and the financial statements appear on page 25 and the responsibilities of the Independent Auditor for the Financial Statements appear on page 26.

The Directors have appointed an Audit and Management Engagement Committee which comprises the independent Directors and is chaired by James Ferguson; while the Directors note that this is not in compliance with AIC Code Provision C.3.1, the Directors consider that it remains appropriate for James Ferguson to continue to chair the Committee, due to its small size and composition, and common membership with the Board.

Audit matters are reviewed by the Audit and Management Engagement Committee within clearly defined written terms of reference (copies of which are available from the Company on request). In summary, the main audit review functions are:

- to review and monitor the internal control systems and risk management systems on which the Company is reliant;
- to monitor the integrity of the interim management statements and annual and half-yearly financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of OLIM, OLIM Property and the third party administrators;
- to meet, if required, with the Independent Auditor to review their proposed programme of audit work and their findings. The Directors shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the Independent Auditor to supply non-audit services if applicable. The Directors review the level of non-audit fees in the light of the Auditor's requirement to maintain their independence, and for the year ended 31 March 2013 these amounted to £4,575 (excluding VAT) (2012 – £4,600, excluding VAT), for the Group;
- to review an annual statement from each of OLIM, OLIM Property and the Company Secretary detailing the arrangements in place within OLIM, OLIM Property and the Company Secretary whereby staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the appointment of the Independent Auditor and to approve their remuneration and terms of engagement; and

- to monitor and review annually the Auditor's independence, objectivity, effectiveness, resources and qualification.

Matters related to management engagement include the review of the performance of OLIM and OLIM Property, their remuneration and compliance with the terms of the investment management agreements.

Going Concern

In compliance with the UKLA's Listing Rules and with reference to the Financial Reporting Council's guidance on Going Concern and Liquidity Risk issued in October 2009, the Directors can report that, based on the Company's valuations of assets and liabilities, budgets and financial projections, they have satisfied themselves that the business is a going concern. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and for at least twelve months from the date of approval of this Report. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

Substantial Interests

In addition to the Directors' interests indicated in Table 2, the Company has been notified that the shareholders listed in Table 4 below are interested in 3% or more of the issued ordinary share capital of the Company as at 22 May 2013 being the latest practicable date before approval of this Report.

Shareholder	Number of Ordinary Shares	% held
Alliance Trust Savings Limited	3,968,618	8.7
Company ISA and Share Plan	2,437,810	5.4
Brewin Dolphin Securities	1,922,846	4.2
Smith & Williamson Holdings Limited	1,633,565	3.6
Barclays Stockbrokers	1,604,414	3.5
Rathbones	1,525,691	3.4

Table 4: Substantial interests in the Company

Creditor Payment Policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. In certain circumstances, settlement terms are agreed prior to business taking place.

The VIT Share Plan, VIT ISA and ISA Transfer

Further details regarding how to invest in the Company via the VIT Share Plan, VIT ISA or ISA Transfer may be found on page 56.

Independent Auditor

A resolution to re-appoint Chiene + Tait, Chartered Accountants and Statutory Auditor, as Independent Auditor of the Company, will be proposed at the Annual General Meeting.

The Directors confirm that as far as they are each aware, as at the date of this Report, there is no relevant audit information of which the Company's Independent Auditor is unaware, and that each Director has taken all the steps that they might reasonably be expected to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Independent Auditor was aware of that information.

Additional Information

Where not provided elsewhere in the Directors' Report, the following additional information is required to be disclosed by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

There are no restrictions on the transfer of ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law (for example insider trading law). The Company is not aware of any agreements between shareholders that may result in a transfer of securities and/or voting rights.

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders.

The Company is not aware of any significant agreements to which it is a party that take effect, alter or terminate upon a change of control of the Company following a takeover.

Other than the investment management agreements with the Managers, further details of which are set out on pages 16 and 17, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

Relations with Shareholders

The Directors and the Managers consider it important to understand the views of shareholders and both the Chairman and Senior Independent Director are available to meet major shareholders.

Shareholders may contact the Directors by writing to the Chairman at the Registered Office. The address for the registered office may be found on page 4.

Annual General Meeting

The Notice of the Annual General Meeting, which is included within the Annual Report, is normally sent out at least 20 working days in advance of the meeting.

Resolutions relating to the following three items of Special Business will be proposed at the forthcoming Annual General Meeting:-

(a) Authority to allot Ordinary Shares

Ordinary resolution 10 will be proposed to renew the authority of the Directors to allot unissued ordinary shares up to an aggregate nominal amount of 10% of the current ordinary share capital;

(b) Limited Disapplication of the pre-emption provisions

Special resolution 11 will be proposed to renew the authority of the Directors to allot a maximum of an additional 10% of the ordinary shares without first being required to offer these to existing shareholders; and

(c) Repurchase of the Company's own Shares

Special resolution 12 will be proposed to authorise the Company to make market purchases of up to 14.99% of its own ordinary shares. This authority, if conferred, will only be exercised if to do so would enhance the net asset value and is in the best interests of shareholders generally.

The Annual General Meeting will be held at 12.30pm on Friday 12 July 2013 at the offices of Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh EH3 8UL.

By order of the Board,
Maven Capital Partners UK LLP
Company Secretary
Glasgow, 24 May 2013

The Board has prepared this report, in accordance with the requirements of Section 421 of the Companies Act 2006. An ordinary resolution for the approval of this report will be put to the members at the forthcoming Annual General Meeting.

The law requires your Company's Independent Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The Independent Auditor's opinion is included in its report on pages 26 and 27.

The Company has five Directors. The Nomination Committee of the Board fulfils the functions of a remuneration committee in relation to setting the level of directors fees.

Audited Information - Your company's performance

The graph below compares the Company's share price total return (assuming all dividends are reinvested) to ordinary shareholders to the total return from the FTSE All-Share Index. This index was chosen for comparison purposes, as it is a benchmark used for investment performance measurement purposes.

Policy on directors' fees

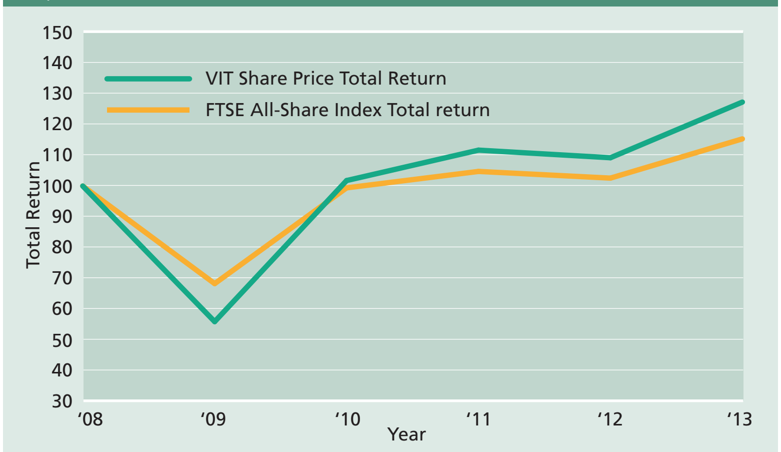
The Board's policy is that the remuneration of Directors should reflect the experience of the Board as a whole, be fair and comparable with that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. It is intended that this policy will continue for the year to 31 March 2014 and subsequent years.

The fees for the Directors are determined within the limits set out in the Company's Articles of Association, and they are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits. The level of Directors' fees is reviewed annually and the last review in February 2013 did not result in any change.

Directors' service contracts

It is the Board's policy that none of the Directors has a service contract. The terms of their appointment provide that a Director shall retire and be subject to re-election at the first Annual General Meeting after their appointment, and at least every three years after that. As noted in the Directors' Report, the Board has decided that every Director with in excess of nine years' service, should stand for annual re-election. In addition, as Matthew Oakeshott and Angela Lascelles are not considered independent they submit themselves annually for re-election. A Director may be removed without notice and compensation will not be due on leaving office.

Cummulative total return for the five year period ended 31 March 2013 (figures rebased to 100)



Source: Maven Capital Partners UK LLP & London Stock Exchange

	2013 £	2012 £
James Ferguson (Chairman)	20,000	17,000
David Back	3,989	12,000
John Kay	14,000	12,000
David Smith	14,000	12,000
OLIM Property Limited (for Matthew Oakeshott's services)	14,000	12,000*
OLIM Limited (for Angela Lascelles' services)	14,000	12,000
	79,989	77,000

Table 5 Directors' Fees

The Directors' fees payable to OLIM Property Limited and OLIM Limited for the services of Matthew Oakeshott and Angela Lascelles respectively, are included in the fees paid to OLIM Property Limited and OLIM Limited in respect of investment management services for the year. Further details of the fees paid to OLIM Property Limited and OLIM Limited are set out on page 17.

* In 2012 the amount of £12,000 was payable to OLIM Limited in respect of Matthew Oakeshott's services.

Directors' Remuneration for the Year (Audited)

The Directors who served in the year received emoluments in the form of fees, as described in Table 5.

Approval

The Directors' Remuneration Report on pages 23 and 24 was approved by the Board of Directors and signed on its behalf:

By order of the Board,

Maven Capital Partners UK LLP

Company Secretary

Glasgow, 24 May 2013

Statement of Directors' Responsibilities

in respect of the Annual Report, the Directors' Remuneration Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The financial statements are published on the Company's website which is maintained by, OLIM: www.olim.co.uk. The maintenance and integrity of the corporate and financial information relating to the Company is the joint responsibility of the Directors, OLIM and OLIM Property. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the European Union IAS Regulation and have also chosen to prepare the parent company financial statements in accordance with IFRSs as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and consistently apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- make an assessment of the Group's ability to continue as a going concern; and
- make judgements and estimates that are reasonable and prudent.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Responsibility Statement

The Directors confirm to the best of their knowledge, that:

- the Financial Statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and the Company and the undertakings included in the consolidation taken as a whole; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Group and the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board of Value and Income Trust PLC.

James Ferguson
Chairman
24 May 2013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VALUE AND INCOME TRUST PLC

We have audited the financial statements of Value and Income Trust PLC for the year ended 31 March 2013 which comprise the Group and Company statements of comprehensive income, the Group and Company statements of financial position, the Group and Company statements of changes in equity, the Group and Company statements of cashflows and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Statement of Directors' Responsibilities on page 25, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2013 and of the group's and the parent company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not qualified, we note the treatment of finance costs as detailed in note 1(f), as this does not comply with the 2009 Statement of Recommended Practice (Financial Statements of Investment Trust Companies and Venture Capital Trusts).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21, in relation to going concern;
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review; and
- certain elements of the report to Shareholders by the Board on Directors' remuneration.

Malcolm Beveridge BA CA (Senior Statutory Auditor)

for and on behalf of Chiene + Tait, Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh EH3 6NL

24 May 2013

Group Statement of Comprehensive Income

For the year ended 31 March

	Note	Year ended 31 March 2013 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2012 Revenue £'000	Capital £'000	Total £'000
INVESTMENT INCOME							
Dividend income	2	4,669	–	4,669	4,459	–	4,459
Rental income		3,562	–	3,562	3,398	–	3,398
Interest income on short-term deposits		2	–	2	1	–	1
OTHER OPERATING INCOME		3,564	–	3,564	3,399	–	3,399
OTHER COMPREHENSIVE INCOME							
Unrealised losses on investment properties	9	–	(2,302)	(2,302)	–	(798)	(798)
	2	8,233	(2,302)	5,931	7,858	(798)	7,060
GAINS AND LOSSES ON INVESTMENTS							
Realised gains on held-at-fair-value investments	9	–	4,400	4,400	–	105	105
Unrealised gains on held-at-fair-value investments	9	–	18,417	18,417	–	3,782	3,782
TOTAL INCOME		8,233	20,515	28,748	7,858	3,089	10,947
EXPENSES							
Investment management fees	3	(312)	(854)	(1,166)	(292)	(1,184)	(1,476)
Other operating expenses	4	(513)	–	(513)	(421)	–	(421)
FINANCE COSTS	5	(3,501)	–	(3,501)	(3,505)	–	(3,505)
TOTAL EXPENSES		(4,326)	(854)	(5,180)	(4,218)	(1,184)	(5,402)
PROFIT BEFORE TAX		3,907	19,661	23,568	3,640	1,905	5,545
TAXATION	6	–	390	390	–	182	182
PROFIT FOR THE PERIOD		3,907	20,051	23,958	3,640	2,087	5,727
EARNINGS PER ORDINARY SHARE (PENCE) - BASIC AND DILUTED	7	8.58	44.02	52.60	7.99	4.58	12.57

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published 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 Value and Income Trust PLC, the parent company. There are no minority interests.

The notes on pages 35 to 55 form part of these financial statements.

The Board is proposing a final dividend of 4.30p per share, making a total dividend of 8.30p per share for the year ended 31 March 2013 (2012: 8.05p per share) which, if approved, will be payable on 19 July 2013 (see note 8).

Company Statement of Comprehensive Income

For the year ended 31 March

	Note	Year ended 31 March 2013 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2012 Revenue £'000	Capital £'000	Total £'000
INVESTMENT INCOME							
Dividend income	2	4,669	–	4,669	5,609	–	5,609
Rental income		1,348	–	1,348	1,277	–	1,277
OTHER OPERATING INCOME		1,348	–	1,348	1,277	–	1,277
OTHER COMPREHENSIVE INCOME							
Unrealised (losses)/gains on investment properties	9	–	(442)	(442)	–	70	70
	2	6,017	(442)	5,575	6,886	70	6,956
GAINS AND LOSSES ON INVESTMENTS							
Realised gains/(losses) on held-at-fair-value investments	9	–	4,555	4,555	–	(97)	(97)
Unrealised gains on held-at-fair-value investments	9	–	16,865	16,865	–	2,150	2,150
TOTAL INCOME		6,017	20,978	26,995	6,886	2,123	9,009
EXPENSES							
Investment management fees	3	(208)	(610)	(818)	(194)	(957)	(1,151)
Other operating expenses	4	(386)	–	(386)	(280)	–	(280)
FINANCE COSTS	5	(1,851)	–	(1,851)	(1,852)	–	(1,852)
TOTAL EXPENSES		(2,445)	(610)	(3,055)	(2,326)	(957)	(3,283)
PROFIT BEFORE TAX		3,572	20,368	23,940	4,560	1,166	5,726
TAXATION	6	18	–	18	1	–	1
PROFIT FOR THE PERIOD		3,590	20,368	23,958	4,561	1,166	5,727
EARNINGS PER ORDINARY SHARE (PENCE) - BASIC AND DILUTED	7	7.88	44.72	52.60	10.01	2.56	12.57

The total column of this statement represents the Statement of Comprehensive Income of the Company prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance published 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 Value and Income Trust PLC, the parent company. There are no minority interests.

The notes on pages 35 to 55 form part of these financial statements.

Group Statement of Financial Position

At 31 March

	Note	As at 31 March 2013 £'000	As at 31 March 2013 £'000	As at 31 March 2012 £'000	As at 31 March 2012 £'000
ASSETS					
NON CURRENT ASSETS					
Investments held at fair value through profit or loss	9		123,815		101,197
Investment properties held at fair value through profit or loss	9		46,225		48,250
			170,040		149,447
CURRENT ASSETS					
Cash and cash equivalents		2,140		3,726	
Other receivables	10	689		277	
			2,829		4,003
TOTAL ASSETS			172,869		153,450
CURRENT LIABILITIES					
Other payables	11		(1,701)		(2,114)
TOTAL ASSETS LESS CURRENT LIABILITIES			171,168		151,336
NON-CURRENT LIABILITIES					
Debenture stock	12	(35,325)		(35,349)	
Deferred tax	13	–		(390)	
			(35,325)		(35,739)
NET ASSETS			135,843		115,597
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		112,842		92,596
TOTAL EQUITY			135,843		115,597
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	17		298.23		253.78

These financial statements were approved by the Board on 24 May 2013 and were signed on its behalf by:-

JAMES FERGUSON, CHAIRMAN
MATTHEW OAKESHOTT, DIRECTOR

The notes on pages 35 to 55 form part of these financial statements.

Company Statement of Financial Position

At 31 March

	Note	As at 31 March 2013 £'000	£'000	As at 31 March 2012 £'000	£'000
ASSETS					
NON CURRENT ASSETS					
Investments held at fair value through profit or loss	9		136,779		115,713
Investment properties held at fair value through profit or loss	9		17,850		18,175
			154,629		133,888
CURRENT ASSETS					
Cash and cash equivalents		2,038		3,320	
Other receivables	10	673		276	
			2,711		3,596
TOTAL ASSETS			157,340		137,484
CURRENT LIABILITIES					
Other payables	11		(1,172)		(1,538)
TOTAL ASSETS LESS CURRENT LIABILITIES			156,168		135,946
NON-CURRENT LIABILITIES					
Debenture stock	12	(20,325)		(20,349)	
Deferred tax	13	–		–	
			(20,325)		(20,349)
NET ASSETS			135,843		115,597
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		112,842		92,596
TOTAL EQUITY			135,843		115,597
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	17		298.23		253.78

These financial statements were approved by the Board on 24 May 2013 and were signed on its behalf by:-

JAMES FERGUSON, CHAIRMAN
MATTHEW OAKESHOTT, DIRECTOR

The notes on pages 35 to 55 form part of these financial statements.

Statements of Changes in Equity

For the year ended 31 March

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
		Year ended 31 March 2013			
GROUP					
Net assets at 31 March 2012		4,555	18,446	92,596	115,597
Net profit for the year		–	–	23,958	23,958
Dividends paid	8	–	–	(3,712)	(3,712)
Net assets at 31 March 2013		4,555	18,446	112,842	135,843
COMPANY					
Net assets at 31 March 2012		4,555	18,446	92,596	115,597
Net profit for the year		–	–	23,958	23,958
Dividends paid	8	–	–	(3,712)	(3,712)
Net assets at 31 March 2013		4,555	18,446	112,842	135,843

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
		Year ended 31 March 2012			
GROUP					
Net assets at 31 March 2011		4,555	18,446	90,462	113,463
Net profit for the year		–	–	5,727	5,727
Dividends paid	8	–	–	(3,593)	(3,593)
Net assets at 31 March 2012		4,555	18,446	92,596	115,597
COMPANY					
Net assets at 31 March 2011		4,555	18,446	90,462	113,463
Net profit for the year		–	–	5,727	5,727
Dividends paid	8	–	–	(3,593)	(3,593)
Net assets at 31 March 2012		4,555	18,446	92,596	115,597

The notes on pages 35 to 55 form part of these financial statements.

For the year ended 31 March

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Cash flows from operating activities					
Dividend income received			4,346		4,413
Rental income received			3,427		3,379
Interest received			2		1
Operating expenses paid			(2,037)		(1,445)
Taxation paid			(9)		–
NET CASH FROM OPERATING ACTIVITIES	18		5,729		6,348
Cash flows from investing activities					
Purchase of investments		(12,315)		(10,416)	
Sale of investments		12,237		12,571	
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES			(78)		2,155
Cash flow from financing activities					
Interest paid		(3,525)		(3,528)	
Dividends paid		(3,712)		(3,593)	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES			(7,237)		(7,121)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			(1,586)		1,382
Cash and cash equivalents at 1 April 2012			3,726		2,344
Cash and cash equivalents at 31 March 2013			2,140		3,726

The notes on pages 35 to 55 form part of these financial statements.

Company Statement of Cashflows

For the year ended 31 March

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Cash flows from operating activities					
Dividend income received			4,346		5,563
Rental income received			1,287		1,308
Interest received			–		–
Operating expenses paid			(1,557)		(1,001)
Taxation paid			(9)		–
NET CASH FROM OPERATING ACTIVITIES	18		4,067		5,870
Cash flows from investing activities					
Purchase of investments		(10,501)		(9,629)	
Sale of investments		10,738		10,118	
Increase in loan to subsidiary		1		45	
NET CASH INFLOW FROM INVESTING ACTIVITIES			238		534
Cash flow from financing activities					
Interest paid		(1,875)		(1,875)	
Dividends paid	8	(3,712)		(3,593)	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES			(5,587)		(5,468)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			(1,282)		936
Cash and cash equivalents at 1 April 2012			3,320		2,384
Cash and cash equivalents at 31 March 2013			2,038		3,320

The notes on pages 35 to 55 form part of these financial statements.

1 Accounting policies

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.

(a) Basis of preparation

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. The principal accounting policies adopted are set out below. 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 Business Review section of the Directors' Report on pages 14 to 22. The financial position of the Group as at 31 March 2013 is shown in the Statement of Financial Position on page 30. The cash flows of the Group for the year ended 31 March 2013, which are not untypical, are set out on page 33. The Group had fixed debt totalling £35,325,000 as at 31 March 2013, as set out in Note 12 on page 46; none of the borrowings is repayable before 2021. The Group had no short term borrowings. Note 20 on pages 49 to 55 sets out the Group's risk management policies and procedures, including those covering market price risk, liquidity risk and credit risk. As at 31 March 2013, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of over four. The assets of the Group consist mainly of securities and investment properties that are held in accordance with the Group's investment policy, as set out on page 1. 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.

1 Accounting policies – continued

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entity controlled by the Company (its subsidiary). 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. The investment in the subsidiary is recognised at fair value in the financial statements of the Company. This is considered to be the net asset value of the shareholders' funds, as shown in its Statement of Financial Position.

Audax Properties PLC, a wholly owned subsidiary of the Company, charges expenses wholly to income. On consolidation, however, an adjustment is made to charge 70% of the investment management fee paid by Audax Properties PLC to capital. The allocation has no effect on the total return of the Company or the Group.

(d) Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's Articles net capital returns may not be distributed by way of dividend.

Additionally the net revenue is the measure that the directors believe to be appropriate in assessing the Company's compliance with certain requirements set out in sections 1158-1160 of the Corporation Tax Act 2010.

(e) Income

Dividend income from investments is recognised as revenue for the period on an ex-dividend basis. Where no ex-dividend date is available, dividends receivable on or before the period end are treated as revenue for the period.

Where the Group has elected to receive dividend income in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income. Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a gain in the income statement.

Interest receivable from cash and short term deposits and interest payable is accrued to the end of the period.

Rental is recognised on a straight line basis over the period of the relevant lease. Lease incentives, where material, are spread evenly over the term of the lease. Other income is recognised as earned.

1 Accounting policies – continued

(f) Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect, the investment management fees are allocated 30% to revenue and 70% to capital to reflect the Board's expectations of long term investment returns. Any performance fees payable are allocated to capital, reflecting the fact that, although they are calculated on a total return basis, they are expected to be attributable largely to capital performance. It is normal practice for investment trust companies to allocate finance costs to capital on the same basis as the investment management fee allocation. However as the Company has a significant exposure to property, and property companies do not charge finance costs to capital, the directors consider it inappropriate to allocate finance costs to capital.

(g) Taxation

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the date of the Statement of Financial Position, where transactions or events that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the date of the Statement of Financial Position. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to retain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

This is not the case for the subsidiary company and hence the Group where such provision is made, calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in accordance with the accounting treatment of the item which gives rise to the requirement for that provision.

(h) 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.

(i) 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.

1 Accounting policies – continued

As disclosed in Note 20, the group leases out all of its properties on operating 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprises deposits held with banks.

(k) Non - current liabilities

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement. The costs of arranging any interest-bearing loans are capitalised and amortised over the life of the loan.

(l) Adoption of new and revised Accounting Standards

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective:

- Amendments to IFRS 7 – Disclosures: Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IFRS 10 – Definition of Investment Entity (early adoption permitted) (effective for annual periods beginning on or after 1 January 2014).
- IFRS 9 – Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after 1 January 2015).
- IFRS 10 – Consolidated Financial Statements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013).
- IFRS 11 – Joint Arrangements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013).
- IFRS 12 – Disclosure of Interests in Other Entities (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013).
- IFRS 13 – Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013).

1 Accounting policies – continued

- Annual Improvements and Amendments to IFRS (2009-2011) – IFRS 1 First-time Adoption of International Financial Reporting Standards, IAS 1 Presentation of Financial Statements, IAS 16 Property, Plant and Equipment, IAS 32 Financial Instruments: Presentation, IAS 34 Interim Financial Reporting. (effective for annual periods beginning on or after 1 January 2013).
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (effective for annual periods beginning on or after 1 January 2013).
- Amendments to IAS 19 – Employee Benefits (effective for annual periods on or after 1 January 2013).
- IAS 27 – Separate Financial Statements (early adoption permitted) (effective for annual periods beginning on or after 1 January 2013).
- IAS 28 – Investments in Associates and Joint ventures (early adoption permitted) (effective 1 January 2013).
- Amendments to IAS 32 – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Company. The Company concludes however that certain additional disclosures may be necessary on their application.

2 Income	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Investment income				
Dividends from listed investments in UK - franked	4,131	4,131	4,197	4,197
Dividends from listed investments in UK - unfranked	538	538	262	262
Dividends from subsidiary - franked	–	–	–	1,150
	4,669	4,669	4,459	5,609
Other operating income				
Rental income	3,562	1,348	3,398	1,277
Interest receivable on short term deposits	2	–	1	–
Total income	8,233	6,017	7,858	6,886

3 Investment management fee	2013 Revenue £000	2013 Capital £000	2013 Total £000	2012 Revenue £000	2012 Capital £000	2012 Total £000
Group						
Investment management fee	312	729	1,041	292	680	972
Performance fee	–	125	125	–	504	504
	312	854	1,166	292	1,184	1,476
Company						
Investment management fee	208	485	693	194	453	647
Performance fee	–	125	125	–	504	504
	208	610	818	194	957	1,151

A summary of the terms of the management agreements is given on pages 16 and 17 of the Directors' Report.

4 Other operating expenses

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Auditors' remuneration				
- audit	18	13	17	12
- other non-audit services	1	1	2	2
- taxation services	4	3	4	3
- out of pocket expenses	1	1	1	1
Directors' fees	52	52	53	53
NIC on directors' fees	4	4	3	3
Fees for company secretarial services	144	99	142	94
Direct property costs	(21)	(9)	30	(7)
Other expenses	310	222	169	119
	513	386	421	280

Directors' fees comprise the chairman's fees of £20,000 (2012 - £17,000) and fees of £14,000 (2012 - £12,000) per annum paid to each other director. The Directors' fees of £14,000 each (2012 - £12,000 each) in respect of the qualifying services provided by Matthew Oakeshott and Angela Lascelles are included in the investment management fees payable to OLIM Limited and OLIM Property Limited as detailed below.

Angela Lascelles is a director of OLIM Limited which received an investment management fee of £697,000 (2012 - £972,000) and a performance fee of £83,000 (2012 - £504,000), the basis of calculation of which is given on page 17.

Matthew Oakeshott is a director of OLIM Property Limited which received an investment management fee of £344,000 (2012 - £nil) and a performance fee of £42,000 (2012 - £nil), the basis of calculation of which is given on page 17.

Additional information on directors' fees is given in the Directors' Remuneration Report on pages 23 and 24.

5 Finance costs

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Interest payable on:				
11% First Mortgage Debenture Stock 2021	1,650	–	1,650	–
9.375% Debenture Stock 2026	1,875	1,875	1,875	1,875
Less amortisation of issue premium	(24)	(24)	(23)	(23)
Other interest payable	–	–	3	–
	3,501	1,851	3,505	1,852

	2013 Revenue £000	2013 Capital £000	2013 Total £000	2012 Revenue £000	2012 Capital £000	2012 Total £000
6 Taxation						
a) Analysis of the tax (credit)/charge for the year:						
Group						
Corporation tax payable	–	–	–	–	–	–
Decrease in deferred tax provision	–	(390)	(390)	–	(182)	(182)
	–	(390)	(390)	–	(182)	(182)
Factors affecting the current tax (credit)/charge for year:						
Revenue / capital return on ordinary activities before tax			23,568			5,545
Tax thereon at 23% (2012 - 24%)			5,421			1,331
Effects of:						
Non taxable dividends			(1,074)			(1,070)
(Gains)/losses on investments not taxable			(4,718)			(879)
Excess expenses (utilised) / not utilised			10			480
Decrease in rate of deferred tax			(29)			(44)
			(390)			(182)

	2013 Revenue £000	2013 Capital £000	2013 Total £000	2012 Revenue £000	2012 Capital £000	2012 Total £000
Company						
Group relief receivable	18	–	18	(1)	–	(1)
	18	–	18	(1)	–	(1)
Factors affecting the current tax (credit)/charge for year:						
Revenue / capital return on ordinary activities before tax			23,939			5,726
Tax thereon at 23% (2012 - 24%)			5,506			1,374
Effects of:						
Non taxable dividends			(1,074)			(1,346)
(Gains)/losses on investments not taxable			(4,825)			(510)
Excess expenses not utilised			375			481
			(18)			(1)

6 Taxation – continued

b) Factors affecting the tax charge for the year

The Company has losses for tax purposes arising in the year of £1,851,000 (2012 - £2,004,000). Under current legislation, it is unlikely that these losses will be capable of offset against the Group's future taxable profits.

Audax Properties plc revalues its property portfolio on a six monthly basis and is required to recognise a deferred tax liability in respect of all unrealised gains recognised. Any movement in this provision is recognised within taxation in the Group's Statement of Comprehensive Income.

c) Factors affecting future tax charges

Both the Company and Audax Properties PLC have deferred tax assets of £4,739,000 (2012 - £4,535,000) and £nil (2012 - £nil) respectively at 31 March 2013 relating to total accumulated unrelieved tax losses carried forward of £20,604,000 (2012 - £18,896,000). These have not been recognised in the accounts as it is unlikely that they will be capable of offset against the Group's future taxable profits.

7 Return per ordinary share

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
The return per ordinary share is based on the following figures:				
Revenue return	3,907	3,590	3,640	4,561
Capital return	20,051	20,368	2,087	1,166
Weighted average ordinary shares in issue	45,549,975	45,549,975	45,549,975	45,549,975
Return per share - revenue	8.58p	7.88p	7.99p	10.01p
Return per share - capital	44.02p	44.72p	4.58p	2.56p
Total return per share	52.60p	52.60p	12.57p	12.57p

8 Dividends

	2013 £000	2012 £000
Dividends on ordinary shares:		
Final dividend of 4.15p per share (2012 - 4.00p) paid 20 July 2012	1,890	1,822
Interim dividend of 4.00p per share (2012 - 3.90p) paid 4 January 2013	1,822	1,776
Unclaimed dividends refunded by Registrar	–	(5)
Dividends paid in the period	3,712	3,593

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

8 Dividends – continued

Set out below is the total dividend paid and proposed in respect of the financial year, which is the basis upon which the requirements of Sections 1158 - 1159 of the Corporation Tax Act 2010 are considered. The current year's revenue available for distribution by way of dividend is £3,571,000 (2012 - £4,561,000).

	2013 £000	2012 £000
Interim dividend for the year ended 31 March 2013 - 4.00p (2012 - 3.9p) paid 4 January 2013	1,822	1,776
Unclaimed dividends refunded by Registrar	–	(5)
Proposed final dividend for the year ended 31 March 2013 - 4.30p (2012 - 4.15p) payable 19 July 2013	1,959	1,890
	3,781	3,661

9 Investments

	Equities £'000	Investment properties £'000	Total £'000
Group			
Cost at 31 March 2012	74,262	32,684	106,946
Unrealised appreciation	26,935	15,566	42,501
Valuation at 31 March 2012	101,197	48,250	149,447
Purchases	9,975	2,340	12,315
Sales proceeds	(10,148)	(2,089)	(12,237)
Realised gains on sales	4,374	26	4,400
Movement in unrealised appreciation in year	18,417	(2,302)	16,115
Valuation at 31 March 2013	123,815	46,225	170,040
Company			
Cost at 31 March 2012	74,287	13,189	87,476
Unrealised appreciation	41,426	4,986	46,412
Valuation at 31 March 2012	115,713	18,175	133,888
Purchases	9,975	526	10,501
Sales proceeds	(10,148)	(590)	(10,738)
Realised gains on sales	4,374	181	4,555
Movement in unrealised appreciation in year	16,865	(442)	16,423
Valuation at 31 March 2013	136,779	17,850	154,629

9 Investments – continued

Transaction costs

During the year 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. The total costs were as follows:-

	2013 £'000	2012 £'000
Purchases	65	46
Sales	19	19
	84	65

10 Other receivables

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Amounts falling due within one year:				
Dividends receivable	581	581	258	258
Amounts due from subsidiary	–	18	–	1
Prepayments and accrued income	108	74	19	17
	689	673	277	276

11 Other payables

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Value Added Tax payable	137	61	132	53
Amounts due to OLIM Limited	141	122	585	558
Amounts due to OLIM Property Limited	71	61	–	–
Accruals and other creditors	1,352	928	1,397	927
	1,701	1,172	2,114	1,538

The amounts due to OLIM Limited and OLIM Property Limited comprise management fees for the month of March 2013 and a performance fee for the year to 31 March 2013, subsequently paid in May 2013.

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
12 Non-current liabilities				
9.375% Debenture Stock 2026	20,000	20,000	20,000	20,000
Add:- Balance of premium less issue expenses	349	349	372	372
Less : Credit to income for the year	(24)	(24)	(23)	(23)
	20,325	20,325	20,349	20,349
11% First Mortgage Debenture Stock 2021	15,000	–	15,000	–
	35,325	20,325	35,349	20,349

The 11% First Mortgage Debenture Stock 2021 issued by Audax Properties PLC is repayable at par on 31 March 2021 and is secured over specific assets of Audax Properties PLC and the Company.

The Trust Deed of the Audax Properties PLC Debenture Stock contains four covenants with which the Company must comply; the assets which are subject to charge and which secure the Debenture Stock may be owned by either Audax Properties PLC or its parent company, Value and Income Trust PLC.

Firstly, the value of the assets should not be less than one and one-half times the amount of the Debenture Stock; secondly, the rental income from the assets should not be less than one and one-half times the annual interest of the Debenture Stock (£1.65 million); thirdly, not more than 20 per cent. of the total value of the assets should be attributable to a single property; and finally, not more than 10 per cent. of the assets should be attributable to leaseholds having an unexpired term of less than 50 years.

The 9.375% Debenture Stock 2026 issued by Value and Income Trust PLC is repayable at par on 30 November 2026 and is secured by a floating charge over the property and assets of the Company.

The Trust Deed of the Value and Income Trust PLC Debenture Stock contains restrictions and events of default. The restrictions require that the aggregate group borrowings, £35 million, must not at any time exceed the total group capital and reserves (equivalent to net assets of £135.82 million as at 31 March 2013).

13 Deferred tax

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Opening balance at 31 March 2012	390	–	572	–
Decrease in deferred tax provision (see note 6):				
- effect of reduction in tax rate on opening balance	(16)	–	(44)	–
- current year movement	(374)	–	(138)	–
Closing balance at 31 March 2013	–	–	390	–
Calculated as follows:-				
Unrealised gains subject to tax on realisation	192	–	1,955	–
Less capital losses previously realised	(192)	–	(332)	–
	–	–	1,623	–
Whereof 23% (2012 - 24%)	–	–	390	–

Under IAS 12, provision must be made for any potential tax liability on revaluation surpluses. As an investment trust, the Company does not incur capital gains tax. However, some properties are owned by Audax Properties PLC, a subsidiary of the Company for commercial reasons. Provision for capital gains tax has therefore been made for the revaluation surpluses on property assets held by the subsidiary to the extent that the gain cannot be sheltered by capital losses brought forward.

14 Share capital

	2013 £000	2012 £000
Authorised:		
56,000,000 ordinary shares of 10p each (2012 - 56,000,000)	5,600	5,600
Called up, issued and fully paid:		
45,549,975 ordinary shares of 10p each (2012 - 45,549,975)	4,555	4,555

15 Share premium

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Opening balance	18,446	18,446	18,446	18,446

16 Retained earnings

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Opening balance at 31 March 2012	92,596	92,596	90,462	90,462
Profit for the period	23,958	23,958	5,727	5,727
Dividends paid (see note 8)	(3,712)	(3,712)	(3,593)	(3,593)
Closing balance at 31 March 2013	112,842	112,842	92,596	92,596

The table below shows the movement in retained earnings analysed between revenue and capital items.

	2013 Revenue £000	2013 Capital £000	2013 Total £000	2012 Revenue £000	2012 Capital £000	2012 Total £000
Group						
Opening balance at 31 March 2012	3,590	89,006	92,596	3,543	86,919	90,462
Profit for the period	3,907	20,051	23,958	3,640	2,087	5,727
Dividends paid (see note 8)	(3,712)	–	(3,712)	(3,593)	–	(3,593)
Closing balance at 31 March 2013	3,785	109,057	112,842	3,590	89,006	92,596
Company						
Opening balance at 31 March 2012	2,793	89,803	92,596	1,825	88,637	90,462
Profit for the period	3,590	20,368	23,958	4,561	1,166	5,727
Dividends paid (see note 8)	(3,712)	–	(3,712)	(3,593)	–	(3,593)
Closing balance at 31 March 2013	2,671	110,171	112,842	2,793	89,803	92,596

17 Net asset value per equity share

The net asset value per ordinary share is based on the Group's net assets attributable of £135,843,000 (2012 - £115,597,000) and on 45,549,975 (2012 - 45,549,975) ordinary shares in issue at the year end.

The net asset value per ordinary share, based on the net assets of the Group adjusted for borrowings at market value (see note 20) is 269.78p (2012 - 227.58p).

18 Reconciliation of income from operations before tax to net cash inflow from operating activities

	2013 Group £000	2013 Company £000	2012 Group £000	2012 Company £000
Income from operations before tax	28,748	26,995	10,947	9,009
Gains and losses on investments	(20,515)	(20,978)	(3,089)	(2,123)
Investment management fee	(1,166)	(818)	(1,476)	(1,151)
Other operating expenses	(513)	(386)	(421)	(280)
(Increase)/decrease in receivables	(412)	(380)	23	2
(Decrease)/increase in other payables	(413)	(366)	364	413
Net cash from operating activities	5,729	4,067	6,348	5,870

19 Relationship with the Investment Managers and other Related Parties

Angela Lascelles is a director of OLIM Limited which has an agreement with the Company to provide investment management services, the terms of which are outlined on pages 16 and 17 and in Note 3 on page 40.

Matthew Oakeshott is a director of OLIM Property Limited which has an agreement with the Company to provide investment property management services, the terms of which are outlined on pages 16 and 17 and in Note 3 on page 40.

As a result of a management buyout of the property management side of the Company's investment managers, OLIM Limited, the Company 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, further details of which are disclosed on pages 16 and 17, were effective from 1 April 2012.

Audax Properties PLC is a wholly owned subsidiary of Value and Income Trust PLC and accordingly the latter is the ultimate controlling party. Details of the year end financial relationship between Audax Properties PLC and Value and Income Trust PLC may be found in Note 10 on page 45.

No properties were transferred between group companies during the year (2012 - two properties were transferred). No dividend was paid by Audax Properties PLC to Value and Income Trust PLC (2012 - £1.15m).

20 Financial instruments

Risk management

The Group's financial instruments comprise securities, property and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement or debtors for accrued income.

20 Financial instruments – continued

The Managers have dedicated investment management processes which ensures that the Investment Policy set out on page 1 is achieved. For equities, stock selection procedures are in place based on active portfolio management and the identification of stocks. The portfolio is reviewed on a periodic basis by a senior investment manager and also by the Manager's Investment Committee.

Additionally, the Managers' Compliance Officers continually monitor the Group's investment and borrowing powers and report to their respective Manager's Risk Management Committee.

The main risks that the Group faces from its financial instruments are:

(i) market risk (comprising price risk, interest rate risk and currency risk)
(ii) liquidity risk
(iii) credit risk

The Board regularly reviews and agrees policies for managing each of these risks. The Managers' policies for managing these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors.

(i) Market risk

The fair value of, or future cash flows from, a financial instrument held by the Group may fluctuate because of changes in market prices. This market risk comprises three elements - price risk, interest rate risk and currency risk.

Price risk

Price risks (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the Group's investments.

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. For equities, asset allocation and stock selection, as set out in the Investment Policy on page 1, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on the UK Stock Exchange.

All investment properties held by the Group are commercial properties located in the UK with long strong income streams.

Price risk sensitivity

If market prices at the date of the Statement of Financial Position had been 10% higher or lower, while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 31 March 2013 would have increased/decreased by £16,351,000 (2012 - increase/decrease of £14,223,000) and equity reserves would have increased/decreased by the same amount.

Interest rate risk

Interest rate movements may affect:

- the fair value of the investments in property; and
- the level of income receivable on cash deposits

The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions.

20 Financial instruments – continued

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise debenture stock, providing secure long term funding. It is the Board's policy to maintain a gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of between 25% and 40%. Details of borrowings at 31 March 2013 are shown in note 12 on page 46.

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the balance sheet date was as follows:

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 31 March 2013				
Assets				
Sterling	–	–	–	2,140
Total assets	–	–	–	2,140
At 31 March 2013				
Liabilities				
Sterling	11	10.07	35,000	–
Total liabilities	11	10.07	35,000	–
At 31 March 2012				
Assets				
Sterling	–	–	–	3,726
Total assets	–	–	–	3,726
At 31 March 2012				
Liabilities				
Sterling	12	10.07	35,000	–
Total liabilities	12	10.07	35,000	–

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on debentures is based on the interest rate payable, weighted by the total value of the loans. The maturity dates of the Group's loans are shown in note 12 on page 46.

The non-interest bearing assets represent the equity element of the portfolio and other receivables. The floating rate assets consist of cash deposits on call earning interest at prevailing market rates. The Group's equity and property portfolios and short term receivables and payables have been excluded from the above tables. All financial liabilities are measured at amortised cost.

20 Financial instruments – continued

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's:

- profit for the year ended 31 March 2013 would increase/decrease by £37,000 (2012 - increase / decrease by £23,000). This is mainly attributable the Group's exposure to interest rates on its floating rate cash balances.
- the Group holds no financial instruments that will have an equity reserve impact.

In the opinion of the directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the interest rate risk management process used to meet the Group's objectives.

Currency risk

A small proportion of the Group's investment portfolio is invested in securities whose fair value and dividend stream are affected by movements in foreign exchange rates. It is not the Group's policy to hedge this risk.

Currency sensitivity

There is no sensitivity analysis included as the Group has no outstanding foreign currency denominated monetary items. Where the Group's equity investments (which are non-monetary items) are affected, they have been included within the other price risk sensitivity analysis so as to show the overall level of exposure.

(ii) Liquidity risk

This is the risk that the Group will encounter difficulty in meeting obligations associated with its financial liabilities.

The Group's assets comprise of readily realisable securities which can be sold to meet commitments if required and investment properties which, by their nature, are less readily realisable. The maturity of the Group's existing borrowings is set out in the interest risk profile section of this note.

The table below details the Group's remaining contractual maturity for its financial liabilities, based on the undiscounted cash outflows, including both interest and principal cash flows, and on the earliest date upon which the Group can be required to make payment.

	Carrying value	Expected cashflows	Due within 3 months	Due between 3 months and 1 year	Due after 1 year
Debentures	35,625	74,450	938	2,587	70,925
Other payables	411	411	411	–	–
Total	36,036	74,861	1,349	2,587	70,925

20 Financial instruments – continued

(iii) Credit risk

This is the failure of a counterparty to a transaction to discharge its obligations under that transaction that could result in the Group suffering a loss.

The risk is not significant and is managed as follows:

- investment transactions are carried out with a large number of brokers, whose credit standing is reviewed periodically by the Manager and limits are set on the amount that may be due from any one broker.
- the risk of counterparty exposure due to failed trades causing a loss to the Group is mitigated by the review of failed trade reports on a daily basis. In addition, a stock reconciliation to third party administrators' records is performed on a daily basis to ensure that discrepancies are picked up on a timely basis. The Manager's Compliance Officer carries out periodic reviews of the Custodian's operations and reports its findings to the Manager's Risk Management Committee. This review will also include checks on the maintenance and security of investments held.
- cash is held only with reputable banks with high quality external credit ratings which are monitored on a regular basis.

None of the Group's assets is secured by collateral or other credit enhancements.

Credit risk exposure

In summary, compared to the amounts on the group statement of financial position, the maximum exposure to credit risk at 31 March was as follows:

	2013		2012	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Investments held at fair value through profit or loss	170,040	170,040	149,447	152,598
Current assets				
Cash and cash equivalents	2,140	3,993	3,726	4,691
Other receivables	689	1,174	277	1,112
	172,869	175,207	153,450	158,401

(iv) Property risk

The Group's commercial property portfolio is subject to both market and specific property risk. Since the UK commercial property market has been markedly cyclical for many years, it is prudent to expect that to continue. The price and availability of credit, real economic growth and the constraints on the development of new property are the main influences on the property investment market.

Against that background, the specific risks to the income from the portfolio are tenants being unable to pay their rents and other charges, or leaving their properties at the end of their leases. All leases are on full repairing and insuring terms, with upward only rent reviews and the average unexpired lease length is 13.5 years (2012 - 14 years). Details of the tenant and geographical spread of the portfolio are set out on page 12. The long term record of performance through the varying property cycles since 1987 is set out on page 10. OLIM Property is responsible for property investment management, with surveyors, solicitors and managing agents acting on the portfolio under OLIM Property's supervision.

20 Financial instruments – continued

The group leases out its investment property to its tenants under operating leases. At 31 March, the future minimum lease receipts under non-cancellable leases are as follows:-

	2013 £000	2012 £000
Due within 1 year	8	133
Due between 2 and 5 years	1,790	1,187
Due after more than 5 years	43,218	42,819
	45,016	44,139

This amount comprises the total contracted rent receivable as at 31 March 2013.

None of the Group's financial assets is past due or impaired.

Fair values of financial assets and financial liabilities

All assets and liabilities of the Group other than the debenture stock are included in the balance sheet at fair value.

(i) Fair value hierarchy disclosures

The table below sets out fair value measurements using the IFRS 7 Fair Value hierarchy:-

At 31 March 2013	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Equity investments	123,815	–	–	123,815
At 31 March 2012				
Equity investments	101,197	–	–	101,197

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:-

Level 1 - valued using quoted prices in an active market for identical assets

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data

There were no transfers between levels during the year.

(ii) Borrowings

The fair value of borrowings has been calculated at £48,282,000 as at 31 March 2013 (2012 - £47,285,000) compared to a balance sheet value in the financial statements of £35,325,000 (2012 - £35,349,000) per note 12.

20 Financial instruments – continued

The fair values of the debentures are determined by comparison with the fair values of equivalent gilt edged securities, discounted to reflect the differing levels of credit worthiness of the borrowers. All other assets and liabilities of the Group are included in the balance sheet at fair value.

	Fair value		Balance Sheet Value	
	2013	2012	2013	2012
	£000	£000	£000	£000
11% First Mortgage Debenture Stock 2021	21,016	20,845	15,000	15,000
9.375% Debenture Stock 2026	27,266	26,440	20,325	20,349
	48,282	47,285	35,325	35,349

21 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure that the Group will be able to continue as a going concern.
- to maximise the return to its equity shareholders in the form of long term real growth in dividends and capital value without undue risk through the optimisation of the debt and equity balance.

The capital of the Group consists of equity, comprising issued capital, reserves and retained earnings.

The Board monitors and reviews the broad structure of the Group's capital. This review includes:

- the planned level of gearing which takes into account the Managers' views on the market and the extent to which revenue in excess of that which requires to be distributed should be retained.

The Group's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

Details of the Group's gearing and financial covenants are disclosed in note 12 on page 46.

How to Invest in Value and Income Trust PLC

Direct

Investors can buy and sell shares in Value and Income Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought through the Value and Income Trust Share Plan or Value and Income Trust ISA.

Value and Income Trust Share Plan

The Company offers a Share Plan (the "Plan") through which shares in Value and Income Trust PLC can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250 while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchasing shares. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Plan, and regular savers can stop or suspend participation by instructing the Administrators 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 other rights of share ownership.

Value and Income Trust ISA

Through the Value and Income Trust ISA (the "ISA"), an investment of up to £11,520 in Value and Income Trust PLC may be made in the 2013/2014 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT which is deducted annually from income. Under current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

Investor may choose to transfer previous tax year investments which can be invested in Value and Income Trust PLC while retaining the ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to an additional minimum lump sum of £250.

Literature Request Service

Please download literature and application forms for the Plan and ISA from www.olim.co.uk or call 0500 00 40 00 and quote "Value and Income Trust". Alternatively, please email your request to the Administrator at aam@lit-request.com including in the Subject line, "Value and Income Trust".

It is not possible for either Value and Income Trust or the Administrator to offer financial advice regarding the suitability or otherwise of these products for individual circumstances.

How to Invest in Value and Income Trust PLC

Keeping you Informed

For internet users, the net asset value per ordinary share of the Company is calculated and published monthly on the London Stock Exchange where the latest ordinary share price is also displayed, subject to a delay of 15 minutes. "VIN" is the Code for the ordinary shares which may be found at www.londonstockexchange.com. Additional data on the Company and other investment trusts may be found at www.trustnet.co.uk.

The net asset value (with debt at market value) and share price are quoted daily in The Financial Times. The Daily Telegraph, The Herald, The Independent, The Scotsman and The Times also quote the share price.

Customer Services

For enquiries regarding an existing Plan or ISA, please contact the Administrators:

Value and Income Trust PLC
Aberdeen Investment Trusts
PO Box 11020
Chelmsford
Essex, CM99 2DB

Telephone: 0500 00 00 40
(Monday - Friday, 9am - 5pm)

For enquiries in relation to ordinary shares held in certificated form, please contact the Company's registrars:

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ
Telephone: 0870 703 0168
www-uk.computershare.com/investor
(Calls to the above number cost 10 pence per minute plus network extras.)

For email, select 'Contact Us', via the above website.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Value and Income Trust PLC (the "Company") will be held at the offices of Shepherd and Wedderburn LLP, 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL on Friday 12 July 2013 at 12.30pm, for the following purposes:

To consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 10 inclusive will be proposed as ordinary resolutions and resolutions 11 and 12 will be proposed as special resolutions:

Ordinary Business

1. To receive the reports of the Directors and Independent Auditor and the financial statements for the year ended 31 March 2013.

2. To approve the Directors' Remuneration Report for the year ended 31 March 2013.

3. To approve a final dividend of 4.30p on the Ordinary shares.

4. To re-elect David Smith as a Director of the Company.

5. To re-elect Angela Lascelles as a Director of the Company.

6. To re-elect Matthew Oakeshott as a Director of the Company.

7. To re-elect James Ferguson as a Director of the Company.

8. To re-elect John Kay as a Director of the Company.

9. To re-appoint Chiene + Tait as Independent Auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company and to authorise the Directors to fix the remuneration of the Independent Auditor for the year to 31 March 2014.

Special Business

10. Authority to Allot Shares
    That, the Directors be and are hereby generally and unconditionally authorised pursuant to and in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company (such shares and rights together being "relevant securities") up to an aggregate nominal amount of £455,499 (representing 10 per cent. of the ordinary share capital in issue as at the date of this Notice) provided that such authorisation expires (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company in 2014 or on 30 September 2014 (whichever is earlier) save that the Company may, at any time prior to the expiry of such authority, make offers or agreements which would or might require such relevant securities to be allotted after such expiry and the Directors may make such offers or agreements as if such expiry had not occurred.

11. Disapplication of Pre-emption Rights
    That, subject to the passing of resolution number 10 set out above, the Directors be and are hereby generally empowered, pursuant to Sections 570 and 573 of the Companies Act 2006 ("the Act"), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority conferred on them by resolution number 10 or by way of a sale of treasury shares (within the meaning of section 560(3) of the Act) as

if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:

(i) (otherwise than pursuant to sub-paragraph (ii) below) up to an aggregate nominal value of £455,549 (representing 10 per cent. of the ordinary share capital in issue as at the date of this Notice); and

(ii) in connection with an offer of such equity securities by way of rights issue, open offer or other pre-emptive offer 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 a record date fixed by the directors (subject to such exclusions, limitations, restrictions or other arrangements as the Directors consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever);

and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the Annual General Meeting of the Company in 2014, or on 30 September 2014 (whichever is earlier), save that the Company may, at any time prior to the expiry of such authority, make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may make such offers or agreements as if such expiry had not occurred.

12. Authority to Make Market Purchases of Shares

That, the Directors be and are hereby generally and unconditionally authorised, for the purposes of Section 701 of the Companies Act 2006 (the “Act”), to make one or more market purchases (within the meaning of Section 693(4) of the Act) of fully paid ordinary shares of 10p each in the capital of the Company (“ordinary shares”) on such terms as the Directors of the Company think fit provided that:

(i) the maximum aggregate number of ordinary shares hereby authorised to be purchased shall be 14.99% of the issued ordinary share capital of the Company as at the date of the passing of this resolution;

(ii) the minimum price which may be paid for an ordinary share shall be 10p (exclusive of expenses);

(iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be the higher of:

(a) 5% above the average of the middle market quotations of the ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the five business days immediately preceding the date of purchase; and

(b) the higher of the price of the last independent trade in ordinary shares and the highest current independent bid for ordinary shares on the London Stock Exchange; and

(iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2014 or on 30 September 2014 (whichever is the earlier) save that the Company may at any time prior to such expiry, enter into a contract or arrangement to purchase ordinary shares under this authority which will or might be completed or executed wholly or partly after the expiration of this authority and may make a purchase of shares pursuant to any such contract or arrangement; and

(v) any ordinary shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of the Act and any applicable regulations of the United Kingdom Listing Authority, be held or otherwise dealt with as permitted by the Companies Act 2006 as Treasury Shares.

By order of the Board

Maven Capital Partners UK LLP

Company Secretary

Registered Office:
1st Floor
Kintyre House
205 West George Street
Glasgow G2 2LW

24 May 2013

Notes:

(i) A member entitled to attend and vote at the meeting may appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise the rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman of the meeting) and give your instructions directly to them. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms or would like to appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC on 0870 703 0168 (calls to this number are charged at 10p per minute from a BT landline. Other telephony providers' costs may vary). In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior). A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary share of which he/she is the holder.

(ii) A personalised form of proxy, and reply-paid envelope, is enclosed for ordinary shareholders. For holders of shares in the Company via the VIT Share Plan or the VIT ISA, a personalised form of direction is enclosed. To be valid, any proxy form or other instrument of proxy and any 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 Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive not less than forty eight hours (excluding non-working days) before the time fixed for the meeting.

(iii) The return of a completed proxy form or other such instrument of proxy will not prevent a member attending the Annual General Meeting and voting in person if he/she wishes to do so.

(iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com/CREST. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

(v) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID 3RA50) no later than 48 hours (excluding non-working days) before the time of the meeting or any adjournment. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

(vi) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(viii) The "vote withheld" option on the proxy form is provided to enable a member to abstain on any particular resolution. It should be noted that an abstention is not a vote in law and will not be counted in the calculation of the proportion of votes "for" or "against" a particular resolution.

(ix) The right to vote at the meeting is determined by reference to the Company's register of members as at 6 p.m. on 10 July 2013 or if this meeting is adjourned, at 6 p.m. on the day two days (excluding non-working days) prior to the adjourned meeting. Changes to entries on the register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

(x) As at 24 May 2013 (being the latest practicable date prior to the publication of this document) the Company's issued share capital comprised 45,549,975ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 24 May 2013 was 45,549,975.

(xi) Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his proxy will need to ensure that both he and his proxy complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

(xii) A person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. The statements of the rights of members in relation to the appointment of proxies in notes (i) to (iii) above do not apply to a Nominated Person. The rights described in those notes can only be exercised by registered members of the Company.

(xiii) Biographical details of the Directors standing for re-election are set out on page 4 of this Report.

(xiv) Members who have general queries about the Annual General Meeting should contact the Company Secretary in writing. Members are advised that any telephone number, website or email address which may be set out in this notice of Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

(xv) Members should note that, it is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies

Act 2006, it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

(xvi) No Director has a service contract with the Company. Copies of the Directors' letters of appointment are available for inspection on any day (except Saturdays, Sundays and bank holidays) from the date of this notice until the date of the meeting during usual business hours at the Company's registered office and for 15 minutes prior to, and at, the meeting.

(xvii) Information regarding the Annual General Meeting is available from the Company's website, hosted by the Manager, at www.olim.co.uk

(xviii) Pursuant to Section 319A of the Companies Act 2006, as a member, you have the right to put questions at the meeting relating to business being dealt with at the meeting.