



**RIGHTS AND ISSUES
INVESTMENT TRUST
P.L.C.**



**INTERIM REPORT
2007**



A SELF MANAGED INVESTMENT TRUST

CHAIRMAN'S STATEMENT

The UK equity market has again made progress during the last six months with the FTSE All-Share Index increasing by 5.7%. The Trust's portfolio produced a solid performance and the net asset value of the capital shares rose by 10.6% to 4058.0p. The net assets of the Trust now exceed £90m.

The interim dividend has been increased to 15.5p per income share and the board expects, barring unforeseen circumstances, to pay a final dividend of not less than 30p per income share.

Simon Knott

Chairman

12th July 2007

TOP TEN HOLDINGS

Holding	Investment	Value £
2,700,000	RPS Group	9,463,500
1,673,038	Hill & Smith Holdings	6,110,771
1,283,333	White Young Green	5,774,999
525,000	HBOS	5,168,625
2,100,000	Colefax Group	5,082,000
3,000,000	Low & Bonar	4,230,000
1,000,000	VP	3,702,500
1,500,000	Celsis Int'l	3,375,000
500,000	Thorpe F.W.	3,100,000
1,000,000	Dyson	2,970,000

CONSOLIDATED INTERIM INCOME STATEMENT

for the six months ended 30th June 2007

	Six months ended 30th June 2007		
	Revenue	Capital	Total
	£	£	£
Investment income	1,035,560	–	1,035,560
Other operating income	<u>429,235</u>	–	<u>429,235</u>
Total income	1,464,795	–	1,464,795
Gains/(Losses) on fair value through profit or loss assets	<u>50,234</u>	<u>8,508,411</u>	<u>8,558,645</u>
	1,515,029	8,508,411	10,023,440
Expenses			
Investment management fee	–	–	–
Other expenses	<u>261,311</u>	–	<u>261,311</u>
Profit before tax	1,253,718	8,508,411	9,762,129
Tax	<u>54,460</u>	–	<u>54,460</u>
Profit for the period	1,199,258	8,508,411	9,707,669
The total column relates to the group's income statement			
Earnings per share			
Return per income share (p)	24.8p	86.5p	111.3p
Return per capital share (p)	35.6p	389.1p	424.7p

The interim dividend of 15.5p net (2006: 14.0p net) per income share and amounting to £381,300 (2006: £344,400) is payable on 30th September 2007 to shareholders on the register as at 31st August 2007. The sum accruing by way of dividend to the Capital shareholders will, in view of the small sum involved, be included in the final dividend.

Six months ended 30th June 2006			Twelve months ended 31st December 2006		
Revenue	Capital	Total	Revenue	Capital	Total
£	£	£	£	£	£
882,197	–	882,197	2,008,203	–	2,008,203
379,447	–	379,447	750,360	–	750,360
1,261,644	–	1,261,644	2,758,563	–	2,758,563
19,848	4,668,828	4,688,676	102,765	16,211,851	16,314,616
1,281,492	4,668,828	5,950,320	2,861,328	16,211,851	19,073,179
–	–	–	–	–	–
230,466	–	230,466	514,179	–	514,179
1,051,026	4,668,828	5,719,854	2,347,149	16,211,851	18,559,000
42,882	–	42,882	91,654	–	91,654
1,008,144	4,668,828	5,676,972	2,255,495	16,211,851	18,467,346
18.2p	47.5p	65.7p	45.7p	164.8p	210.5p
33.9p	213.5p	247.4p	68.3p	741.4p	809.7p

These are not full statutory accounts in terms of Section 240 of the Companies Act 1985. The full audited accounts for the year to 31st December 2006, which were unqualified, have been filed with the Registrar of Companies.

The interim accounts are to be posted to shareholders and are available at the registered office of the Company, No 1 Poultry, London EC2R 8JR.

CONSOLIDATED INTERIM BALANCE SHEET

as at 30th June 2007

	30th June 2007 £	30th June 2006 £	31st December 2006 £
Non-current assets			
Goodwill	65,191	65,191	65,191
Investments – Fair value through profit or loss	87,608,470	67,660,240	80,300,311
	<u>87,673,661</u>	<u>67,725,431</u>	<u>80,365,502</u>
Current Assets			
Trading investments	293,898	467,769	409,726
Trade and other receivables	348,100	366,360	384,441
Amounts due from group undertakings	–	–	–
Cash and cash equivalents	4,141,030	3,673,815	2,556,595
	<u>4,783,028</u>	<u>4,507,944</u>	<u>3,350,762</u>
Total Assets	<u>92,456,689</u>	<u>72,233,375</u>	<u>83,716,264</u>
Current Liabilities			
Trade and other payables	908,931	924,520	600,563
Current tax payable	145,895	183,866	91,437
	<u>1,054,826</u>	<u>1,108,386</u>	<u>692,000</u>
Total assets less current liabilities	<u>91,401,863</u>	<u>71,124,989</u>	<u>83,024,264</u>
Net Assets	<u>91,401,863</u>	<u>71,124,989</u>	<u>83,024,264</u>
Equity			
Called up share capital	1,225,000	1,225,000	1,225,000
Share premium account	225,326	225,326	225,326
Retained reserves:			
Capital reserve	40,668,355	40,534,894	41,235,990
Revaluation reserve	47,210,215	27,292,242	38,134,169
Dividend equalisation reserve	2,072,967	1,847,527	2,203,779
Total equity	<u>91,401,863</u>	<u>71,124,989</u>	<u>83,024,264</u>
Net asset value per share			
Income shares	1,002.1p	789.5p	920.3p
Capital shares	<u>4,058.0p</u>	<u>3,140.5p</u>	<u>3,669.8p</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30th June 2007

	Share capital £	Share premium account £	Capital reserve £	Revaluation reserve £	Dividend equalisation reserve £	Total £
For the six months ended June 2006						
Balance as at						
31st December 2005	1,225,000	225,326	39,534,068	23,624,240	2,108,094	66,716,728
Profit for the period	—	—	1,000,826	3,668,002	1,008,143	5,676,971
Total recognised income and expense	1,225,000	225,326	40,534,894	27,292,242	3,116,237	72,393,699
Dividends	—	—	—	—	(1,268,710)	(1,268,710)
Balance at 30th June 2006	<u>1,225,000</u>	<u>225,326</u>	<u>40,534,894</u>	<u>27,292,242</u>	<u>1,847,527</u>	<u>71,124,989</u>

For the six months ended June 2007

Balance as at						
31st December 2006	1,225,000	225,326	41,235,990	38,134,169	2,203,779	83,024,264
Profit for the period	—	—	(567,635)	9,076,046	1,199,258	9,707,669
Total recognised income and expense	1,225,000	225,326	40,668,355	47,210,215	3,403,037	92,731,933
Dividends	—	—	—	—	(1,330,070)	(1,330,070)
Balance at 30th June 2007	<u>1,225,000</u>	<u>225,326</u>	<u>40,668,355</u>	<u>47,210,215</u>	<u>2,072,967</u>	<u>91,401,863</u>

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30th June 2007

	Six months ended 30th June 2007 £	Six months ended 30th June 2006 £
Cashflows from operating activities		
Profit before tax	9,762,129	5,719,853
Adjustments for:		
Gains/(losses) on investments	(7,192,333)	(7,677,302)
Operating cash flows before movements in working capital	2,569,796	(1,957,449)
Decrease/(increase) in receivables	36,341	206,184
Increase/(decrease) in payables	(260,332)	(500,596)
Net cash from operating activities before income taxes	2,345,805	(2,251,861)
Income taxes paid	—	—
Net cash from operating activities	2,345,805	(2,251,861)
Cash flows from financing activities		
Dividends paid	(761,370)	(722,010)
Net cash (used in)/from financing activities	(761,370)	(722,010)
Net increase/(decrease) in cash and cash equivalents	1,584,435	(2,973,871)
Cash and cash equivalents at beginning of year	2,556,595	6,647,686
Cash and cash equivalents at end of period	4,141,030	3,673,815

NOTES TO THE CONSOLIDATED INTERIM REPORT

for the six months ended 30th June 2007

1. Accounting Standards

The condensed interim financial report has been prepared in accordance with International Financial Reporting Standard (IFRSs), including IAS 34 “Interim financial reporting”. The same accounting policies and methods of computation are followed in the interim financial report as those used in the Company’s latest published annual financial statements.

2. Dividends

	2007	2006
Amounts recognised as distributions to equity holders in the period:		
Income (Paid)		
Final dividend for the year ended 31st December 2006 of 29.5p (2005: 28p) per share	725,700	688,800
Capital (Paid)		
Final dividend for the year ended 31st December 2006 of 2.1750p (2005: 2.0250p) per share	35,670	33,210
Capital Supplementary (Accrued)		
Payable 2nd January 2008 of 68.6829p (2007: 66.0000p) per share	563,200	541,200
Dividends on non-equity shares:		
Cumulative preference 5.5% (Accrued)	5,500	5,500
	<u>1,330,070</u>	<u>1,268,710</u>
Income		
Proposed interim dividend for the year ended 31st December 2007 of 15.5p (2006: 14.0p) per share	381,300	344,400

This was approved by the Board on 12th July 2007 and has not been included as a liability at 30th June 2007.

3. Income

	2007	2006
Total income comprises:		
Dividends	1,035,560	882,197
Interest	76,136	97,750
Other income	353,099	281,697
	<u>1,464,795</u>	<u>1,261,644</u>

INDEPENDENT REVIEW REPORT TO RIGHTS AND ISSUES INVESTMENT TRUST PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 30th June 2007 which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement and the related notes 1 to 3. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

The report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

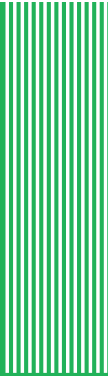
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30th June 2007.

Begbies Chettle Agar
Chartered Accountants

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London EC1Y 1AR



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Directors

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P. M. Allen FCA
B. A. Beverley
D. M. Bramwell
S. J. B. Knott

Secretaries

Discretionary Unit Fund Managers Limited

Bankers

HSBC Bank plc

Auditors

Begbie Chettle Agar

Registrars

Capita Registrars

Registered in England No. 736898

