VALUE AND INDEXED PROPERTY INCOME TRUST PLC

Long, strong, indexed property income

Annual report and accounts
2023

VIP plc

60% income from top 6 tenants

M&S EST. 1884

GOV.UK

tenpin

Premier Inn

Sainsbury's

co op

Long, strong, indexed property income

Rent collection

Fully Let No Voids

100% rent collection

Rent indexed

96% rent indexed

Leases

12.6 years weighted average unexpired lease length

42 leases

39 properties

EPCs

96% EPCs rated **A - C**

Debt

3.9% average rate

7.9 years maturity

33% loan to value

Property yield

5.8% net initial property yield

Total property return

-7.8% over 1 year (Index -13.0%)

5.7% P.A. over 5 years (Index 2.5% P.A.)

Annual dividend growth

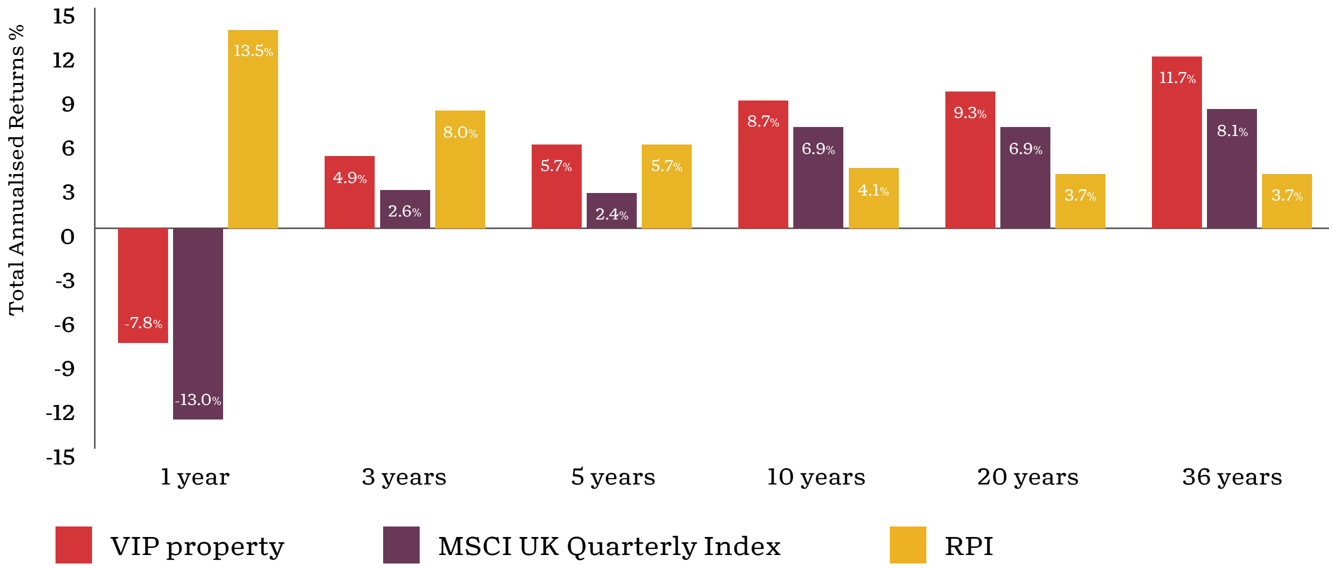
6.7% P.A over 36 years (RPI 3.7%)

Value and Indexed Property Income Trust PLC (VIP - previously Value and Income Trust PLC) is an investment trust company listed on the London Stock Exchange. It invests directly in UK commercial property to deliver long, strong, index-related income. Its performance benchmark is the MSCI UK Quarterly Property Index, the main benchmark for commercial property performance. OLIM Property Limited is the Investment Manager.

VIP's dividend per share has risen every year since 1986 when OLIM's management began. It has risen by 932% against the Retail Price Index rise of 265%. A first interim dividend of 3.0p was paid on 28 October 2022, a second interim dividend of 3.1p was paid on 27 January 2023 and a third interim dividend of 3.2p was paid on 28 April 2023. The targeted total dividend for the full year is 12.9p (+2.4%). Our medium term dividend policy is for increases at least in line with inflation, underpinned by VIP's index-related property income. The dividend yield at 31 March 2023 was 6.3%.

VIP's property portfolio delivered a total return of -7.8% over the year against -13.0% for the MSCI UK Quarterly Property Index. Over the past 5 years the VIP property return was 5.7% p.a. (Index 2.4% p.a.) and over 36 years it was 11.7% p.a. (Index 8.1% p.a.).

VIP property portfolio performance record over 36 years to 31 March 2023



VIP's balance sheet and revenue account were significantly strengthened in June 2022 by repaying the 9.375% 2026 Debenture Stock early, increasing an existing loan at an interest rate of 3.5%, and extending its repayment date from 2031 to 2033.

Over the past year, as the table shows, the average interest rate on VIP's borrowings fell from 5.6% to 3.9%, the loan to value ratio rose from 31% to 33% and the average loan length rose from 6.2 years to 7.9 years.

Borrowings	31 March 2023	31 March 2022
Average interest rate	3.9%	5.6%
Total loans (loan to value)	£50 million (33%)	£57 million (31%)
Loan maturity	7.9 years	6.2 years

Over the year, VIP completed its transition to a direct property investment trust, with timely and profitable sales of its remaining property shares (including the industrial REITs at a premium to net asset value). VIP reinvested in an RPI-linked M&S Simply Food supermarket at Rayleigh in Essex, a long let bowling investment in Coventry with RPI-linked and fixed increase leases, and in October 2022 completed the new CPI-linked Premier Inn development at Alnwick. Six smaller overrented property sales completed in line with valuation.

	31 March 2023		31 March 2022	
Portfolio transition	£m	%	£m	%
UK property	150.6	98.5	155.8	83.0
Cash	2.3	1.5	5.2	2.7
UK equities	–	–	26.9	14.3
	152.9	**100.0**	**187.9**	**100.0**

Financial calendar

28 October 2022
First quarterly dividend of 3.0p per share for the year ended 31 March 2023

18 November 2022
Announcement of Half-Yearly Financial Report for the six months to 30 September 2022

27 January 2023
Second quarterly dividend of 3.1p per share for the year ended 31 March 2023

28 April 2023
Third quarterly dividend of 3.2p per share for the year ended 31 March 2023

26 June 2023
Announcement of Annual Financial Report for the year ended 31 March 2023

2 August 2023
Annual General Meeting, London (12.30pm)

4 August 2023
Final dividend of 3.6p per share payable for the year ended 31 March 2023

27 October 2023
First quarterly dividend payable for the year ending 31 March 2024

November 2023
Announcement of Half-Yearly Financial Report for the six months ending 30 September 2023

26 January 2024
Second quarterly dividend payable for the year ending 31 March 2024

The intended retail investor in the Company is a retail investor who is seeking long-term (at least 5 years) real growth in dividends and capital value from investing in directly held UK commercial property, plus cash or near cash securities, pending re-investment.

Coventry

Strategic Report

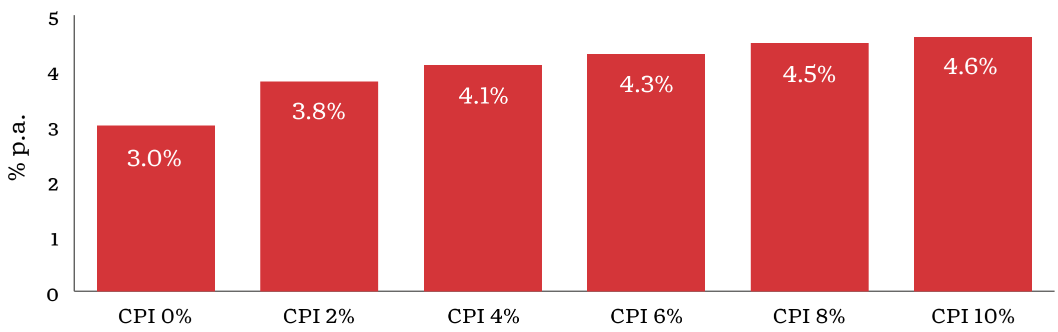
This is my first communication with you since I became Chairman in July 2022. We all owe a debt of gratitude to my predecessor, James Ferguson, for his expert stewardship of the Trust over his 28 years as Chairman. During the year, we welcomed Lucy Winterburn, with her wide experience of the property market, to the Board.

The property sector was particularly affected by the economic and geopolitical turmoil over the year - the rise in inflation and interest rates, the political chaos of the short-lived Truss administration, and the multiple consequences of the war in Ukraine. While the Trust's portfolio, which is not exposed to offices or high street shops, outperformed the MSCI UK Quarterly Property Index, it was certainly not immune to the general malaise. In the year under review, the total net asset value return per share, measuring debt at carrying value, was -17.9%; the share price total return was -9.2%, the difference reflecting the substantial narrowing of the discount to asset value, which is now below the average for the property sector.

This narrowing reflects the completion of the major reconstruction of the Trust, which has been in progress for the last three years. The last remaining equity holdings have been sold. Debt has been refinanced and now has an average maturity of over seven years and an average, almost entirely fixed, interest rate below 4%. Our holdings now comprise industrial premises, supermarkets, and leisure facilities and almost all have rents linked to inflation. Tenant covenants are strong - all rent due in the last year has been collected, with 60% of rents coming from our top 6 tenants. The dividend is now covered by contracted income and since the average yield exceeds the cost of the Company's debt, the Board is confident of the Trust's ability to continue the progressive dividend policy, which the Company has maintained for 36 years. At 31 March 2023, VIP's Ordinary Shares yielded 6.3%.

The majority of the indexed rents in the Company's portfolio have caps - which limit the rate of increase - and collars - which specify a minimum increase. The effect of these arrangements is illustrated in the table below. If the Consumer Price Index (CPI) increases by 4% annually, the growth of the Company's income will more or less match the inflation rate. If inflation is less than this - and the Bank of England's target is 2%, although it has recently been far from achieving this target - income will increase by more than inflation. However, if inflation is faster than 4%, the caps on rent increases imply that these increases will fall short of full indexation.

Forecast VIP rental income growth over five years



The costs of the Company's major debt reconstruction provide part of the explanation of the Trust's asset value decline in the year under review - the remaining debenture was repaid at a premium and there are costs associated with both acquisitions and disposals. The result is a robust portfolio, which should prove resilient in the face of continued political and economic uncertainties. The market has recognised these achievements and the discount to net asset value has narrowed and is below the property sector average.

As Shareholders were advised in 2020, when the process of reconstruction began, the Board intends to offer Shareholders an exit at net asset value less costs. Proposals will be put to Shareholders at the 2026 AGM of the Company.

Many uncertainties certainly remain. The fiasco of 'liability driven investment' - in which long term investors purporting to minimise risk were forced to scramble for short term cash - is now largely resolved. Some of the banking institutions most exposed to mismatched assets and liabilities in a period of rising interest rates have been rescued. However, there is still much illusory wealth in tech stocks and crypto related assets, which will evaporate as reality dawns. While VIP has restructured its debt on sustainable terms, there are many capital providers who have yet to do so. Problems in this 'shadow banking' sector are likely to continue to have implications for both the financial system as a whole and the property sector, in particular, for several years yet.

The Board is recommending a final dividend of 3.6 pence per share, making total dividends of 12.9 pence per share for the year to 31 March 2023, compared to 12.6 pence in the previous year, an increase of 2.4%. Subject to Shareholder approval at the 2023 Annual General Meeting (AGM), the final dividend will be paid on 4 August 2023 to Shareholders on the register on 7 July 2023. The ex-dividend date is 6 July 2023.

The AGM will be held at the Kingham Room, Broadway House Conference Centre, Tothill Street, London SW1H 9NQ at 12.30pm on Wednesday, 2 August 2023. The Notice of Annual General Meeting can be found on pages 125 to 129 of this Annual Report. The Board encourages Shareholders to vote using the proxy form, which can be submitted to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Proxy forms should be completed and returned in accordance with instructions thereon and the latest time for the receipt of proxy forms is 12.30pm on 31 July 2023. Proxy votes can also be submitted by Crest or online using the Registrar's Share Portal service at www.investorcentre.co.uk/eproxy.

John Kay
Chairman

26 June 2023

VIP property portfolio - sector weightings since 2012

Sector	March 2023	March 2022	March 2021	March 2020	March 2014	March 2012
Offices	0%	0%	0%	0%	0%	0%
Shops and Retail Warehouses	0%	0%	0%	0%	39%	49%
Supermarkets	29%	27%	16%	2%	5%	0%
Pubs and Restaurants	9%	13%	24%	32%	17%	13%
Leisure	18%	11%	8%	12%	11%	10%
Industrial	29%	33%	35%	32%	8%	8%
Roadside	6%	7%	3%	6%	16%	16%
Other	9%	9%	14%	16%	4%	4%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number of Properties	**39**	**43**	**31**	**26**	**29**	**27**

The property market

UK commercial property values peaked in June 2022 after property yields were pushed down to 40 year lows. QE (Quantitative Easing) had been going on too far, for too long, in the United Kingdom as in most Western economies, forcing interest rates unsustainably low and capital values, especially of low yielding assets, unsustainably high. The Bank of England, in particular, had dropped its guard on its official 2% inflation target. So Russia's invasion of Ukraine, raising world energy and commodity prices, meant that UK interest rates and gilt yields had to shoot up to take the strain when the UK's post-pandemic recovery was already the weakest of the G7 nations and our public sector and overseas trade deficits were the worst.

Bond and currency markets have now stabilised after the economic and interest rate chaos of the Truss-Kwarteng administration last autumn, and average values of commercial property are now down about 20% from their mid 2022 peak and 13% over 2022 as a whole. So far in 2023, average property values have been slipping slightly further on the MSCI UK Monthly Property Index, but turnover is very low so this is based more on sentiment than actual completed transactional evidence. Investors are cautious and risk averse. Properties with long, strong, indexed income let at sustainable rents to robust tenants are still in demand, particularly from cash buyers in smaller lot sizes, and should continue to outperform. There should be attractive investment opportunities over the next few months from forced or pressured sellers who will find it increasingly hard to refinance highly geared portfolios as credit conditions tighten.

Louise Cleary and Matthew Oakeshott

Comparative investment yields – End December (except 2023 – March)

		2023*	2022	2021	2020	2019	2011	2008	2006
Property (equivalent yield)		6.2	6.1	5.1	5.8	5.6	6.9	8.3	5.4
Long Gilts	Conventional	3.5	3.8	1.0	0.2	1.0	2.5	3.7	4.6
	Index linked	-0.1	0.3	-2.6	-2.6	-2.0	-0.2	0.8	1.1
UK Equities		3.6	3.6	3.1	3.4	4.1	3.5	4.5	2.9
RPI (annual rate)		13.5	13.4	7.5	1.2	2.2	4.8	0.9	4.4
Yield gaps:	Property less Conventional Gilts	2.7	2.3	4.1	5.6	4.6	4.4	4.6	0.8
	Property less Index Linked Gilts	6.3	5.8	7.7	8.4	7.6	7.1	7.5	4.4
	Property less Equities	2.6	2.5	2.0	2.4	1.5	3.4	3.8	2.5

Source: MSCI UK Quarterly Property Index and ONS for the RPI (*to December except March 2023)

Offices, with a total return of -9.8% over 2022, underperformed the market as they have over the past 1, 3, 5 and 10 calendar years on the MSCI UK Quarterly Property Index. Retail property, with a total return of -4.8% was the best performer of the main sectors for the first time since 2010. Industrial/warehouse property, by contrast, gave back much of its previous gains as valuation yields were marked out, with a return of -14.4%. The alternative sectors generally outperformed, like retail, with marginally negative total returns.

Rental values were up on average by 3.8% over 2022, but growth has started to slow in recent months. Industrial rental growth will tail off rapidly in 2023 under pressure from rising business rates and tenant defaults. Sector differences may, therefore, be less important than individual property selection in 2023, with rents under pressure but valuation yields bottoming out. Capital values should be starting to rise again by the year end as inflation falls back and the UK economy and real incomes start growing again.

UK commercial property – Average annual % growth rates to March 2023

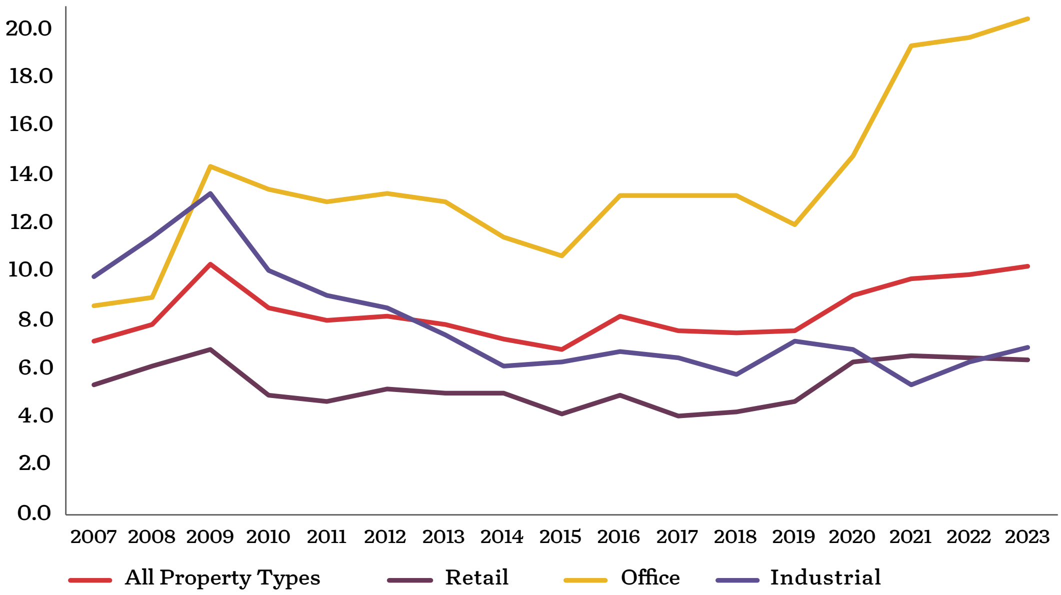
		1 year	3 years	5 years	10 years
Capital values	All property	-16.8	-2.6	-2.6	1.5
Rental values	All property	3.5	1.2	0.6	1.6
Total returns	All property	-13.0	1.7	1.9	6.5

Source: MSCI UK Quarterly Property Index March 2023

Property transaction volumes slowed down markedly between June and October 2022, especially for the lowest yielding properties, with many sales only going through after agreed prices had been "chipped" by buyers and more properties having to be withdrawn from the market unsold. But more realistically priced stock is starting to appear. This is mainly "off market", particularly from property unit trusts under redemption pressure, and individual pension funds and pooled pension vehicles caught out by the Liability Driven Investing (LDI) crisis. This led, as the Bank of England Financial Policy Committee put it, to "a vicious spiral of collateral calls and forced gilt sales, and a material risk to UK financial stability". Regulatory stable doors are now being loudly shut, but risks remain in non-bank credit, where the Bank of England estimates that global private credit has trebled in size over the past decade.

Retail and industrial property void rates are now back to their pre-COVID levels, but as the table below shows, office void rates have shot up from 13% pre-COVID to an all time high of over 20% now, well above the previous record high of 15% for office voids in 2013. This has dragged the average void rate for all property back up to its previous peak of 10% in 2009, although retail and industrial void rates are stable between 6% and 7%. Persistently high void rates will continue to undermine office sector returns, for two reasons: first, most office occupiers are downsizing their net space requirements to reflect hybrid working patterns (40% of UK working adults are now working from home for at least one day a week, compared to 12% pre-pandemic), and second, many older office buildings contain a ticking Energy Performance Certificate compliance time bomb, making it ever more costly to retain and replace tenants.

MSCI UK Monthly Property Index vacancy rates %



Source: MSCI UK Monthly Property Index March 2023

In summary, the main property valuers marked capital values down much further and faster between September and December than in previous property market downturns, despite little or no evidence of transactions completed at the new lower levels. That was still realistic with the relentless rise in gilt yields and base rate, now to 5.0%.

Rental values and rent collection will, however, come under more recessionary pressures this year, as tenant default rates begin to rise and rental income falls, particularly in the industrial and office sectors. The key to portfolio outperformance on both the income and total return fronts in a difficult market will be reducing risk and sticking to strong tenants, paying affordable, preferably index-linked, rents on long leases for sustainable buildings in prosperous locations.

Property prospects by sector

Warehouse / Industrials – Valuation yields stabilising

Following the industrial market's fall from grace in Q4, investors' gloom is starting to lift a little. Average valuation yields, having risen by over 150bps in Q4 2022, have now stabilised. Any effects of the recent banking crisis have not yet been seen.

The market remains thin in comparison to recent years, with less than £700m of industrial property transactions completed during Q1 2023 (over 80% down on Q1 2022). Some institutional money is back for South East multi-let estates. The key is modern stock in solid locations and buyers are taking a much more conservative approach towards future potential rental growth. Equivalent yields are typically now only 75bps to 100bps above the initial yield, a significant difference to the 200 – 300 bps differential often seen in the first half of 2022. With EPC ratings coming ever more into focus, some sellers are needing to take the cost of improvements off the sale price to get buildings up to scratch and in line with legislative requirements.

The pressure of rising occupational costs, such as the business rate increase and rising energy prices, will be reflected in weaker occupational demand and rental levels. In April, the business rates payable on industrial and warehouse property rose on average by 27% (+33% in London and the South East). These additional costs will cool occupational demand and the record rental growth of the past few years will tail off. Industrial occupiers will then be hit with a further blow in two years' time when business rates will increase again. So by the end of 2023, there will be more evidence of rental values falling, tenants' incentives becoming more generous and void rates increasing.

We are unlikely to see the sharp yields witnessed in the first half of 2022 for many years, but valuation yields should remain stable over the rest of the year. The MSCI UK Quarterly Property Index's net initial yield for industrials was 4.4% for March with a corresponding equivalent yield of 5.7% compared to 3.1% and 4.0% at the peak of the market in summer 2022.

Westbury

Offices – Still more suffering to come

Completed transactions were few and far between over the last six months and yields continued to soften (significantly in the case of secondary assets). Agents, having marked out typical prime West End and City of London yields by over 75 bps and having cut capital values by around 20% last year, have limited evidence to move these yields out again so are sitting on the fence for the time being, but their reported yields are trending weaker. We expect these yields will move out further over the course of 2023. Many debt-financed office owners will need to cut their office exposure due to external pressures such as higher borrowing costs or even a lack of available financing in addition to the worsening occupational story and ESG compliance issues and costs.

Many large office holdings in the main office markets, London, the South East and the "Big Six" UK cities, are predominantly held by overseas investors, often with high levels of gearing. When refinancing, these investors will be affected by the recent banking crisis and interest rate rises and some will be forced to sell, increasing supply and consequently softening yields and capital values further. The occupational market will continue to suffer through the year as many large office employers continue to consolidate spaces and faces, with permanent working from home arrangements and job cuts on the back of the disrupted economy and the current banking crisis. The average actual office occupancy rate across the UK is 29% in comparison to the 80% recorded pre pandemic. Occupiers will continue to demand more flexible leases and superior amenities in order to attract the workforce to use the office, hitting capital values directly due to high levels of required capital expenditure.

This lack of occupier demand is now being borne out in vacancy rates, which have edged up to 20.5% in the MSCI UK Monthly Property Index. These rates will increase even further over 2023 to levels never seen in the market before. ESG compliance issues and costs may be the final nail in the coffin for many secondary "zombie" offices – three-quarters of office stock in the UK does not comply with the minimum energy efficiency standards for 2027. With high costs to improve these buildings, upgrading to comply is no longer viable.

Milton Keynes

The downward pressure on capital and rental values will continue throughout the rest of the year and beyond until the economy recovers and the market starts to fully understand and get on the right side of the structural change. Many poor secondary assets may not withstand these changes. We believe the value of office buildings could fall by at least a further 20% in the next two to three years. The MSCI UK Quarterly Property Index recorded a capital value fall of -12.5% over the 12 months to December 2022 and it has already fallen a further -2.6% in the first quarter of 2023. Industrial and office yields are now equal, the market has shifted, and investors are more likely to purchase occupied industrial property with land than vacant, costly, depreciating and unused office space.

Retail – Fighting back as business rates fall

Consumer confidence is low with real retail sales falling in 2023 and real living standards under unprecedented pressure. But since the pandemic, online sales penetration has declined faster than expected, with consumers still valuing physical retail. Occupier profit margins will be under increasing strain as inflation continues to bite, and with logistics costs soaring, many occupiers will seek to direct consumers back into stores to increase efficiencies. Some major retailers are now charging shoppers who return items bought online, with the cost taken from their refund but items purchased online can still be returned for free in stores. Going into 2023 with a lack of transactional activity, retail yields are higher than in other sectors so should be better protected against current debt costs and retail may outperform the property sector as a whole again in 2023.

In 2022, Aldi overtook Morrisons to become the UK's fourth biggest supermarket, increasing its market share to around 9.2%, with Lidl hot on their trail at 7.1%. Tesco's market share stands at 27.5% with Sainsbury's 15.4% followed by Asda at 14.2%. Behind Morrisons, Aldi and Lidl is the Co-op with 5.5% and Waitrose at 4.7%. The discount supermarkets grew so fast because consumers, who had moved online during the pandemic, returned to the value-led stores in person due to their demand for competitive pricing due to the current economic climate. The discounters continued their store expansion last year competing directly for the best sites, increasing store coverage but potentially taking on property risk to secure representation in key target locations by doubling up. Lidl opened 54 stores last year but have now announced a reduced acquisition programme. Tesco, Asda, Morrisons and M&S are also looking to secure sites in the 15,000 sq ft to 25,000 sq ft bracket competing head on, with Aldi stating they are still focussed on 40 new stores per year across the UK, targeting London and the South East. Profits are under pressure across the whole food retail sector, with supermarket margins squeezed between rising costs and falling customer incomes, with traditionally loyal customers trading down to value products or going to cheaper competitors as food inflation continues to rise to the highest on record of over 16%. Many retailers such as Tesco, Asda and Lidl are giving further pay rises this year due to the rising cost of living and labour shortages, with the National Minimum wage just up by 9.7% to £10.42 per hour.

Capital values of supermarkets fell sharply in the second half of 2022 after valuation yields were forced down too low last summer, with an Aldi trading at a 3% yield. There are glimmers of a recovery in Q1 2023 as the sector offers secure income in volatile markets (food is a necessity). Well-let, particularly smaller, properties are now again offering low risk, rental growth and potential for capital recovery. Despite a substantially reduced volume of investment transactions (volumes below £700m in 2022 – down from £1.85bn in 2021) supermarket investment activity should stabilise with a wider differential between supermarket covenants. The gap in pricing between supermarkets let on index-linked leases and those with open market reviews may continue to grow. Morrisons are still struggling with their sale and leasebacks of larger stores with buyers hard to find in the investment market where sellers are unrealistic with pricing.

Newport, Isle of Wight

Demand for retail warehousing cooled towards the end of 2022 as the reality of consumer pressures started to bite but could improve in 2023. Transaction volumes were low in Q1 2023 due to the lack of product, despite the sector benefiting from a stronger than forecast Christmas period and rental growth in 2022. Previous downturns suggest bigger ticket items such as household goods / appliances and non-essential goods such as clothing and footwear could experience a more pronounced squeeze than areas such as DIY and trade counters but this sector should prove its resilience.

High street retail and shopping centres suffered a miserable few years of underperformance since well before COVID, with steep falls in capital value as institutional investors turned their backs on these sectors, which have structurally changed as institutions sold to private investors. Values may have now stabilised and possibly bottomed out (shopping centres had the least negative returns in 2022). They may prove more resilient than lower-yielding investments in other sectors but an over supply of shops will continue to hamper performance. Despite the squeeze on real incomes, rebased rents are now more affordable, with most retailers now enjoying short, flexible leases. Retailers with the right offer, right product and who have not over expanded in recent years are now taking advantage of lower rents and higher vacancy rates to secure favourable high street positions, particularly in prosperous suburbs and smaller towns.

The long awaited business rates reform came into effect on 1 April 2023 (the revaluation is based on April 2021 values), giving a 20% average reduction in retail rateable values across England and Wales with no downwards phasing of liabilities, meaning a property will have its entire reduction in rates payable from day one, providing a much needed boost for bricks and mortar retailing.

Alternatives - Strong operators thriving

Property in the "Alternatives" sector – i.e. everything except offices, retail and industrial/warehouse property - accounts for about one fifth of the MSCI UK Quarterly Property Index. Volatile, often disappointing returns in the traditional office, retail and industrial sectors have led investors to search for higher returns and lower risk to diversify their portfolios over the past decade. Properties in this sector usually offer strong defensive characteristics such as long, index-linked leases and a wide range of property types and tenants. 2022 saw the RPI and CPI soar to levels not seen for 40 years, fuelled by ever increasing energy and food costs. So properties in the alternatives sector have become increasingly sought after and hold the key to sustained portfolio performance.

December saw valuers moving yields out further and faster than in previous downturns to address market volatility and waning investor confidence. No sector was immune but valuation decline in the alternatives sector was less acute, with the attraction of inflation-linked rental uplifts really paying off. Valuations have started to stabilise. There is a thinner market for the larger lot sizes but private property companies and high net worth investors continue to see value in the sector. In some cases, rents will have risen too high so only robust tenants with strong balance sheets will be able to weather the storm. The trend of "flight to quality" has gained momentum. Values will recover faster for properties let at affordable rents on long index-linked leases in good locations and to strong tenants, but it is likely there will be a widening of the gap between prime and secondary assets as investors get increasingly selective.

Rising costs and staff shortages are hurting the hospitality industry more than most and at a time when they were relying on consumers to dig deep into their pockets. The leading pubcos, like Greene King, as well as traditional regional brewers like Shepherd Neame and Youngs, have strong balance sheets and will survive relatively unscathed but independent pub and restaurant operators will struggle, particularly if rents become unaffordable. High inflation has meant that sales in real terms continue to lag pre-pandemic levels in this industry. The start of the year has seen a noticeable recovery of confidence in London pubs and restaurants as office workers and visitors returned to the Capital. Consumers remain eager to eat and drink out despite the mounting pressure on disposable incomes but operators must ensure that they do not push all their rising costs onto the consumer, and when possible, return to investing in their premises, or the goodwill that they have built up post pandemic will quickly wane causing longer term trading problems.

Modern discount hotels are well placed to benefit from the more cost-conscious consumer. Premier Inn, in particular, have been strategic, opening more hotels in prosperous smaller towns, rural areas and tourist hot spots to capture British staycationers and workers rather than focusing on city centres or airports. Constant flight disruption from 'unexpected' weather, striking workers at key holiday times and expensive international flights are still encouraging people to reconsider holidays abroad amid a cost-of-living crisis with UK caravan parks also benefitting. Capital values of Premier Inn investments slipped in the general market weakness, but they are recovering this quarter and remain a much more secure investment than Travelodge or other weaker operators.

Health and Fitness clubs in affluent suburban areas have seen some benefit from the move to hybrid working, but capital values are under pressure right across the sector as they use so much energy, and expensive membership renewals are usually the first to go when customers cut back on non-essential spending. There have been no gym transactions this quarter and a number that came on to the market last year remain unsold. When investment does pick up, only the strongest operators in the sector are likely to attract attention.

The two main ten pin bowling companies, who dominate the market, are trading strongly and investing in their properties. They offer a sensibly priced family outing which cannot be replicated online. Tenpin owner Ten Entertainment Group enjoyed a record performance last year with sales up 87.6% on 2021 and 50.6% up on the pre-pandemic year of 2019. Like-for-like sales were 40% higher than pre-pandemic. Hollywood Bowl also reported that annual profits and revenues had grown against pre-pandemic levels. Both companies look well placed for the years ahead. But bingo halls and cinemas have suffered structural change with online gaming and streaming the new norm. Cinemas in multiplexes and retail parks have no movie magic. Taking the family to the cinema is now an expensive treat so only cinemas with genuinely affordable rents will survive. Cineworld's equity has been wiped out by a deal with its lenders and its rents in the UK will still need to fall.

Student numbers are rising and investments on long leases to well-established universities have been in great demand. But valuation yields on student housing, as on other residential investment types, now look too low as investment competition had driven pricing to very hot levels. However, many universities are facing a critical shortage of student housing with new local supply limited and likely to remain so with construction costs rising so fast.

Care homes are struggling with staff shortages and insufficient public sector funding. Bed vacancy rates are rising rapidly because of more deaths and admissions are slower. Values will continue to remain under pressure.

Alnwick

The economy

The UK economy is still flatlining, lagging global GDP growth, now expected by the IMF to be around 3% over the next year. Average earnings and productivity have shown little growth since the Global Financial Crisis hit us especially hard in 2008-9. More recently, business investment has stagnated since 2016, in the words of the Office for Budget Responsibility, due to uncertainty about the UK's future trading relationship with the EU among other concerns. Different governments have tried different policies and remedies, often pulling in opposite directions from their predecessors, to increase investment and productivity growth, but to little net effect. The UK is running the highest public sector and overseas trade deficits in the G7 group of developed nations and is the only one with GDP still lower than pre-COVID.

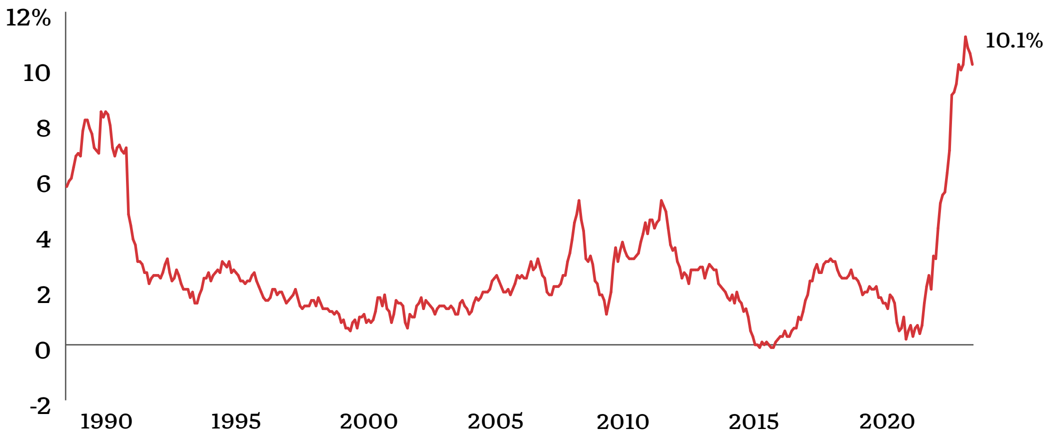
Our labour market is particularly tight, due partly to Brexit, partly to a deep seated skills and training deficit and partly to older people leaving work post-COVID. Consumer price inflation remains above Western Europe and the USA, with rapidly rising food prices keeping the Consumer Price Index rising at an annual rate of 10.1% for March and 13.5% for the Retail Price Index.

The UK's sclerotic housing market, with prices and rents both significantly higher than in our main Western competitor countries, remains a drag on our economic performance, as a source of financial instability and a barrier to geographic and social mobility. The Government's Help To Buy scheme increased demand for house purchase but not supply, pushing up home prices and housebuilders' profits. Only 205,000 homes were completed in the year to April 2022, against 330,000 in 1972 and about 400,000 in 1962, and this year will be worse. Private sector completions have shown little change, but social housebuilding by local authorities and housing associations has collapsed, and existing social housing has been transferred to the private rental sector at much higher cost. Changes to stamp duty and interest deductibility for private landlords in recent years have led to an exodus of small landlords and upward pressure on rents. With over 80% of mortgages at fixed rates and employment still high, house prices are less vulnerable to rising interest rates than in previous downturns, but they are already now about 5% off their late 2022 peak. Housing, whether to buy or to rent, would still be exceptionally unaffordable in most areas of the UK by long-term standards, with the only obvious sustainable solution being for much more genuinely affordable social housing to be built again.

The UK economy is in a deeper structural hole than many similar countries post-COVID, with pay rises running well behind the rate of price increases, especially for essentials like food and heating which leave little spare spending power for the lower paid. But poverty is quite polarised, with many people still holding high savings post-pandemic and keen to spend, but not in predictable patterns.

Business and consumer confidence are starting to improve, partly out of relief at calmer Government and partly as gas and electricity prices fall back. The warm winter in Europe, and major reductions in gas usage, in particular, due both to high prices and smarter usage, are leading to sharp falls in some energy and commodity prices, so international inflation rates should fall this year, but not to anywhere near 2% in the foreseeable future.

Consumer price inflation



Source: ONS

Bank of England Monetary Policy Committee has had a difficult year. Bank Rate collapsed from a peak of 5.75% in July 2007 to 0.5% in March 2009, and it stayed around that level for 13 years before its 9 rises to 3.5% last year. Now it has been raised to 5.0% and it needs to stay at or above that level at least into 2024 so that higher inflationary expectations do not become embedded, especially in the labour market after the current wave of public sector strikes. The UK cannot afford to run risks on inflation when it will have to borrow so much for so long from abroad.

There is no particular magic about 2% as the number for the inflation target for most Central Banks in the developed world. Underlying inflation in the USA, UK and Eurozone did average around 2% with relatively minor fluctuations between the early 2000's and COVID in 2020. As the table below shows, the Bank of England has been slow since the pandemic to raise their forecasts for inflation for one year ahead - but at least they have raised them. Their forecasts for two years ahead have, however, stuck firmly in cloud cuckoo land around 2% p.a., falling to 1% from 2023. So 2% annual inflation now looks an unrealistic long term target.

Bank of England Monetary Policy Report inflation projections

Date of report	Latest inflation	One year ahead	Two years ahead
August 2020	0.3%	1.8%	2.0%
February 2021	0.8%	2.1%	2.1%
August 2021	2.7%	3.3%	2.1%
February 2021	5.7%	5.2%	2.1%
August 2022	9.9%	9.5%	2.0%
February 2023	9.7%	3.0%	1.0%

Source: Successive Bank of England Monetary Policy Reports

The end of ultra-low interest rates is inevitably a stressful and uneven process but it is ultimately helpful for the economy. Too much cheap money has inflated asset bubbles, encouraged speculative frenzies ranging from over-hyped technology stocks to crypto currencies, diverted too much capital into financial engineering by private equity, pushed up UK house prices unaffordably and unsustainably and kept too many zombie companies alive for too long when their skilled workforces, in particular, should have been more productively reallocated elsewhere. It is ending with strains in the international credit markets, which are being contained so far as mainstream regulated banks are concerned in the USA and Switzerland.

The real danger for world economies and property markets will come if the plethora of private equity and hedge fund property-owning and lending vehicles, which have sprung up mainly in the shadows over the past 5-10 years, run into serious redemption or refinancing difficulties. In the words of the Chief Executive of Brookfield (one of the largest such vehicles and owner of Canary Wharf) "What we do is behind the scenes. Nobody knows we are there". What we do know, however, is that loan default risks, especially on large offices, are rising and that most conventional UK property trusts are also now gated, although the authorities have still not stopped them pretending to offer daily dealings on assets which take months to sell.

The international economic outlook and business confidence are now improving slightly, but two big question marks remain over economic forecasts into 2024. On the upside, if the war in Ukraine ended either in stalemate or an effective Russian defeat, inflation and interest rates would move lower. But that can only be a hope, not a forecast.

On the downside, tightening credit conditions and higher interest rates are not good for growth of commercial or residential property values, although plenty of pain is now properly priced into commercial property yields and prices, at least in the United Kingdom.

Conclusion – Safe property repriced to attractive yields

The rapid valuers' mark down of commercial property prices by about 20% from their mid-2022 peak is now starting to offer good buying opportunities at safe, high yields for long-term investors. At average yields now of over 6%, UK property offers an attractive yield premium over UK equities and is fundamentally undervalued against UK conventional and index-linked gilts, which only offer volatility, doubtful liquidity and negligible real returns. The key to both relative outperformance and strong real total returns for property over the next few years will be capturing these high yields in practice by a relentless focus on strong tenants with long, preferably index-linked leases with sustainable rents and buildings.

Annual portfolio summary

VIP specialises in direct investment in UK commercial properties with long, strong, index-related income streams to deliver above average long term real returns.

The portfolio comprises 39 properties across 7 well diversified sub-sectors, all let on 42 full repairing and insuring leases (WAULT 12.6 years to the tenants' option to break) to 21 different tenant covenants across England, Scotland and Wales, with 60% of rents coming from the top 6 tenants. All are freehold except two, which are long leasehold with 108 and 82 years to run (Doncaster and Fareham).

Indexed Rent Reviews

The contracted income on the whole portfolio stands at £9.3 million per annum where 96.2% (41 out of 42 tenancies) have index-linked or fixed increases. Only one property, the industrial at Fareham, has three yearly open market upwards only reviews.

Over the financial year, 15 rent reviews completed representing 40% of the rent roll, with an average increase of 6.4% on their rents passing, which added £0.23 million (2.9%) to all held properties. Nine were annual reviews; eight were RPI-linked and one with a fixed increase. Four had five yearly RPI-linked reviews, one with a fixed increase and one with a sweep up clause after a three yearly upwards only open market rent review.

There are 41 leases, which are reviewed either; RPI-linked (69%), CPI-linked (11%) or with fixed increases (16%) and there is just one industrial with an open market review (4%).

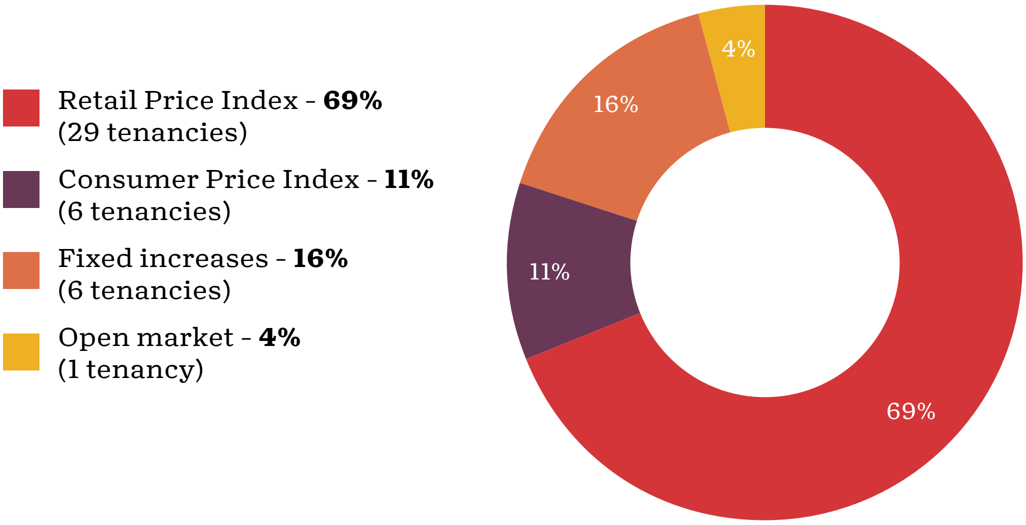
Nine tenancies representing 27% (year ending 31 March 2023) of the indexed rental income have annual rent reviews and thirty two (69%) have five yearly reviews with one (4%) having a three yearly review pattern. Over the following five year period VIP expects the following percentage of rental income to be reviewed in each financial year:

Year ending 31 March	Annual	5 yearly	3 yearly	Total
2024	27%	10%	4%	**41%**
2025	27%	3%	–	**30%**
2026	27%	30%	–	**57%**
2027	27%	10%	4%	**41%**
2028	27%	15%	–	**42%**

Over the next 12 months, 14 tenancies representing 41% of the total rent roll, will undergo a rent review.

Of the indexed rents within the portfolio; 66% of the RPI-linked and CPI-linked rents are subject to collared uplifts, which average 1.7% per annum and 73% are subject to capped uplifts, which average 3.9% per annum. 12% of the total indexed income has uncapped RPI increases. Fixed rent review uplifts average 2.4% per annum.

Indexed income review pattern by contracted income



Purchases and sales

Three long let index-linked purchases for £25.5 million and six sales for £9.8 million completed over the year.

Purchases completed

Supermarket - Eastwood Road, Rayleigh
The purchase of a dominant town centre freehold M&S Simply Food supermarket in Rayleigh, Essex completed in July 2022 for a total of £11.3 million let to Marks & Spencer plc until 20 July 2035 (WAULT just under thirteen years) with five yearly RPI-linked rent reviews with a minimum of 1% pa and maximum 4% pa. The net initial purchase yield was 4.8% which has risen to an RPI-linked 5.3%.

Hotel - Willowburn Trading Estate, Alnwick (Development)
The forward funding of an 80 bedroom Premier Inn hotel and inhouse Brewers Fayre pub/ restaurant at Willowburn Trading Estate, Alnwick, completed in October 2022 for a total of £7.2 million at a net initial yield of 5.0%. The freehold property is open and trading and is let to Premier Inn for twenty five years until 2047 with a tenant's option to break in 2042, and has five yearly CPI-linked rent reviews to a maximum of 4% per annum.

Bowling - Crosspoint, Olivier Way, Coventry
The purchase of a freehold purpose built prominently located leisure investment on a 3.2 acre site with over 140 car parking spaces in Coventry completed in March 2023 for a total of £8.3 million at a net initial yield of 7.4%. The rental income totals £0.6 million; 77% to Tenpin Limited (bowling) on a lease without a break until 2050, with RPI-linked rent increases capped at 4% and collared at 2% p.a. The two purpose built restaurants are let to Starbucks on a RPI-linked lease and Pizza Hut on an annual fixed increase lease with 11 and 9 years to run respectively (WAULT just over 23 years).

Sales

Completed

The sale of six overrented properties completed during the year for £9.8 million: two convenience stores, three pubs and a bingo hall, in line with their March 2022 valuations at an average net sale yield of 6.1%.

Completed Since 31 March 2023

The sale of a city centre pub in Newcastle upon Tyne let to Stonegate completed in April 2023 above valuation at a net sale yield of 7.5%.

Exchanged

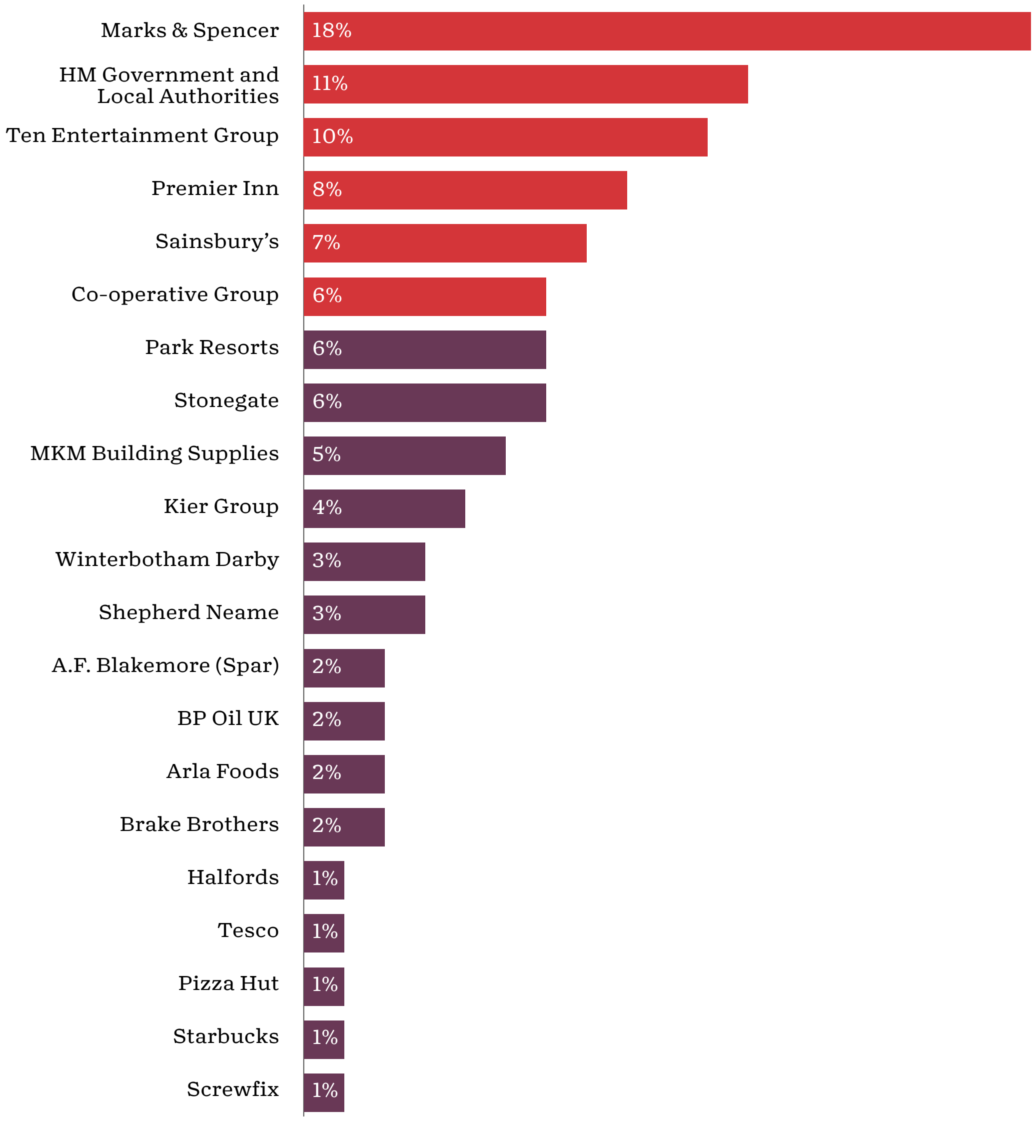
The sale of a petrol filling station in Melton Mowbray let to BP Oil UK Limited with a lease expiring in September 2033 exchanged in April 2023, above valuation at a net sale yield of 6.2% with completion due in July 2023.

Reinvestment of sale proceeds is in hand and other properties are under investigation to upgrade the portfolio quality further.

Rent Collection

100% of all contracted rents due were collected during the year to 31 March 2023. The top 6 tenants have 20 leases: Marks & Spencer, HM Government/ Local Authorities, Ten Entertainment Group, Premier Inn, Sainsbury's and the Co-operative Group representing 60% of the contracted income.

Contracted income by tenant %



Fully let

The portfolio is fully let, with no voids (MSCI void rate: 8.2%).

Responsible impact based ESG management

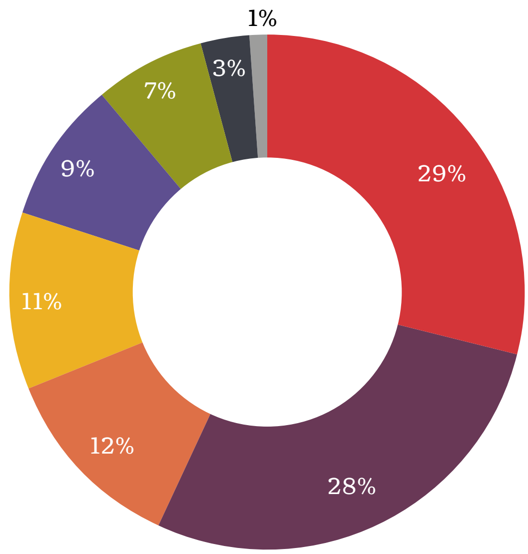
OLIM Property has always taken a cautious and responsible approach to managing VIP's property portfolio, with environmental impact, social responsibility and governance (ESG) taken fully into account in selecting high quality properties and suitable tenants for acquisition, long term management and disposal. Occupier relationships are crucial. We engage with our tenants to understand and establish sustainable rental levels and grow future income streams, working closely with them to address value add energy performance targets. All VIP's properties are regularly reviewed, ESG improvements implemented at appropriate asset management stages and properties sold where performance may be negatively impacted by ESG factors.

Top 10 properties by capital value

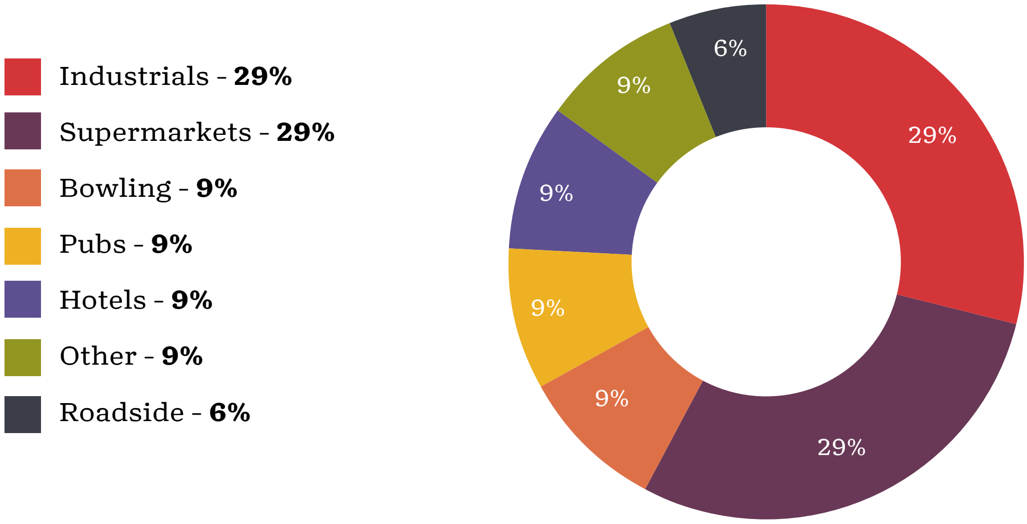
Property	Tenant	Sector	% of portfolio by capital value
Dover	Park Resorts	Caravan Park	8%
Newport Isle of Wight	Marks and Spencer	Supermarket	7%
Rayleigh	Marks and Spencer	Supermarket	7%
Garstang	Sainsbury's	Supermarket	6%
Coventry (Crosspoint)	Tenpin, Pizza Hut & Starbucks	Bowling	5%
Aylesford	Kier	Industrial	5%
Catterick	Premier Inn	Hotel	4%
Alnwick	Premier Inn	Hotel	4%
Milton Keynes	Winterbotham Darby	Industrial	4%
Gloucester	H.M. Government	Industrial	3%
Total			**53%**

Capital value % by region

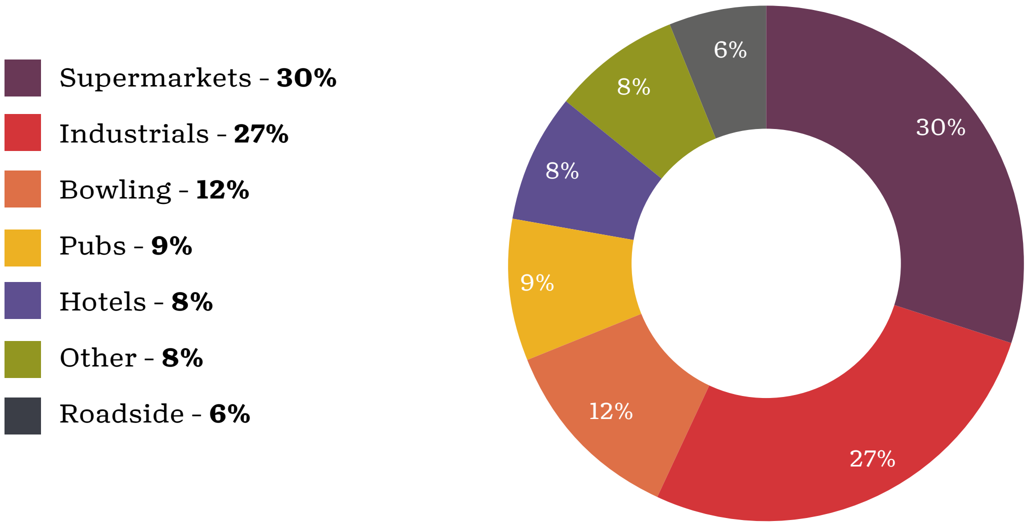
- South East - **29%** (8 properties)
- North - **28%** (11 properties)
- East Anglia - **12%** (4 properties)
- Midlands - **11%** (4 properties)
- South West - **9%** (4 properties)
- Scotland - **7%** (5 properties)
- London - **3%** (2 properties)
- Wales - **1%** (1 property)



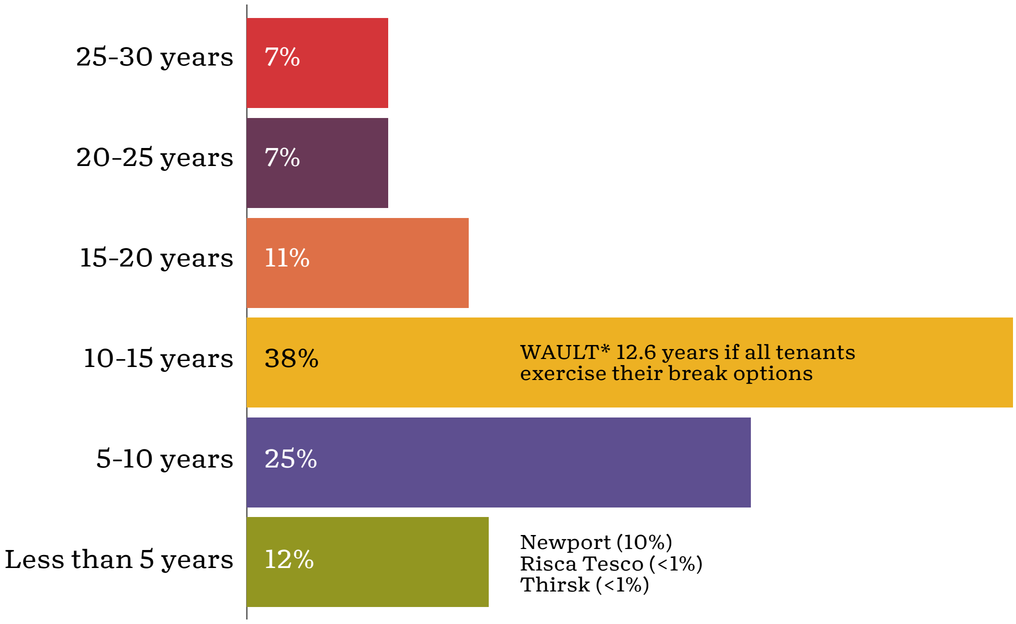
Sector weighting % capital value



Sector weighting % contracted income



Contracted income by lease expiry % (if all break options exercised)



* Weighted Average Unexpired Lease Term

Energy Performance Certificates (EPCs)

96% of the properties now have an EPC rating A-C (up from 64% over the past twelve months). We continue to work with our tenants to upgrade properties and improve EPC ratings.

Performance and independent revaluation

Savills' independent valuation at 31 March 2023 on all 39 properties totalled £150,500,000, reflecting a net initial yield of 5.8% after deducting notional purchase costs (31 March 2022: 5.1%, 30 September 2022: 5.1%), with a running yield of 6.0%. The half-yearly valuation totals at 30 September 2022 were £157,550,000 and at 31 March 2022 £155,478,000. On a like for like basis, excluding purchases and sales, the portfolio's capital value declined by 0.1% in the first half of the year and by 12.7% in the second, reflecting the impact of rising interest rates across the investment property market and economic and political turbulence. Investment turnover has been very low with values marked down more on sentiment than completed evidence. Investors are cautious and risk averse.

Capital values of the 37 properties held throughout the financial year had a like for like total decline in value of 12.8%, being significantly better than the MSCI benchmark of -16.8%. The only sector to gain in value was bowling up by 3.4% with the biggest fall in values in the roadside and supermarket sectors of -19.4% and -14.9% respectively, as a consequence of sector repricing. The valuation reflects an outward yield shift of 70 basis points over the six months to 31 March 2023 (six months to September 2022: no yield shift). Contracted income is now £9.3 million (up 12.0%) against £8.3 million at end of March 2022, due to three new purchases and fifteen rent increases over the year providing rental growth in this highly inflationary environment.

The property portfolio has been upgraded with the sale of six smaller, mainly overrented properties, which completed for £9.8 million (three pubs, a bingo hall and two convenience stores) with the net sale proceeds reinvested in three long-let property purchases for £25.5 million, a Marks and Spencer Simply Food supermarket in Rayleigh, Essex, a new Premier Inn at Alnwick, Northumberland and a leisure investment in Coventry; all let on index linked leases.

The property portfolio produced a total return on all 39 properties of -7.8% over the past year to March, against -13.0% for the MSCI UK Quarterly Property Index, the main benchmark for commercial property performance. Properties held throughout had a total return of -7.5%.

The returns on VIP's property portfolio have been between 5% and 12% a year over 3, 5, 10, 20, and 36 years and are above the MSCI averages over all these periods. The real returns have been behind the Retail Price Index over 1 and 3 years but above it over longer periods, with a real return of 8% a year over 36 years since the inception of OLIM Property's Management.

Matthew Oakeshott & Louise Cleary
OLIM Property Limited

26 June 2023

Property portfolio at 31 March 2023

1. Industrials

13 properties

27% of contracted rent

10.4 years WAULT*

86% indexed

Milton Keynes

2. Supermarkets

9 properties

30% of contracted rent

8.7 years WAULT*

100% indexed

Garstang

*Weighted Average Unexpired Lease length if all break options exercised

3. Leisure - Bowling

3 properties

12% of contracted rent

21.1 years WAULT*

100% indexed

Coventry

4. Leisure - Pubs

7 properties

9% of contracted rent

22.4 years WAULT*

100% indexed

Coventry

5. Leisure - Hotels

2
properties

8%
of contracted rent

15.9
years WAULT*

100%
indexed

Alnwick

6. Other (Caravan park and library)

2 properties

8% of contracted rent

10.1 years WAULT*

100% indexed


Dover

7. Roadside

3 properties

6% of contracted rent

9.4 years WAULT*

100% indexed

Bebington

This Business Review is intended to provide an overview of the strategy and business model of the Company as well as the key measures used by the Directors in overseeing its management. The Company is an investment trust company that invests in accordance with the investment objective and investment policy outlined on page 34 of this Business Review.

Value and Income Trust PLC changed its name on 22 January 2021 to Value and Indexed Property Income Trust PLC (VIP or the Company). VIP's Ordinary Shares are listed on the Premium segment of the Official List and traded on the main market of the London Stock Exchange. The Company is registered as a public limited company in Scotland under company number SC050366. VIP is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has one class of share. VIP is a member of the Association of Investment Companies (AIC).

The Group

Value and Indexed Property Income Services Limited (VIS), a wholly owned subsidiary of the Company, is authorised by the Financial Conduct Authority to act as the Company's Alternative Investment Fund Manager (AIFM).

Capital structure

As at 31 March 2023, and as at the date of this Annual Report, VIP's share capital consisted of 43,012,464 Ordinary Shares of 10p nominal value in issue and 2,537,511 Ordinary Shares of 10p each held in Treasury. Each Ordinary Share in issue entitles the holder to one vote on a show of hands and, on a poll, to one vote for every share held.

Aylesford

Share dealing

Shares in VIP can be purchased and sold in the market through a stockbroker, or indirectly through a lawyer, accountant or other professional adviser. Further information on how to invest in VIP is detailed on page 122.

Recommendation of non-mainstream investment products

VIP currently conducts its affairs so that the shares issued by it can be recommended by independent financial advisers to ordinary retail investors in accordance with the rules of the Financial Conduct Authority (FCA) in relation to non-mainstream investment products and intends to do so for the foreseeable future. VIP's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust company and the returns to investors are based on investments in directly held property.

Highlights of the year

- Net Asset Value total return (with debt at carrying value)* of -17.9% (2022: 21.3%) over one year and 11.7% (2022: 7.5%) over three years.
- Share Price total return* of -9.2% (2022: 15.8%) over one year and 48.3% (2022: 13.3%) over three years.
- MSCI UK Quarterly Property Index total return of -13.0% over one year (2022: 19.6%) and 5.1% (2022: 6.4%) over three years.
- FTSE All-Share Index total return of 2.9% (2022: 13.0%) over one year and 47.4% (2022: 16.8%) over three years.
- Dividends for year up 2.4% - the 36th consecutive year of dividend increases.
- Dividend yield at 31 March 2023 - 6.3% (2022: 5.3%).

Financial record

	30 Sep 1986	31 Mar 1987	31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022	31 Mar 2023
NAV (valuing debt at carrying value) (p)*	44.0	55.1	325.5	326.9	319.0	345.5	330.5	332.5	253.1	271.1	314.3	246.9
Share price (p)	42.0	52.0	265.0	254.3	221.8	255.0	262.0	251.0	165.0	218.0	239.0	204.5
Discount of share price to NAV (valuing debt at carrying value)* (%)	4.6	5.6	18.6	22.2	30.5	26.2	20.7	24.5	34.8	19.6	24.0	17.2
Dividend per share (p)	N/A	1.25	8.5	9.0	10.5	11.0	11.4	11.8	12.1	12.3	12.6	12.9
Total assets less current liabilities (£m)	17.4	24.8	183.6	189.0	185.5	207.3	200.4	205.6	176.2	177.6	196.5	158.0

* This is an Alternative Performance Measure (APM) which has been explained in the Glossary on page 124.

Investment objective and investment policy

Investment objective

The Company invests mainly in directly held UK commercial property to deliver secure, long-term, index-linked income. The Company aims to achieve long-term, real growth in dividends and capital value without undue risk.

Investment policy

The Company's policy is to invest in directly held UK commercial property and cash or near cash securities. The Company will not invest in overseas property or securities or in unquoted companies. UK directly held commercial property will usually account for at least 80 per cent. of the total portfolio but it may fall below that level if relative market levels and investment value, or a desired increase in cash or near cash securities, make it appropriate. The Company will not use derivatives. The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

The UK commercial property portfolio

The Company will target secure income and capital returns linked to inflation, mainly through its diversified portfolio of UK property assets, let or pre-let to a broad range of strong tenants on long leases with rental growth subject to index-linked or fixed increases. The Company has not set any geographical limits, except that it may invest in all four nations of the United Kingdom. It has also set no structural limits and expects the portfolio to be focused on (but not limited to), the industrial/ warehouse, supermarket, roadside and leisure sectors (including for example, caravan parks, pubs, hotels, garden and bowling centres) income strips and ground rents. Offices and high street retail properties would not be priority sectors for investment. In order to manage risk in the portfolio, at the time of purchase, no single property asset will exceed in value 25 per cent. of the Company's gross asset value and no single tenant (except UK Government and public sector) will account for more than 30 per cent. of the Company's total rental income.

Borrowing policy

The Company has a longstanding policy of funding most of the increases in its property portfolio through the judicious use of borrowings. Gearing will normally be within a range of 25 per cent. and 50 per cent. of the total portfolio. The Company will not raise new borrowings if total net borrowings would then represent more than 50 per cent. of the total assets.

Detail of the Company's current borrowings, comprising two fixed term secured loan facilities can be found in Note 12 to the Financial Statements on pages 102 and 103 of this Annual Report.

Performance, results and dividend

As at 31 March 2023, the Net Asset Value (NAV) total return (with debt at carrying value) over one year was -17.9% and the Share Price total return over one year was -9.2%. This compares to the MSCI UK Quarterly Property Index total return of -13.0%. Total assets less current liabilities were £158.0 million. A review of the performance of the property portfolio is detailed in the Chairman's Statement on pages 8 and 9 and in the Manager's Report on pages 10 to 31.

For the year to 31 March 2023, quarterly dividends of 3.0p per share, 3.1p per share, and 3.2p per share were paid on 28 October 2022, 27 January 2023 and 28 April 2023, respectively. The Directors have declared a final dividend of 3.6p per Ordinary Share (2022: 3.6p) which, if approved by Shareholders at the 2023 AGM, will be paid on 4 August 2023 to Shareholders on the register on 7 July 2023. The ex-dividend date is 6 July 2023. This represents an annual increase in dividends of 2.4% as compared with the 13.5% and 10.1% annual increases in the Retail Price and Consumer Price Indices, respectively, as at the end of March 2023.

Principal and emerging risks and uncertainties

The Board has an ongoing process for identifying, evaluating and monitoring the principal and emerging risks and uncertainties facing the Group and the Parent Company. The risk register forms a key part of the Group and the Parent Company's risk management framework used to carry out a robust assessment of the risks, including a significant focus on the controls in place to mitigate them. The principal and emerging risks and uncertainties which affect the Group's and the Company's business are:

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 two elements - price risk and interest rate risk.

Price risk

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

VIS delegates its portfolio management responsibilities to OLIM Property Limited (OLIM Property), the Investment Manager responsible for managing the property portfolio, which reports to VIS and to the Board, which meet regularly in order to review the investment strategy. All investment properties held by the Group are commercial properties located in the UK, mainly with long-term, index-linked income streams.

Interest rate risk

Interest rate movements may affect:

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

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.

The Board imposes borrowing limits to ensure that gearing levels are appropriate to market conditions and reviews these on a regular basis. Current borrowings comprise two secured term loans, with three and ten year terms remaining, 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 50%.

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 investment properties which, by their nature, are not readily realisable. The maturity of the Company's existing borrowings is set out in the interest rate risk profile section of Note 21 to the Financial Statements.

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 weighted average unexpired lease length to the break option is 12.6 years. Details of the tenant and geographical spread of the portfolio are set out on pages 24 and 25. The long-term record of performance through the varying property cycles since 1987 is set out on pages 116 and 117. OLIM Property is responsible for property investment management, with surveyors, solicitors and managing agents acting on the portfolio under OLIM Property's supervision.

Political risk

Political changes that result in parties with extreme political or social agendas having power or influence over policies could lead to instability and uncertainty in the markets, legislation and the economy.

The Board reviews regularly the political situation, together with any associated changes to the economic, regulatory and legislative environment, to ensure that any risks arising are mitigated as effectively as possible.

An explanation of certain economic and financial risks and how they are managed is contained in Note 21 to the Financial Statements.

Climate change and social responsibility risk

The Board recognises that climate change is an important emerging risk that all companies should take into consideration within their strategic planning. As referred to elsewhere in this Strategic Report on pages 25, 27, 37 and 41 and in the Governance Report on pages 47 and 64 in this Annual Report, the Company has little direct impact on environmental issues. All of the Company's properties are let on full repairing and insuring leases, with the tenants responsible for complying with statutory obligations. The Board is aware that the Manager continues to take into account environmental, social and governance matters, and, in particular, Energy Performance Certificates and flood risks, in managing the portfolio.

Economic risk

The valuation of the Company's investments may be affected by underlying economic conditions, such as fluctuating interest rates, rising inflation, increased fuel and energy costs, and the availability of bank finance, all of which can be impacted during times of geopolitical uncertainty and volatile markets, including the recent coronavirus pandemic and the ongoing war in Ukraine. The Board monitors the economic and market environment closely, including the situation in Ukraine, and believes that the diverse, well-spread, long let indexed portfolio should prove resilient.

Other key risks

Additional risks and uncertainties include:

- **Discount volatility**: The Company's shares may trade at a price which represents a discount to its underlying net asset value.
- **Regulatory risk**: The Directors strive to maintain a good understanding of the changing regulatory agenda and consider emerging issues so that appropriate changes can be implemented and developed in good time. The Group operates in a complex regulatory environment and, therefore, faces a number of regulatory risks. A breach of Section 1158 of the Corporation Tax Act 2010 would result in the Company being subject to capital gains tax on portfolio investments. Breaches of other regulations, including but not limited to, the Companies Act 2006, the FCA Listing Rules, the FCA Disclosure, Guidance and Transparency Rules, the Market Abuse Regulation, the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation, the Second Markets in Financial Instruments Directive (MiFID II) and the General Data Protection Regulation (GDPR), could lead to a number of detrimental outcomes and reputational damage.

  The Company is also required to comply with tax legislation under the Foreign Account Tax Compliance Act and the Common Reporting Standard. The Company has appointed its registrar, Computershare, to act on its behalf to report annually to HM Revenue & Customs (HMRC).

The Company's privacy policy is available to view on the Company's web pages hosted by the Investment Manager at www.olimproperty.co.uk/value-and-indexed-property-income-trust.html

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 Administrator and from the Investment Manager.

Alternative investment fund managers directive

The Alternative Investment Fund Managers Directive (AIFMD) introduced an authorisation and supervisory regime for all managers of authorised investment funds in the EU.

In accordance with the requirements of the AIFMD, the Company appointed VIS as its Alternative Investment Fund Manager (AIFM) and BNP Paribas Trust Corporation UK Limited as its Depositary. VIS's status as AIFM remains unchanged following the UK's departure from the EU. The Board has controls in place in the form of regular reporting from the AIFM and the Depositary to ensure that both are meeting their regulatory responsibilities in relation to the Company.

Key performance indicators

At each Board Meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives and which also enable Shareholders and prospective investors to gain an understanding of its business.

A historical record of these performance measures, with comparatives, together with the Alternative Performance Measures (APMs) are shown in the Highlights of the year and Financial record section on page 33 of this Business Review. Definitions of the APMs can be found in the Glossary on page 124.

Following the change in investment policy to invest predominantly in property, the Directors have carried out a review of the key performance indicators to determine the performance of the Company. The Directors have identified the following as key performance indicators:

- Net asset value and share price total returns relative to the MSCI UK Quarterly Property Index (total returns); and
- Dividend growth relative to Consumer Price Inflation.

The net asset value (NAV) total return is considered to be an appropriate measure of Shareholder value as it includes the current NAV per share and the sum of dividends paid to date.

The medium term dividend policy is for increases at least in line with inflation.

The Board reviews the Company's rental income and operational expenses on a quarterly basis, as the Directors consider that both of these elements are important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on pages 93 and 94.

In addition, the Directors will consider economic, regulatory and political trends and factors that may impact on the Company's future development and performance.

Share buy-backs

545,000 Ordinary Shares were bought back in the year to 31 March 2023 (2022: nil Ordinary Shares bought back). As at 31 March 2023, and as at the date of this Annual Report, 2,537,511 Ordinary Shares of 10p each are held in Treasury. Further information can be found in Note 14 to the Financial Statements on page 103.

At the forthcoming AGM, the Board will seek the necessary Shareholder authority to continue to conduct share buy-backs.

Statement of compliance with investment policy

The Company is adhering to its stated investment policy and managing the risks arising from it. This can be seen in various tables and charts throughout this Annual Report, and from the information provided in the Chairman's Statement (pages 8 and 9) and in the Manager's Report (pages 10 to 31).

The Board's section 172 duty and stakeholder engagement

The Directors recognise the importance of an effective Board and its ability to discuss, review and make decisions to promote the long-term success of the Company and protect the interests of its key stakeholders. As required by Provision 5 of The AIC Code of Corporate Governance (the AIC Code) (and in line with The UK Corporate Governance Code (the Code)), the Board has discussed the Directors' duty under Section 172 of the Companies Act and how the interests of key stakeholders have been considered in the Board discussions and decision making during the year. This has been summarised in the table below:

Form of Engagement	Influence on Board decision making
Stakeholder: Shareholders	
AGM – Shareholders are encouraged to attend the AGM and are provided with the opportunity to ask questions and engage with the Directors and the Manager. Shareholders are also encouraged to exercise their right to vote on the resolutions proposed at the AGM (please refer to the further information on the AGM in the Directors' Report on pages 45 to 53). Shareholder documents – The Company reports formally to Shareholders by publishing Annual and Interim Reports, normally in June and November each year. Significant matters or reporting obligations are disseminated to Shareholders by way of announcement to the London Stock Exchange. The Company Secretary acts as a key point of contact for the Board and all communications received from Shareholders are circulated to the Board. Other Shareholder events include investor and wealth manager lunches and roadshows organised by the Company's Broker at which the Manager is invited to present.	Dividend declarations – The Board recognises the importance of dividends to Shareholders and takes this into consideration when making decisions to pay quarterly and propose final dividends for each year. Further details regarding dividends for the year under review can be found in the Chairman's Statement on pages 8 and 9. Share buy-back policy – the Directors recognise the importance to Shareholders of the Company maintaining a buy-back policy and considered this when establishing the current programme. Further details can be found in this Business Review on page 39, and in the Directors' Report on page 53. Shareholder communication and feedback from the Broker feeds directly into the Board's annual strategy review, the asset allocation considerations and the Manager's guidance on desirable investment characteristics. The Directors recognise the importance to Shareholders of having a diverse Board with a range of skilled and experienced individuals represented, and took this into account when the decision was made during the year to appoint Lucy Winterburn as a Director.
Stakeholder: Manager	
Quarterly Board Meetings – The Manager attends every Board Meeting and presents a detailed portfolio analysis and reports on key issues such as performance of the property portfolio. The Manager reports to the Board on the Company's property portfolio and the Directors challenge the Manager where they feel it is appropriate.	The Directors and the Manager are cognisant of the Company's investment policy and the strategy agreed by the Board, which the Manager has been tasked with implementing. The Directors and Manager worked together during the year on the restructuring of the Company's debt, on competitive terms, and completed the transition to a direct property investment trust. The Board engages constructively with the Manager to ensure investments are consistent with the agreed strategy and investment policy. The Manager works closely with all tenants and, as a result, 100% of all contracted rents due were collected in the year to 31 March 2023.

Form of Engagement	Influence on Board decision making
Stakeholder: Registrar	
Review meetings and control reports.	The Directors review the performance of all third party service providers; this includes ensuring compliance with GDPR.
Stakeholder: Depositary andCustodian	
Regular statements and control reports received, with all holdings and balances reconciled.	The Directors review the performance of all third party providers, including oversight of securing the Company's assets.
Stakeholder: Advisers	
The Company relies on the expert audit, accounting and legal advice received from its Auditor, Administrator and Legal Advisers.	The Directors review the performance of all third party service providers.

As referred to in the Chairman's Statement, during the year the Company carried out a major debt reconstruction, which included the early repayment of the 9.375% Debenture Stock 2026; secured an additional £13 million of borrowings under an existing loan; increased the term of one of the loans to 2033; and completed its transition to a direct property investment trust. There were no other key decisions made in the year to 31 March 2023 that require to be disclosed.

Employee, environmental and human rights policy

As an investment trust company, the Company has no direct employee or environmental responsibilities, nor is it responsible for the emission of greenhouse gases. Its principal responsibility to Shareholders is to ensure that the investment portfolio is properly managed and invested. The Company has no employees and, accordingly, has no requirement to report separately on employment matters.

Management of the investment portfolio is undertaken by the Investment Manager through members of its portfolio management team. In light of the nature of the Company's business, there are no relevant human rights issues and, therefore, the Company does not have a human rights policy.

Independent auditor

The Company's Independent Auditor is required to report if there are any material inconsistencies between the content of the Strategic Report and the Financial Statements. The Independent Auditor's Report can be found on pages 71 to 79.

Future strategy

The Board and the Investment Manager intend to maintain the strategic policies set out above for the year ending 31 March 2024 as it is believed that these are in the best interests of Shareholders.

The Company's Viability Statement is included in the Directors' Report on page 46.

Approval

This Business Review, and the Strategic Report as a whole, was approved by the Board of Directors and signed on its behalf by:

John Kay
Chairman

26 June 2023

York

Governance Report

John Kay
Chairman

Sir 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 was a director of Scottish Mortgage Investment Trust. John was knighted in the Queen's 2021 Birthday Honours List for services to economics, finance and business. He was appointed as a Director on 4 February 1994 and as Chairman on 8 July 2022 and is a member of the Audit and Management Engagement and Nomination Committees.

Matthew Oakeshott

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 is chairman of OLIM Property Limited, which manages the Company's property portfolio. Matthew is one of the original founders of the Company having served previously on the Board from 1 April 2007 to 1 April 2019. He was re-appointed as a Director on 10 September 2020.

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 as a Director on 10 July 2009 and chairs the Audit and Management Engagement Committee and the Nomination Committee.

Jo Valentine

Baroness Josephine Valentine was appointed as a Director on 13 November 2020. She is a crossbench member of the House of Lords and her other current non-executive roles include, chair of Heathrow Southern Railway Ltd and co-director of Place for Business in the Community. Other previous roles have included chief executive of London First; an investment banker at Barings Bank; head of the corporate finance and planning function at The BOC Group; a National Lottery commissioner; a member of the Board of Governors for The Peabody Trust, a London housing association; a non-executive director of HS2 and of Crossrail; and a board member of a Triple Point venture capital trust. Jo is the Company's Senior Independent Director and a member of the Audit and Management Engagement and Nomination Committees.

Lucy Winterburn

Lucy Winterburn was appointed as Director on 1 August 2022. She is also a Director in Savills Investment Management's UK Investment Team and is the Fund Manager for a FTSE 100 Corporate Pension Fund, invested throughout the UK across all commercial property sectors. After graduating from Aberdeen University, Lucy joined Savills in 1996 on their graduate training scheme, qualifying as a Chartered Surveyor in 1998. Lucy is a member of the Company's Audit and Management Engagement and Nomination Committees.

All Directors, other than Matthew Oakeshott, are members of the Audit and Management Engagement Committee and the Nomination Committee.

All Directors, other than Matthew Oakeshott, are also directors of Value and Indexed Property Income Services Limited.

The Directors submit their report together with the Financial Statements of the Group and the Company for the year ended 31 March 2023. A summary of the financial results for the year can be found in the Highlights of the year and Financial record in the Business Review on page 33. Details of the final dividend for the year are set out in the Chairman's Statement and in the Business Review within the Strategic Report. The Statement of Corporate Governance, which forms part of this Directors' Report, is shown on pages 58 to 65.

Principal activity and status

The Company has applied for and has been accepted as an approved investment trust under Sections 1158 and 1159 of the Corporation Tax 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 is a member of the AIC, and its Ordinary Shares are listed on the London Stock Exchange.

Regulatory status

As an investment trust company pursuant to Section 1158 of the Corporation Tax Act 2010, the rules of the FCA in relation to non-mainstream investment products do not apply to the Company.

Going concern

The Group and the Parent Company's business activities, together with the factors likely to affect their future development and performance, are set out in the Directors' Report, and the financial position of the Group and of the Parent Company is described in the Chairman's Statement within the Strategic Report. In addition, Note 21 to the Financial Statements includes: the policies and processes for managing the financial risks; details of the financial instruments; and the exposures to market risk (price risk and interest rate risk), liquidity risk, credit risk and property risk. The Directors believe that the Group and the Parent Company are well placed to manage their business risks.

Following a detailed review, the Directors have a reasonable expectation that the Group and the Parent Company have adequate financial resources to enable them to continue in operational existence for the foreseeable future, being at least 12 months from approval of the Financial Statements, and accordingly, they have continued to adopt the going concern basis (as set out in Note 1(b) to the Financial Statements on page 89) when preparing the Annual Report and Financial Statements.

Viability statement

For the purposes of this Viability Statement, references to "the Company" shall include the Group and the Parent Company. In accordance with Provision 31 of the UK Corporate Governance Code, published in July 2018 and Principle 36 of the AIC Code of Corporate Governance, published in February 2019 (the Codes), the Board has considered the Company's prospects and risks for the forthcoming five-year period to 31 March 2028. The Board considers that this five-year period is appropriate for an investment trust company of its size and based on the financial position of the Company as detailed in the Chairman's Statement, the Manager's Report and the Business Review of this Annual Report.

In making this statement, the Board carried out a robust assessment of the principal and emerging risks facing the Company as set out in the Business Review, including those that might threaten its business model, future performance, solvency, or degree of liquidity within the portfolio. The Board concentrated its efforts on the major factors that affect the economic, regulatory, and political environment, including the recent COVID-19 pandemic, the impact of the current cost of living crisis, rising interest rates and increasing inflation, all being experienced in the UK at present, and the ongoing war in Ukraine.

The Board has considered the Company's financial position and its ability to liquidate its portfolio and meet its liabilities and draws attention to the following points which the Board took into account in its assessment of the Company's future viability:

a. The property portfolio was valued at £150.5m as at 31 March 2023. The loan facilities expiring in 2026 and 2033 require security of £88.625m.

b. The Company is closed ended in nature and, therefore, does not require to sell investments when Shareholders wish to sell their shares.

c. The Board has considered the risks faced by the Company as detailed in the Business Review and referred to in Note 21 to the Financial Statements on pages 106 to 112 and have concluded that the Company would be able to take appropriate action to protect the value of the Company.

d. Due to the nature of the business of the Company and the nature of its investments and to the Company's long history, the Board are able to conclude that expenses are predictable and modest in relation to asset values. There is a significant proportion of expenses on an ad valorem basis (management fees to 31 March 2023 are 21.7% of total expenses) which reduces as NAV declines. Expenses including interest were covered 1.93 times by income in the year.

e. There are no capital commitments currently foreseen that would alter the Board's view.

f. Details of the financial covenants which the Company complies with are detailed in Note 12 to the Financial Statements on pages 102 and 103.

In assessing the Company's future viability, the Board have assumed that investors will wish to continue to have exposure to the Company's activities, in the form of a closed ended entity; performance will continue to be satisfactory; and the Company will continue to have access to sufficient capital.

Accordingly, given the above, the Board has concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five years ending 31 March 2028.

Financial instruments

The Company's financial instruments comprise its investment portfolio, cash balances and debtors and creditors that arise directly from its operations, including accrued income and purchases and sales awaiting settlement. The main risks that the Company faces arising from its financial instruments are disclosed in Note 21 to the Financial Statements.

Global greenhouse gas emissions

The Company is a low energy user and is, therefore, exempt from the reporting obligations under the Companies (Director's Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implement the Government's policy on Streamlined Energy and Carbon Reporting (SECR). The Company has no greenhouse gas emissions to report from the operations of the Company, nor does it have any direct responsibility for any emissions producing sources, including those within its underlying investment portfolio under Part 7 of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended.

Share capital and voting rights

As at 31 March 2023, and as at the date of approval of this Annual Report, the Company's share capital comprised 43,012,464 Ordinary Shares of 10p nominal value in issue and 2,537,511 Ordinary Shares of 10p nominal value held in Treasury (31 March 2022: 43,557,464 Ordinary Shares of 10p nominal value in issue and 1,922,511 Ordinary Shares of 10p nominal value in Treasury).

Each Ordinary Share in issue 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 Directors who held office at the year end and as at the date of this Annual Report are shown in the Directors' Details section on page 44 of this Annual Report.

The Directors' interests in the shares of the Company at the year end are shown in the table on page 57. The Directors' interests were unchanged at the date of this Annual Report.

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

The Directors take the view, in line with the AIC Code of 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.

Accordingly, all Directors who served during the year, other than Matthew Oakeshott, are considered by the Board to be independent. Matthew Oakeshott is not considered to be independent as he is chairman of OLIM Property, the Investment Manager, and a substantial Shareholder.

Notwithstanding the provisions in the Articles, in accordance with the AIC Code, the Board has agreed that all Directors should be subject to annual re-election.

During the year under review, the Nomination Committee undertook a review of the composition of the Board, and after considering a number of potential candidates, recommended to the Board that Lucy Winterburn be appointed as a Non-executive Director. On 26 July 2022, on the recommendation of the Nomination Committee, the Board announced the appointment of Lucy Winterburn to the Board. Lucy qualified as a Chartered Surveyor in 1998 and is a Director in Savills Investment Management's UK Investment Team and is the Fund Manager for a FTSE 100 Corporate Pension Fund invested throughout the UK across all commercial property sectors. Lucy will stand for election by Shareholders at the 2023 AGM, being the first AGM following her appointment.

No external search consultancy was used by the Company during the year ended 31 March 2023.

The Nomination Committee reviewed the skills, experience and independence of John Kay, Matthew Oakeshott, David Smith, Jo Valentine and Lucy Winterburn, being the Directors standing for election/re-election, and has no hesitation in recommending to the Board and to Shareholders their election/re-election as Directors at the AGM.

The Board confirms that, following a formal process of evaluation, the performance of each Director standing for election/re-election continues to be effective and all Directors have demonstrated commitment to their roles.

John Kay is an economist with over 35 years investment trust experience. He was knighted in the Queen's 2021 Birthday Honours List for services to economics, finance and business. John is the Chairman of the Company.

Matthew Oakeshott is one of the original founders of the Company and had served on the Board previously for a number of years. He has extensive investment trust experience and is the chairman of OLIM Property Limited, (OLIM Property) the Company's Investment Manager.

David Smith was a partner in the legal firm Shepherd & Wedderburn LLP for 34 years, specialising in commercial property. David is the Chair of the Audit and Management Engagement Committee and Nomination Committee.

Jo Valentine has extensive corporate finance experience and has previously worked as an investment banker with many years' experience in holding senior positions on other boards. Jo is the Company's Senior Independent Director.

At the time of her appointment, the Chairman stated that Lucy Winterburn's property experience would be invaluable as the Company completes its transition to a direct property investment trust.

Further information on the qualifications, skills, and experience of the Directors subject to election/re-election can be found in the Directors' Details section on page 44 of this Annual Report.

The Board believes that, for the above reasons, the contribution of each Director continues to be important to the continued long-term success of the Company, as the combined skills and experience ensure a balanced Board of Directors with a wealth of knowledge and understanding in the key areas that are relevant to the Company. It is, therefore, believed to be in the best interests of Shareholders that those Directors standing for election/re-election be elected/re-elected and Resolutions to this effect will be proposed at the 2023 AGM.

Investment management

The Company complies with the AIFMD which came into force on 22 July 2014. An investment management agreement was entered into by the Company (effective from 22 July 2014) in which the Company appointed VIS, a wholly owned subsidiary of the Company, as its AIFM. Under a separate updated and restated investment management agreement entered into by the Company and VIS on 15 May 2015 (and further revised on 20 September 2018 and 5 November 2020), VIS has contractually delegated its management responsibilities for the property portfolio to OLIM Property.

The investment management agreement provides that, with effect from 1 October 2020, VIP shall pay to OLIM Property a management fee of 0.6% per annum of the total value of VIP's assets (such assets being valued at quarterly valuation dates on 31 March, 30 June, 30 September, and 31 December in each year). There is no performance fee.

Accordingly, during the year ended 31 March 2023, OLIM Property received an annual investment management fee of £990,000 (2022 - £1,090,000) excluding VAT.

The Directors, together with the Audit and Management Engagement Committee and the Directors of VIS, review the performance of the Investment Manager and review the terms and conditions of its appointment on a regular basis.

Following this review, the Directors are satisfied that the continuing appointment of OLIM Property as Investment Manager is in the best interests of Shareholders as a whole, as the Company benefits from the specialised team of investment professionals within OLIM Property.

The costs and expenses of VIS are also met by the Company.

An additional fee is payable to the Company Secretary, Maven Capital Partners UK LLP, in respect of company secretarial and administrative services.

Substantial interests

As at 31 March 2023, the only persons known to the Company who, directly or indirectly, were interested in 3% or more of the issued ordinary share capital of the Company were as follows:

Shareholder	Number of Ordinary Shares	% held
RATHBONE NOMINEES LIMITED*	12,820,383	29.81%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	6,866,192	15.96%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	4,611,391	10.72%
SMITH & WILLIAMSON NOMINEES LIMITED	1,489,716	3.46%

* Included in the Rathbones Nominees Limited holding is 11,555,000 Ordinary Shares (26.86%) held by Matthew Oakeshott, as detailed on page 57.

As at 22 June 2023, being the last practicable date prior to the publication of this Annual Report, the only persons known to the Company who, directly or indirectly, were interested in 3% or more of the Company's issued ordinary share capital were as follows:

Shareholder	Number of Ordinary Shares	% held
RATHBONE NOMINEES LIMITED*	12,784,834	29.72%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	6,876,466	15.98%
HARGREAVES LANSDOWN (NOMINEES) LIMITED	4,578,235	10.64%
SMITH & WILLIAMSON NOMINEES LIMITED	1,360,716	3.16%

* Included in the Rathbones Nominees Limited holding is 11,555,000 Ordinary Shares (26.86%) held by Matthew Oakeshott, as detailed on page 57.

Independent auditor

BDO LLP were appointed as the Company's Independent Auditor on 19 March 2020.

The Directors are of the view that the Company's Independent Auditor should continue in office and Resolutions 10 and 11 will be proposed at the 2023 AGM to propose the re-appointment of BDO LLP and to authorise the Directors to fix its remuneration. The Directors have received assurances from BDO LLP that they are independent and objective and the Directors remain satisfied that objectivity and independence is being safeguarded by BDO LLP. No non-audit services were provided by BDO LLP to the Company and, accordingly, no non-audit fees were paid to BDO LLP during the year to 31 March 2023.

The Directors confirm that, as far as they are each aware, as at the date of this Annual 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

Information relating to dividends, likely future developments and important events since the year end, are detailed in the Chairman's Statement on pages 8 and 9 and in the Business Review on pages 32 to 41. 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, or their related voting rights, other than certain restrictions which may from time to time be imposed by law (for example, the Market Abuse Regulation). 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 may only be amended by the passing of a Special Resolution at a general meeting of Shareholders.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held on Wednesday, 2 August 2023 at 12.30pm at the Kingham Room, Broadway House Conference Centre, Tothill Street, London SW1H 9NQ and related notes may be found on pages 125 to 129 of this Annual Report.

The Board encourages Shareholders to vote at the AGM and votes can be submitted by hard copy proxy form, via CREST, or electronically using the Registrar's share portal service at www.investorcentre/eproxy. Please refer to the notes to the Notice of Annual General Meeting on pages 127 to 129 of this Annual Report.

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

Among the Resolutions being put to the AGM, the following is a more detailed explanation of Resolutions 12 to 15. Resolutions 1 to 11 are self-explanatory and require no further explanation.

Issue of Ordinary Shares by the Company

Resolution 12, which is an Ordinary Resolution, will, if passed, renew the Directors' authority to allot new Ordinary Shares up to a nominal value of £430,124. This will allow the Directors to allot up to 4,301,240 Ordinary Shares (being approximately 10% of the total ordinary issued share capital of the Company as at the date of the Notice of Annual General Meeting set out on pages 125 to 129 of this Annual Report) (excluding Treasury shares).

During the year ended 31 March 2023, no Ordinary Shares were allotted (2022: nil).

Limited disapplication of pre-emption rights

Resolution 13, which is a Special Resolution, will, if passed, renew the Directors' existing authority to allot new shares or sell Treasury shares for cash without the shares first being offered to existing Shareholders in proportion to their existing holdings. This will give the Directors authority to make limited allotments or sell shares from Treasury of up to a nominal value of £430,240, being up to 4,301,240 Ordinary Shares, representing approximately 10% of the total ordinary issued share capital. The authority to issue shares on a non pre-emptive basis includes shares held in Treasury (if any) which the Company sells or transfers, including pursuant to the authority conferred by Resolution 12. Since the introduction of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 on 1 December 2003, a listed company is able to hold shares that it has repurchased in Treasury rather than cancel them.

New Ordinary Shares will only be issued at prices representing a premium to the last published net asset value per share.

Purchase of the Company's Ordinary Shares

During the year ended 31 March 2023, 545,000 Ordinary Shares were bought back by the Company to be held in Treasury, (2022: nil shares bought back and held in Treasury).

As at the date of the approval of this Annual Report, there were 2,537,511 Ordinary Shares held in Treasury.

The Company's buy back authority was last renewed at the AGM held on 8 July 2022. Special Resolution 14 renews the Board's authority to make market purchases of the Company's Ordinary Shares in accordance with the provisions contained in the Companies Act 2006 and the FCA Listing Rules. Accordingly, the Company will seek the authority to purchase up to a maximum of 14.99% of the issued ordinary share capital (excluding Treasury shares) at the date of passing of Resolution 14 (being approximately 6,447,568 Ordinary Shares as at the latest practicable date prior to the publication of this Annual Report) at a minimum price of not less than 10 pence per share (being the nominal value). Under the Listing Rules of the FCA, the maximum price that may be paid on the exercise of this authority must not exceed the higher of: (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares over the five business days immediately preceding the date of purchase; and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out.

The authorities being sought under Resolutions 12, 13 and 14 shall expire at the conclusion of the AGM in 2024 or, if earlier, on the expiry of 15 months from the date of the passing of Resolutions 12, 13 and 14 unless such authority is renewed prior to such time. The Directors will only exercise these authorities if they believe it is advantageous and in the best interests of Shareholders and would result in an increase in the net asset value per share. Any Ordinary Shares purchased shall either be cancelled or held in Treasury.

Notice of Meeting

Under the Companies Act 2006, the notice period for the holding of general meetings of the Company is 21 clear days unless Shareholders agreed to a shorter notice period and certain other conditions are met. Resolution 15, which is a Special Resolution, will be proposed to authorise the Directors to call general meetings of the Company (other than AGMs) on not less than 14 clear days' notice, as permitted by the Companies Act 2006 amended by the Companies (Shareholders' Rights) Regulations 2009.

It is currently intended that this flexibility to call general meetings on shorter notice will only be used for non-routine business and where considered to be in the interests of all Shareholders. If Resolution 15 is passed, the authority to convene general meetings on not less than 14 clear days' notice will remain effective until the conclusion of the AGM in 2024 or, if earlier, on the expiry of 15 months from the date of passing of Resolution 15, unless renewed prior to such time.

Recommendation

Your Board considers Resolutions 1 to 12 inclusive, which are all Ordinary Resolutions, and Resolutions 13 to 15 inclusive, which are all Special Resolutions, to be in the best interests of the Company and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that Shareholders vote in favour of Resolutions 1 to 15 inclusive to be proposed at the AGM to be held on Wednesday, 2 August 2023.

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

26 June 2023

This report has been prepared in accordance with the requirements of the Companies Act 2006. An Ordinary Resolution for the approval of this report will be put to the members of the Company at the forthcoming AGM. The law requires the Company's Auditor to audit certain of the disclosures made. Where disclosures have been audited, they are indicated as such, and the Auditor's opinion is included in their report on pages 71 to 79.

The Nomination Committee of the Board, chaired by David Smith, fulfils the functions of a remuneration committee in relation to setting the level of Directors' fees and the Remuneration Policy. As none of the Directors is an executive director, the Company is not required to comply with the Principles of the UK Corporate Governance Code in respect of executive directors' remuneration.

As at 31 March 2023, and as at the date of this Annual Report, the Company had five Directors and their biographies are shown in the Directors' Details section on page 44 of this Annual Report. The names of the Directors who served during the year together with the fees paid during the year are shown in the table on page 55.

Remuneration policy

The Company's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole and be fair and comparable with that of other investment trust companies that are similar in size, have a similar capital structure and a similar investment objective. Directors are remunerated in the form of fees, payable monthly in arrears, to the Director personally or to a third party specified by him or her. The fees for the Directors are determined within the limits set out in the Company's Articles of Association, which limit the aggregate of the fees payable to the Directors to £200,000 and the approval of Shareholders in general meeting would be required to change this limit. It is intended that the fees payable to the Directors should reflect their duties, responsibilities, and the value and amount of time committed to the Company's affairs, and should also be sufficient to enable candidates of a high quality to be recruited and retained. The Directors do not receive bonuses, pension benefits, share options, long-term incentive schemes or other benefits, and the fees are not specifically related to the Directors' performance, either individually or collectively.

A copy of the Remuneration Policy may be inspected by the members of the Company at its registered office.

It is the Board's intention that the above Remuneration Policy be put to a Shareholders' vote at least once every three years and, as a resolution was approved at the AGM held in 2020, an Ordinary Resolution for its approval for the three years to 31 March 2026 will next be proposed at this year's AGM.

At the AGM held on 3 September 2020, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Policy for the three years to 31 March 2023 was as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Policy	99.50	0.50	275,095

During the year ended 31 March 2023, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, as defined above, the Committee expects, from time to time, to review the fees paid to the directors of other investment trust companies.

During the year ended 31 March 2023, the Nomination Committee carried out a review of the remuneration policy and the level of Directors' fees and it was resolved that as the rates of remuneration had remained unchanged since 1 April 2020, and given the increased activity during the year to reconstruct the Company's debt and complete the transition to a direct property investment trust, together with rising inflation, the rates should be increased by approximately 10% for each Director with effect from 1 April 2023. Accordingly, the rates for the year to 31 March 2024, will be £33,000 for the Chairman, £27,000 for the Chairman of the Audit and Management Engagement Committee and £24,500 for each other Director. It was further resolved that these revised fees would be fixed for the year to 31 March 2024 and for the year to 31 March 2025.

An Ordinary Resolution to approve this Directors' Remuneration Report will be put to Shareholders at the 2023 AGM. At the AGM held on 8 July 2022, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 31 March 2022 was as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Policy	95.44	4.56	12,498

Directors' fees and total remuneration (audited)

The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The Directors' fees for the years ended 31 March 2021, 31 March 2022, 31 March 2023, and projected fees for the year ending 31 March 2024, respectively are as follows:

	Directors' fees (fixed) Year ended 31 March 2021 £	% change for the year to 31 March 2021	Directors' fees (fixed) Year ended 31 March 2022 £	% change for the year to 31 March 2022	Directors' fees (fixed) Year ended 31 March 2023 £	% change for the year to 31 March 2023	Directors' fees (fixed) Year ending 31 March 2024 £
James Ferguson[1]	30,000	3.9	30,000	0.0	8,145	–	–
John Kay[2]	22,000	4.8	22,000	0.0	27,828	10.0	33,000
Dominic Neary[3]	22,000	4.8	6,860	0.0	–	–	–
Matthew Oakeshott[4]	–	–	–	–	–	–	–
David Smith (Chair of the Audit and Management Engagement Committee)	24,500	4.3	24,500	0.0	24,500	10.0	27,000
Jo Valentine[5]	8,433	4.8	22,000	0.0	22,000	10.0	24,500
Lucy Winterburn[6]	–	–	–	–	14,667	10.0	24,500
Total	106,933		105,360		97,140		109,000

1 James Ferguson retired as Chairman and from the Board following the conclusion of the 2022 AGM.

2 John Kay was appointed as Chairman following the conclusion of the 2022 AGM.

3 Dominic Neary retired from the Board following the conclusion of the 2021 AGM.

4 Matthew Oakeshott was appointed as a Director on 10 September 2020. No additional fees are payable to Mr Oakeshott for his services as a Director.

5 Jo Valentine was appointed as a Director on 13 November 2020.

6 Lucy Winterburn was appointed as a Director on 1 August 2022.

The above amounts exclude any employers' national insurance contributions, if applicable. No other form of remuneration was received by the Directors and no Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 31 March 2023 (2022: £nil).

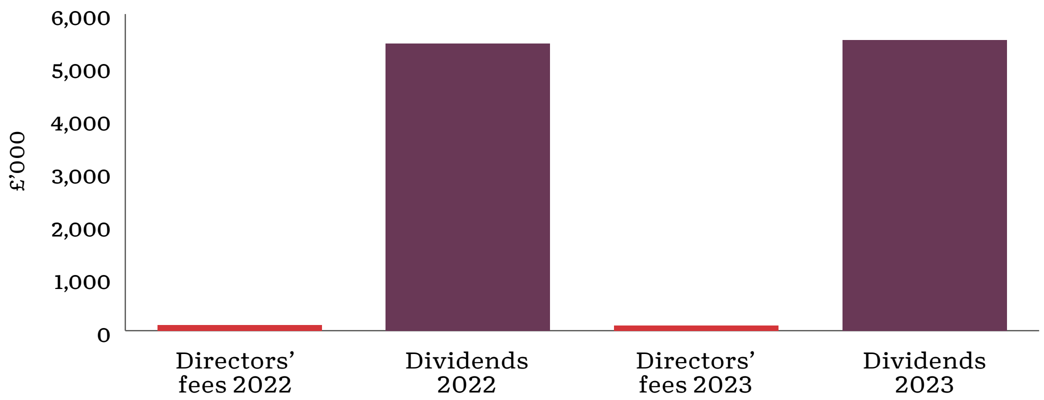
Directors do not have service contracts, but new Directors are provided with a letter of appointment. The terms of appointment provide that Directors should retire and be subject to election at the first AGM after their appointment. The Company's Articles require all Directors to retire by rotation at least every three years. As noted in the Directors' Report, the Board has decided that, in accordance with the AIC Code, all Directors should stand for annual re-election. There is no notice period and no provision for compensation upon early termination of appointment, save for any arrears of fees which may be due.

During the year ended 31 March 2023, no communication had been received from Shareholders regarding Directors' remuneration.

Relative cost of Directors' remuneration

The chart below shows, for the years ended 31 March 2022 and 31 March 2023, the cost of Directors' fees compared with the level of dividend distribution.

Relative Cost of Directors' Remuneration



As noted in the Strategic Report, none of the Directors is executive and, therefore, the Company does not have a chief executive officer, nor does it have any employees. In the absence of a chief executive officer or employees, there is no related information to disclose.

Directors' and Officers' liability insurance

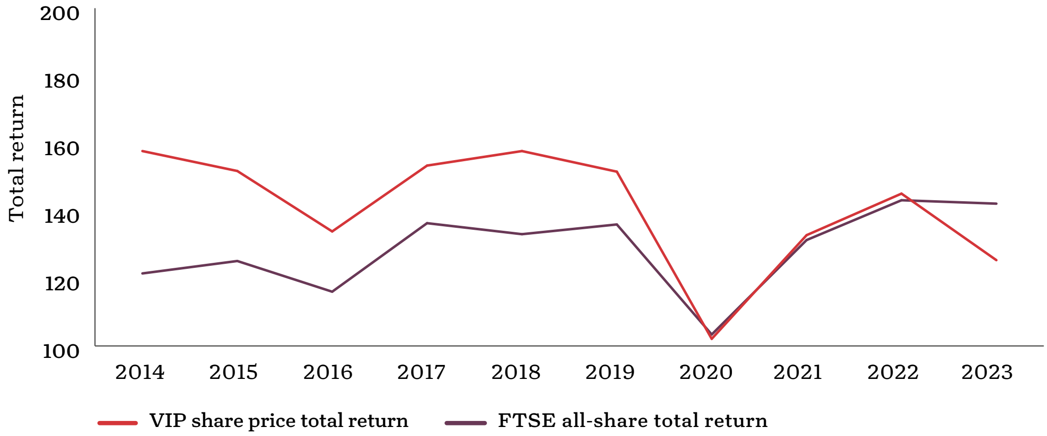
The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

Company performance

The Board is responsible for the Company's investment strategy and performance, although the management of the Company's investment portfolio is delegated to the Investment Manager through the investment management agreement, as referred to in the Directors' Report.

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 31 March 2023, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE All-Share Index is calculated. This index was chosen for comparison purposes as it was the most relevant to the Company's investment portfolio for the ten year period under review.

Cumulative total return for the ten year period ended 31 March 2023
(figures rebased to 100)



Directors' interests (audited)

The Directors' interests in the share capital of the Company as at 31 March 2023, 31 March 2022, and as at the date of this Annual Report are shown below. There is no requirement for Directors to hold shares in the Company.

	31 March 2023 Ordinary Shares of 10p each	31 March 2022 Ordinary Shares of 10p each
John Kay	238,114	238,114
John Kay – Family	19,274	19,274
John Kay – as Trustee	74,830	74,830
Matthew Oakeshott & family	4,500,000	4,500,000
Matthew Oakeshott – the AIL Pension Scheme	2,555,000	2,555,000
Matthew Oakeshott - The Coltstaple Charitable Trust	4,500,000	4,500,000
David Smith	19,320	19,320
Jo Valentine	13,500	13,500
Lucy Winterburn	–	N/A

Approval

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

David Smith
Director

26 June 2023

The Company is committed to, and is accountable to the Company's Shareholders for, a high standard of corporate governance. The Board has put in place a framework for corporate governance that it believes is appropriate for an investment trust company and enables it to comply with The UK Corporate Governance Code (the Code), which is available from the website of the FRC at www.frc.org.uk.

During the year under review, the Company was a member of the Association of Investment Companies (AIC), which published a revised version of its own AIC Code of Corporate Governance (the AIC Code) in February 2019. The Board has adopted the principles of the AIC Code and reports on compliance with these below. The AIC Code provides a comprehensive guide to best practice in certain areas of governance where the specific characteristics of investment trusts suggest alternative approaches to those set out in the Code.

The key requirements of the AIC Code include:

- a requirement for the annual re-election of all directors of all investment companies;
- a requirement that a board should understand the views of its company's key stakeholders and describe in the annual report how their interests and the matters set out in Section 172 of the Companies Act 2006 (the duty to promote the success of the company) have been considered in board discussions and decision making;
- that the chairman of an investment company may now remain in post beyond nine years from the date of first appointment by the board. Notwithstanding this more flexible approach, the board is required to determine and disclose a policy on the tenure of the chairman.

The AIC Code is available from the AIC website at www.theaic.co.uk.

This Statement of Corporate Governance forms part of the Directors' Report.

Application of the main principles of the AIC code

This statement describes how the main principles identified in the AIC Code have been applied by the Company throughout the year, as is required by the Listing Rules of the FCA.

The Board has considered the Principles and Provisions of the AIC Code, which address the Principles and Provisions set out in the Code, as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the FRC, provides more relevant information to Shareholders. The endorsement by the FRC means that by reporting against the AIC Code, the Company is meeting its obligations under the Code and the associated disclosure requirements of the Listing Rules, and as such does not need to report further on issues contained in the Code which are irrelevant to them. These include:

- Provision 9 (dual role of chairman and chief executive);
- Provision 19 (tenure of the chair);
- Provision 25 (internal audit function); and
- Provision 33 (executive remuneration).

The Board is of the opinion that the Company has complied fully with the Principles and Provisions of the AIC Code.

The Board

As at the date of this Annual Report, the Board consists of two female and three male Directors. Biographies of the current Directors are shown on page 44 and indicate their high level and range of investment, industrial, commercial and professional experience.

Other than Matthew Oakeshott, who is chairman of OLIM Property and a substantial Shareholder, all other Directors who served during the year are considered by the Board to be independent of the Investment Manager and free of any material relationship with the Investment Manager. The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters 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. These matters include:

- 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 any share buy backs and share issues;
- succession planning including Board appointments and removals and the related terms;
- the appointment and removal of the AIFM, the Investment Manager and the terms and conditions of the investment management agreement relating thereto;
- terms of reference and membership of Board Committees; and
- London Stock Exchange/ Financial Conduct 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 a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006.

There is an agreed procedure for Directors to take independent professional advice, if necessary, at the Company's expense.

The Directors have access to the advice and services of the Company Secretary, Maven Capital Partners UK LLP, through its appointed representatives who are responsible to the Board:

- for ensuring that Board procedures are complied with;
- under the direction of the Chairman, for ensuring good information flows within the Board and its Committees; and
- for advising on corporate governance matters.

An induction meeting will be arranged on the appointment of any new Director, covering details about the Company, the AIFM, the Investment Manager, legal responsibilities, and investment trust industry matters.

Directors are provided, on a regular basis, with key information on the Company's policies, regulatory and statutory requirements and internal controls. Changes affecting Directors' responsibilities are advised to the Board as they arise.

John Kay is Chairman of the Company.

Jo Valentine is the Company's Senior Independent Director.

David Smith is Chair of the Nomination Committee as the other Directors consider that he has the skills and experience relevant to that role. There is no Remuneration Committee as the Nomination Committee is responsible for considering appointments to the Board and reviewing the level of Directors' fees. David Smith also chairs the Audit and Management Engagement Committee as the other Directors consider that he has the skills and experience relevant to that role.

The Board meets at least four times each year.

The primary focus of quarterly Board Meetings is a review of investment performance and related matters including asset allocation, peer group information and industry issues. Between meetings, the Board maintains contact with the Investment Manager and has access to senior members of the management teams and to the company secretarial team.

During the year ended 31 March 2023, the Board held four quarterly Board Meetings; and five meetings of a Committee of the Board to approve the release of financial results, approve changes to one of the loan agreements; and approve the appointment of Lucy Winterburn. In addition, there were three meetings of the Nomination Committee and two meetings of the Audit and Management Engagement Committee.

Accordingly, Directors have attended Board and Committee Meetings during the year ended 31 March 2023[1] as follows:

	Board	Board Committee	Audit and Management Engagement Committee	Nomination Committee
John Kay	4 (4)	3 (5)	2 (2)	3 (3)
James Ferguson[2]	2 (2)	2 (2)	1 (1)	1 (1)
Matthew Oakeshott	4 (4)	5 (5)	N/A	N/A
David Smith	4 (4)	3 (5)	2 (2)	3 (3)
Jo Valentine	4 (4)	3 (5)	2 (2)	3 (3)
Lucy Winterburn[3]	2 (2)	1 (2)	1 (1)	1 (1)

1 The number of meetings which the Directors were eligible to attend is in brackets.
2 James Ferguson retired from the Board following the conclusion of the 2022 AGM.
3 Lucy Winterburn was appointed as a Director on 1 August 2022.

To enable the Board to function effectively and allow Directors to discharge their responsibilities, full and timely access is given to all relevant information. In the case of Board Meetings, this consists of a comprehensive set of papers, including the Investment Manager's review and discussion documents regarding specific matters. The Directors make further enquiries when necessary.

The Nomination Committee has undertaken a formal performance evaluation of the Chairman, the other Directors and the Board as a whole. The evaluation of the Chairman is led by the Senior Independent Director, Jo Valentine. The Board considered having an externally facilitated board evaluation, but after discussion, agreed that the current process worked well based on the size of the Board.

Directors' terms of appointment and policy on tenure

All Directors are appointed for an initial period of three years, subject to re-election and Companies Act provisions and, in accordance with the Articles, stand for election at the first AGM following their appointment. The Articles state that Directors must offer themselves for re-election at least once every three years. Notwithstanding the Articles, the Board has determined that in accordance with the AIC Code, all Directors should be subject to annual re-election.

The Board subscribes to the view expressed in the AIC Code that long-serving Directors should not be prevented from forming part of an independent majority. It does not consider that a Director's tenure necessarily reduces his ability to act independently and, following a formal performance evaluation, believes that each Director is independent in character and judgement and that there are no relationships or circumstances which are likely to affect the judgement of any Director. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. The policy on tenure and the independence of each Director is reviewed on an annual basis, before the re-election of any Director is recommended, and the Board considers the need for regular refreshment of the Directors prior to doing so. The Company has no executive Directors or employees.

Committees

Each of the Committees has been established with written terms of reference. The terms of reference of each of the Committees, which are available on request from the Registered Office of the Company, are reviewed and reassessed for their adequacy at least annually.

Audit and Management Engagement Committee

Information regarding the composition, responsibilities and activities of the Audit and Management Engagement Committee is detailed in the Report of the Audit and Management Engagement Committee on pages 68 to 70.

Nomination Committee

The Nomination Committee comprises all of the independent Directors and is chaired by David Smith. Matthew Oakeshott is not a member of the Nomination Committee as he is not considered by the Board to be independent. As the Board has not established a Remuneration Committee, the Nomination Committee fulfils the functions of a remuneration committee in relation to setting the level of Directors' fees and the remuneration policy. The Nomination Committee met three times during the year. The Committee makes recommendations to the Board on the following matters:

- the evaluation of the performance of the Board and its Committees;
- reviewing the Board structure, size, composition and age profile (including the skills, knowledge, experience and diversity (including gender);
- succession planning;
- the identification and nomination of candidates to fill Board vacancies, as and when they arise, for the approval of the Board;
- the tenure and re-appointment of any non-executive Director on an annual basis;
- proposals for the re-election by Shareholders of any Director on an annual basis, having due regard to the provisions of the AIC Code, the Director's performance and ability to contribute to the Board and long-term success of the Company;
- the continuation in office of any Director at any time;
- the appointment of any Director to another office, such as Chairman of the Audit and Management Engagement Committee, other than to the position of Chairman; and
- reviewing the level of Directors' fees.

Board diversity policy

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board (and the Committees of the Board) in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, education, professional background, ethnicity, sexual orientation, disability and socio-economic backgrounds in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and the Board does not, therefore, consider it appropriate to set measurable objectives in relation to its diversity.

At 31 March 2023, there were three male and two female Directors on the Board. One of the male Directors is Chairman of the Company; one of the male Directors is Chair of the Audit and Management Engagement Committee and Chair of the Nomination Committee; and one of the female directors is the Company's Senior Independent Director. None of the Directors is from a minority ethnic background.

In accordance with the FCA's Listing Rule 9.8.6R (9)(a), the table below reports on gender identity or sex and ethnic background within the Board as at 31 March 2023.

	Number of Board Members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	% of Executive Management
Men	3	60	1	0	0
Women	2	40	1	0	0
White British or other White (including minority-white groups)	5	100	2	0	0
Minority ethnic background	0	0	0	0	0

1. Following the appointment of Lucy Winterburn to the Board on 1 August 2022, the Company complies with the FCA's diversity target that 40% of individuals on the Board are to be women.
2. Following the appointment of Jo Valentine as Senior Independent Director on 8 July 2022, the Company complies with the FCA's diversity target that one of the senior positions on the Board is to be held by a woman.
3. The Company does not comply currently with the FCA's diversity target that requires one individual on the Board to be from a minority ethnic background. As referred to above, in view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, in doing so, the Board will seek to meet the FCA's diversity targets.

External agencies

The Board has contractually delegated to external agencies, certain services: the depositary and custodial services (which include the safeguarding of assets); the registration services; and the day-to-day accounting and company secretarial requirements. Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers reports from the external agencies on a regular basis. In addition, ad hoc reports and information are supplied to the Board as requested.

As the AIFM, VIS has responsibility for the overall investment management and risk management of the assets of the Company. VIS has contractually delegated its day-to-day investment management responsibilities for the property portfolio to OLIM Property (the Investment Manager). The delegation by VIS of its investment management responsibilities is in accordance with the delegation requirements of the AIFMD. The Investment Manager remains subject to the supervision and direction of VIS and is responsible to VIS and ultimately to the Company in regard to the management of the investment of the assets of the Company in accordance with the Company's investment objective and policy. VIS has established a Risk Committee to keep under review the effectiveness of the Company's internal control and risk management systems and procedures and to identify, measure, manage and monitor the risks identified as affecting the Company's business.

Corporate governance and stewardship

The UK Stewardship Code 2020 sets high stewardship standards for those investing money on behalf of UK savers and pensioners, such as asset owners and asset managers (and those that support them). Stewardship is the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.

Socially responsible investment policy

The Directors and the Investment Manager are aware of their duty to act in the best interests of the Company and acknowledge that there are risks associated with investment in properties with tenants who fail to conduct their business in a socially responsible manner. Therefore, the Directors and the Investment Manager take account of the social, environmental and ethical factors that may affect the performance or value of the Company's investments. The Directors and the Investment Manager believe that a business run in the long-term interests of its shareholders should manage its relationships with its employees, suppliers and customers and behave responsibly towards the environment and society as a whole.

Communication with shareholders

The Company places a great deal of importance on communication with its Shareholders, all of whom are encouraged to attend and participate in the AGM, as this is the key forum for communication with Shareholders. The AGM is an event that all Shareholders are welcome to attend and participate in. The Notice of Annual General Meeting sets out the business of the AGM and the Resolutions are explained more fully in the Directors' Report and in the Directors' Remuneration Report. Separate Resolutions are proposed for each substantive issue and Shareholders have the opportunity to put questions to the Board and to the Investment Manager. The results of proxy voting are relayed to Shareholders after the Resolutions have been voted on by a show of hands. Nominated persons, often the beneficial owners of shares held for them by nominee companies, may attend shareholder meetings and are usually invited to contact the registered shareholder, normally a nominee company, in the first instance in order to be nominated to attend the meeting and to vote in respect of the shares held for them.

In addition, 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 can be found on page 130.

The Board aims to post the Annual Report to Shareholders at least twenty business days before the AGM. Annual and Interim Reports and Financial Statements are distributed to Shareholders and other parties who have an interest in the Company's performance.

Shareholders and potential investors may obtain up-to-date information on the Company through the Investment Manager and the Company Secretary. In order to ensure that the Directors develop an understanding of the views of Shareholders, correspondence between Shareholders and the Investment Manager or the Chairman is copied to the Board.

The Company's web pages are hosted on the Manager's website, and can be visited at https://www.olimproperty.co.uk/value-and-indexed-property-income-trust.html from where Annual and Interim Reports, Company Announcements and other information on the Company can be viewed, printed or downloaded.

Accountability and audit

The Statement of Directors' Responsibilities in respect of the Financial Statements is on page 66 and the Statement of Going Concern and the Viability Statement are included in the Directors' Report on pages 45 and 46. The Independent Auditor's Report is on pages 71 to 79.

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

26 June 2023

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with UK adopted international accounting standards and applicable laws and regulations.

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, and have elected to prepare the Company Financial Statements, in accordance with UK adopted international accounting standards. 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 Company and of the profit or loss for the Group and Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, subject to any material departures disclosed and explained in the Financial Statements;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

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.

The Directors are responsible for ensuring that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

The Directors are responsible for ensuring the Annual Report and Financial Statements are made available on a website. Financial Statements are published on the Company's web pages hosted by the Investment Manager in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's web pages is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the Financial Statements contained therein.

Directors' responsibility statement

Each Director confirms, to the best of his or her knowledge, that:

- the Financial Statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and Company; and that
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

The Directors confirm that the Annual Report and Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

For and on behalf of the Board of Value and Indexed Property Income Trust PLC

John Kay
Chairman

26 June 2023

The Audit and Management Engagement Committee is chaired by David Smith. The Committee comprises all of the independent Directors. Matthew Oakeshott is not a member of the Committee as he is not considered by the Directors to be independent. The Board is satisfied that at least one member of the Committee has recent and relevant financial experience, and that the Committee as a whole has competence relevant to the sector in which the Company operates.

Responsibilities

The principal responsibilities of the Committee include:

- the review of the effectiveness of the internal control environment of the Company, including the receipt of reports from the Investment Manager and the Administrator on a regular basis;
- the integrity of the Interim and Annual Reports and Financial Statements and reviewing any significant financial reporting judgements contained therein;
- the review of the terms of appointment of the Auditor, together with its remuneration;
- the review of the scope and results of the audit and the independence and objectivity of the Auditor;
- the review of the Auditor's Board Report and any required response;
- meetings with representatives of the Investment Manager;
- the review of the AIFM agreement and investment management agreement;
- providing advice on whether the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy; and
- making appropriate recommendations to the Board.

Internal control and risk management

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 "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" (the FRC Guidance), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. This process, which 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, in tandem with VIS, 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 principal and emerging 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 controls 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 Property regularly reports to VIS and to the Directors on the investment portfolio;
- OLIM Property's Compliance Officer keeps OLIM Property's operations under review;
- VIS regularly reports to the Directors on compliance with the AIFMD;
- written agreements are in place which specifically define the roles and responsibilities of VIS, OLIM Property and other third party service providers; and
- at its meeting in May 2023, the Audit and Management Engagement Committee carried out its annual assessment of internal controls and risk management for the year ended 31 March 2023 by considering documentation from OLIM Property and Maven Capital Partners UK LLP and by taking account of events since 31 March 2023.

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.

Assessment of key risks

The Company's policy is to invest in directly held UK commercial property and cash or near cash securities.

As the property portfolio is a significant element of the Financial Statements, the recognition and valuation of the property portfolio is, therefore, a key risk that requires the particular attention of the Committee.

Specifically, the risk is that investments are not recognised and measured in line with the Company's stated accounting policy on the valuation of the property portfolio. Similarly, as rental income is a major source of revenue for the Company and a significant element of the Statement of Comprehensive Income, the recognition of rental income is a further risk that requires the particular attention of the Committee.

Valuation, existence and ownership of the investment portfolio - How the risk was addressed

The Company uses the services of an independent depositary and custodian, BNP Paribas Trust Corporation UK Limited for the safe keeping of the Company's assets. The title deeds for the property portfolio are held by the Company's lawyers to the order of the Company. An annual internal control report is received from the Depositary and Custodian which provides details of the Depositary and Custodian's control environment.

The reconciliation of the records held by the Depositary and Custodian (and by the Company's lawyers in the case of the title deeds) to the records maintained by the Company's administrator is reviewed and tested by the Independent Auditor. The property portfolio is reviewed by OLIM Property regularly. Management accounts are prepared quarterly and considered at the quarterly meetings of the Board.

The valuation of the property portfolio is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(k) to the Financial Statements on page 91.

The Committee reviews and challenges the valuation of the investment properties. This includes review of the valuation report prepared by independent professional valuers. In addition, the Committee reviews the Financial Statements disclosures in line with the reporting framework.

The Committee satisfied itself that there were no issues associated with the existence and ownership of the Company's investments which required to be addressed.

Rental and dividend income recognition - How the risk was addressed

The recognition of rental and dividend income is undertaken in accordance with accounting policy Note 1(e) to the Financial Statements on page 90. The management accounts are reviewed by the Board on a quarterly basis and discussion takes place with the Investment Manager at the quarterly Board Meetings regarding the revenue generated from rental and dividend income. The Directors are satisfied that the levels of income recognised are in line with revenue estimates. The Committee concluded that there were no further issues associated with rental and dividend income recognition which required to be addressed.

Review of investment manager and risk reporting

The Committee met twice during the year under review, once in May and once in November 2022. At the meetings in May and November 2022, the Committee considered the key risks detailed above and the corresponding control and risk reports provided by the Investment Manager and the Company Secretary. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the Auditor and that the Auditor had not identified any significant issues in its audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

Also, at its meeting in May 2022, the Committee reviewed, for recommendation to the Board, the Audit Report from the Independent Auditor and the draft Annual Report and Financial Statements for the year ended 31 March 2022, along with the amount of the final dividend for the year then ended. At its meeting in November 2022, the Committee reviewed the Half-Yearly Report for the period to 30 September 2022 and also considered the performance of BDO LLP as Auditor, and its independence and tenure.

Subsequent to 31 March 2023, the Committee considered the draft Annual Report and Financial Statements for the year ended 31 March 2023, and provided advice to the Board that it considered that the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provided the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. The Committee also reviewed the performance of the Investment Manager and the terms and conditions of its appointment and concluded that the performance of the Investment Manager was satisfactory and that the continued appointment of the Investment Manager was in the best interests of Shareholders as a whole.

Review of effectiveness of external auditor

As part of its annual review of audit services, the Committee reviews the performance, cost effectiveness and general relationship with the external Auditor (Auditor or BDO LLP).

In addition, the Committee reviews the independence and objectivity of the Auditor. Key elements of these reviews include separate meetings with the Auditor and consideration of the completeness and accuracy of BDO LLP's reporting.

The Auditor's Report is on pages 71 to 79. Vanessa-Jayne Bradley of BDO LLP is the Senior Statutory Auditor responsible for the audit and BDO LLP will rotate the Senior Statutory Auditor every five years. Vanessa-Jayne Bradley was appointed as Senior Statutory Auditor for the Company during the year to 31 March 2020 and will be rotated for the audit for the year to 31 March 2025. Details of the amounts paid to the Auditor for audit services are set out in Note 4 to the Financial Statements.

Shareholders are asked to approve the reappointment, and the Directors' responsibility for the remuneration, of the Auditor at each AGM. No non-audit services were provided to the Company by BDO LLP during the year under review. There are currently no contractual obligations which restrict the Committee's choice of Auditor.

The Committee is mindful of the requirement to conduct an audit tender at least every 10 years and to rotate the statutory auditor after a maximum period of twenty years. The Committee will continue to keep the matter of tenure of the Auditor under review.

The Board has concluded that BDO LLP is independent of the Company and that a Resolution for the re-appointment of BDO LLP as Auditor should be put to the 2023 AGM.

David Smith
Director

26 June 2023

Independent auditor's report to the members of Value and Indexed Property Income Trust PLC

Opinion on the Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group and of the Parent Company's loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Value and Indexed Property Income Trust PLC (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Company Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group Statement of Cashflows, the Company Statement of Cashflows, the Statement of Changes in Equity and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Management Engagement Committee.

Independence

Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Board of Directors on 3 September 2020 to audit the Financial Statements for the year ended 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 4 years, covering the years ended 31 March 2020 to 31 March 2023. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the appropriateness of the Directors' method of assessing going concern in light of property market volatility and the present uncertainties in economic recovery by reviewing the information used by the Directors in completing their assessment;
- Assessing the appropriateness of the Directors' assumptions and judgements made in their forecasts by comparing forecasts to current year audited amounts and considering the available cash resources relative to forecast expenditure and commitments;
- Obtaining the loan agreements to identify the covenants and assessing the likelihood of them being breached based on the Directors' forecasts and our sensitivity analysis; and
- Challenging the Directors' assumptions and judgements made with regards to forecasts which included consideration of the covenant headroom.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Key audit matters	2023	2022	Materiality	Coverage
Valuation of investment property	✓	✓	Group Financial Statements as a whole	100% (2022: 100%) of Group revenue
Recognition of rental income	✓	✓	£1.5m (2022: £1.8m) based on 1% (2022: 1%) of total investment value	100% (2022: 100%) of Group total assets

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the Financial Statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We tailored our audit to ensure we have performed sufficient work to be able to give an opinion on the Group Financial Statements as a whole taking into account the structure of the Group and its accounting processes and controls. The Group is based in the United Kingdom and has one main trading entity, the Parent Company, Value and Indexed Property Income Trust PLC, whose principal activity is that of an Investment Trust. The Group has one subsidiary, Value and Indexed Property Income Services Limited whose principal activity is to act as alternative investment fund manager (AIFM) to the Parent Company.

The Group audit engagement team carried out full scope audits for the Parent Company and Value and Indexed Property Income Services Limited which was not considered to be a significant component of the Group. Although not necessary for Group purposes, Value and Indexed Property Income Services is audited as it is an FCA Regulated entity.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of investment property (Note 1 and Note 9) The Group has opted to carry its investment properties at fair value rather than cost as permitted by the accounting standards. The Group engaged independent external experts to value these properties at the end of the reporting period. The valuation uses a cash flow methodology with key inputs including detailed data on the underlying assets and the market environment for each asset. The valuation models applied are complex and require consideration of the existing market conditions including yields and estimates regarding current and future rental income, occupancy and property management costs. The Investment Manager's fee is based on the value of the Investment properties managed by the Investment Manager. The Investment Manager is responsible for reviewing these valuations which are approved by the Board. Notwithstanding this review and approval, there is a potential risk of misstatement in the investment properties valuations. Investment Properties are Level 3 investments and a highly subjective area. Due to the level of complexity and assumptions involved in this area we determined it to be a key audit matter.	We responded to this matter by testing the valuation of the portfolio of investment property. We performed the following procedures: • Held discussions with the independent external valuer engaged by the Group, to understand the assumptions and methodologies used in valuing these properties, the market evidence supporting the valuation assumptions and the valuation movements in the period. • Assessed the competency, independence and objectivity of the independent external valuer which included making inquiries regarding interests and relationships that may have created a threat to the valuer's objectivity. • Agreed key observable valuation inputs supplied to and used by the independent external valuer to supporting documentation. For all the properties we agreed that the passing rental income and lease terms agrees to the underlying lease agreements. • With the use of our internal real estate experts, we evaluated and challenged the valuation assumptions, methodologies and the inputs used. This included establishing our own range of expectations for the valuation of investment property based on externally available metrics and wider economic and commercial factors. We assessed the valuation of all investment properties against our own expectations and challenged those valuations which fell outside of our range of expectation with the use of our internal real estate experts and obtaining corroborating evidence from the external valuer. **Key observations** Based on the procedures performed we found the investment valuations to be within a reasonable range and the assumptions used in the valuations to be appropriate.

Key audit matter	How the scope of our audit addressed the key audit matter

Recognition of rental income (Note 1 and Note 2)
 	
Rental agreements have fixed rental increases and RPI increases subject to caps and collars. The accounting policy states that rental income is recognised over a straight-line basis which means that any future anticipated rental income is spread evenly over the term of the lease, giving rise to a rent smoothing adjustment.
 	
The calculation for the rent smoothing adjustment can be complex due to the number of leases, different start and end dates and increase conditions, and we therefore considered this to be a key audit matter.
	We responded to this matter by testing the existence, accuracy and completeness of rental income. We performed the following procedures:
	
	• Obtained Management's reconciliation of expected revenue based on the tenancy schedules to revenue recognised in the Financial Statements and performed the following:
	  ◦ Agreed the rent income received per the tenancy schedules to the underlying lease agreements and other documentation such as rent review memoranda.
	  ◦ Checked the integrity of the formulae used to calculate the expected revenue based on the tenancy schedule.
	  ◦ Agreed a sample of reconciling adjustments between the expected revenue and the amount recorded in the Financial Statements to supporting documentation.
	  ◦ Checked that the tenancy schedule covers all the Investment Property which has been valued at the year-end.
	  ◦ Checked that the rent smoothing adjustment has been posted correctly in the Financial Statements.
	
	Key observations
	Based on the procedures performed we consider the recognition of rental income to be appropriate.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the Financial Statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the Financial Statements as a whole.

Based on our professional judgement, we determined materiality for the Financial Statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Materiality	1,505	1,829	1,500	1,827
Basis for determining materiality	1% of total investment value (2022: 1% of total investment value)		99.67% of Group materiality (2022: 99.89% of Group materiality)	
Rationale for the benchmark applied	As an Investment Trust, the value of investments is the key measure of performance.		Percentage of Group materiality for Group reporting purposes given the assessment of aggregation risk	
Performance materiality	980	1,190	980	1,188
Basis for determining performance materiality	65% of materiality (2022: 65% of materiality) based on the historical and anticipated level of errors and management's attitude to proposed adjustments.			

Specific materiality

We also determined that for Revenue return before tax, a misstatement of less than materiality for the Financial Statements as a whole, specific materiality, could influence the economic decisions of users as it is a measure of the Group's performance of income generated from its investments after expenses. As a result, we determined materiality for these items to be £476,000 (2022: 219,000), based on 9.20% of Revenue return before tax (2022: 10% of Revenue return before tax). We further applied a performance materiality level of 65% (2022:65%) of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component materiality

Materiality for the parent company, which was the only significant component, is set out in the table above.

Reporting threshold

We agreed with the Audit and Management Engagement Committee that we would report to them all individual audit differences in excess of £24,000 (2022: £11,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the Financial Statements and our Auditor's Report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Corporate governance statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements, or our knowledge obtained during the audit.

Going concern and longer-term viability	Other code provisions
• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate.	• Directors' statement on fair, balanced and understandable; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems; and • The section describing the work of the Audit and Management Engagement Committee.

Other companies act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' Report.

Directors' remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance;

we considered the significant laws and regulations to be Companies Act 2006, the FCA listing and DTR rules, the principles of the AIC Code of Corporate Governance, industry practice represented by the AIC SORP, the applicable accounting framework, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Parent Company losing various deductions and exemptions from corporation tax.

Our procedures in respect of the above included:

- Agreement of the Financial Statement disclosures to underlying supporting documentation;
- Enquiries of management and those charged with governance relating to the existence of any non-compliance with laws and regulations;
- Reviewing minutes of meeting of those charged with governance throughout the period for instances of non-compliance with laws and regulations; and
- Reviewing the calculation in relation to Investment Trust compliance to check that the Parent Company was meeting its requirements to retain their Investment Trust Status.

Fraud

We assessed the susceptibility of the financial statement to material misstatement including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the Financial Statements.

Based on our risk assessment, we considered the areas most susceptible to be valuation of investment property, revenue recognition and management override of controls.

Our procedures in respect of the above included:

- The procedures set out in the Key Audit Matters section above;
- Recalculating investment management fees in total;
- Obtaining independent confirmation of bank balances; and
- Testing journals which met a defined risk criteria by agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager and Directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the Financial Statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Vanessa-Jayne Bradley
Senior Statutory Auditor

For and on behalf of BDO LLP, Statutory Auditor

London, UK

26 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Milton Keynes

Financial Statements

	Note	Year ended 31 March 2023 Revenue £'000	Year ended 31 March 2023 Capital £'000	Year ended 31 March 2023 Total £'000	Year ended 31 March 2022 Revenue £'000	Year ended 31 March 2022 Capital £'000	Year ended 31 March 2022 Total £'000
Income							
Rental income	2	8,358	–	8,358	5,647	–	5,647
Investment income	2	168	–	168	1,682	–	1,682
Other income	2	314	–	314	–	–	–
		8,840	–	8,840	7,329	–	7,329
Gains and losses on investments							
Realised gains on held-at-fair-value investments and investment properties	9	–	1,446	1,446	–	10,440	10,440
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(24,695)	(24,695)	–	8,797	8,797
Total income		8,840	(23,249)	(14,409)	7,329	19,237	26,566
Expenses							
Investment management fees	3	(990)	–	(990)	(1,088)	(2)	(1,090)
Other operating expenses	4	(895)	–	(895)	(870)	–	(870)
Finance costs	5	(1,779)	(6,269)	(8,048)	(3,177)	–	(3,177)
Total expenses		(3,664)	(6,269)	(9,933)	(5,135)	(2)	(5,137)
Profit/(loss) before taxation		5,176	(29,518)	(24,342)	2,194	19,235	21,429
Taxation	6	(979)	1,425	446	(321)	3,154	2,833
Profit/(loss) attributable to equity shareholders of parent company		4,197	(28,093)	(23,896)	1,873	22,389	24,262
Earnings per Ordinary Share (pence)	7	9.70	(64.92)	(55.22)	4.30	51.40	55.70

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.

The Group does not have any other comprehensive income and so the total profit/(loss), as disclosed above, is the same as the Group's total comprehensive income. All income is attributable to the equity holders of Value and Indexed Property Income Trust PLC, the parent company. There are no minority interests.

The Board is proposing a final dividend of 3.6p per share, making a total dividend of 12.9p per share for the year ended 31 March 2023 (2022: 12.6p per share) which, if approved by Shareholders, will be payable on 4 August 2023 (see Note 8).

The Notes on pages 89 to 113 form part of these Financial Statements.

	Note	Year ended 31 March 2023 Revenue £'000	Year ended 31 March 2023 Capital £'000	Year ended 31 March 2023 Total £'000	Year ended 31 March 2022 Revenue £'000	Year ended 31 March 2022 Capital £'000	Year ended 31 March 2022 Total £'000
Income							
Rental income	2	8,358	–	8,358	5,647	–	5,647
Investment income	2	168	–	168	1,682	–	1,682
Other income	2	314	–	314	–	–	–
		8,840	–	8,840	7,329	–	7,329
Gains and losses on investments							
Realised gains on held-at-fair-value investments and investment properties	9	–	1,446	1,446	–	10,440	10,440
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(24,695)	(24,695)	–	8,797	8,797
Total income		8,840	(23,249)	(14,409)	7,329	19,237	26,566
Expenses							
Investment management fees	3	(990)	–	(990)	(1,088)	(2)	(1,090)
Other operating expenses	4	(895)	–	(895)	(870)	–	(870)
Finance costs	5	(1,779)	(6,269)	(8,048)	(3,177)	–	(3,177)
Total expenses		(3,664)	(6,269)	(9,933)	(5,135)	(2)	(5,137)
Profit/(loss) before taxation		5,176	(29,518)	(24,342)	2,194	19,235	21,429
Taxation	6	(979)	1,425	446	(321)	3,154	2,833
Profit/(loss) attributable to equity shareholders of parent company		4,197	(28,093)	(23,896)	1,873	22,389	24,262
Earnings per Ordinary Share (pence)	7	9.70	(64.92)	(55.22)	4.30	51.40	55.70

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.

The Company does not have any other comprehensive income and so the total profit/(loss), as disclosed above, is the same as the Company's total comprehensive income.

The Notes on pages 89 to 113 form part of these Financial Statements.

	Note	As at 31 March 2023 £'000	£'000	As at 31 March 2022 £'000	£'000
Assets					
Non current assets					
Investment properties	9		150,636		155,838
Investments held at fair value through profit or loss	9		–		26,871
			150,636		182,709
Deferred tax asset	6		4,537		4,091
Receivables	10		2,366		2,238
			157,539		189,038
Current assets					
Cash and cash equivalents		2,273		5,153	
Receivables	10	599		4,709	
			2,872		9,862
Total assets			160,411		198,900
Current liabilities					
Payables	11	(2,376)		(2,423)	
			(2,376)		(2,423)
Total assets less current liabilities			158,035		196,477
Non-current liabilities					
Payables	12	(2,845)		(2,854)	
Borrowings	12	(49,000)		(56,723)	
			(51,845)		(59,577)
Net assets			106,190		136,900
Equity attributable to equity shareholders					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		83,189		113,899
Total equity			106,190		136,900
Net asset value per Ordinary Share (pence)	17		246.88		314.30

These Financial Statements were approved by the Board on 26 June 2023 and were signed on its behalf by:

John Kay
Chairman

The Notes on pages 89 to 113 form part of these Financial Statements.

	Note	As at 31 March 2023 £'000	As at 31 March 2023 £'000	As at 31 March 2022 £'000	As at 31 March 2022 £'000
Assets					
Non current assets					
Investment properties	9		150,636		155,838
Investments held at fair value through profit or loss	9		200		27,071
			150,836		182,909
Deferred tax asset	6		4,537		4,091
Receivables	10		2,366		2,238
			157,739		189,238
Current assets					
Cash and cash equivalents		2,073		4,953	
Receivables	10	599		4,709	
			2,672		9,662
Total assets			160,411		198,900
Current liabilities					
Payables	11	(2,376)		(2,423)	
			(2,376)		(2,423)
Total assets less current liabilities			158,035		196,477
Non-current liabilities					
Payables	12	(2,845)		(2,854)	
Borrowings	12	(49,000)		(56,723)	
			(51,845)		(59,577)
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These Financial Statements were approved by the Board on 26 June 2023 and were signed on its behalf by:

John Kay
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The Notes on pages 89 to 113 form part of these Financial Statements.

	Note	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000	Year ended 31 March 2022 £'000
Cash flows from operating activities					
Rental income received			8,936		5,970
Dividend income received			266		1,835
Interest and other income received/(paid)			295		(1)
Operating expenses paid			(1,974)		(1,914)
Taxation paid			(29)		–
Net cash inflow from operating activities	18		7,494		5,890
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		(7,215)		(30,132)	
Purchase of investment properties		(25,353)		(63,412)	
Sale of investments held at fair value through profit or loss		35,720		32,042	
Sale of investment properties		9,746		3,445	
Net cash inflow/(outflow) from investing activities			12,898		(58,057)
Cash flow from financing activities					
Repayment of debenture stock		(26,380)		–	
Drawdown of loan		13,000		–	
Fees paid on new loan		(176)		–	
Interest paid on loans		(2,815)		(3,113)	
Finance cost of leases		(78)		(78)	
Payments of lease liabilities		(9)		(9)	
Dividends paid	8	(5,507)		(5,445)	
Buyback of Ordinary Shares for Treasury	14	(1,307)		–	
Net cash outflow from financing activities			(23,272)		(8,645)
Net decrease in cash and cash equivalents			(2,880)		(60,812)
Cash and cash equivalents at 1 April			5,153		65,965
Cash and cash equivalents at 31 March			2,273		5,153

The Notes on pages 89 to 113 form part of these Financial Statements.

	Note	Year ended 31 March 2023 £'000	£'000	Year ended 31 March 2022 £'000	£'000
Cash flows from operating activities					
Rental income received			8,936		5,970
Dividend income received			266		1,835
Interest and other income received/(paid)			295		(1)
Operating expenses paid			(1,974)		(1,914)
Taxation paid			(29)		–
Net cash inflow from operating activities	18		7,494		5,890
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		(7,215)		(30,132)	
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Sale of investment properties		9,746		3,445	
Net cash inflow/(outflow) from investing activities			12,898		(58,057)
Cash flow from financing activities					
Repayment of debenture stock		(26,380)		–	
Drawdown of loan		13,000		–	
Fees paid on new loan		(176)		–	
Interest paid on loans		(2,815)		(3,113)	
Finance cost of leases		(78)		(78)	
Payments of lease liabilities		(9)		(9)	
Dividends paid	8	(5,507)		(5,445)	
Buyback of Ordinary Shares for Treasury	14	(1,307)		–	
Net cash outflow from financing activities			(23,372)		(8,645)
Net decrease in cash and cash equivalents			(2,880)		(60,812)
Cash and cash equivalents at 1 April			4,953		65,765
Cash and cash equivalents at 31 March			2,073		4,953

The Notes on pages 89 to 113 form part of these Financial Statements.

Year ended 31 March 2023

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Group					
Net assets at 31 March 2022		4,555	18,446	113,899	136,900
Loss for the year		–	–	(23,896)	(23,896)
Dividends paid	8	–	–	(5,507)	(5,507)
Buyback of Ordinary Shares for Treasury	14	–	–	(1,307)	(1,307)
Net assets at 31 March 2023		4,555	18,446	83,189	106,190
Company					
Net assets at 31 March 2022		4,555	18,446	113,899	136,900
Loss for the year		–	–	(23,896)	(23,896)
Dividends paid	8	–	–	(5,507)	(5,507)
Buyback of Ordinary Shares for Treasury	14	–	–	(1,307)	(1,307)
Net assets at 31 March 2023		4,555	18,446	83,189	106,190

Year ended 31 March 2022

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Group					
Net assets at 31 March 2021		4,555	18,446	95,082	118,083
Profit for the year		–	–	24,262	24,262
Dividends paid	8	–	–	(5,445)	(5,445)
Net assets at 31 March 2022		4,555	18,446	113,899	136,900
Company					
Net assets at 31 March 2021		4,555	18,446	95,082	118,083
Profit for the year		–	–	24,262	24,262
Dividends paid	8	–	–	(5,445)	(5,445)
Net assets at 31 March 2022		4,555	18,446	113,899	136,900

The Notes on pages 89 to 113 form part of these Financial Statements.

1. Accounting policies

The Financial Statements have been prepared in accordance with UK adopted international accounting standards.

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

(a) Basis of preparation

The Financial Statements have been prepared on a going concern basis as disclosed on page 89 and on the historical cost basis, except for the revaluation of equities, investment properties and investment in subsidiaries, all of which are valued at fair value through profit and loss. 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 July 2022 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, except for the allocation of finance costs to revenue as explained in Note 1(f).

The Board has considered the requirements of IFRS 8, 'Operating Segments'. The Board is charged with setting the Group's investment strategy. The Board has delegated the day to day implementation of this strategy to the Investment Manager but the Board retains responsibility to ensure that adequate resources of the Group are directed in accordance with its decisions. The Board is of the view that the Group is engaged in a single segment of business, being investments in UK commercial properties. The view that the Group is engaged in a single segment of business is based on the fact that one of the key financial indicators received and reviewed by the Board is the total return from the investment portfolio taken as a whole. A review of the investment portfolio is included in the report from the Investment Manager on pages 10 to 31.

(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 Strategic Report on pages 8 to 41. The financial position of the Group as at 31 March 2023 is shown in the Statement of Financial Position on page 84. The cash flows of the Group for the year ended 31 March 2023 are set out on page 86. The Group had fixed debt totalling £49,000,000 as at 31 March 2023, as set out in Notes 11 and 12 on pages 101 and 102; none of the borrowings is repayable before March 2026. Note 21 on pages 106 to 111 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 2023, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of over three. The assets of the Group consist mainly of investment properties that are held in accordance with the Group's investment policy, as set out on page 34. The Directors, who have reviewed carefully the Group's forecasts for the coming year and having taken into account the liquidity of the Group's investment portfolio and the Group's financial position in respect of cash flows, borrowing facilities and investment commitments (of which there is none of significance), are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

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). An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. The Company consolidates the investee that it controls. 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.

Value and Indexed Property Income Services Limited is a private limited company incorporated in Scotland under company number SC467598. It is a wholly owned subsidiary of the Company and has been appointed to act as Alternative Investment Fund Manager of the Company.

(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 realised capital returns may 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 receivable and lease incentives, where material, from investment properties under operating leases are recognised in the Statement of Comprehensive Income over the term of the lease on a straight line basis. Other income is recognised on an accruals basis.

(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 and in accordance with the SORP, the investment management fees have been allocated, 100% to revenue to reflect the Board's expectations of long term investment returns.

It is normal practice and in accordance with the SORP 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 allocate finance costs to revenue to match rental income, the Directors consider that, contrary to the SORP, it is inappropriate to allocate finance costs to capital.

(g) Other receivables

Financial assets classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As such they are measured at amortised cost. Other receivables do not carry any interest, they have been assessed for any expected credit losses over their lifetime due to their short-term nature.

(h) Other payables

Payables are non-interest bearing and are stated at their discounted cash flow.

(i) Taxation

The Company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the date of the Statement of Financial Position.

1. Accounting policies continued

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 probable 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 maintain 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.

(j) 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.

(k) Investments

Equity investments

All equity investments were classified on the basis of their contractual cashflow characteristics and the Group's business model for managing its assets. The business model, which is the determining feature, was such that the portfolio of equity investments was managed, and performance was evaluated, on the basis of fair value. Consequently, all equity investments were measured at fair value through profit or loss.

For listed investments, fair value through profit or loss was 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 were included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and were ultimately recognised in the retained earnings.

Investment property

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period incurred and is included within the book cost of the property.

After initial recognition, investment properties are measured at fair value. 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.

As disclosed in Note 21, 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 Savills (UK) Limited, Chartered Surveyors and Valuers, and in accordance with the RICS Valuation - Global Standards (January 2022) (the 'RICS Red Book'). The determination of fair value by Savills is supported by market evidence, excluding prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments because it has been recognised as a separate liability or asset. The fair value of investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if a valuation obtained for a property is net of all payments expected to be made, it will be necessary to add back any recognised lease liability, to arrive at the carrying amount of the investment property using the fair value model. These valuations are disclosed in Note 9 on pages 98 to 100.

The Company accounts for its investment in its subsidiary at fair value. All fair value adjustments in relation to the subsidiary are eliminated on consolidation.

1. Accounting policies continued

(l) Cash and cash equivalents

Cash and cash equivalents comprises deposits held with banks.

(m) Non - current liabilities

All new loans and borrowings are initially measured at cost, being the fair value of the consideration received, less issue costs where applicable. Thereafter, 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. When the term of a loan is modified, the amortisation of costs is adjusted in line and the loan measured at fair value on the balance sheet.

(n) Leases

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of Investment Properties in the Statement of Financial Position and held at fair-value. All properties are leased out under operating leases and rental income is recognised on a straight line basis over the expected term of the relevant lease. Many leases have fixed or minimum rental uplifts and where lease incentives or temporary rent reductions have been granted as a result of the recent COVID pandemic, rental income is recognised on a straight line basis over the expected term of the lease. The capital element of lease obligations is recorded as a finance lease payable liability in the Statement of Financial Position on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding. The lease liability relates to the head rent on the property in Fareham. The current lease is for a period of 99 years with an option for a further 26 years. The liability is based on the option being taken up and extinguishing in December 2105.

(o) Critical accounting judgements and key estimates

The preparation of the Financial Statements requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The critical accounting area involving a higher degree of judgement or complexity comprises the determination of fair value of the investment properties. The Group engages independent professional qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining fair value as at 31 March 2023 is disclosed in Note 9 to the Financial Statements on pages 98 to 100.

(p) Adoption of new and revised Accounting Standards

New and revised standards and interpretations that became effective during the year had no significant impact on the amounts reported in these Financial Statements but may impact accounting for future transactions and arrangements.

At the date of authorisation of these Financial Statements, the following Standards and interpretations, which have not been applied to these Financial Statements, were in issue but were not yet effective.

Standards

IAS 1 Amendments - Presentation of Financial Statements (effective 1 January 2023)

IAS 8 Amendments - Accounting Policies, Changes in Accounting Estimates and Errors (effective 1 January 2023)

IAS 12 Amendments -Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023)

IFRS 17 (Initial Application of IFRS 17 and IFRS 9 - Comparative Information) (effective 1 January 2023)

IFRS 16 Amendments (Lease Liability in a Sale and Leaseback) (effective 1 January 2024)

IAS 1 Amendments - Presentation of Financial Statements (effective 1 January 2024)

The Directors do not expect the adoption of these Standards and interpretations (or any other Standards and interpretations which are in issue but not effective) will have a material impact on the Financial Statements of the Group in future periods.

2. Income

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Investment income				
Dividends from listed investments in UK	168	168	1,682	1,682
Other operating income				
Rental income	8,358	8,358	5,647	5,647
Interest receivable on short term deposits	155	155	–	–
Other income	159	159	–	–
Total income	8,840	8,840	7,329	7,329

3. Investment management fee

	Year ended 31 March 2023			Year ended 31 March 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Group and Company						
Investment management fee	990	–	990	1,088	2	1,090

A summary of the terms of the management agreement is given on page 49 of the Directors' Report.

OLIM Property Limited received an investment management fee of £990,000 (2022 - £1,090,000), the basis of calculation of which is given on page 49.

4. Other operating expenses

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Fee payable to the Company's auditor for the audit of the Company's accounts	65	65	55	55
- audit of the Subsidiary's accounts	–	–	2	2
Directors' fees	97	97	105	105
NIC on Directors' fees	3	3	3	3
Fees for company secretarial services	237	237	222	222
Direct property costs	(23)	(23)	(2)	(2)
Other expenses	516	516	485	485
	895	895	870	870

Directors' fees comprise the Chairman's fees of £30,000 (2022 - £30,000), the Audit and Management Engagement Committee Chairman's fees of £24,500 (2022 - £24,500) and fees of £22,000 (2022 - £22,000) per annum paid to each other Director.

Additional information on Directors' fees is given in the Directors' Remuneration Report on pages 54 to 57.

5. Finance costs

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Interest payable on:				
9.375% Debenture Stock 2026	456	456	1,875	1,875
Less amortisation of issue premium	(111)	(111)	(24)	(24)
Bank loan interest payable	1,753	1,753	1,181	1,181
Loan expenses derecognised	385	385	–	–
Gain on loan modification	(908)	(908)	–	–
Borrowing costs expensed on recognition of fair value	80	80	–	–
Effective interest	24	24	–	–
Amortisation of loan expenses	22	22	67	67
Finance costs attributable to lease liabilities	78	78	78	78
	1,779	1,779	3,177	3,177

In June 2022, the 9.375% Debenture Stock 2026 was repaid early at a premium of £6,380,000 and a balance of £111,000 unamortised premium from the issue of the debenture was expensed, resulting in a capital charge of £6,269,000 for the year to 31 March 2023 (see Note 12).

5. Finance costs continued

On 28 November 2019, the Company entered into a £22,000,000 fixed term secured loan facility for a period of up to seven years to 30 November 2026. On 3 March 2021, this facility was extended until 31 March 2031. During the year ended 31 March 2023, the loan was increased to £35,000,000 and extended for a further two years until 31 March 2033, costs previously incurred on the loan were extinguished at this point.

6. Taxation

	Year ended 31 March 2023			Year ended 31 March 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
a) Analysis of the tax credit/(charge) for the year: **Group**						
Current tax	(979)	979	–	(321)	321	–
Deferred tax	–	446	446	–	2,833	2,833
	(979)	1,425	446	(321)	3,154	2,833
Factors affecting the total tax credit/ (charge) for year:						
(Loss)/profit before tax			(24,342)			21,429
Tax charge thereon at 19% (2022 - 19%)			(4,625)			4,072
Effects of:						
Non taxable dividends			32			(320)
Losses/(gains) on investments not taxable			4,417			(3,655)
Unrelieved finance costs			(270)			(2,930)
			(446)			(2,833)
Company						
Current tax	(979)	979	–	(321)	321	–
Deferred tax	–	446	446	–	2,833	2,833
	(979)	1,425	446	(321)	3,154	2,833
Factors affecting the total tax credit/ (charge) for year:						
Profit before tax			(24,342)			21,429
Tax charge thereon at 19% (2022 - 19%)			(4,625)			4,072
Effects of:						
Non taxable dividends			32			(320)
Losses/(gains) on investments not taxable			4,417			(3,655)
Unrelieved finance costs			(270)			(2,930)
			(446)			(2,833)

6. Taxation continued

	Year ended 31 March 2023			Year ended 31 March 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
b) Factors affecting future tax charges						
Unutilised tax losses			18,148			23,192
Potential tax benefit at 19%			–			635
Potential tax benefit at 25%			4,537			4,963
			4,537			5,598
Recognised as a deferred tax non-current asset			4,537			4,091
Not recognised as a deferred tax asset			–			1,507
			4,537			5,598

The Company and Group have deferred tax assets of £4,537,000 (2022 - £5,598,000) at 31 March 2023 relating to total accumulated unrelieved tax losses carried forward of £18,148,000 (2022 - £23,192,000). The Company and Group have recognised deferred tax assets of £4,537,000 (2022 - £4,091,000), based on forecast profits for the next five years but have not recognised deferred tax assets of £nil (2022 - £1,507,000) arising as a result of losses carried forward. These losses do not have an expiry date but it is considered too uncertain that the Group will generate profits against which these losses would be available to offset and, on that basis, the deferred tax asset in respect of these losses has not been recognised.

7. Return per Ordinary Share

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
The return per Ordinary Share is based on the following figures:				
Revenue return	4,197	4,197	1,873	1,873
Capital return	(28,093)	(28,093)	22,389	22,389
Weighted average number of Ordinary Shares in issue	43,272,601	43,272,601	43,557,464	43,557,464
Return per share - revenue	9.70p	9.70p	4.30p	4.30p
Return per share - capital	(64.92p)	(64.92p)	51.40p	51.40p
Total return per share	(55.22p)	(55.22p)	55.70p	55.70p

8. Dividends

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Dividends on Ordinary Shares:		
Third quarterly dividend of 3.00p per share (2022 - 2.90p) paid 29 April 2022	1,307	1,263
Final dividend of 3.60p per share (2022 - 3.60p) paid 29 July 2022	1,568	1,568
First quarterly dividend of 3.00p per share (2022 - 3.00p) paid 28 October 2022	1,296	1,307
Second quarterly dividend of 3.10p per share (2022 - 3.00p) paid 27 January 2023	1,336	1,307
Dividends paid in the period	5,507	5,445

The third interim dividend of 3.20p (2022 - 3.00p), paid on 28 April 2023, has not been included as a liability in these financial statements.

The final dividend of 3.60p (2022 - 3.60p), to be paid on 4 August 2023, has not been included as a liability in these financial statements.

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 £4,197,000 (2022 - £1,874,000).

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
First quarterly dividend of 3.00p per share (2022 - 3.00p) paid 28 October 2022	1,296	1,307
Second quarterly dividend of 3.10p per share (2022 - 3.00p) paid 27 January 2023	1,336	1,307
Third quarterly dividend of 3.20p per share (2022 - 3.00p) payable 28 April 2023	1,376	1,307
Final quarterly dividend of 3.60p per share (2022 - 3.60p) payable 4 August 2023	1,549	1,568
	5,557	5,489

The final dividend is based on the latest share capital of 43,012,464 Ordinary Shares in issue, excluding those held in Treasury.

9. Investments

	Investment properties £'000	Equities £'000	Total £'000
Group			
Cost at 31 March 2022	129,913	24,395	154,308
Unrealised appreciation	25,925	2,476	28,401
Valuation at 31 March 2022	155,838	26,871	182,709
Purchases	25,353	6,891	32,244
Sales proceeds	(9,746)	(31,527)	(41,273)
Realised gains on sales	1,005	441	1,446
Movement in unrealised appreciation in year	(21,814)	(2,676)	(24,490)
Valuation at 31 March 2023	150,636	–	150,636

	Investment properties £'000	Investment in subsidiary £'000	Equities £'000	Total £'000
Company				
Cost at 31 March 2022	129,913	200	24,395	154,508
Unrealised appreciation	25,925	–	2,476	28,401
Valuation at 31 March 2022	155,838	200	26,871	182,909
Purchases	25,353	–	6,891	32,244
Sales proceeds	(9,746)	–	(31,527)	(41,273)
Realised gains on sales	1,005	–	441	1,446
Movement in unrealised appreciation in year	(21,814)	–	(2,676)	(24,490)
Valuation at 31 March 2023	150,636	200	–	150,836

The fair value valuation given by Savills plc excludes prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments and for adjustments to recognise finance lease liabilities for one leasehold property, both in accordance with IFRS 16. The valuation has, therefore, been increased.

9. Investments continued

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Savills plc valuation	150,500	155,478
Operating lease assets	(2,717)	(2,502)
Finance lease liabilities	2,853	2,862
Valuation of Investment Properties	150,636	155,838
Increase in fair value	136	360

The fair value valuation given by Savills plc includes £1,600,000 relating to the property at Newcastle where contracts have been exchanged for sale in April 2023.

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:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Purchases	9	95
Sales	32	32
	41	127

The fair values of the investment properties were independently valued by professional valuers from Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuers of the portfolio as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations were prepared on the basis of Fair Value as required by the IFRS (International Financial Reporting Standards). In addition, the valuations have also been prepared in accordance with RICS Valuation – Professional Standards VPS 3.5 Fair Value and VPS 4.1 Valuations for Inclusion in Financial Statements. The definition of Fair Value is set out in IFRS 13 and is adopted by the International Accounting Standards Board as follows:

"The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date"

The RICS Red Book directs us to consider that Fair Value is consistent with the concept of Market Value, the definition of which is set out in Valuation Practice Statement 4 1.2 of the Red Book, as follows:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuations have been arrived at predominantly by reference to market evidence for comparable property (Level 3 of the Fair Value Hierarchy). As part of Savills' standard process, the valuations were carried out by specialist valuers, which were peer reviewed and reviewed again prior to the valuation date. During the review process, the various characteristics of each property were taken into consideration.

9. Investments continued

Property portfolio	Passing rent range £	Fair value - Group £'000	Key unobservable input	Inputs range	Blended yield
Industrials	49,500 – 400,000	46,570	Net Equivalent Yield	4.00% - 7.50%	5.50%
Supermarkets	87,000 – 967,590	43,124	Net Equivalent Yield	5.25% - 8.00%	6.00%
Other	61,097 – 559,968	14,297	Net Equivalent Yield	5.00% - 9.50%	7.25%
Bowling	66,788 – 469,586	13,632	Net Equivalent Yield	7.25% - 8.50%	8.00%
Hotels	360,000 -373,549	13,233	Net Equivalent Yield	5.00% - 5.50%	5.25%
Pubs	75,129 – 176,932	11,113	Net Equivalent Yield	5.25% - 9.50%	7.50%
Roadside	181,025 – 213,784	8,667	Net Equivalent Yield	6.75% - 7.50%	7.00%
		150,636			

A 25 bps decrease in the equivalent yield applied would have increased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £6,500,000. A 25 bps increase in the equivalent yield applied would have decreased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £6,150,000. A 5% decrease in the rental value applied would have decreased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £3,725,000. A 5% increase in the rental value applied would have increased the net assets attributable to the Group and Company's Shareholders and the total loss for the year by £3,825,000.

Investment in subsidiary

	Country of incorporation	Date of acquisition	% ownership	Principal activity
Name				
Value and Indexed Property Income Services Limited	UK	16 January 2014	100	AIFM

10. Receivables

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Dividends receivable	–	–	98	98
Prepayments and accrued income	599	599	418	418
Amounts due from brokers	–	–	4,193	4,193
	599	599	4,709	4,709
Amounts falling due after more than one year: Rent	2,366	2,366	2,238	2,238
	2,965	2,965	6,947	6,947

Many of the Company's leases provide for minimum and maximum increases of rent at future rent reviews. Minimum increases have been averaged over the life of the lease, generating amounts receivable which require to be recognised as an asset.

11. Payables

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due to OLIM Property Limited	53	53	103	103
Accruals and other creditors	1,907	1,907	1,676	1,676
Value Added Tax payable	408	408	312	312
Amounts due to brokers	–	–	324	324
Lease liability	8	8	8	8
	2,376	2,376	2,423	2,423

The amount due to OLIM Property Limited comprises the monthly management fee for March 2023, subsequently paid in April 2023.

12. Non-current liabilities

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans	50,000	50,000	37,000	37,000
Balance of costs incurred	(388)	(388)	(473)	(473)
Costs written off in the year	385	385	–	–
Gain on fair value valuation of debt	(908)	(908)	–	–
Borrowing costs expensed on recognition of fair value	80	80	–	–
Effective interest	24	24	–	–
Costs incurred in the year	(215)	(215)	–	–
Add: Debit to income for the year	22	22	85	85
	49,000	49,000	36,612	36,612
9.375% Debenture Stock 2026	–	–	20,000	20,000
Add: Balance of premium less issue expenses	111	111	135	135
Less: Credit to income for the year	(111)	(111)	(24)	(24)
	–	–	20,111	20,111
Total borrowings	49,000	49,000	56,723	56,723
Lease liability payable in more than one year				
- within 2 - 5 years	28	28	28	28
- over 5 years	2,817	2,817	2,826	2,826
Total payables	2,845	2,845	2,854	2,854
	51,845	51,845	59,577	59,577

The Company has a £15,000,000 fixed term secured loan facility for a period of up to ten years to 31 March 2026 (2022 - £15,000,000). At 31 March 2023, £11,893,750 was drawn down at a rate of 4.344% and £3,106,250 was drawn down at a rate of 3.60%. The terms of the loan facility contain financial covenants that require the Company to ensure that:

- in respect of each 3 month period ending on 31 March and 30 September (the Half Year dates), net rental income shall be at least 200 per cent of interest costs;
- in respect of each 12 month period beginning immediately after 31 March and 30 September, net rental income shall be at least 200 per cent of interest costs; and
- at all times, the loan shall not exceed 60 per cent of the value of the properties that have been charged.

12. Non-current liabilities continued

On 28 November 2019, the Company entered into a £22,000,000 fixed term secured loan facility for a period of up to seven years to 30 November 2026. On 3 March 2021, this facility was extended until 31 March 2031. On 27 April 2022, the loan was increased to £30,000,000 and on 22 June 2022, the loan was increased to £35,000,000 and extended for a further two years until 31 March 2033, costs previously incurred on the loan were extinguished at this point. Subsequent to this the loan is recorded on the Statement of Financial Position at it's fair value. 95% of the loan is at a fixed rate and 5% at a floating rate of interest. At 31 March 2023, £35,000,000 was drawn down at a net effective interest rate of 3.65%. The terms of the loan facility contain financial covenants that require the Company to ensure that:

- the total debt ratio does not at any time exceed 50 per cent;
- projected interest cover is not less than 200 per cent at all times; and
- the Loan to Value shall not exceed 68% of the value of the properties that have been charged.

The 9.375% Debenture Stock 2026 issued by VIP was repayable at par on 30 November 2026 and secured by a floating charge over the property and assets of the Company. In June 2022, it was repaid early at a premium of £6,380,000 and a balance of £111,000 unamortised premium from the issue of the debenture was taken to profit and loss.

The fair values of the loan and the Debenture are disclosed in Note 21 on pages 106 to 110 and the Net Asset Value per share, calculated with the borrowings at fair value, is disclosed in Note 17 on page 105.

13. Deferred tax

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 and no provision for deferred tax is therefore required in this respect.

As disclosed in Note 6 on pages 95 and 96, a deferred tax asset has been recognised to reflect the estimated value of tax losses carried forward which are likely to be capable of offset against future profits.

14. Share capital

	Year ended 31 March 2023 £'000	**Year ended 31 March 2022 £'000**
Authorised:		
56,000,000 Ordinary Shares of 10p each (2022 - 56,000,000)	5,600	5,600
Called up, issued and fully paid:		
43,012,464 Ordinary Shares of 10p each (2022 - 43,557,464)	4,301	4,356
Treasury shares:		
2,537,511 Ordinary Shares of 10p each (2022 - 1,992,511)	254	199
	4,555	4,555

The ordinary share capital on the Statement of Financial Position relates to the number of Ordinary Shares in issue and in Treasury. Only when shares are cancelled, either from Treasury or directly, is a transfer made to the Capital Redemption Reserve.

During the year, the Company repurchased 545,000 Ordinary Shares at a cost of £1,307,000, including expenses. All of these shares were placed in Treasury.

15. Share premium

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Opening balance	18,446	18,446	18,446	18,446

16. Retained earnings

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Opening balance at 31 March 2022	113,899	113,899	95,082	95,082
(Loss)/profit for the year	(23,896)	(23,896)	24,262	24,262
Dividends paid (see Note 8)	(5,507)	(5,507)	(5,445)	(5,445)
Buyback of Ordinary Shares for Treasury (see Note 14)	(1,307)	(1,307)	–	–
Closing balance at 31 March 2023	83,189	83,189	113,899	113,899

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

	Year ended 31 March 2023			Year ended 31 March 2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Group						
Opening balance at 31 March 2022	(3,476)	117,375	113,899	96	94,986	95,082
Profit/(loss) for the year	4,197	(28,093)	(23,896)	1,873	22,389	24,262
Dividends paid (see Note 8)	(5,507)	–	(5,507)	(5,445)	–	(5,445)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(1,307)	(1,307)	–	–	–
Closing balance at 31 March 2023	(4,786)	87,975	83,189	(3,476)	117,375	113,899
Company						
Opening balance at 31 March	(4,563)	118,462	113,899	(991)	96,073	95,082
Profit/(loss) for the year	4,197	(28,093)	(23,896)	1,873	22,389	24,262
Dividends paid (see Note 8)	(5,507)	–	(5,507)	(5,445)	–	(5,445)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(1,307)	(1,307)	–	–	–
Closing balance at 31 March 2023	(5,873)	89,062	83,189	(4,563)	118,462	113,899

Of the Company's Retained Earnings of £83,189,000, £76,433,000 is considered to be distributable.

17. Net asset value per equity share

The net asset values per Ordinary Share are based on the Group's net assets attributable of £106,190,000 (2022 - £136,900,000) and on the Company's net assets attributable of 105,780,000 (2022 - £136,900,000) and on 43,012,464 (2022 - 43,557,464) Ordinary Shares in issue at the year end, excluding shares held in Treasury.

The net asset value per Ordinary Share, based on the net assets of the Group and the Company adjusted for borrowings at fair value (see Note 21) of £108,194,000 (2022 - £132,836,000) is 251.54p (2022 - 304.97p).

	Year ended 31 March 2023		**Year ended 31 March 2022**	
	Group	Company	Group	Company
Net assets at 31 March 2023	106,190	106,190	136,900	136,900
Fair value adjustments	252	252	(4,064)	(4,064)
Net assets with borrowings at fair value	106,442	106,442	132,836	132,836
Number of shares in issue	43,012,464	43,012,464	43,557,464	43,557,464
Net asset value per share	246.88p	246.88p	314.30p	314.30p
Net asset value per share with borrowings at fair value	247.47p	247.47p	304.97p	304.97p

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

	Year ended 31 March 2023		**Year ended 31 March 2022**	
	Group £'000	Company £'000	Group £'000	Company £'000
Income from operations before tax	(14,409)	(14,409)	26,566	26,566
Losses/(gains) on investments	23,249	23,249	(19,237)	(19,237)
Investment management fee	(990)	(990)	(1,090)	(1,090)
Other operating expenses	(895)	(895)	(870)	(870)
Decrease in receivables	521	521	303	303
Increase in other payables	18	18	218	218
Net cash from operating activities	7,494	7,494	5,890	5,890

19. Reconciliation of current and non-current liabilities arising from financing activities

	Year ended 31 March 2023		Year ended 31 March 2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash movements				
Payment of rental (for leasing)	87	87	88	88
Repayment of debenture	20,000	20,000	–	–
Drawdown of loans (for financing)	(13,000)	(13,000)	–	–
Loan costs	80	80	32	32
Non-cash movements				
Finance costs (for leasing)	(78)	(78)	(78)	(78)
Changes in fair value	578	578	(33)	(33)
Issue premium on debenture	111	111	–	–
Effective interest	(24)	(24)	–	–
Amortisation of loan premium and expenses and fair value adjustment	(22)	(22)	(61)	(61)
Change in debt in the year	7,732	7,732	(52)	(52)
Opening debt at 31 March	(59,585)	(59,585)	(59,533)	(59,533)
Closing debt at 31 March	(51,853)	(51,853)	(59,585)	(59,585)

20. Relationship with the Investment Manager and Related Parties

Value and Indexed Property Income Services Limited is a wholly owned subsidiary of Value and Indexed Property Income Trust PLC and all costs and expenses are borne by Value and Indexed Property Income Trust PLC. Value and Indexed Property Income Services Limited has not traded during the year.

Matthew Oakeshott is a director of OLIM Property Limited which has an agreement with the Group to provide investment management services, the terms of which are outlined on page 49 and in Note 3 on page 93.

21. Financial instruments and investment property risks

Risk management

The Group's and the Company's financial instruments and investment property comprise 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.

The Managers have dedicated investment management processes which ensures that the Investment Policy set out on page 34 is achieved. The portfolio is reviewed on a periodic basis by a senior investment manager and by OLIM Property's Investment Committee.

21. Financial instruments and investment property risks continued

Additionally, the Manager's Compliance Officer continually monitors the Group's investment and borrowing powers and reports to the Manager.

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

(i) market risk (comprising price risk and interest rate risk

(ii) liquidity risk

(iii) credit risk

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year.

(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.

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 2023 would have increased/decreased by £15,043,000 (2022 - increase/ decrease of £18,271,000) 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.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise three and ten year bank loans, 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 50%. Details of borrowings at 31 March 2023 are shown in Notes 11 and 12 on pages 101 to 103.

21. Financial instruments and investment property risks continued

Interest risk profile

The interest rate risk profile of the portfolio of financial assets and liabilities at the statement of financial position 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 2023				
Assets				
Sterling	–	3.18	–	2,273
Total assets	–	3.18	–	2,273
At 31 March 2023				
Liabilities				
Sterling	6.51	3.63	50,000	–
Total liabilities	6.51	3.63	50,000	–
At 31 March 2022				
Assets				
Sterling	–	–	–	5,153
Total assets	–	–	–	5,153
At 31 March 2022				
Liabilities				
Sterling	6.17	5.64	57,000	–
Total liabilities	6.17	5.64	57,000	–

The weighted average interest rate on borrowings 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 Notes 11 and 12 on pages 101 to 103.

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 are non interest bearing and have been excluded from the above tables. All financial liabilities are measured at amortised cost.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the statement of financial position 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 2023 would increase/decrease by £21,000 (2022 - increase / decrease by £31,000). 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.

21. Financial instruments and investment property risks continued

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 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 of cash or near cash securities and investment properties which, by their nature, are less readily realisable. The maturity of the Group's mainly fixed rate 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 £'000	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
At 31 March 2023					
Borrowings	50,270	62,378	405	1,245	60,728
Leases	2,853	7,177	22	65	7,090
Other payables	1,500	1,500	1,500	–	–
Total	54,623	71,055	1,927	1,310	67,818
At 31 March 2022					
Borrowings	57,850	75,519	1,261	1,955	72,303
Leases	2,895	7,265	22	65	7,178
Other payables	356	356	356	–	–
Total	61,101	83,140	1,639	2,020	79,481

21. Financial instruments and investment property risks 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. Cash is held only with reputable banks with high quality external credit rating, which are monitored on a regular basis.

Credit risk exposure

In summary, compared to the amounts on the Group Statement of Financial Position, the maximum exposure to credit risk during the year to 31 March was as follows:

	Year ended 31 March 2023		Year ended 31 March 2022	
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Cash and cash equivalents	2,273	27,725	5,153	58,689
Other receivables	599	8,239	4,709	5,186
	2,872	35,964	9,862	63,875

(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 weighted average unexpired lease length to the break option is 12.6 years (2022 - 12.8 years). Details of the tenant and geographical spread of the portfolio are set out on pages 24 and 25. The long term record of performance through the varying property cycles since 1987 is set out on pages 116 to 117. OLIM Property is responsible for property investment management, with surveyors, solicitors and managing agents acting on the portfolio under OLIM Property's supervision.

The Group leases out its investment property to its tenants under operating leases. At 31 March 2023, the future minimum lease receipts under non-cancellable leases are as follows:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Due within 1 year	9,338	8,159
Due between 2 and 5 years	36,302	32,525
Due after more than 5 years	89,151	78,686
	134,791	119,370

21. Financial instruments and investment property risks continued

This amount comprises the total contracted rent receivable as at 31 March 2023.

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 receivables and payables and the borrowings are included in the Statement of Financial Position at fair value.

(i) Fair value hierarchy disclosures

All assets and liabilities of the Group other than receivables and payables and the borrowings are included in the Statement of Financial Position at fair value.

The table below sets out fair value measurements using the IFRS 13 Fair Value hierarchy:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2023				
Investment properties	–	–	150,636	150,636
	–	–	150,636	150,636
At 31 March 2022				
Equity investments	26,871	–	–	26,871
Investment properties	–	–	155,838	155,838
	26,871	–	155,838	182,709

Company and Group numbers per the above fair value disclosures are the same except for the investment of £200,000 made by the Company in its subsidiary, which was the subject of an inter-group transfer in 2014.

Fair value categorisation within the hierarchy has been determined on the basis of the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety as follows:

Level 1 - inputs are unadjusted quoted prices in an active market for identical assets

Level 2 - inputs, not being quoted prices, are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - inputs are not observable

There were no transfers between Levels during the year.

21. Financial instruments and investment property risks continued

(ii) Borrowings

The fair value of borrowings has been calculated at £48,748,000 as at 31 March 2023 (2022 - £61,064,000) compared to a Statement of Financial Position value in the Financial Statements of £49,000,000 (2022 - £56,723,000) per Notes 11 and 12.

The fair values of the loans are determined by a discounted cash flow calculation based on the appropriate inter-bank rate plus the margin per the loan agreement. These instruments are, therefore, considered to be Level 2 as defined above. There were no transfers between Levels during the year.

All other assets and liabilities of the Group are included in the Statement of Financial Position at fair value.

	Fair value		**Statement of financial position value**	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
9.375% Debenture Stock 2026	–	23,592	–	20,111
Bank loans	48,748	37,472	49,000	36,612
	48,748	61,064	49,000	56,723

In June 2022, the 9.375% Debenture Stock 2026 was repaid early at a premium of £6,380,000 and a balance of £111,000 unamortised premium from the issue of the Debenture was expensed.

(iii) Financial instruments by category

Financial assets

	Fair value through profit or loss		**Amortised cost**	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Cash and cash equivalents	–	–	2,273	5,153
Other receivables	–	–	2,965	6,947
Equity investments	–	26,871	–	–
Total financial assets	–	26,871	5,238	12,100

Financial liabilities

	Fair value through profit or loss		**Amortised cost**	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Other payables	–	–	(5,221)	(5,277)
Loans and other borrowings	(34,116)	–	(14,884)	(56,723)
Total financial liabilities	(34,116)	–	(20,105)	(62,000)

22. 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; and
- to maximise the return to its equity shareholders in the form of long term real growth in dividends and capital value without undue risk.

The capital of the Group consists of equity, comprising issued capital, reserves, borrowings 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 Manager's view of 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 Notes 11 and 12 on pages 101 to 103.

23. Commitments

The Board is recommending the payment of a final dividend of 3.6p per Ordinary Share (2022: 3.6p) which, subject to receiving Shareholder approval at the 2023 AGM, will be paid on 4 August 2023 to all Shareholders on the register as at 7 July 2023.

There are no significant subsequent events for the Group or the Company, though purchases and sales of property in the normal course of business which completed after the year end are disclosed on pages 23 and 24.

*MSCI (ex IPD) UK Quarterly Property Index 12 months total returns to 31 March; except 1988 – 1990: IPD Annual Index


SINCE
SHEPHER
BISHO

Additional Information

				Total return	
31 March	Rental income £'000	Capital value £'000	Running yield %	VIP %	MSCI UK Quarterly Property Index* %
2023	9,338	150,500	6.2	-7.8	-13.0
2022	8,334	155,478	5.4	20.2	19.6
2021	5,152	80,550	6.4	2	1
2020	4,482	70,200	6.4	6	-1
2019	4,372	68,800	6.4	8	4
2018	4,329	68,700	6.3	11	10
2017	4,480	66,775	6.7	13	5
2016	3,940	55,125	7.2	10	11
2015	4,019	54,500	7.4	13	17
2014	3,552	46,475	7.6	11	14
2013	3,543	46,225	7.7	4	3
2012	3,537	48,250	7.3	7	6
2011	3,552	49,075	7.2	9	11
2010	3,463	48,750	7.1	18	17
2009	3,278	44,850	7.3	-11	-25
2008	3,261	51,000	6.4	0	-9
2007	3,116	54,525	5.7	15	16
2006	3,219	52,250	6.2	21	21
2005	3,124	45,875	6.8	21	17
2004	3,052	40,375	7.5	15	12
2003	3,089	40,550	7.6	12	9
2002	3,013	38,800	7.8	13	7
2001	3,117	39,825	7.8	10	10
2000	3,054	39,800	7.7	15	15
1999	3,410	41,055	8.3	25	11
1998	3,141	34,800	9.0	15	17

31 March	Rental income £'000	Capital value £'000	Running yield %	Total return VIP %	 MSCI UK Quarterly Property Index* %
1997	3,111	32,805	9.5	10	12
1996	2,840	29,440	9.6	9	5
1995	2,948	31,125	9.5	10	6
1994	2,806	29,835	9.4	23	26
1993	2,773	26,415	10.5	12	-1
1992	2,709	25,880	10.5	10	-3
1991	2,331	23,800	9.8	2	-10
1990	2,050	24,390	8.4	15	15*
1989	1,915	23,475	8.2	30	30*
1988	1,329	14,939	8.9	24	26*
1987	1,155	11,375	10.2	N/A	N/A

Industrials

Address	Tenants
Aberdeen – Gateway Business Park, Moss Road	H.M. Government*
Aylesford – Broadmead House, Bellingham Way, New Hythe	Kier Group*
Chester – Winsford Way, Sealand Industrial Estate	MKM Building Supplies*
Dundee – Faraday Street, Dryburgh Industrial Estate	Screwfix***
Fareham – Mitchell Close, Segensworth East	Hampshire County Council
Gloucester – Falcon Close, Green Farm Business Park, Quedgeley	H.M. Government*
Milton Keynes – Wimblington Drive	Winterbotham Darby*
Staines – Thameside Service Station, Laleham Road	Halfords**
Stoke-on-Trent – Stanley Matthews Way	MKM Building Supplies*
Thetford – Units 1 - 4, Baird Way, Fison Way Industrial Estate	Brake Brothers*
Thirsk – Dalton Airfield, Dalton	H.M. Government*
Thurrock – 680 London Road	Halfords**
Westbury – 50 Cory Way, West Wilts Trading Estate	Arla Foods*

Supermarkets

Address	Tenants
Aberfoyle – Main Street	Co-operative Group Food**
Blandford Forum – Langton Road	Marks and Spencer*
Cleethorpes – 52 St Peters Avenue	Co-operative Group Food*
Garstang – Park Hill Road	Sainsbury's*
Invergordon – 110 High Street	Co-operative Group Food**
Kirriemuir – 33 The Roods	Co-operative Group Food*
Newport, Isle of Wight – Litten Park	Marks and Spencer***
Rayleigh – 12 - 24 Eastwood Road	Marks and Spencer*
York – 103 - 104 Hull Road	Co-operative Group Food***

Pubs

Address	Tenants
Bedford – The Rose, 45 High Street	Stonegate*
Bournemouth – Slug and Lettuce, 2 Dean Park Crescent	Stonegate*
Canterbury – The Bishop's Finger, 13 St. Dunstan Street	Shepherd Neame*
Coventry – Castle Grounds, 7 Little Park Street	Stonegate*
London – The Bishop's Finger, West Smithfield	Shepherd Neame*
London – The Prince of Wales, 48 Cleaver Square	Shepherd Neame*
Newcastle-upon-Tyne – The Percy Arms, Percy Street	Stonegate*

Other

Address	Tenants
Dover – St. Margaret's Holiday Park, Reach Road	Park Resorts*
Risca – 77 Tredegar Street	Caerphilly Borough Council*** Tesco*

Roadside

Address	Tenants
Bebington – 152 Kings Road, Wirral	Sainsbury's*
Louth – Spar Fairfield Services, Bolingbroke Road, Fairfield Industrial Estate	A.F. Blakemore and Son*
Melton Mowbray – Egerton Park Service Station, Leicester Road	BP Oil***

Hotels

Address	Tenants
Alnwick – Willowburn Trading Estate, South Road	Premier Inn**
Catterick – Princes Gate, Richmond Road	Premier Inn**

Leisure

Address	Tenants
Coventry – Crosspoint, Olivier Way	Ten Entertainment Group* Starbucks* Pizza Hut***
Doncaster – The Leisure Park, Bawtry Road	Ten Entertainment Group*
Stafford – TenPin, Greyfriars Place	Ten Entertainment Group*

* RPI-linked rent increases
** CPI-linked rent increases
*** Fixed rent increases

Value and Indexed Property Income Trust PLC (the Company) is an alternative investment fund (AIF) for the purposes of the Alternative Investment Fund Managers Directive (AIFMD). The Company has appointed its wholly owned subsidiary, Value and Indexed Property Income Services Limited (VIS), to act as its alternative investment fund manager (AIFM). VIS is authorised and regulated by the FCA.

As the AIFM, VIS has responsibility for the portfolio management and risk management of the assets of the Company. VIS has delegated its portfolio management responsibilities for the property portfolio to OLIM Property (the Investment Manager). The delegation by VIS of its management responsibilities is in accordance with the delegation requirements of the AIFMD. The Investment Manager remains subject to the supervision and direction of VIS and the Board.

An additional requirement of the AIFMD is to appoint a depositary on behalf of the Company to oversee the custody and cash arrangements of the Company. The Company has appointed BNP Paribas Trust Corporation UK Limited to act as the Company's Depositary.

Disclosures

The Company and VIS are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures which require to be made prior to investment are contained in an investor disclosure document, which can be found on the Company's web pages hosted by the Investment Manager at www.olimproperty.co.uk/value-and-indexed-property-income-trust.html.

The Investor Disclosure Document was updated in July 2022 following the increases in borrowings on one of the Company's secured term loans.

The Company and VIS also make the following periodic disclosures to investors in accordance with the requirements in the AIFMD:

- **Investment Management**: Details of the investment objective, strategy and policy of the Company are included in the Strategic Report. A list of the investment properties is included on pages 118 and 119.
- **Valuation of illiquid assets**: None of the Company's assets is subject to special arrangements arising from their illiquid nature.
- **Liquidity management**: There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Company.
- **Risk Management**: There is an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. Further details of the risk profile and risk management systems of the Company are set out in the Strategic Report and in Note 21 to the Financial Statements. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- **AIFM Remuneration**: All authorised AIFMs are required to comply with the AIFMD Remuneration Code. The expenses which VIS incurs in the provision of AIFM services are met by the Company. During the year ended 31 March 2023, all of the directors of VIS were the same as the Directors of the Company, with the exception of Matthew Oakeshott who is not a director of VIS, and no additional staff were employed by VIS. The Directors of the Company do not receive a separate fee in respect of being directors of VIS and details of the remuneration of the Directors is set out in the Directors' Remuneration Report on pages 54 to 57. The Investment Manager receives remuneration separately (as set out on page 55). The Investment Manager is bound by regulatory requirements on remuneration that are equally as effective as those applicable to VIS under the AIFMD Remuneration Code.

Leverage

Circumstances when the Company may use leverage

Leverage may be used where it is believed that the assets funded by borrowed monies will generate a return in excess of the cost of borrowing.

In a rising market, gearing will tend to enhance returns because of the increased exposure to the markets but it will tend to increase losses in the event of a falling market. Leverage is, therefore, constantly monitored.

Types and sources of leverage permitted

The Company has a long-standing policy of funding most of the increases in its property portfolio through the judicious use of borrowings. Gearing will normally be within a range of 25 per cent. and 50 per cent. of the total portfolio. The Company will not raise new borrowings if total net borrowings would then represent more than 50 per cent. of the total assets.

On 26 February 2015, a five year secured term loan facility of £5 million was arranged at a five year fixed interest rate of 4% including all costs. This facility was used to fund further property acquisitions. This loan was refinanced on 12 May 2016 and a new ten year secured term loan facility of £15 million was arranged at a ten year interest rate of 4.4% including all costs and replaced the original £5 million loan arranged in February 2015.

On 28 November 2019, the Company agreed a seven year secured term loan of £22 million at a fixed interest rate of 3.1% per annum (3.3% per annum after all expenses) on £20.9 million and at a floating rate of Libor plus 2.35% on the balance of £1.1 million. The net proceeds were held on accessible deposit until 31 March 2021 when they were used to refinance the Company's £15 million 11% First Mortgage Debenture Stock 2021, which expired on that date and to support the acquisition of further UK properties in accordance with the Company's investment policy. On 3 March 2021, the term of this agreement was extended to 31 March 2031 at a new fixed interest rate of 3.28% on the £20.9 million. On 27 April 2022, an additional £8 million and on 22 June 2022, an additional £5 million, were borrowed, bringing the loan amount to £35 million, with the term of the loan extended to 31 March 2033. This borrowing is now at a rate of 3.46% on £33.25 million with the balance of £1.75 million on a floating rate (SONIA) plus a margin of 2.2%.

The maximum level of leverage which the AIFM is entitled to employ on behalf of the Company

Under the AIFMD, the Company is required to calculate leverage under the two methodologies specified by the AIFMD, the 'Gross Method' and the 'Commitment Method', the difference being that the Commitment Method allows some netting and hedging arrangements to reduce exposures.

VIS has set a maximum leverage limit of 200% under both the Gross Method and Commitment Method. As noted above, these leverage limits are subject to a long-standing policy not to raise new borrowings if total net borrowings would represent more than half of total assets.

The table below sets out the current maximum permitted range and the actual level of leverage for the Company, as a percentage of adjusted Shareholders' funds:

	Gross method (%)	**Commitment method (%)**
Limit	200	200
Actual level at 31 March 2023	144	147

There have been no changes to the maximum level of leverage that the Group has employed and no changes to the right of reuse of collateral or any guarantee granted under the leveraging arrangements.

The Company's leveraging arrangements are collateralised through the granting of charges over the properties in the property portfolio to the respective providers of the two secured term loans.

Direct

Investors can buy and sell shares in Value and Indexed Property Income Trust PLC directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser.

Keeping you informed

The latest Ordinary Share price is displayed on the London Stock Exchange website, subject to a delay of 15 minutes. "VIP" 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.

Customer services

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: 0370 703 0168

www.investorcentre.co.uk/contactus

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, may be changed by future legislation.

Shareholders in a number of UK registered companies have received unsolicited calls from organisations, usually based overseas or using false UK addresses or phone lines routed abroad, offering to buy shares at prices much higher than their current market values or to sell non-tradeable, overpriced, high-risk or even non-existent securities. Whilst the callers may sound credible and professional, Shareholders should be aware that their intentions are often fraudulent and high-pressure sales techniques may be applied, often involving a request for an indemnity or a payment to be provided in advance.

If you receive such a call, you should exercise caution and, based on advice from the FCA, the following precautions are suggested:

- obtain the name of the individual or organisation calling;
- check the FCA register to confirm if the caller is authorised;
- call back using the details on the FCA register to verify the caller's identity;
- discontinue the call if you are in any doubt about the intentions of the caller, or if calls persist; and
- report any individual or organisation that makes unsolicited calls with an offer to buy or sell shares to the FCA and the City of London Police.

Useful contact details:

Action Fraud

Telephone: 0300 123 2040

Website: www.actionfraud.police.uk

FCA

Telephone: 0800 111 6768 (freephone)

E-mail: consumer.queries@fca.org.uk

Website: www.fca.org.uk/scamsmart

Alternative performance measures

Alternative performance measures (APMs) are numerical measures of the Group's current, historical or future performance, financial position or cash flows, other than the financial measures defined or specified in the applicable financial framework. The Group's applicable financial framework includes IFRS and the AIC SORP. The Directors assess the Group's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return

Total return is considered to be an APM. The NAV Total Return is calculated by reinvesting the dividends in the assets of the Group from the relevant ex-dividend date. Dividends are deemed to be reinvested on the ex-dividend date as this is the protocol used by the Group's benchmark and other indices. The Share Price Total Return is calculated by reinvesting the dividends in the shares of the Group from the relevant ex-dividend date.

Net asset value valuing debt at carrying value

Net asset value valuing debt at carrying value is the net value of the Group's assets, cash and other current assets less all creditors, provisions and all debt, all valued at carrying value. Net income from the financial year is included. The calculation of this APM is explained in Note 17 to the Financial Statements.

Discount

The discount is the amount by which the market price of a share of an investment trust is lower than the NAV per share expressed as a percentage of the NAV per share.

	31 March 2023	**31 March 2022**
Share price	204.5p	239.0p
NAV (debt at carrying value)	246.9p	314.3p
Discount	17.2%	24.0%

Notice is hereby given that the Annual General Meeting of Value and Indexed Property Income Trust PLC (the "Company") will be held at the Kingham Room, Broadway House Conference Centre, Tothill Street, London SW1H 9NQ on Wednesday, 2 August 2023 at 12.30pm, for the following purposes:

To consider and if thought fit, pass the following Resolutions, of which Resolutions 1 to 12 inclusive will be proposed as Ordinary Resolutions and Resolutions 13 to 15 inclusive will be proposed as Special Resolutions:

1. To receive the Directors' Report and audited Financial Statements, together with the Auditor's Report thereon for the year ended 31 March 2023.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2023.
3. To approve the Directors' Remuneration Policy for the three-year period ending 31 March 2026.
4. To approve a final dividend of 3.6p per Ordinary Share in respect of the year ended 31 March 2023.
5. To re-elect John Kay as a Director of the Company.
6. To re-elect Matthew Oakeshott as a Director of the Company.
7. To re-elect David Smith as a Director of the Company.
8. To re-elect Josephine Valentine as a Director of the Company.
9. To elect Lucy Winterburn as a Director of the Company.
10. To re-appoint BDO LLP 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.
11. To authorise the Directors to fix the remuneration of the Independent Auditor for the year to 31 March 2024.
12. Authority to Allot Shares
    That, in substitution for any existing authority, but without prejudice to the exercise of any such authority prior to the date hereof, the Directors of the Company 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 ("Securities") provided that such authority shall be limited to the allotment of shares and the grant of rights in respect of shares with an aggregate nominal value of up to £430,124 (being approximately 10% of the nominal value of the issued share capital (excluding Treasury shares) of the Company, as at the date of this Notice) provided that such authorisation expires (unless previously extended or renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company in 2024 or on the expiry of 15 months from the passing of this Resolution, (whichever is earlier) save that the Company may, at any time prior to the expiry of this authority, make offers or agreements which would or might require such Securities to be allotted or granted after such expiry and the Directors may make such offers or agreements as if such expiry had not occurred.
13. Disapplication of Pre-emption Rights
    That, subject to the passing of Resolution 12 set out above, and in substitution for any existing power but without prejudice to the exercise of any such power prior to the date hereof, the Directors of the Company 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 12 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 £430,124 (being 10% of the nominal value of the issued share capital 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 2024, or on the expiry of 15 months from the passing of this Resolution (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.

14. 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, either for retention as Treasury shares for future reissue, resale, transfer or cancellation, provided that:

(i) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased shall be 6,447,568 Ordinary Shares, representing 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) 105% of 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 2024 or on the expiry of 15 months from the passing of this Resolution (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 Financial Conduct Authority, be held or otherwise dealt with as permitted by the Companies Act 2006 as Treasury Shares.

15. Notice of General Meeting
That, a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice.

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

First Floor Kintyre House
205 West George Street
Glasgow G2 2LW

26 June 2023

Notes:

(i) A member entitled to 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 0370 703 0168. 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. 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 a meeting is determined by reference to the Company's register of members as at close of business on 31 July 2023 or if this meeting is adjourned, by close of business on the day two days (excluding non-working days) prior to the adjourned meeting. Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

(x) As at 26 June 2023 (being the latest practicable date prior to the publication of this document) the Company's issued share capital comprised 43,012,464 Ordinary Shares of 10p each in issue and 2,537,511 Ordinary Shares held in Treasury. Each Ordinary Share in issue 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 26 June 2023 was 43,012,464. Following Resolution 14 becoming effective, the maximum aggregate number of shares hereby authorised to be purchased shall be 6,447,568 Ordinary Shares in issue immediately prior to the passing of Resolution 14.

(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, Guidance 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 election/re-election are set out on page 44 of this Annual 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 web pages, hosted by the Investment Manager, at https://www.olimproperty.co.uk/value-and-indexed-property-income-trust.html

(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.

Directors

John Kay (Chairman)
Matthew Oakeshott
David Smith
Josephine Valentine
Lucy Winterburn

Secretary

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First Floor Kintyre House
205 West George Street
Glasgow G2 2LW

Telephone: 0141 306 7400
Website: www.mavencp.com

(Authorised and regulated by the Financial Conduct Authority)

Registered Office

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First Floor Kintyre House
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Glasgow G2 2LW

Registered Number

Registered in Scotland
Company No: SC050366

Legal Entity Identifier:
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ISIN: GB0008484718
TIDM: VIP

Registrars

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Bristol BS99 6ZZ

Telephone: 0370 703 0168
Website: www.investorcentre. co.uk/contactus

Independent Auditor

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London W1U 7EU

Investment Manager

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Matthew.Oakeshott@olimproperty. co.uk
Louise.Cleary@olimproperty.co.uk

Alternative Investment Fund Manager

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Registered in Scotland
Registration number: SC467598

Legal Entity Identifier:
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