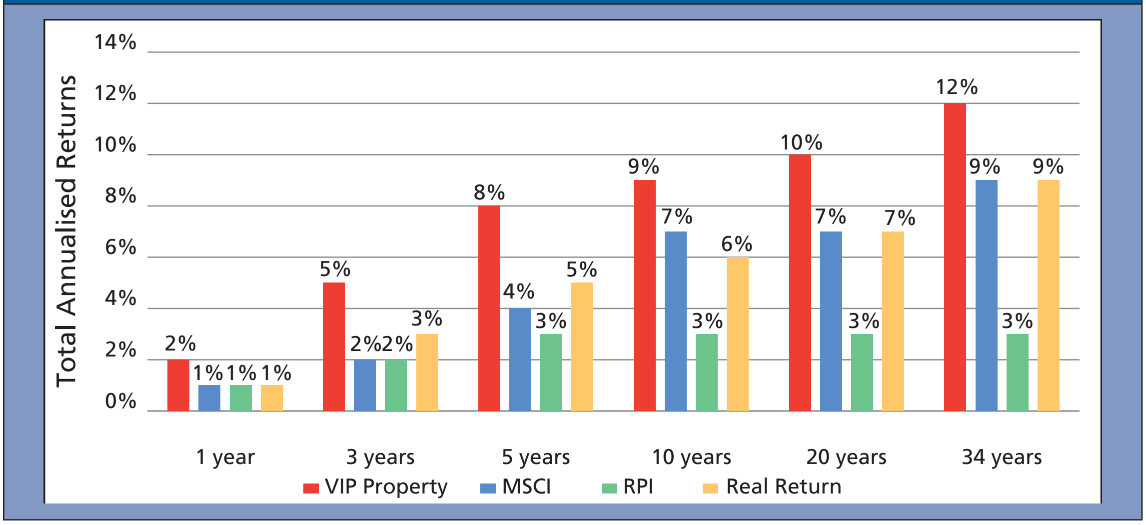
VALUE AND INDEXED PROPERTY INCOME TRUST PLC – VIP

ANNUAL REPORT AND ACCOUNTS 2021

LONG, STRONG, INDEXED PROPERTY INCOME

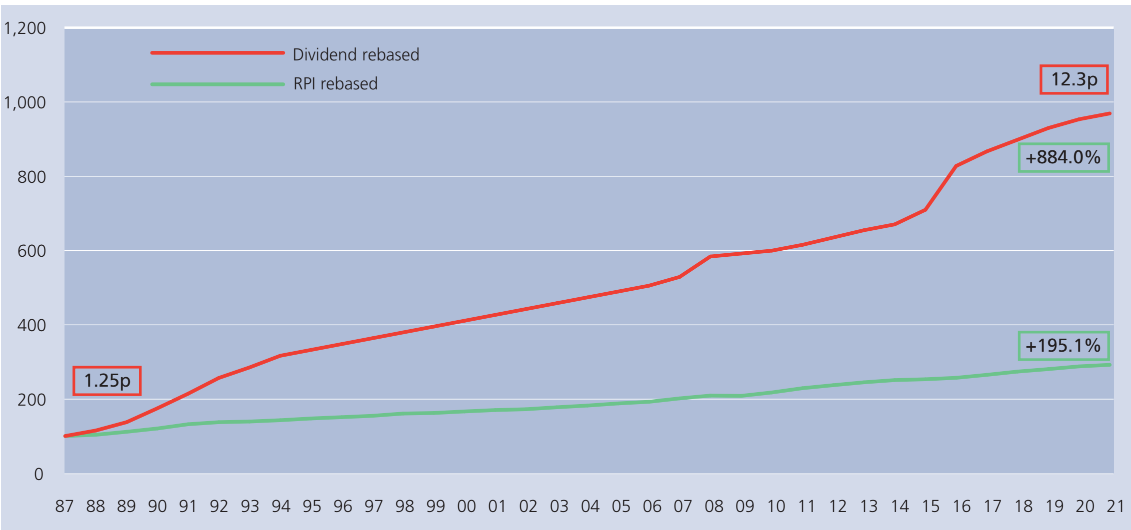
Value and Indexed Property Income Trust PLC (VIP) is an investment trust company listed on the London Stock Exchange. It now invests mainly in direct UK commercial property, with some UK property-backed securities, to deliver secure, long-term index-linked income. Its performance benchmark is the MSCI UK Quarterly Property Index.

VIP Property Portfolio Performance Record Over 34 Years



VIP (previously Value and Income Trust PLC – VIT) has raised its dividend every year since it was founded in 1987. The dividend has grown almost tenfold over 34 years, while the Retail Price Index has almost trebled.

VIP Dividend Growth Record 1987-2021



(Source: Maven Capital Partners UK LLP & Office for National Statistics)

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Financial Calendar

30 October 2020	First quarterly dividend of 2.9p per share for the year ended 31 March 2021
5 November 2020	Announcement of Half-Yearly Financial Report for the six months to 30 September 2020
29 January 2021	Second quarterly dividend of 2.9p per share for the year ended 31 March 2021
30 April 2021	Third quarterly dividend of 2.9p per share for the year ended 31 March 2021
22 June 2021	Announcement of Annual Financial Report for the year ended 31 March 2021
23 July 2021	Annual General Meeting, Glasgow (12.30pm)
30 July 2021	Final dividend of 3.6p per share payable for the year ended 31 March 2021
29 October 2021	First quarterly dividend payable for the year ending 31 March 2022
November 2021	Announcement of Half-Yearly Financial Report for the six months ending 30 September 2021
28 January 2022	Second quarterly dividend payable for the year ending 31 March 2022

Chairman's Statement

Value and Income Trust PLC (VIT) became Value and Indexed Property Income Trust PLC (VIP) in January 2021 following the approval by Shareholders of the proposals put to the General Meeting. The main change was to the investment policy of the Company: this is now to invest predominantly in commercial property. The appearance of the Annual Report has altered to reflect this and the Property Manager's Report on pages 4 to 17 gives details of the implementation of the policy so far.

Good progress has been made in buying properties on long leases with index-linked rent reviews and negotiations on several more opportunities are well advanced. The increased property portfolio, together with the prior year refinancing of the 2021 debenture, which was paid off on 31 March 2021, provides a good foundation for rebuilding cover for our dividend and for future growth. The secured term loan of £22 million now runs until 31 March 2031 mainly at a fixed annual rate of 3.2%.

Many of the Company's index-linked leases provide for maximum and minimum increases at future rent review, often described as 'caps and collars'. The Financial Statements have been prepared under IFRS (International Financial Reporting Standards). IFRS 16 requires that these minimum increases, which may arise only many years in the future, are averaged over the whole life of the lease. The effect is that the reported revenue return for the year to 31 March 2021 exceeds by £345,000 the rent actually falling due in that year.

The Board has decided that, in line with the general practice of property companies, all management expenses should be charged to the revenue account. Until March 2021, the Company had, in common with many investment companies, charged a percentage to capital, in our case 70%. The effect of this change will be to reduce the reported revenue by an estimated £735,000.

The Board is recommending a final dividend of 3.6p per share, making total dividends of 12.3p per share for the year to 31 March 2021 compared to 12.1p per share in the previous year, an increase of 1.7%. Subject to Shareholder approval at the Annual General Meeting (AGM), the final dividend will be paid on 30 July 2021 to Shareholders on the register on 2 July 2021. The ex-dividend date is 1 July 2021. It will be the 34th year of dividend increases following the reconstruction of the Company. In the short term, this will require some use of our distributable capital reserves.

In the medium term, however, the Board will aim to ensure that the dividend is paid from rents and dividends received (after interest costs and management expenses) and that the indexed leases permit future increases at least in line with inflation.

Net Asset Value total return (with debt at par) and Share Price total return are considered by the Board to be Alternative Performance Measures (APMs) as explained further in the Business Review on pages 27 and 28 and defined in the Glossary on page 98. Over the year, the Net Asset Value total return (with debt at par) was 12.3% (2020: -21.8%) and the Share Price total return was 39.3% (2020: -30.7%). This compares with the FTSE All-Share Index total return of 26.7% (2020: -18.5%). The total return from the equity portfolio was 26.6% (2020: -23.7%) and from the property portfolio was 2.3% (2020: 6.3%) (the MSCI UK Quarterly Property Index total returns were 0.9% and -0.6%). From 1 April 2021, our performance benchmark has changed from the FTSE All-Share Index to the MSCI UK Quarterly Property Index, to reflect the change in investment policy.

As provided for in the Circular issued to Shareholders in December 2020, there will be an opportunity in the future for Shareholders who wish to sell their shares to do so at Net Asset Value less costs. The Board's intention is to table a proposal at the AGM to be held in 2026.

The Company bought back its own shares for the first time, starting at a price of 196.2p in January 2021 and ending in late February at a price of 220p, one month before the year-end property revaluation. The discount of the Share Price to Net Asset Value narrowed by 9 percentage points over that period.

As noted in previous statements, the difference between the fair value and the nominal value of our debenture stock and our secured loans is reducing over the life of the debenture which will be repaid at its nominal (par) value. The figures are set out in Note 17 to the Financial Statements on pages 85 and 86. The debenture has covenants attached to it and further information is included in Note 12 to the Financial Statements on pages 83 and 84; there is plenty of headroom in terms of both capital and income.

The change in investment policy has caused us to consider the composition of the Board. The reduction in the equity portfolio and greater emphasis on property means that Dominic Neary will retire following the conclusion of the AGM. We are very grateful for his contribution to the development of VIP. I shall also retire during the course of the next year.

Due to the uncertainty over the timing of the lifting of all COVID restrictions and the social distancing measures required, this year's AGM will be held once again in the offices of Maven Capital Partners UK LLP, Kintyre House, 205 West George Street, Glasgow G2 2LW on Friday, 23 July 2021 at 12.30pm. Due to social distancing measures, Shareholders will be unable to attend the AGM in person.

The Notice of Annual General Meeting can be found on pages 99 to 104 of this Annual Report. The Board encourages Shareholders to vote using the Proxy Form, which can be submitted to Computershare, the Company's Registrar. Proxy Forms should be completed and returned in accordance with the instructions thereon and the latest time for the receipt of Proxy Forms is 12.30pm on Wednesday, 21 July 2021. Proxy votes can also be submitted by CREST or online using the Registrar's Share Portal Service at **www.investorcentre.co.uk/eproxy**. The Board would also encourage Shareholders to submit any questions for the Board and Manager by email or by letter in advance of the AGM. Shareholders wishing to submit a question should write to: The Company Secretary, Value and Indexed Property Income Trust PLC, First Floor, Kintyre House, 205 West George Street, Glasgow G2 2LW or by email to: **CoSec@mavencp.com**

James Ferguson
Chairman

22 June 2021

Summary of Portfolio

	31 March 2021		31 March 2020	
	£m	%	£m	%
UK Equities	28.6	16.1	90.8	51.5
UK Property	81.1	45.7	74.5	42.3
Cash	67.9	38.2	10.9	6.2
	177.6	100.0	176.2	100.0

Property Portfolio

The Market

UK commercial property values fell by 6% on average in 2020 giving a total return of -2%. Overall capital values have now stopped falling and may produce a positive total return of 5% - 7% over 2021. But these averages mask key structural changes in property which the COVID crisis has made faster and deeper. We expect a K-shaped recovery for both property and the UK economy, with some sectors emerging stronger from the crisis and others in serious structural decline. In the upward arm of the "K", warehouse/industrial property, supermarkets, convenience stores and some non-traditional "alternative" property types will outperform offices, (particularly London) and non-food retail, (particularly High Street shops and shopping centres) for the foreseeable future. The five-day office commute is as dead as Debenhams and even the four-day commute is an endangered species. Rising office vacancy rates and a flood of major office occupiers announcing they are downsizing should soon start showing up more clearly in office property valuations. Tenants exercising break clauses and surrendering or subletting surplus space will soon provide stark evidence of falling office rents.

The MSCI UK Quarterly Property Index, the most representative measure of the performance of institutional investment property portfolios, showed a total return of -2.3% over 2020 as a whole. Estimated rental values fell by 3% with further declines clearly in the pipeline for offices and non-food retail as vacancies rise and rents fall. Capital values bottomed out overall in the first quarter of 2021 with further gains on industrial/warehouse offsetting retail and office declines. Differential sector movements have been dramatic, as this summary of capital value changes shows:

Capital Value % Changes Year to March 2021

Supermarkets	+3.6
Non Food Retail	-15.7
Offices	-4.5
Industrial/Warehouse	+9.6
Leisure	-8.9
ALL PROPERTY	-3.2

Matthew Oakeshott and Louise Cleary

UK Commercial Property – Average Annual % Growth Rates to March 2021

	6 Months	1 Year	3 Years	5 Years	10 Years
Capital Values	+0.8	-3.5	-2.9	-0.9	+1.7
Rental Values	-1.6	-2.9	-1.2	+0.0	+0.9
Total Returns	+5.4	+0.9	+1.5	+3.8	+6.9

Source: MSCI Quarterly Index – Annualised

Until five years ago all the main UK commercial property sectors used to rise and fall in value together, albeit at different speeds. But no longer - retail property values have now plumbed new depths below the bottom of the property crash in 2009 – and are clearly heading lower still as a torrent of Company Voluntary Agreements (CVAs) washes away the traditional institutional lease for non-food retail property. Warehouse/industrial property, by contrast, has more than doubled in capital value over the past decade, and capital and rental values have been rising rapidly in recent months as the COVID explosion of online retail shatters shopping centres and traditional high streets.

Total commercial property transaction volumes since March 2020 have been running far below normal levels, with Central London office sales and lettings both below their nadir in 2009, along with shopping centres and High Street retail. Leisure and alternative sector transactions have also been few and far between. But turnover in the strongest sectors, industrials and supermarkets, is running above pre-pandemic averages. Meanwhile property void rates are clearly heading much higher, up from 8.2% to 9.8% over the past year (and 13.1% to 16.6% on offices).

Property investors have had to work hard to ensure tenants pay their rent where they can, agree phased payment plans with tenants who are basically sound but temporarily closed, and judge which weaker tenants really cannot pay. Average lease lengths in property are now shortening further, with multiple break clauses. Non-food retailers are typically only prepared to renew or take new leases at turnover-related rents, with most office occupiers now demanding ever shorter and more flexible leases. Open market rent review uplifts will be very rare over the next two or three years, except on industrials.

The Government, under tenant pressure, has repeatedly suspended landlords' traditional tools for enforcing rent collection – eviction orders, use of Commercial Rent Arrears Recovery (CRAR) bailiffs and statutory demands for winding up. The latest extension is until end March 2022, with no clarity as to what will follow. Unless the Government extends business rates relief past that date, many weaker retail and hospitality tenants will simply be unable to pay their rent, whether the landlords have the power to collect it or not. The Government's Code of Practice for Commercial Property is utterly unbalanced because it allows well-funded tenants like Boots or JD Sports just to refuse to pay their rent. Well-advised, robust landlords are however now selectively and effectively using County Court Judgements (CCJs) to collect rent from persistent but solvent late payers.

Warehouse/Industrial Property – in Growing Demand

Warehouse/industrial property has enjoyed an historic re-rating in recent years, so that it is now valued at a significantly keener yield than offices or retail property, reflecting its better rental and capital growth prospects. It is the only sector to have recorded rental growth over the past year, and with vacancy rates low and tenant demand strong, that trend looks set to continue throughout 2021. Driven by the explosion of online retailing, 2020 saw the highest ever take up of logistics "big boxes" at 35.8 million square feet, 64% above 2019. Well-let and well-located industrial and warehouse property in all sizes from logistics "big boxes" on motorway junctions to "last mile" urban sheds and estates of smaller units in prosperous areas should all continue to outperform, however, tenant failures and rising unemployment are starting to raise vacancy rates on some multi-let industrial estates, especially in the North.

Comparative Investment Yields – End December (Except End March 2021)

		2021 March	2020	2019	2018	2017	2011	2008	2006
Property (Equivalent Yield)		5.7	5.7	5.6	5.4	5.5	6.8	8.1	5.4
Long Gilts:	Conventional	0.9	0.2	1.0	1.5	1.4	2.5	3.7	4.6
	Index Linked	-2.3	-2.6	-2.0	-1.8	-1.8	-0.2	0.8	1.1
UK Equities		3.0	3.4	4.1	4.5	3.6	3.5	4.5	2.9
R.P.I. (Annual Rate)		1.4	0.9	2.2	3.2	4.1	4.8	0.9	4.4
Yield Gaps:	Property less Conventional Gilts	4.8	5.5	4.6	3.9	4.1	4.3	4.4	0.8
	less Index Linked Gilts	8.0	8.3	7.6	7.2	7.3	7.0	7.3	4.4
	less Equities	2.7	2.3	1.5	0.9	1.9	3.3	3.6	2.5

Source: MSCI and ONS

Offices – Depreciation and Decline

The key strategic question now for UK commercial property is the future of office investments in general, and highly valued and rented London offices in particular. Their long-term performance has broadly tracked the market as a whole, as measured by the MSCI UK Quarterly Property Index, but with more volatility. OLIM Property believes they are now suffering serious structural damage, with falling rental values and lower net demand. There is still a future demand for city centre offices, but for more limited space for meeting, training and marketing purposes rather than where most employees travel to work on most days.

Great swathes of mid and back-office work are now being done mainly from home or partly at low cost non-city centre locations. Cost reduction will be tenants' top priority with break clauses exercised in most cases and tenants demanding considerable capital expenditure from landlords to induce them to stay, even in less space. More functional obsolescence and depreciation will therefore need to be factored into most office valuations, leading to further rises in most office valuation yields and substantial falls in capital values to reflect lower effective net rents and greater re-letting risk. A host of the largest UK office occupiers from Nationwide, Lloyds and Santander to Aviva, Unilever, BP, Capita and the large accountancy firms have been announcing their decisions to close offices and move large parts of their workforce to a hybrid or even wholly home-based work model. Even though there will still be some prestige occupiers for premium office space, very few will want more space than they have already and most will want less.

Non-Food Retail – Further to Fall

Many retailers in high streets and shopping centres were already on their last legs before COVID; online retail sales peaked at 36% during lockdown, up from 20% a year ago and only 14% five years ago. Many non-food retail properties must now be valued simply at their site value for alternative use, usually well below the former retail value. Some leasehold shopping centres may now even have negative value because outgoings exceed the rents collected. Retail warehouse rents have also been under downward pressure but their capital values are now edging ahead in more prosperous areas, particularly if they are next to supermarkets or have good alternative use values whether for industrial or distribution purposes, low-rent food stores e.g. for Aldi or Lidl, or even residential development.

On the high street, the steepest and most significant falls now in property values are happening in Central London and other large city centres dependent on intensive commuting and overseas tourists. Unfair business rates had already crippled urban high streets in less prosperous parts of the UK and the Government keeps kicking the rates reform can down the road. Suburbs and market towns with more affordable rents and an attractive mix of convenience and independent traders will prove more resilient.

Food Retail – Winning Through and After the Crisis

Supermarkets and convenience stores (including petrol filling stations), have had a good crisis, often with increases of 20%-30% in their turnover, much of which they should still retain even after COVID-related lockdowns are past, with more working from home. The market leaders are better at combining physical and online retailing than most non-food retailers; and M&S Foods' alliance with Ocado now looks especially well timed. But on-line penetration remains far lower than in non-food retail, and many consumers still prefer the choice and convenience of their local food shop, where the Co-op is uniquely well placed. More money will be spent nearer home.

Non-Traditional Alternatives – Stick to Well-Funded Strong Survivors

Property in the "Alternatives" sectors – i.e. everything except office, industrial or retail - has been growing rapidly in importance for institutional investors in recent years and now accounts for over 16% of the MSCI UK Quarterly Property Index. It covers a very wide range of property types and tenants, with some being hit much harder than others by COVID.

Most alternative sector investments have long, often indexed, leases, so the tenant's ability to pay is crucial for valuation purposes. Some shakier operators may never reopen after the early 2021 lockdown, but the strong and well-capitalised, trading off affordable rents, should benefit from weaker competitors being squeezed out. Alternative investments should therefore resume their outperformance of non-food retail and offices after the pandemic but with strong survivor bias and wide variations between different sub-sectors, as outlined below.

Alternatives – Leisure and Hotels – Small Towns and Countryside Gain from Working from Home

Well-let pubs are safer investments than restaurants, where many private-equity backed multiple chains were already drowning in debt pre-COVID. The leading pub companies, like Greene King and Wetherspoons, as well as most traditional regional brewers, have strong balance sheets with plenty of freehold assets and borrowing capacity. Profitable, spacious pubs, with plenty of outside space let to strong tenants, traded well when they were open last summer and autumn, with many reporting record trading even after the Eat Out to Help Out subsidy ended in August. Pubs of this type in suburban, small town and rural locations rather than city centres have traded exceptionally well again outside since 12 April 2021, whatever the weather. With far fewer of their customers holidaying abroad this summer they should be both short and long-term winners from changing work patterns.

Unlike most retail spending, a visit to a pub, especially a food-led pub like many institutionally-owned managed houses, cannot really be replicated on-line. Many pubs are also underpinned by alternative, usually residential use value, because they were built to serve customers living nearby. Meanwhile the well-established trend of smaller pubs closing and larger and better-run pubs gaining market share will speed up fast.

Health and Fitness clubs have also reported generally encouraging results since they have been able to re-open, especially on large out of town sites with good car parking near where customers are often able to work from home.

The two main ten pin bowling companies both also traded well when allowed, but bingo halls and cinemas face a difficult future as repeated lockdowns drive more of their older customers online to the likes of Netflix and Amazon Prime. Rents will need to fall and niche local cinemas in smaller towns may do better than mass market over-indebted operators like Cineworld in town centres and leisure parks.

Hotel values may also diverge sharply. City centre and airport hotels serving overseas visitors and big corporate customers will continue to underperform hotels in smaller towns and rural areas serving British holidaymakers and businesses. Covenant strength will also be key, with Premier Inn (the £6.2 billion market capitalised Whitbread plc) preferred to over-indebted operations like Travelodge.

Alternatives – Student Accommodation and Care Homes - Covenant Strength is Key

Student accommodation still faces challenges, but students are now gradually returning to more normal learning, with most universities reopening fully in May. Investments let directly to the best universities on long leases should benefit from a general flight to safety but some weaker universities and colleges may struggle. Individually let student flats may suffer from general weakness in the residential letting market in 2021, especially in city centres like London where the population has clearly fallen over the past year.

COVID has hit care homes hard. Costs and vacancy rates have risen because of more deaths, slower admissions and Brexit-related staff shortages, while private-equity backed care home providers need more equity and lower rents. High quality homes with self-funded residents will continue to outperform those dependent on public funding. Medical centres and private hospitals will stay in demand.

The Economy

2020 showed the sharpest full year drop in UK GDP since 1921, at nearly 10%. Government expenditure as a share of GDP is the highest since 1945 and Government debt has risen to over 100% of GDP with the ONS estimating the furlough scheme will cost the Exchequer over £60 billion. With many businesses now deep in debt and struggling to survive the latest lockdown, many "Bounce Back" loans will also have to be written off and unemployment may rise to over 5% when the furlough scheme comes to an end, as it must, to protect the public finances. Britain's excellent progress on mass vaccination should provide a welcome insurance policy against further nationwide lockdowns; but overseas travel, for business or holidays will be well below pre-pandemic levels so long as high infection rates and new variants continue in so much of the world.

The UK was the hardest hit country in the G7 last year, with higher rates of COVID infections and deaths and deeper losses of output and jobs. After GDP fell by 20% in the second quarter, it recovered very strongly in the third quarter and again in March 2021. There should be a strong recovery in 2021, maybe by as much as 7% helped by pent-up, although potentially unbalanced, consumer spending by lockdown beneficiaries, and reassuring leadership and massive economic stimulus in the United States.

The UK economy underperformed in the crisis for two main reasons – initial Government delays in crisis management and an exceptionally large service sector. There had been hopeful signs as retailing, hospitality and domestic tourism re-opened over the summer, along with construction and parts of manufacturing. But mechanistic economic models may underestimate the unequal impact of the pandemic with poorer people typically hardest hit, and the long-term scarring left by so many people losing their jobs and small businesses going under. Post-Brexit trade friction remains a problem. In 2020, 180,000 people lost their jobs in retail and 2021 will see widespread job losses in many sectors as short-term subsidies run down. Consumer confidence is high but the recovery will inevitably be unbalanced, with some less skilled workers unable to work from home and able to afford essentials only, especially in post-industrial parts of Britain. Meanwhile savings have shot up for many consumers, mainly the better-off, who have done well in the pandemic and have potential spending power which could push prices of some goods and services up quite sharply. Inflation rates are clearly now rising as economies recover, with a sharp jump in the UK annual rates to 2.1% for the CPI and 3.3% for the RPI in May 2021.

The Treasury will soon have to start withdrawing some of their exceptional crisis spending splurge. The Bank of England's vast asset purchases since 2019 mean that one third of all gilts are owned by the Bank, reducing their effective maturity from 11 to only 4 years. This highlights the risks of letting the public sector deficit rise further if it has to be financed by borrowing at significantly higher interest rates in the years ahead.

Conclusion – Stay Safe with Indexed Income as Economic Risks Grow

UK commercial property capital values should make modest gains overall this year. Offices and non-food retail will keep falling with industrials, supermarkets and convenience stores gaining in capital value, as well as some well-let alternative sector investments. The key valuation question this year will be when valuers properly reflect the weak tenant demand for offices.

The COVID crisis is teaching investors a stark lesson: stick to properties let at affordable rents to strong tenants on long, preferably index-linked, leases. Secure, long-term income will be valued ever more highly after the crisis is over in a yield-hungry world of slashed equity dividends and microscopic interest rates and bond yields. In a K-shaped future for the UK economy and property market, that means stay on the right side of structural change. Avoid offices and non-food retail and stay safe elsewhere. In this uncharted economic and investment territory, inflation and interest rates may not stay so low much longer.

Performance

VIP's property portfolio produced a total return of 2.3% over the year to March, against 0.9% for the MSCI UK Quarterly Property (formerly IPD) Index, the main benchmark for commercial property performance. The capital value of properties held throughout the year fell by 3.3% over the year as a whole but recovered by 1.0% over the last six months. Industrials, Supermarkets and the Caravan Park performed best, but Pubs and Leisure properties were down. Contracted rental income rose by 1.5%.

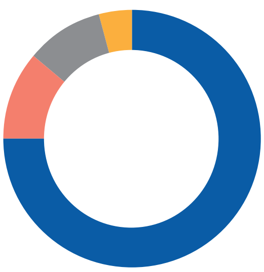
VIP's property record is shown in the table on page 17.

We specialise in UK commercial properties with long, strong, index-related income streams to deliver above average long-term real returns. The total returns on our property portfolio have been between 8% and 12% a year over the past 5, 10, 20 years and 34 years and are above the MSCI averages over all these periods. The real returns above the Retail Price Index from VIP's property portfolio were 1% last year and between 3% and 9% a year over all cumulative periods from 3 to 34 years since the inception of our management.

Properties

All 31 properties are let on full repairing and insuring leases (tenants are responsible for repair, maintenance and outgoings), with upward only rent reviews and an average unexpired lease length now of over 15 years (17 years if the break options are not exercised). All the properties valued at 31 March 2021 are freehold with the exception of two which are long leasehold with 110 and 84 years to run (Doncaster and Fareham).

Contracted Index Related Rent Reviews %



Retail Price Index	76%
Fixed Increases	11%
Open Market	10%
Consumer Price Index	4%

Purchases to 31 March 2021

Seven new properties were purchased over the year, all with indexed-linked rent reviews: six supermarkets let to the Co-operative Group Food Limited and a driving test centre let to H.M. Government for £17.6 million in total, at an average net initial yield on purchase of 5.3%; their average unexpired lease length was 12 years (if the break options are exercised). These purchases with index-linked leases to the undoubted covenants of the Co-operative Group Limited and the Government should produce attractive long term real returns at very low risk from an initial yield over 7 points above index-linked gilts with favourable capped and collared RPI and CPI indexation on three properties, uncapped RPI indexation on three properties and fixed increases on one.

Purchases Since 31 March 2021

The following five freehold purchases totalling £14.1m completed since the year end at a net initial yield of 5.4% after all costs.

Screwfix, Faraday Street, Dryburgh Industrial Estate, Dundee: The (heritable) freehold detached industrial unit on a busy estate is let to Screwfix Direct Limited on a full repairing and insuring lease expiring 20 November 2032 with five yearly fixed rent increases in November 2022 and 2027. They have over 640 stores in the UK which have performed exceptionally well during the pandemic and should have no difficulty in meeting the rental payments with fixed increases.

Marks & Spencer Simply Foods, Langton Road, Blandford Forum, Dorset: The freehold detached supermarket in the town centre is let to Marks & Spencer plc until July 2030 with five yearly RPI indexed-linked rent reviews collared at 1% p.a. and capped at 3% p.a. with the next review due in July 2025.

Halfords Autocentres t/a Universal Tyres, Laleham Road, Staines, Surrey and 680 London Road, Thurrock, Essex: These two freehold detached industrial units in busy roadside locations have just been let in a sale and leaseback transaction to Halfords Autocentres Limited on full repairing and insuring leases expiring May 2036 with five yearly CPIH index-linked rent reviews collared at 1% p.a. and capped at 3% p.a. There is a tenant's option to break in 2031 on both properties. These are well established vehicle servicing, mechanical repair and MOT testing centres.

Premier Inn, Princes Gate, Richmond Road, Catterick, North Yorkshire: The freehold detached 62 bedroom hotel, plus 300 cover restaurant t/a Brewers Fayre, is located in Princes Gate Shopping Park at Catterick Garrison. It is let to Premier Inn Hotels limited on a full repairing and insuring lease expiring in September 2040 with five yearly CPI index-linked rent reviews capped at 5% p.a. There is a tenant's option to break in 2035. This hotel traded at over 90% occupancy throughout the past year.

PURCHASE PIPELINE

Two further properties are now in solicitors' hands and we are actively seeking more index linked strong income.

Sales to 31 March 2021

In the last quarter the sales of two properties completed: a short leasehold petrol filling station with a McDonald's in Horsham and a bingo hall in Manchester let to Buzz Bingo for a combined £4.7 million in total (18.8% above valuation) at a net sale yield of 7.0%.

Due to our strategic sales programme over the last 10 years the Company is now no longer invested in high street shops.

Portfolio Management Assignment Milton Keynes

Adelie Foods went into administration in May 2020. The lease was assigned to Winterbotham Darby Ltd at the same rent with the unexpired lease term increased to just under 15 years with a tenant's option to break in 2030.

Rent Reviews

There have been thirteen rent reviews (one open market and twelve index-linked) over the course of the year: 7 pubs, 2 bowling centres, 1 petrol filling station, an industrial, the caravan park and a new supermarket purchase at Kirriemuir which give a combined 3% uplift on passing rents.

VIP's Assistance to Occupiers During the Covid-19 Pandemic

We have been working closely with our tenants during this unprecedented period, agreeing phased payment plans for temporary rental concessions, changing quarterly to monthly payments or rent deferments and extending lease lengths in return for rent free periods. During the full year, 90.0% of contracted rent was collected, with only 1.6% of rent written off due to the Adelie Foods Administration. The leases on eight pub properties were extended by a further five years in return for rent free periods totalling 7.8% of contracted income over the year which have lengthened and strengthened the future income streams of the assets. Less than 2% of rent is on a rent deferment plan to be fully paid off by the end of 2021.

Independent Revaluation

The property portfolio is independently valued by Savills at the end of March and September each year. The VIP property portfolio was subject to an independent professional revaluation at 31 March 2021 by Savills. The revaluation showed a value of £80,550,000 (before taking into account the right of use asset classified as investment property related to properties held under leasehold). As at 31 March 2021, the portfolio of 31 properties (2020: 26) was 100% let with contracted rental income of £5.2m (2020: £4.5m) on an income yield of 6.4%. Savills valuations on the same basis totalled £72,825,000 (29 properties) at 30 September 2020 and £70,200,000 (26 properties) on 31 March 2020.

Safe, long let indexed property like the VIP Property Portfolio has weathered previous downturns well (as the Property Record Table shows on page 17) and should prove resilient again as all our tenants reopen.

Louise Cleary & Matthew Oakeshott
OLIM Property Limited

22 June 2021

Property Manager's Report

Property Portfolio at 31 March 2021

Industrials

- 7 Properties
- 33% of Rent
- WAULT* 11 Years (to the first break)

Pubs

- 11 Properties
- 26% of Rent
- WAULT* 22 Years (to the first break)

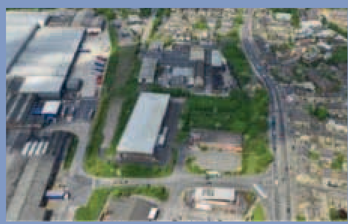
Supermarkets

- 7 Properties
- 15% of Rent
- WAULT* 12 Years (to the first break)

Other

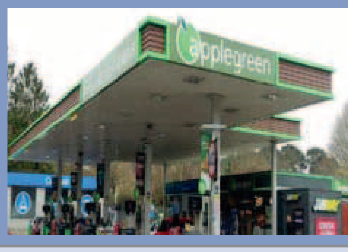
- 2 Properties
- 13% of Rent
- WAULT* 12 Years (to the first break)

Leisure



- 3 Property
- 10% of Rent
- WAULT* 20 Years (to the first break)

Roadside

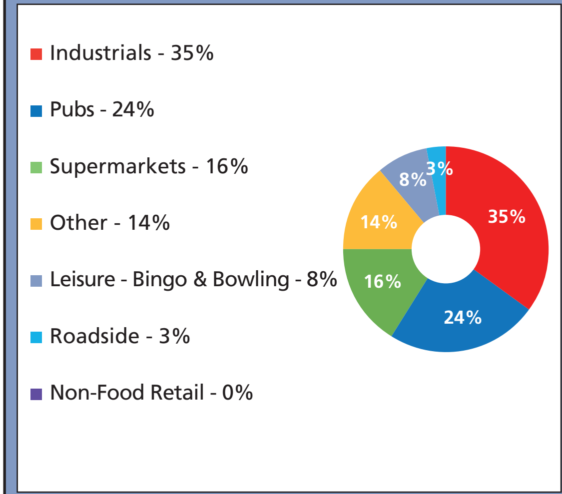


- 1 Property
- 3% of Rent
- WAULT* 6 Years (to the first break)

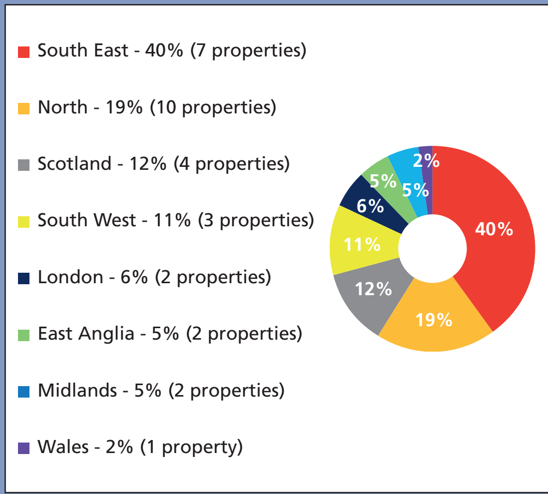
Portfolio Highlights	31 March 2021	31 March 2020
Portfolio Value[1]:	£80,550,000	£70,200,000
Total Number of Properties:	31	26
Contracted income as a % of Portfolio Value:	6.4%	6.4%
Total Number of Tenants:	32	28
Contracted Index-Related Rent:	91%	86%
Weighted Average Unexpired Lease Term * (if all tenants exercise break options):	15 years	15 years
Annual Total Return March 2020 to 2021:	+2.3%	+6.3%

1. The fair value valuation of £80,550,000 given by Savills plc excludes prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments amounting to £2,289,000 and for adjustments to recognise finance lease liabilities for one leasehold property amounting to £2,871,000, both in accordance with IFRS 16. The valuation has, therefore, been increased by £582,000. For further information please see Note 1 to the Financial Statements on pages 71 to 75.

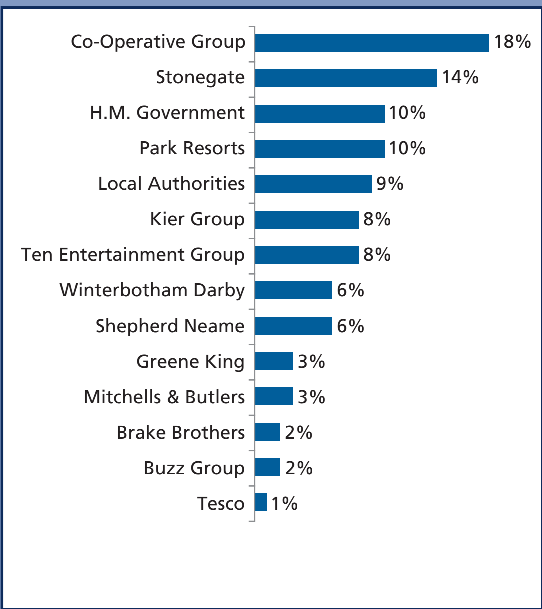
Portfolio Sector Weighting %



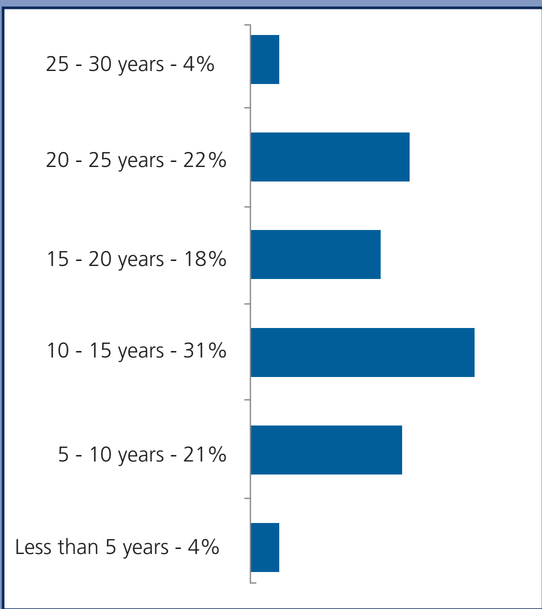
Portfolio by Region Capital Value %



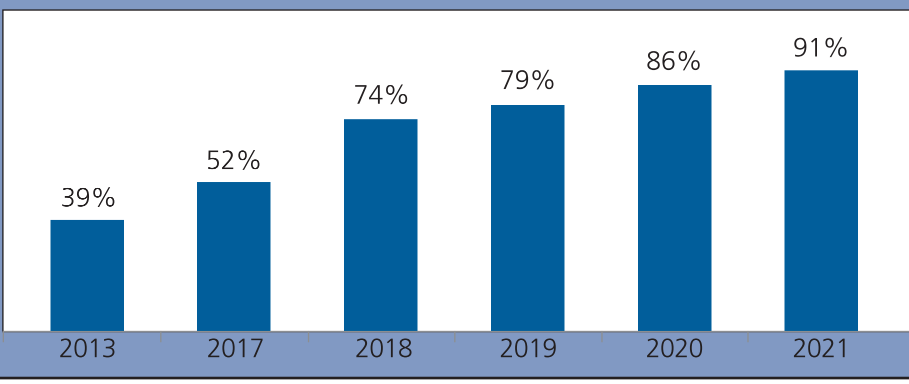
Contracted Income by Tenant %



Contracted Income by Lease Expiry % (if all break options exercised)



Contracted Index-Related Share of Rental Income %



PURCHASES YEAR TO MARCH 2021

Price: £17.6 million (7 properties)
Average Net Purchase Yield: 5.3% (73% of rent from Co-operative Group Food, 27% from H.M. Government)
Weighted Average Unexpired Lease Term: 12 years (if all tenants exercise break options)
Rent Reviews: 100% Index-linked

Industrial Gloucester

Completed November 2020

Freehold Driving Test Centre for the Driver & Vehicle Standards Agency let to H.M. Government until June 2046 with a tenant's option to break June 2031 at £218,748 p.a. with 5 yearly rent reviews index-linked to uncapped R.P.I.

Supermarkets Aberfoyle

Completed November 2020

Heritable (Scottish freehold) newly built supermarket let to Co-operative Group Food until February 2036 at £87,000 p.a. with 5 yearly rent reviews index-linked to C.P.I. (min 1% p.a. and max 3% p.a.). Rent free period expires August 2021.

Supermarkets Barton On Humber

Completed August 2020

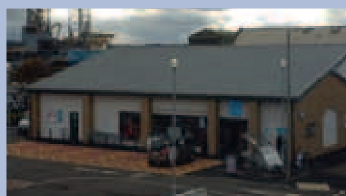
Freehold supermarket let to Co-operative Group Food until December 2031 at £87,375 p.a. with 5 yearly rent reviews index-linked to uncapped R.P.I.

Supermarkets Cleethorpes

Completed August 2020

Freehold supermarket let to Co-operative Group Food until December 2031 at £94,780 p.a. with 5 yearly rent reviews index-linked to uncapped R.P.I.

Supermarkets Invergordon



Completed January 2021

Heritable (Scottish freehold) supermarket let to Co-operative Group Food Limited until August 2035 at £87,000 p.a. with 5 yearly C.P.I.-linked rent reviews (min 1% p.a. and max 3% p.a.).

Supermarkets Kirriemuir

Completed August 2020

Heritable (Scottish freehold) supermarket let to Co-operative Group Food Limited until April 2035 at £173,653 p.a. with 5 yearly R.P.I.-linked rent reviews (min 2% p.a. and max 4% p.a.).

Supermarkets York

Completed March 2021

Freehold newly refurbished supermarket let to Co-operative Group Food Limited until July 2036 with a tenant's option to break July 2031 at £183,052 p.a. with 5 yearly 2.5% p.a. fixed increases. The tenant is to pay half rent until 2024 which was the incentive to extend the lease and substantially refurbish the whole store.

PURCHASES APRIL AND MAY 2021

Price: £14.1 million (5 properties)
Average Net Purchase Initial Yield: 5.4%
Weighted Average Unexpired Lease Term: 12 years (if all tenants exercise break options)
Rent Reviews: 100% Index-linked

INDUSTRIAL DUNDEE

Completed April 2021

Heritable (Scottish freehold) industrial let to Screwfix Direct Limited until November 2032 at £70,000 p.a. with 5 yearly fixed increases at 2.5% p.a.

SUPERMARKETS BLANDFORD FORUM

Completed April 2021

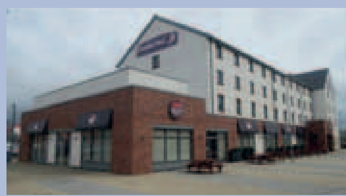
Freehold supermarket let to Marks & Spencer plc until July 2030 at £209,810 p.a. with 5 yearly rent reviews index-linked to R.P.I. (min 1% p.a. and max 3% p.a.).

INDUSTRIAL STAINES AND THURROCK

Completed May 2021

Two freehold industrial units let to Halfords Autocentres Limited t/a Universal Tyres (sale & leaseback) until May 2036 with a tenant's option to break in 2031 at £51,000 p.a. (Staines) and £49,500 p.a. (Thurrock) with 5 yearly rent reviews index-linked to C.P.I.H. (min 1% p.a. and max 3% p.a.).

HOTEL CATTERICK



Completed May 2021

Freehold 62 bedroom hotel let to Premier Inn Hotels Limited until September 2040 with a tenant's option to break in 2035 at £373,549 p.a. with 5 yearly rent reviews index-linked to R.P.I. (max 5% p.a.).

SALES YEAR TO MARCH 2021

MANCHESTER	HORSHAM
Completed January 2021	Completed March 2021
Freehold bingo hall let to Buzz Bingo until December 2039 at £153,719 p.a. with annual rent reviews index-linked to R.P.I. (minimum 1% p.a. and maximum 4% p.a.)	Leasehold petrol filling station (with 34 years unexpired) at a current ground rent of £125,000 p.a. subject to five yearly open market rent reviews. Let to Co-operative Group Food Limited until July 2027 with five yearly open market rent reviews at £228,500 p.a. and let to McDonalds Restaurants Ltd until May 2028 with five yearly open market rent reviews at £74,500 p.a.

Price: £4,750,000 (2 properties) 18.8% above valuation total

Average Net Sale Yield: 7.0%

Manchester: Sold to future owner occupier for change of use

Horsham: Sold at auction to the freeholder

VIP PROPERTY PORTFOLIO AT 31 MARCH 2021

ADDRESS	TENANTS
INDUSTRIALS	
Aberdeen – Gateway Business Park, Moss Road	H.M. Government*
Aylesford – Broadmead House, Bellingham Way, New Hythe	Kier Group*
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*
Thetford – Units 1-4 Baird Way, Fison Way Industrial Estate	Brake Bros*
Thirsk – Dalton Airfield, Dalton	H.M. Government*
PUBS	
Bedford – The Rose, 45 High Street	Stonegate*
Bournemouth – Slug & Lettuce, 2 Dean Park Crescent	Stonegate*
Canterbury – The Bishops Finger, 13 St Dunstan St	Shepherd Neame*
Cheltenham – The Spectre, 73-75 High Street	Stonegate*
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 – The Percy Arms, Percy Street	Stonegate*
Oxted – The Old Bell, 18 High Street	Greene King***
Selby – The George Inn, Market Place	Stonegate*
Thornton-Cleveleys – The Tramway, 165-169 Victoria Road West	Mitchells & Butlers
SUPERMARKETS	
Aberfoyle – Main Street	Co-operative Group Food**
Barton upon Humber – 12 Market Lane	Co-operative Group Food*
Cleethorpes – 52 St Peters Avenue	Co-operative Group Food*
Harrogate – Skipton Road	Co-operative Group Food*
Invergordon – 110 High Street	Co-operative Group Food**
Kirriemuir – 33 The Roods	Co-operative Group Food*
York – 103-104 Hull Road	Co-operative Group Food***
OTHER	
Dover – St Margaret's Holiday Park, Reach Road	Park Resorts*
Risca – 77 Tredegar Street	Caerphilly Borough Council *** Tesco*
LEISURE	
Bradford – Tong Street	Buzz Group*
Doncaster – The Leisure Park, Bawtry Road	Ten Entertainment Group*
Stafford – Tenpin, Greyfriars Place	Ten Entertainment Group*
ROADSIDE	
Southampton – Applegreen, Swaythling Road	Co-operative Group Food***

* RPI-linked rent reviews
** CPI-linked rent reviews
*** Fixed rent reviews

VIP's Property Record

31 March	Rental Income £000	Capital Value £000	Yield on Valuation %	Total Return VIP %	Total Return MSCI Quarterly Index*
2021	5,152**	80,550	6.4	2.3	0.9
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
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

*MSCI (ex IPD) Quarterly Index 12 months total returns to 31 March; except 1988 – 1990: IPD Annual Index
**These rental figures differ from the Statement of Comprehensive Income by the additional amounts recognised under IFRS 16.

Equity Manager's Report

UK Equities

Market Background

The coronavirus pandemic has dominated financial markets and economies over VIP's reporting year to the end of March 2021. At the beginning of the period financial markets had just begun their long recovery after the severe falls seen during the first quarter of 2020 as the virus took hold. The harsh lockdown measures imposed by many countries to control the initial spread of the virus meant that economic activity worldwide suffered one of its largest ever contractions. Sadly, despite the lockdowns and their economic consequences, millions have now died from the virus and many countries are still imposing stringent lockdown measures. However, coronavirus vaccines are now offering the hope of a return to normality and that the worst of the economic effects may be behind us.

Over the last twelve months the tone for financial markets has been set by the success or otherwise of measures to control the virus. Global equities recovered strongly in the early months of VIP's financial year as infection numbers declined markedly over the late spring and summer months. Share prices then took a turn for the worse in the early autumn as it became apparent that a second wave of infections was occurring. Stock markets have recovered steadily since then, having received a figurative shot in the arm in the final weeks of 2020 after the announcement that several promising vaccine candidates had been shown to be effective against the virus and equities have recorded impressive gains since then.

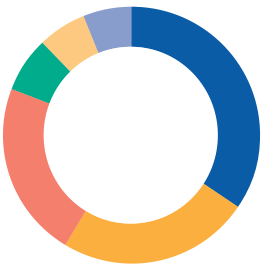
Patrick Harrington

Despite the economic challenges, equity markets have been strong over the year. The FTSE All Share Index rose by 23.3% in the twelve-month reporting period and, including income, the total return was 26.7%. Although this represents a substantial recovery from the spring 2020 low point, the UK stock market has underperformed other world markets in the recovery phase. By comparison, the US, German and Japanese markets have all risen by over 50% (in local currency) over the last twelve months, with these markets more than recovering all of their pandemic inspired falls.

The UK stock market underperformed other world markets in part due to the considerably weaker performance of the UK economy, whilst investors were also concerned about the impact of the UK finally leaving the European Union at the end of 2020. Consequently, the share prices of many of the UK's largest companies have not regained their pre-pandemic levels, leaving the performance of the FTSE 100 Index of largest companies well behind its international counterparts. Having underperformed during the market fall, higher yielding stocks have also underperformed in the recovery phase; the FTSE 350 Higher Yield Index rose by 18.4% and delivered a total return of 23.2% over the year, some way behind the wider market. The high yielding sector of the market has been particularly affected by the large number of

Distribution of Securities

At 31 March



	2021 %	2020 %
Financials	**34.54**	**21.80**
Industrials	**24.34**	**16.46**
Consumer Goods	**22.06**	**12.72**
Basic Materials	**7.11**	**10.21**
Consumer Services	**6.06**	**7.36**
Technology	**5.89**	**2.70**
Oil and Gas	**0.00**	**9.21**
Utilities	**0.00**	**8.82**
Health Care	**0.00**	**6.49**
Telecommunications	**0.00**	**4.23**
	100.00	**100.00**

dividend cuts and suspensions seen across the market, with many stalwart income stocks either cutting their dividends substantially or passing them altogether. Consequently, total dividends from UK listed companies fell by 37% in 2021.

In the bond market, ten-year gilt yields ended the period at 0.9%, up from 0.2% a year earlier, whilst twenty-year gilt yields rose to 1.4%, as the economic recovery took hold and inflationary pressures began to surface. This meant that gilts produced a negative total return over the year, in stark contrast to the strong positive returns seen from UK equities. Commodity prices reflected the general background in financial markets and recovered steadily over the year. Having fallen to below $20 per barrel in March 2020, the price of oil had recovered to $63 per barrel by the period end, similar to its pre-pandemic level. The recovery has been driven by OPEC production cuts and a gradual recovery in demand as economies have opened up. Other industrial commodities such as copper and iron ore have also seen strong price rises over the year.

Performance

VIP's equity portfolio performed in line with its benchmark, the FTSE All Share Index, until 31 March 2021. Adjusted for the sizeable disposals made during the latter stages of the year, the portfolio recorded a total return of 26.6% compared to the 26.7% achieved by the FTSE All Share Index. Although high yielding shares had generally struggled during the recovery of the market, this was not reflected in the performance of VIP's equity portfolio, which benefitted from some strong individual share price performances and by being underweight in several sectors that have underperformed during the year. In particular, the oil and tobacco sectors, which make up a significant part of the high yield index, remained well below their pre-pandemic levels. VIP had no tobacco exposure and was underweight in the oil sector for much of the year.

Strong individual performances came in areas geared to the economic recovery or where the market had underestimated the company's resilience to the difficult economic conditions. M&G (+84%), Rio Tinto (+68% to sale) and Croda International (+49%) all outperformed the index as a result. Companies that have continued to pay their dividends have tended to be in more defensive sectors, such as utilities and telecommunications, and these areas have underperformed in the recovery phase, also holding back the high yield index. Several of VIP's larger remaining holdings, such as Unilever (-1% over the year) and Wm Morrison (+5%), fell into this camp and struggled to keep up with the market as a whole, which meant that, overall, the equity portfolio performed in line with its benchmark.

Portfolio

The last twelve months saw sales of equities of £79.6m and purchases of just £4.5m (excluding the 2.0m VIP shares bought in as part of the share buy-back programme) giving total transactions of £84.1m, with net sales of £75.1m. The large sales programme reflects Shareholders' approval of VIP's new investment policy to focus on directly held property and property backed securities. The direct equity portfolio has been reduced to just under £30m in value and the cash raised will be used to fund future direct property purchases. Sales were made across the portfolio and, in particular, after the vaccine inspired rises seen over the final months of VIP's year.

At the end of the reporting year the equity portfolio had 11 remaining investments valued at £28.6m. As part of the restructuring of the portfolio we are starting to switch these holdings into property-backed securities, reflecting the new investment policy.

Patrick Harrington
OLIM Property Limited

22 June 2021

Equity Manager's Report

List of Equity Holdings as at 31 March 2021

Holding		Description	Market Value (£)
1,530,000	Legal & General	One of the UK's leading financial services companies, specialising in life assurance and pensions. The company has a strong solvency ratio and continued to pay its dividend throughout the pandemic, demonstrating the strength of the business. The company's fund management business, LGIM, is a valuable asset.	4,270,230
90,000	Unilever	The global food, home and personal care products company, its profits and cash flows proved resilient over the last year. Unilever was able to marginally increase its dividend despite the difficult economic conditions and remains well placed to exploit the expected economic recovery, especially in its sizeable emerging markets operations.	3,650,400
100,000	Spectris	Leading supplier of instrumentation and controls. Although exposed to a number of cyclical markets, Spectris was fortunate to have made a substantial disposal prior to the pandemic outbreak that left its balance sheet ungeared and meant the business was well-placed to withstand the economic difficulties.	3,327,000
410,000	Phoenix Group	A leading consolidator of closed life assurance businesses. Phoenix operates a low-risk business model that focuses on long-term cash flows. Much of its balance sheet risk is hedged meaning that its dividend paying capacity was unaffected by the coronavirus impact on financial markets.	3,009,400
1,375,000	Devro International	The world's second largest manufacturer of edible food casings largely used in sausage production. The business traded robustly over the last year, benefitting from the stay-at-home trend. The company's balance sheet has been strengthening due to the company's cash generative qualities. Devro maintained its dividend although payments were somewhat delayed.	2,653,750
645,000	DS Smith	A leading cardboard packaging manufacturer with operations in Europe and the USA. Trading held up well in spite of the coronavirus impact with the company benefiting from the surge in online retailing. The company has resumed dividend payments and will benefit from the recovery in economic growth expected this year.	2,629,020
1,250,000	M & G	M&G, the well-known savings and investment business, de-merged from the Prudential. Despite the volatility in financial markets seen over the last year its UK life assurance business still produced reliable cash flows that supported an attractive dividend stream.	2,592,500
32,000	Croda International	A world leader in naturally derived speciality chemicals which are sold to virtually every type of industry. Croda has a defensive, cash generative business model that should enabled it to withstand the worst of coronavirus inspired weakness in economic activity. Its balance sheet is strong and it has continued to pay its dividend over the last year.	2,031,360
950,000	Wm Morrison Supermarkets	Morrison is the UK's 4th largest supermarket chain. It has traded well over the last year, allowing for the extra costs incurred due to the pandemic and has paid its dividend. The balance sheet is strong and is backed by a high proportion of freehold properties. Its online operations have been growing rapidly, bolstered by its joint venture with Amazon.	1,732,800
167,000	FDM	FDM is an IT staffing business that operates worldwide. The company has a cash generative model and a strong balance sheet, which stood it in good stead over the last year. FDM continued to pay its dividend despite the economy difficulties of the last year, albeit on a delayed timetable	1,683,360
170,000	Paypoint	The company operates payments and transactions services operations for convenience store retailers in the UK only having disposed of its Romanian operations during the year. Its business model is highly cash generative and PayPoint has a strong balance sheet. The company has continued to pay dividends throughout the pandemic.	1,001,300
			28,581,120

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 23 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 2021, and as at the date of this Annual Report, VIP's share capital consisted of 43,557,464 Ordinary Shares of 10p nominal value in issue and 1,992,511 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.

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 96.

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 publicly quoted securities and directly held property.

Business Review

Highlights of the Year

- Net Asset Value total return (with debt at par)* of 12.3% (2020: -21.8%) over one year and -8.5% (2020: -19.8%) over three years.
- Share Price total return* of 39.3% (2020: -30.7%) over one year and -3.3% (2020: -25.7%) over three years.
- FTSE All-Share Index total return of 26.7% (2020: -18.5%) over one year and 9.9% (2020: -12.2%) over three years.
- Dividends for year up 1.7% - increased for the 34th consecutive year.

Financial Record

	30 Sept 1986	31 Mar 1987	31 Mar 2005	31 Mar 2006	31 Mar 2007	31 Mar 2008	31 Mar 2009	31 Mar 2010	31 Mar 2011	31 Mar 2012	31 Mar 2013	31 Mar 2014	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021
NAV (valuing debt at par) (p)	44.0	55.1	213.9	260.6	299.0	251.0	165.6	231.8	249.1	253.8	298.2	325.5	326.9	319.0	345.5	330.5	332.5	253.1	271.1
NAV (valuing debt at market) (p)*	N/A	N/A	189.0	226.9	271.1	222.7	129.6	218.3	233.7	227.6	269.8	304.3	299.5	299.2	318.1	309.2	312.2	232.7	256.6
Ordinary share price (p)	42.0	52.0	181.0	227.0	253.0	166.0	88.5	169.0	186.0	181.5	210.8	265.0	254.3	221.8	255.0	262.0	251.0	165.0	218.0
Discount of share price to NAV (valuing debt at market) (%)	–	–	4.2	0.0	6.7	25.5	31.7	22.5	20.4	20.3	21.9	12.9	15.1	25.9	19.8	15.3	19.6	29.1	15.0
Dividend per share (p)	N/A	1.25	6.2	6.4	6.7	7.4	7.5	7.6	7.8	8.05	8.3	8.5	9.0	10.5	11.0	11.4	11.8	12.1	12.3
Total assets less current liabilities (£m)	17.4	24.8	133.0	156.8	174.8	151.8	111.5	141.8	149.4	151.3	171.2	183.6	189.0	185.5	207.3	200.4	205.6	176.2	177.6

* This is an Alternative Performance Measure (APM) which has been explained in the Glossary on page 98.

NEW INVESTMENT OBJECTIVE AND POLICY

In the year to 31 March 2021, at a General Meeting of the Company held on 7 January 2021, Shareholders approved the adoption of a new Investment Objective and Investment Policy as detailed below.

Investment Objective

The Company invests mainly in directly held UK commercial property to deliver secure, long-term index-linked income and partly in property-backed UK securities. 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, property-backed securities listed on the London Stock Exchange 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 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.

The UK quoted securities portfolio

In order to limit the risk to the Company's overall portfolio total of assets that are derived from any particular securities investment, no individual shareholding will account for more than 10 per cent. of the gross assets of the Company at the time of purchase. 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.

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.

Until 2015, all borrowings had been long-term debentures to provide secure long-term funding, and avoiding the risks associated with short-term funding of having to sell illiquid assets at a low point in markets if loans had to be repaid. 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% p.a. including all costs. 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% p.a. including all costs to replace the original £5 million loan arranged in February 2015.

On 28 November 2019, the Company entered into 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 the balance will be used to support the acquisition of further UK properties and equities 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.

No material changes may be made to the Company's investment policy described above without the prior approval of Shareholders by the passing of an Ordinary Resolution.

Performance, Results and Dividend

As at 31 March 2021, the Net Asset Value (NAV) total return (with debt at par) over one year was 12.3% and the Share Price total return over one year was 39.3%. This compares to the FTSE All-Share Index total return over one year of 26.7%. Total assets less current liabilities was £177.6 million. A review of the performance of the property and equity portfolios is detailed in the Chairman's Statement on pages 2 to 3 and in the Property and Equity Manager's Reports on pages 4 to 20.

For the year to 31 March 2021, quarterly dividends of 2.9p per share were each paid on 30 October 2020, 29 January 2021 and 30 April 2021. The Directors have declared that a final dividend of 3.6p per Ordinary Share (2020 fourth interim: 3.4p), if approved by Shareholders at the 2021 AGM, is paid on 30 July 2021 to Shareholders on the register on 2 July 2021. The ex-dividend date is 1 July 2021. This represents an annual increase in dividends of 1.7% as compared with the 1.5% and 0.7% annual increases in the Retail Price and Consumer Price Indices as at the end of March 2021. This continues the Company's strong long-term record of real growth in dividends.

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 three elements - price risk, interest rate risk and currency 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.

For equities, asset allocation and stock selection, as set out in the Investment Policy on page 23, both act to reduce market risk.

As announced on 4 November 2020, OLIM Limited (OLIM), the Investment Manager responsible for the management of the Company's equity portfolio, informed the Company of its intention to resign as equities manager due to the closure of its business, and resigned with effect from 28 February 2021. OLIM Property Limited (OLIM Property), the Investment Manager responsible for the management of the Company's property portfolio, on 1 March 2021 assumed responsibility for the management of the equity portfolio and continues to manage the property portfolio.

VIS delegates its portfolio management responsibilities to OLIM Property, which actively monitors market prices throughout the year and reports to VIS and to the Board, which meet regularly in order to review investment strategy. The equity investments held by the Group are listed on the London Stock Exchange. All investment properties held by the Group are commercial properties located in the UK 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 a debenture stock and two secured term loans, with five 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%.

Currency Risk

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

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 readily realisable securities which can be sold to meet commitments, if required, and investment properties which, by their nature, are less readily realisable. The maturity of the Company's existing borrowings is set out in the interest rate risk profile section of Note 21 to the Financial Statements.

Credit Risk

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

The risk is not significant and is managed as follows:

- investment transactions are carried out on behalf of VIP by an outsourced dealing agent. Settlement of these transactions is executed by a large investment bank whose credit standing is reviewed periodically by OLIM Property (which reports to VIS).
- the risk of counterparty exposure due to failed trades causing a loss to the Group is mitigated by the review of failed trade reports on a daily basis. In addition, a stock reconciliation to third party administrators' records is performed on a daily basis to ensure that discrepancies are picked up on a timely basis. VIS carries out periodic reviews of the Depositary's operations and reports its findings to the Company. This review also includes checks on the maintenance and security of investments held.
- cash is held only with reputable banks with high quality external credit ratings which are monitored on a regular basis.

Property Risk

The Group's commercial property portfolio is subject to both market and specific property risk. Since the UK commercial property market has been markedly cyclical for many years, it is prudent to expect that to continue.

The price and availability of credit, real economic growth and the constraints on the development of new property are the main influences on the property investment market.

Against that background, the specific risks to the income from the portfolio are tenants being unable to pay their rents and other charges or leaving their properties at the end of their leases. All leases are on full repairing and insuring terms, with upward only rent reviews and the average unexpired lease length is 17 years (2020: 17 years) and over 15 years if break options are exercised. Details of the tenant and geographical spread of the portfolio are set out on page 13. The long-term record of performance through the varying property cycles since 1987 is set out on page 17. 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

Although the EU (Future Relationship) Act 2020 came into effect on 1 January 2021, the full political, economic and legal consequences of the UK leaving the European Union (EU) are not yet known.

It is possible that investments in the UK may be more difficult to value and assess for suitability of risk, harder to buy or sell and may be subject to greater or more frequent rises and falls in value. In the longer term, there is likely to be a period of uncertainty as the UK seeks to negotiate its ongoing relationship with the EU and other global trade partners. The UK's laws and regulations, including those relating to investment companies, may in future, diverge from those of the EU. This may lead to changes in the operation of the Company or the rights of investors in the territories in which the shares of the Company may be promoted and sold.

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 and in the Statement of Corporate Governance in this Annual Report, the Company has little direct impact on environmental issues. As an investment trust company, the Company has no direct employee or environmental responsibilities. The Board is aware that the Manager continues to take into account environmental, social and governance matters when considering investment proposals.

Other Emerging Risks

The Directors are cognisant of the impact of the coronavirus (COVID-19) pandemic and its implications for the activities of the Manager and on the performance of investee companies and assets. This is covered in more detail in the Property and Equity Manager's Reports on pages 4 to 20.

While VIP's property portfolio is sufficiently robust to withstand the current market impacts of the pandemic, there is a risk that, as discussed in the Property Manager's Report, property values may fall and tenants may struggle to pay rent. If this happens, there is a risk that loan to value and interest cover covenants could be breached. If this were to occur, VIP has sufficient cash and liquid equity investments to cover any loan repayments triggered by covenant breaches. However, as noted in the Property Manager's Report on page 11, safe, long let property like VIP's property portfolio should prove resilient again once all tenants are allowed to fully reopen and trade.

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 and the Second Markets in Financial Instruments Directive (MiFID II), could lead to a number of detrimental outcomes and reputational damage.

  The Company is 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 must also comply with the UK General Data Protection Regulation (UK GDPR), which came into force in January 2021, post Brexit, and also the Data Protection Act 2018. This legislation enforces the principle of 'privacy by design and by default' and enshrines new rights for individuals, including the right to be forgotten and to data portability. The Directors have worked with the third parties that process Shareholders' personal data to ensure that their rights under the new regulation are protected.

The Company's privacy policy is available to view on the Company's web pages hosted by the Investment Manager at **https://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 Securities Services 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 22 of this Business Review. Definitions of the APMs can be found in the Glossary on page 98.

In addition, in the year under review, the Board identified the three key performance indicators below to determine the performance of the Company:

- Net asset value total return relative to the FTSE All-Share Index (total return);
- Share price total return relative to the FTSE All-Share Index (total return); and
- Dividend growth relative to the Retail Prices Index.

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

The share price total return relative to the FTSE All-Share Index (total return) is the theoretical return including reinvesting each dividend in additional shares in the Company at the current mid-market price on the day that the shares go ex-dividend.

Dividend growth relative to the Retail Prices Index is included to track performance against inflation.

The Board reviews the Company's investment 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 76 and 77.

Prior to the change to the investment policy in January 2021, the Board considered that the MSCI UK Quarterly Property Index was the main benchmark for commercial property performance and that the FTSE All-Share Index was the most appropriate index to use as a comparison to the performance of the equity portfolio. The Property and Equity Manager's Reports on pages 4 to 20 report on how the Company performed during the year under review against the MSCI UK Quarterly Property Index and the FTSE All-Share Index. In addition, the Directors will consider economic, regulatory and political trends and factors that may impact on the Company's future development and performance.

Following the change in investment policy to invest predominantly in property, the Directors will carry out a review of the key performance indicators for the year to 31 March 2022 and will report accordingly in the 2022 Annual Report.

From 1 April 2021, the Board considers that the MSCI UK Quarterly Property Index is the benchmark for the performance of the Company's portfolio.

Share Buy-backs

As referred to in the Chairman's Statement and in the Directors' Report, during the year to 31 March 2021, the Company bought back its own shares for the first time. As at 31 March 2021, and as at the date of this Annual Report, 1,992,511 Ordinary Shares of 10p each have been bought back and are held in Treasury. Further information can found in Note 14 on page 84.

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 2 to 3), and in the Property and Equity Manager's Reports (pages 4 to 20).

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:

Stakeholder	Form of Engagement	Influence on Board decision making
Shareholders	AGM – Under normal circumstances, 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 Chairman's Statement on pages 2 to 3). Shareholder documents – The Company reports formally to Shareholders by publishing Annual and Interim Reports, normally in June and November each year. In addition, the Company produces a Quarterly Factsheet which is published on the Company's web pages hosted by the Manager at **https://www.olimproperty.co.uk/value-and-indexed-property-income-trust.html.** 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 2 to 3. Share buy-back policy – the Directors recognise the importance to Shareholders of the Company maintaining an active buy-back policy and considered this when establishing the current programme. Further details can be found in the Chairman's Statement on pages 2 to 3, in this Business Review on page 28, and in the Directors' Report on pages 37 and 38. 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.
Investee companies and assets	Quarterly Board Meetings – The Manager reports to the Board on the Company's investment portfolio and the Directors challenge the Manager where they feel it is appropriate.	As referred to in the Property Manager's Report on page 10, the Property Manager has been working closely with all tenants during the COVID-19 pandemic, including agreeing phased payment plans for temporary rental concessions, changing quarterly to monthly payments or rent deferments and extending lease lengths in return for rent free periods. The Directors are aware that the exercise of voting rights is key to promoting good corporate governance and, through the Manager, ensures that the listed companies are encouraged to adopt best practice corporate governance. The Board has delegated the responsibility for monitoring the listed companies to the Manager and has given it discretion to vote in respect of the Company's holdings in the equity portfolio, in a way that reflects the concerns and key governance matters discussed by the Board.

Stakeholder	Form of Engagement	Influence on Board decision making
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 equity and property portfolios.	During the year under review, the Board undertook a review of the Company's objective and investment policy and decided that in order to achieve the Company's objectives and maintain its dividend record, the Company's investment policy should be changed so that the Company could in future invest predominantly in property. At a General Meeting held in January 2021, Shareholders approved the adoption of a new investment objective and policy to allow the Company to invest predominantly in property. The Directors and the Manager are cognisant of the Company's new investment policy and the strategy agreed by the Board, which the Manager has been tasked with implementing, which has resulted in a reduction in the number of equity investments and an increase in the number of properties held in the portfolio. The Board engages constructively with the Manager to ensure investments are consistent with the agreed strategy and investment policy.
Registrar	Review meetings and control reports.	The Directors review the performance of all third party service providers; this includes ensuring compliance with GDPR.
Depositary and Custodian	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.
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.

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 54 to 63.

Future Strategy

The Board and the Investment Manager intend to maintain the strategic policies set out above for the year ending 31 March 2022 as it is believed that these are in the best interests of Shareholders.

The Company's Viability Statement is included on pages 32 to 33.

Approval

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

James Ferguson
Chairman
22 June 2021

James Ferguson

Chairman

James Ferguson was appointed as a Director in 1986 and as Chairman in 1994. He joined Stewart Ivory in 1970, became chairman in 1989 and retired in 2000. He is chairman of The Scottish Oriental Smaller Companies Trust PLC, The North American Income Trust PLC and Northern 3 VCT PLC. He is also the senior independent director of The Independent Investment Trust PLC and a former director of The Monks Investment Trust PLC. James is a former deputy chairman of the Association of Investment Companies.

John Kay

John Kay is an economist specialising in the application of economics to business issues. He has been chairman of London Economics, has held chairs at the London Business School and Oxford University. He is a former director of Scottish Mortgage Investment Trust PLC and The Law Debenture Corporation PLC. 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 is the Company's Senior Independent Director and Chair of the Nomination Committee.

Dominic Neary

Dominic Neary was appointed as a Director on 26 January 2018. Dominic is currently a non-executive director of JPMorgan US Smaller Companies Investment Trust PLC. He was previously Head of the Global Income Growth team at Baillie Gifford & Co. until August 2017 where he was also the manager of The Scottish American Investment Company PLC (SAINTS). He previously held various fund management roles at Stewart Ivory & Co., Henderson Global Investors and Insight Investment and holds an MSc and PhD in Statistics.

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 currently manages the Company's property and equity portfolios. 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.

Jo Valentine

Baroness Josephine Clare 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 vice chair of University College London and chair of Heathrow Southern Railway Ltd. Jo is also a 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.

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 2021. A summary of the financial results for the year can be found in the Financial Highlights and Long-Term Record in the Business Review on page 22. 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 42 to 47.

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 price risk, interest rate risk, liquidity risk, credit risk and price risk sensitivity. The Directors believe that the Group and the Parent Company are well placed to manage their business risks.

Following a detailed review, and taking into account the impact of the COVID-19 pandemic referred to in the Property and Equity Manager's Reports on pages 4 to 20, 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 pages 71 and 72) 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 2026. The Board consider 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 Property and Equity Manager's Reports 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 COVID-19 pandemic and the UK's departure from the EU.

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 Company's equity investments are traded on a major stock exchange and there is a spread of investments held. The Directors are of the opinion that the bulk of the equity portfolio could be liquidated within 5 trading days and there is no expectation that the nature of investments held would be materially different in the future.
b) The property portfolio was valued at £81.1m as at 31 March 2021 and is securing a debenture stock expiring in 2026 and loan facilities expiring in 2026 and 2031 against a required £37.0m
c) The Company is closed ended in nature and therefore does not require to sell investments when Shareholders wish to sell their shares.
d) 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 87 to 92 and have concluded that the Company would be able to take appropriate action to protect the value of the Company.
e) 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 2021 are 56.5% of total expenses) which reduces as NAV declines, expenses including interest were covered 1.25 times by income in the year.
f) There are no capital commitments currently foreseen that would alter the Board's view.
g) Details of the financial covenants which the Company complies with are detailed in Note 12 to the Financial Statements on pages 83 and 84.

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 2026.

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 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 2021, and as at the date of approval of this Annual Report, the Company's share capital comprised 43,557,464 Ordinary Shares of 10p nominal value in issue and 1,992,511 Ordinary Shares of 10p nominal value held in Treasury (31 March 2020: 45,549,975 Ordinary Shares of 10p nominal value in issue and nil 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 during the year and as at the date of signing of this Annual Report are shown in the Directors' Details section on page 31 of this Annual Report. Following a recommendation by the Nomination Committee, Matthew Oakeshott and Jo Valentine were appointed to the Board during the year under review.

The Directors' interests in the shares of the Company at the year end are shown in the table on page 41. 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 of the Company and the Investment Manager and free of any material relationship with the Investment Manager. 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.

The Nomination Committee reviewed the skills, experience and independence of John Kay and David Smith and has no hesitation in recommending to the Board and to Shareholders their re-election as Directors at the AGM.

The Nomination Committee reviewed the skills and experience of Matthew Oakeshott, who was appointed to the Board during the year under review, and has no hesitation in recommending to the Board and to Shareholders his election as Director at the AGM.

The Nomination Committee reviewed the skills, experience and independence of Jo Valentine, who was appointed to the Board during the year under review, and has no hesitation in recommending to the Board and to Shareholders her election as Director at the AGM.

John Kay, as Chair of the Nomination Committee and Senior Independent Director, led the Nomination Committee in reviewing the skills, experience and independence of James Ferguson as Chairman and has no hesitation in recommending to Shareholders his re-election as a Director at the AGM.

As referred to in the Chairman's Statement on page 3, Dominic Neary will retire from the Board following the conclusion of the 2021 AGM.

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

James Ferguson has over 30 years investment trust experience and chairs a number of investment trust and venture capital trust companies, as detailed in the Directors' Details section on page 31 of this Annual Report.

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

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, 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 Chairman of the Audit and Management Engagement 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.

Further information on the qualifications, skills and experience of the Directors subject to election and/or re-election can be found in the Directors' Details section on page 31 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 all Directors be elected and/or re-elected and Resolutions to this effect will be proposed at the 2021 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 two separate updated and restated investment management agreements entered into by the Company and VIS on 15 May 2015 (and further revised on 20 September 2018 and 5 November 2020), VIS contractually delegated its management responsibilities for the equity and property portfolios to OLIM and OLIM Property respectively.

The investment management agreements provide that, with effect from 1 October 2020, VIP shall pay to OLIM and to OLIM Property a management fee of 0.6% per annum of the total value of VIP's assets which are managed by OLIM and OLIM Property respectively (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 2021, OLIM received an annual investment management fee of £524,000 excluding VAT and OLIM Property received an annual investment management fee of £479,000 excluding VAT.

As referred to in the Business Review, OLIM resigned with effect from 28 February 2021 as Investment Manager responsible for the management of the Company's equity portfolio. From 1 March 2021, the property and equity portfolios are managed by OLIM Property.

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

Following 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 2021, 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*	12,999,499	29.84
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	5,698,665	13.08
HARGREAVES LANSDOWN (NOMINEES) LIMITED	4,118,425	9.46
SMITH & WILLIAMSON NOMINEES LIMITED	1,572,310	3.61
ROCK (NOMINEES) LIMITED	1,318,272	3.03

* Included in the Rathbones Nominees Limited holding is 11,555,000 Ordinary Shares (26.5%) held by Matthew Oakeshott.

As at 18 June 2021, 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*	12,860,423	29.53
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED	5,864,461	13.46
HARGREAVES LANSDOWN (NOMINEES) LIMITED	4,353,739	10.00
SMITH & WILLIAMSON NOMINEES LIMITED	1,298,433	2.98

* Included in the Rathbones Nominees Limited holding is 11,555,000 Ordinary Shares (26.5%) held by Matthew Oakeshott.

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 9 and 10 will be proposed at the 2021 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 2021.

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 2 to 3 and in the Business Review on pages 21 to 30. 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 Friday, 23 July 2021 at 12.30pm at the offices of Maven Capital Partners UK LLP, Kintyre House, 205 West George Street, Glasgow G2 2LW, and related notes may be found on pages 99 to 104 of this Annual Report.

Due to the uncertainty over the timing of the lifting of all COVID restrictions and the social distancing measures required, Shareholders will be unable to attend the AGM. However, 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 101 to 104 of this Annual Report. In addition, the Board encourages Shareholders to submit any questions for the Board and the Manager by email or by letter in advance of the AGM. Shareholders wishing to submit a question should write to: **The Company Secretary, Value and Indexed Property Income Trust PLC, c/o Maven Capital Partners UK LLP, First Floor, Kintyre House, 205 West George Street, Glasgow G2 2LW** or email to: **CoSec@mavencp.com.**

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 11 to 14. Resolutions 1 to 10 are self-explanatory and require no further explanation.

Issue of Ordinary Shares by the Company

Resolution 11, which is an Ordinary Resolution, will, if passed, renew the Directors' authority to allot new Ordinary Shares up to a nominal value of £435,574. This will allow the Directors to allot up to 4,355,740 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 99 to 104 of this Annual Report) (excluding Treasury shares).

During the year ended 31 March 2021, no Ordinary Shares were allotted (2020: nil).

Limited Disapplication of Pre-emption rights

Resolution 12, 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 £435,574, being up to 4,355,740 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 11. 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 2021, the Company bought back and held in Treasury, a total of 1,992,511 (2020: nil) of its own Ordinary Shares of 10p each, being 4.37% of the issued share capital as at 28 July 2020, being the last practicable date before the publication of the previous Annual Report.

As at the date of the approval of this Annual Report, there were 1,992,511 Ordinary Shares held in Treasury.

The Company's buy back authority was last renewed at the AGM held on 3 September 2020. Special Resolution 13 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 13 (being approximately 6,529,263 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 11, 12 and 13 shall expire at the conclusion of the AGM in 2022 or, if earlier, on the expiry of 15 months from the date of the passing of Resolutions 11, 12 and 13, 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 14, 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 14 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 2022 or, if earlier, on the expiry of 15 months from the date of passing of Resolution 14, unless renewed prior to such time.

Recommendation

Your Board considers Resolutions 1 to 11 inclusive, which are all Ordinary Resolutions, and Resolutions 12 to 14 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 14 inclusive to be proposed at the AGM on Friday, 23 July 2021.

By order of the Board
Maven Capital Partners UK LLP
Company Secretary

22 June 2021

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 provided. Where disclosures have been audited, they are indicated as such and the Auditor's opinion is included in their report on pages 54 to 63.

The Nomination Committee of the Board, chaired by John Kay, 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 2021, and as at the date of this Annual Report, the Company had six Directors and their biographies are shown in the Directors' Details section on page 31 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 40.

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 the 2023 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	99.5	0.5	275,095

During the year ended 31 March 2021, 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 2020, the Nomination Committee carried out a review of the remuneration policy and the level of Directors' fees and recommended that the Directors' fees payable for the year ended 31 March 2021 be increased with effect from 1 April 2020 to £30,000 for the Chairman, £24,500 for the Chairman of the Audit and Management Engagement Committee and £22,000 for each other Director.

During the year ended 31 March 2021, the Nomination Committee carried out a further review of the remuneration policy and the level of Directors' fees and agreed that the rates of remuneration should remain unchanged and will remain at the current level for the year to 31 March 2022.

An Ordinary Resolution to approve this Directors' Remuneration Report will be put to Shareholders at the 2021 AGM. At the AGM held on 3 September 2020, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 31 March 2020 was as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Report	99.4	0.6	239,938

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 2020 and 31 March 2021, and projected fees for the year ending 31 March 2022, respectively are as follows:

	Directors' fees (fixed) Year ended 31 March 2020 £	Directors' fees (fixed) Year ended 31 March 2021 £	Annual Percentage increase 2020 to 2021 %	Directors' fees (fixed) Year ending 31 March 2022 £
James Ferguson (Chairman)	28,875	30,000	3.9	30,000
John Kay	21,000	22,000	4.8	22,000
Dominic Neary[1]	21,000	22,000	4.8	6,871
Matthew Oakeshott[2]	N/A	-	N/A	-
David Smith (Chair of the Audit and Management Engagement Committee)	23,500	24,500	4.3	24,500
Jo Valentine[3]	N/A	8,433	N/A	22,000
Total	**94,375**	**106,933**		105,371

[1] Dominic Neary will retire from the Board following the conclusion of the 2021 AGM.

[2] 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.

[3] Jo Valentine was appointed as a Director on 13 November 2020.

NB: Miranda Kelly of Maven Capital Partners UK LLP, the Company Secretary and Douglas Armstrong of Dickson Minto WS, the Company's legal advisers, were appointed as Directors during the year for one day only and for no fee, in order to chair the 2020 AGM and the General Meeting held in January 2021.

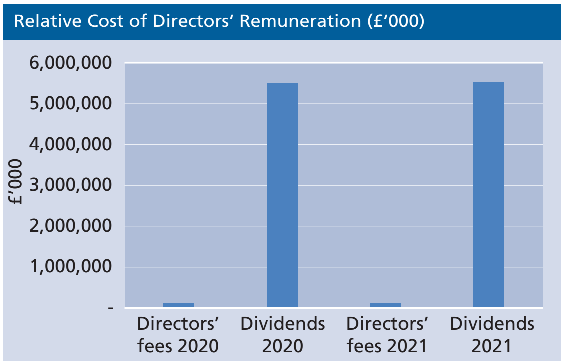
The above amounts exclude any employers' national insurance contributions, if applicable. No other form of remuneration was received by the Directors and no Director has received any taxable expenses, compensation for loss of office or non-cash benefit for the year ended 31 March 2021 (2020: £nil).

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 2021, 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 2020 and 31 March 2021, the cost of Directors' fees compared with the level of dividend distribution.



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.

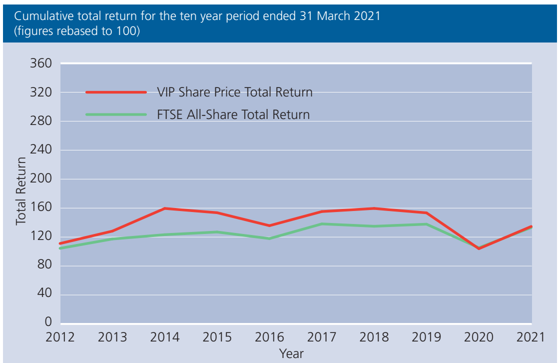
Directors' and Officers' Liability Insurance

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 2021, 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 year under review.



(Source: London Stock Exchange)

Directors' Interests (Audited)

The Directors' interests in the share capital of the Company as at 31 March 2021 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 2021 Ordinary Shares of 10p each	31 March 2020 Ordinary Shares of 10p each
James Ferguson	749,000	635,500
John Kay	238,114	198,114
John Kay – Family	19,274	19,274
John Kay – as Trustee	74,830	74,830
Dominic Neary	33,662	24,500
Matthew Oakeshott & family	4,500,000	4,500,000
Matthew Oakeshott – the AIL Pension Scheme	2,555,000	1,950,000
Matthew Oakeshott - The Coltstaple Charitable Trust	4,500,000	4,500,000
David Smith	19,320	19,320
Jo Valentine	13,500	-

Approval

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

John Kay
Director

22 June 2021

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 one female and five male Directors. Biographies of the current Directors, including the Directors who served during the year under review, are shown on page 31 and indicate their high level and range of investment, industrial, commercial and professional experience. John Kay is the Company's Senior Independent Director.

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
- 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.

James Ferguson is Chairman of the Company.

John Kay is the Company's Senior Independent Director and Chairman 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 is Chair of 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 2021, the Board held ten Board Meetings; one meeting in relation to strategy discussions; two Board Committee Meetings to approve the release of financial results; and one Board Committee Meeting to approve the change of the term of the £22 million loan agreement. In addition, there were five 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 2021 as follows:

Director	Board	Board Committee	Audit and Management Engagement Committee	Nomination Committee
James Ferguson	10 (10)	3 (3)	2 (2)	5 (5)
John Kay	10 (10)	1 (3)	2 (2)	5 (5)
Dominic Neary	10 (10)	2 (3)	2 (2)	5 (5)
David Smith	10 (10)	2 (3)	2 (2)	5 (5)
Matthew Oakeshott[1]	5 (5)	2 (3)	N/A	N/A
Jo Valentine[2]	3 (3)	0 (1)	N/A	1 (1)

[1] Matthew Oakeshott was appointed as a Director on 10 September 2020.
[2] Jo Valentine was appointed as a Director on 13 November 2020.

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 appraisals of the Chairman, the other Directors and the Board as a whole. The evaluation of the Chairman is led by the Senior Independent Director, John Kay.

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 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 re-assessed 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 50 to 53.

Nomination Committee

The Nomination Committee comprises all of the independent Directors and is chaired by John Kay. 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 on five occasions 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 re-appointment of any non-executive Director at the conclusion of their specified term of office;
- the re-election by Shareholders of any Director under the retirement by rotation provisions in the Company's Articles of Association;
- 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.

Although the Company does not have a formal policy on diversity, as detailed above, consideration of Board diversity forms part of the responsibilities of the Committee.

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 and equity portfolios 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, Stewardship and Proxy Voting

The Financial Reporting Council (FRC) published the revised UK Stewardship Code 2020 in October 2019 and it took effect for reporting periods beginning on or after 1 January 2020. The purpose of the Stewardship Code is to enhance the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and assist institutional investors in the efficient exercise of their governance responsibilities. The Board is considering the implications of the revised code and will look to report against it in the future.

The Board is aware of its duty to act in the interests of the Company and the Directors believe that the exercise of voting rights lies at the heart of regulation and the promotion of good corporate governance. The Directors, through the Investment Manager, would wish to encourage companies in which investments are made to adhere to best practice in the area of corporate governance. The Investment Manager believes that, where practicable, this can best be achieved by entering into a dialogue with investee company management teams to encourage them, where necessary, to improve their governance policies. Therefore, the Board and VIS have delegated responsibility for monitoring the activities of portfolio companies to the Investment Manager and has given discretionary powers to vote in respect of the holdings in the Company's investment portfolio.

Socially Responsible Investment Policy

The Directors and the Investment Manager are aware of their duty to act in the interests of the Company and acknowledge that there are risks associated with investment in companies that fail to conduct business in a socially responsible manner. Therefore, the Directors and the Investment Manager take account of the social environment and ethical factors that may affect the performance or value of the Company's investments. The Directors and the Investment Manager believe that a company 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 (under normal circumstances) to attend and participate in the AGM, as it is the key forum for communication with Shareholders. The AGM is an event that all Shareholders are normally 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, normally 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 105.

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, the quarterly Factsheet 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 pages 48 and 49 and the Statement of Going Concern and the Viability Statement are included in the Directors' Report on pages 32 and 33. The Independent Auditor's Report is on pages 54 to 63.

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

22 June 2021

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law 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 international accounting standards in conformity with the requirements of the Companies Act 2006. 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. The Directors are also required to prepare Financial Statements in accordance with international financial reporting standards (IFRS) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, 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 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation. 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 Article 4 of the IAS Regulation 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

James Ferguson

Chairman

22 June 2021

Report of the Audit and Management Engagement Committee

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 control are outlined below:

- Forecasts and management accounts are prepared which allow the Directors to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;

- OLIM 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 2021, the Audit and Management Engagement Committee carried out an annual assessment of internal controls and risk management for the year ended 31 March 2021 by considering documentation from OLIM Property and Maven Capital Partners UK LLP and by taking account of events since 31 March 2021.

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

One of the focuses of the Company is to generate long-term real growth in dividends and capital value without undue risk. The equity portfolio is a significant element of the Financial Statements and the recognition and valuation of the equity 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 quoted investments. Similarly, as dividend income is a major source of revenue for the Company and a significant element of the Statement of Comprehensive Income, the recognition of dividend income is a further risk that requires the particular attention of the Committee. Specifically, the risk is that dividend income is not recognised in line with the Company's stated policy on income recognition and/or that dividend income is incorrectly allocated as revenue/capital. Further risks relate to the property portfolio. As the property portfolio accounts for almost a half of the total investment portfolio, it is a significant item in the Financial Statements and the recognition and valuation of the property portfolio and the recognition of rental income are risks that require the attention of the Committee. Following the change in investment policy in January 2021, the Company now invests mainly in direct UK commercial property, with some UK property-backed securities, to deliver secure long-term index linked income.

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 Securities Services, to hold the equity investments of the Company (the title deeds for the property portfolio are held by the Company's lawyers to the order of the Company), and for the safekeeping of the Company's assets. 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 equity portfolio and the property portfolio are reviewed by OLIM Property regularly. Management accounts including full portfolio listings are prepared quarterly and considered at the quarterly meetings of the Board.

The valuation of the property and equity portfolios is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(j) to the Financial Statements on pages 73 and 74.

The Committee reviews and challenges the valuation of the investments especially 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 72. 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. As referred to in the Chairman's Statement, the Committee noted that many of the Company's index linked leases provide for maximum and minimum increases at future rent review, often described as 'caps and collars'. The Financial Statements are prepared under IFRS (International Financial Reporting Standards) and IFRS 16 requires that these minimum increases, which may arise only many years in the future, are averaged over the whole life of the lease. The Committee carried out a detailed review of IFRS 16 and agreed that the impact of IFRS 16 is that the reported revenue for the year to 31 March 2021 exceeds by £345,000 the rent actually falling due in that year. Notwithstanding this, the Committee acknowledged the reporting requirements of IFRS 16, and, after discussion, 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, in May and October 2020. At the May and October 2020 meetings, 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.

At its meeting in May 2020, the Committee also 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 2020, along with the amount of the fourth interim dividend for the year then ended. At its meeting in October 2020, the Committee reviewed the Half-Yearly Report for the period to 30 September 2020 and also considered the performance of BDO LLP as Auditor, and its independence and tenure.

Subsequent to 31 March 2021, the Committee considered the draft Annual Report and Financial Statements for the year ended 31 March 2021, 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 provides 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 54 to 63. 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 re-appointment, 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 2021 AGM.

David Smith
Director

22 June 2021

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 2021 and of the Group's and the Parent Company's profit for the year then ended;
- the Financial Statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Group Financial Statements have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

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 2021 which comprise Group Statement of Comprehensive Income, Company Statement of Comprehensive Income, Group Statement of Financial Position, Company Statement of Financial Position, Statement of Changes in Equity, Group Statement of Cashflows, Company Statement of Cashflows and 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 international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

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 members of the Group on 3 September 2020 to audit the Financial Statements for the year ending 31 March 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 2 years, covering the years ending 31 March 2020 and 31 March 2021. We remain independent of the 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 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 the going concern in light of property market volatility and the present uncertainties by reviewing the information used by the Directors in completing the assessment;
- Obtaining the loan agreements to identify the covenants and assess the likelihood of them being breached based on the Directors' forecasts and our sensitivity analysis;
- Challenging Director' assumptions and judgements made with regards to stress-testing forecasts which included consideration of the covenant headroom; and
- Calculating financial ratios to ascertain the financial health of the Company.

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 entity'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	2021	2020	Materiality	Coverage[1]
Valuation and ownership of quoted investments	✓	✓	**Group Financial Statements as a whole** £1.12m (2020: £1.61m) based on 1% (2020: 0.975%) of total value of investments	100% (2020: 100%) of Group revenue
Valuation and ownership of investment property	✓	✓		100% (2020: 100%) of Group total assets
Recognition of Rental Income	✓	✓		

[1] These are areas which have been subject to a full scope audit by the group engagement team.

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 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, 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, Value and Indexed Property Income Trust PLC.

The Group audit engagement team carried out full scope audits for the Parent Company and Value and Indexed Property Income Services Limited which is not considered to be a significant component of the Group.

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.

<table>
<tr><th>Key Audit Matter</th><th>How the Scope of Our Audit Addressed the Key Audit Matter</th></tr>
<tr><td>Valuation and ownership of quoted investments (Note 1 and Note 9)

The investment portfolio includes quoted investments. The Investment Manager's fee is based on the value of the gross assets of the fund. The Investment Manager is responsible for preparing the valuation of investments which are reviewed and approved by the Board. Notwithstanding this review, there is a potential risk of misstatement in the investment valuations. There is a risk that the investment balance includes investments which are no longer owned by the Company or that the bid price used to value the investment is incorrect.

This is the most significant balance in the Financial Statements and is the key driver of performance and we therefore determined this to be a key audit matter.</td><td>We responded to this matter by testing the valuation and ownership of the portfolio of quoted investments. We performed the following procedures:

• Confirmed the year-end bid price was used by agreeing to externally quoted prices and assessed if there were contra indicators, such as liquidity considerations, to suggest bid price is not the most appropriate indication of fair value

• Obtained direct confirmation of the number of shares held per equity investment from the custodian regarding all investments held at the balance sheet date.

Key observations
Based on our procedures performed we did not identify any material exceptions with regards to valuation or ownership of investments or the disclosures.</td></tr>
</table>

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, Savills, to value these properties at each 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, there is a potential risk of misstatement in the investment valuations. Investment Properties are Level 3 investments and are 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 and ownership 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. • Used our knowledge and experience to evaluate and challenge 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. **Key observations** Based on the procedures performed we found the investment valuations, in particular the assumptions used, reasonable and did not note any exceptions in respect of the ownership of investment property.

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.
	  ◦ Confirmed that the tenancy schedule covers all the Investment Property which has been valued at the year-end.
	  ◦ Confirmed that the rent smoothing adjustment has been posted correctly in the Financial Statements.
	
	Key observations
	Based on the procedures performed we consider the existence, accuracy and completeness of rental income to be materially correct.

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	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Materiality	1,120	1,611	1,118	1,609
Basis for determining materiality	1% of total investment value (2020: 0.975% of total investment value)		99.82% of Group materiality (2020: 99.88% 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	728	1,047	726	1,047
Basis for determining performance materiality	65% of materiality (2020: 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 items impacting revenue return, a misstatement of less than materiality for the Financial Statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined materiality for these items to be £243,000 (2020: £499,000) based on 8.75% of revenue return before tax. We further applied a performance materiality level of 65% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Component Materiality

We set materiality for each component of the Group based on a percentage of between 0.20% and 99.80% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £2k to £1,118k. In the audit of each component, we further applied performance materiality levels of 65% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting Threshold

We agreed with the Audit and Management Engagement Committee that we would report to them all individual audit differences in excess of £12,000 (2020: £24,000). 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 Financial Statements 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 Statement 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 its assessment of the entity'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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company Financial Statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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's and the 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:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with 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, and qualification as an Investment Trust under UK tax legislation as any non-compliance of this would lead to the Company losing various deductions and exemptions from corporation tax.

We focused on laws and regulations that could give rise to a material misstatement in the Company Financial Statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management relating to the existence of any non-compliance with laws and regulations;
- review of minutes of board meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations; and
- reviewing the calculation in relation to Investment Trust compliance to check that the Group was meeting its requirements to retain their Investment Trust Status.

We assessed the susceptibility of the Financial Statements to material misstatement, including fraud. Our audit work focussed on the valuation of unquoted investments and investment property, where the risk of material misstatement due to fraud is the greatest (refer to the Key Audit Matter section). We also:

- Recalculated investment management fees in total; and
- Obtained independent confirmation of bank and loan balances.

In addressing the risk of management override of internal controls we tested journals and evaluated whether there was evidence of bias by the 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 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

22 June 2021

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

Group Statement of Comprehensive Income

For the year ended 31 March

	Note	Year ended 31 March 2021 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2020 Revenue £'000	Capital £'000	Total £'000
INCOME							
Rental income	2	5,359	–	5,359	4,716	–	4,716
Investment income	2	3,414	–	3,414	5,931	–	5,931
Other income	2	159	–	159	97	–	97
		8,932	–	8,932	10,744	–	10,744
GAINS AND LOSSES ON INVESTMENTS							
Realised gains/(losses) on held-at-fair-value investments and investment properties	9	–	8,588	8,588	–	(3,482)	(3,482)
Unrealised gains/(losses) on held-at-fair-value investments and investment properties	9	–	1,185	1,185	–	(31,381)	(31,381)
TOTAL INCOME		8,932	9,773	18,705	10,744	(34,863)	(24,119)
EXPENSES							
Investment management fees	3	(301)	(702)	(1,003)	(345)	(805)	(1,150)
Other operating expenses	4	(771)	–	(771)	(878)	–	(878)
FINANCE COSTS	5	(5,084)	–	(5,084)	(4,609)	–	(4,609)
TOTAL EXPENSES		(6,156)	(702)	(6,858)	(5,832)	(805)	(6,637)
PROFIT/(LOSS) BEFORE TAXATION		2,776	9,071	11,847	4,912	(35,668)	(30,756)
TAXATION	6	(359)	1,132	773	(263)	359	96
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY		2,417	10,203	12,620	4,649	(35,309)	(30,660)
EARNINGS PER ORDINARY SHARE (PENCE)	7	5.35	22.56	27.91	10.21	(77.52)	(67.31)

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 Notes on pages 71 to 93 form part of these Financial Statements.

The Board is proposing a final dividend of 3.60p per share, making a total dividend of 12.30p per share for the year ended 31 March 2021 (2020: 12.10p per share) which, if approved by Shareholders, will be payable on 30 July 2021 (see Note 8).

Company Statement of Comprehensive Income

For the year ended 31 March

	Note	Year ended 31 March 2021 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2020 Revenue £'000	Capital £'000	Total £'000
INCOME							
Rental income	2	5,359	–	5,359	4,716	–	4,716
Investment income	2	3,414	–	3,414	5,931	–	5,931
Other income	2	159	–	159	97	–	97
		8,932	–	8,932	10,744	–	10,744
GAINS AND LOSSES ON INVESTMENTS							
Realised gains/(losses) on held-at-fair-value investments and investment properties	9	–	8,588	8,588	–	(3,482)	(3,482)
Unrealised gains/(losses) on held-at-fair-value investments and investment properties	9	–	1,781	1,781	–	(30,781)	(30,781)
TOTAL INCOME		8,932	10,369	19,301	10,744	(34,263)	(23,519)
EXPENSES							
Investment management fees	3	(301)	(702)	(1,003)	(345)	(805)	(1,150)
Other operating expenses	4	(771)	–	(771)	(878)	–	(878)
FINANCE COSTS	5	(5,050)	–	(5,050)	(4,576)	–	(4,576)
TOTAL EXPENSES		(6,122)	(702)	(6,824)	(5,799)	(805)	(6,604)
PROFIT/(LOSS) BEFORE TAXATION		2,810	9,667	12,477	4,945	(35,068)	(30,123)
TAXATION	6	(359)	1,132	773	(263)	359	96
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY		2,451	10,799	13,250	4,682	(34,709)	(30,027)
EARNINGS PER ORDINARY SHARE (PENCE)	7	5.42	23.88	29.30	10.28	(76.20)	(65.92)

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 71 to 93 form part of these Financial Statements.

Group Statement of Financial Position

As at 31 March

		Group			
		As at 31 March 2021		As at 31 March 2020	
	Note	£'000	£'000	£'000	£'000
ASSETS					
NON CURRENT ASSETS					
Investment properties	9		81,132		74,459
Investments held at fair value through profit or loss	9		28,581		90,757
			109,713		165,216
Deferred tax asset	6		1,258		485
Receivables	10		2,017		–
			112,988		165,701
CURRENT ASSETS					
Cash and cash equivalents		65,965		26,428	
Receivables	10	972		668	
			66,937		27,096
TOTAL ASSETS			179,925		192,797
CURRENT LIABILITIES					
Debenture stock	11	–		(15,000)	
Payables	11	(2,318)		(1,624)	
			(2,318)		(16,624)
TOTAL ASSETS LESS CURRENT LIABILITIES			177,607		176,173
NON-CURRENT LIABILITIES					
Payables	12	(2,862)		(4,243)	
Borrowings	12	(56,662)		(56,623)	
			(59,524)		(60,866)
NET ASSETS			118,083		115,307
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		95,082		92,306
TOTAL EQUITY			118,083		115,307
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	17		271.10		253.14

These Financial Statements were approved by the Board on 22 June 2021 and were signed on its behalf by:-

JAMES FERGUSON, CHAIRMAN

The Notes on pages 71 to 93 form part of these Financial Statements.

Company Statement of Financial Position

As at 31 March

		Company			
		As at 31 March 2021		As at 31 March 2020	
	Note	£'000	£'000	£'000	£'000
ASSETS					
NON CURRENT ASSETS					
Investment properties	9		81,132		75,687
Investments held at fair value through profit or loss	9		28,781		90,957
			109,913		166,644
Deferred tax asset	6		1,258		485
Receivables	10		2,017		–
			113,188		167,129
CURRENT ASSETS					
Cash and cash equivalents		65,765		26,228	
Receivables	10	972		669	
			66,737		26,897
TOTAL ASSETS			179,925		194,026
CURRENT LIABILITIES					
Debenture stock	11	–		(15,630)	
Payables	11	(2,318)		(1,659)	
			(2,318)		(17,289)
TOTAL ASSETS LESS CURRENT LIABILITIES			177,607		176,737
NON-CURRENT LIABILITIES					
Payables	12	(2,862)		(5,437)	
Borrowings	12	(56,662)		(56,623)	
			(59,524)		(62,060)
NET ASSETS			118,083		114,677
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		95,082		91,676
TOTAL EQUITY			118,083		114,677
NET ASSET VALUE PER ORDINARY SHARE (PENCE)	17		271.10		251.76

These Financial Statements were approved by the Board on 22 June 2021 and were signed on its behalf by:-

JAMES FERGUSON, CHAIRMAN

The Notes on pages 71 to 93 form part of these Financial Statements.

Group Statement of Cashflows

For the year ended 31 March

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities					
Rental income received			5,218		4,162
Dividend income received			3,486		6,466
Interest received			244		10
Operating expenses paid			(1,673)		(2,101)
NET CASH INFLOW FROM OPERATING ACTIVITIES	18		7,275		8,537
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		(4,500)		(13,900)	
Purchase of investment properties		(17,553)		(10,758)	
Sale of investments held at fair value through profit or loss		79,584		17,160	
Sale of investment properties		4,725		9,199	
NET CASH INFLOW FROM INVESTING ACTIVITIES			62,256		1,701
Cash flow from financing activities					
Repayment of debenture stock		(15,000)		–	
Loans drawn down		–		22,000	
Fees paid on new loan		(4)		(320)	
Interest paid on loans		(4,938)		(4,156)	
Finance cost of leases		(191)		(191)	
Payments of lease liabilities		(17)		(15)	
Dividends paid	8	(5,512)		(5,466)	
Buyback of Ordinary Shares for Treasury	14	(4,332)		–	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES			(29,994)		11,852
NET INCREASE IN CASH AND CASH EQUIVALENTS			39,537		22,090
Cash and cash equivalents at 1 April 2020			26,428		4,338
CASH AND CASH EQUIVALENTS AT 31 MARCH 2021			65,965		26,428

The Notes on pages 71 to 93 form part of these Financial Statements.

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities					
Rental income received			5,218		4,162
Dividend income received			3,486		6,466
Interest received			244		10
Operating expenses paid			(1,673)		(2,101)
NET CASH INFLOW FROM OPERATING ACTIVITIES	18		7,275		8,537
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		(4,500)		(13,900)	
Purchase of investment properties		(17,553)		(10,758)	
Sale of investments held at fair value through profit or loss		79,584		17,160	
Sale of investment properties		4,725		9,199	
NET CASH INFLOW FROM INVESTING ACTIVITIES			62,256		1,701
Cash flow from financing activities					
Repayment of debenture stock		(15,000)		–	
Loans drawn down		–		22,000	
Fees paid on new loan		(4)		(320)	
Interest paid on loans		(4,938)		(4,156)	
Finance cost of leases		(157)		(157)	
Payments of lease liabilities		(51)		(49)	
Dividends paid	8	(5,512)		(5,466)	
Buyback of Ordinary Shares for Treasury	14	(4,332)		–	
NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES			(29,994)		11,852
NET INCREASE IN CASH AND CASH EQUIVALENTS			39,537		22,090
Cash and cash equivalents at 1 April 2020			26,228		4,138
CASH AND CASH EQUIVALENTS AT 31 MARCH 2021			65,765		26,228

The Notes on pages 71 to 93 form part of these Financial Statements.

Statement of Changes in Equity

For the year ended 31 March

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
		Year ended 31 March 2021			
GROUP					
Net assets at 31 March 2020		4,555	18,446	92,306	115,307
Profit for the year		–	–	12,620	12,620
Dividends paid	8	–	–	(5,512)	(5,512)
Buyback of Ordinary Shares for Treasury	14	–	–	(4,332)	(4,332)
Net assets at 31 March 2021		4,555	18,446	95,082	118,083
COMPANY					
Net assets at 31 March 2020		4,555	18,446	91,676	114,677
Profit for the year		–	–	13,250	13,250
Dividends paid	8	–	–	(5,512)	(5,512)
Buyback of Ordinary Shares for Treasury	14	–	–	(4,332)	(4,332)
Net assets at 31 March 2021		4,555	18,446	95,082	118,083

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
		Year ended 31 March 2020			
GROUP					
Net assets at 31 March 2019		4,555	18,446	128,432	151,433
Loss for the year		–	–	(30,660)	(30,660)
Dividends paid	8	–	–	(5,466)	(5,466)
Net assets at 31 March 2020		4,555	18,446	92,306	115,307
COMPANY					
Net assets at 31 March 2019		4,555	18,446	127,169	150,170
Loss for the year		–	–	(30,027)	(30,027)
Dividends paid	8	–	–	(5,466)	(5,466)
Net assets at 31 March 2020		4,555	18,446	91,676	114,677

The Notes on pages 71 to 93 form part of these Financial Statements.

1 Accounting policies

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606 / 2002 as it applies in the European Union and in conformity with the requirements of the Companies Act 2006.

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 32 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 October 2019 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 quoted UK equities and UK commercial properties. The view that the Group is engaged in a single segment of business is based on the fact that one of the key financial indicators received and reviewed by the Board is the total return from the investment portfolio taken as a whole. A review of the investment portfolio is included in the reports from the Investment Manager on pages 4 to 20.

(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 2 to 30. The financial position of the Group as at 31 March 2021 is shown in the Statement of Financial Position on page 66. The cash flows of the Group for the year ended 31 March 2021 are set out on page 68. The Group had fixed debt totalling £56,662,000 as at 31 March 2021, as set out in Notes 11 and 12 on pages 82 to 84 none of the borrowings is repayable before March 2026. Note 21 on pages 87 to 92 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 2021, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of over two. The assets of the Group consist mainly of securities and investment properties that are held in accordance with the Group's investment policy, as set out on page 23. Most of these securities are readily realisable, even in volatile markets. The Group, in conjunction with OLIM Property, has been working closely with tenants during this unprecedented period, agreeing phased payment plans for temporary rental concessions, changing quarterly to monthly payments or rent deferments and extending lease lengths in return for rent free periods. 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,

1 Accounting policies – continued

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.

(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.

1 Accounting policies – continued

(f) Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect, and in accordance with the SORP, the investment management fees have been allocated 30% to revenue and 70% to capital for the year ended 31 March 2021 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) Receivables and Payables

Receivables do not carry any interest and are stated at their nominal value, as reduced by any impairment calculated using an expected credit loss model. Payables are not interest bearing and are stated at their nominal value.

(h) 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.

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.

(i) 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.

(j) Investments

Equity investments

All equity investments are 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, is such that the portfolio of equity investments is managed, and performance is evaluated, on the basis of fair value. Consequently, all equity investments are measured at fair value through profit or loss.

1 Accounting policies – continued

For listed investments, fair value through profit or loss is deemed to be bid market prices or closing prices for SETS stocks sourced from the London Stock Exchange. SETS is the London Stock Exchange electronic trading service covering most of the market including all FTSE 100 constituents and most liquid FTSE 250 constituents along with some other securities. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the retained earnings.

Investment property

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 2020 (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 80 and 81.

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.

(k) Cash and cash equivalents

Cash and cash equivalents comprises deposits held with banks.

(l) 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 with that term.

1 Accounting policies – continued

(m) Leases

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of Investments Properties in the Balance Sheet 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 COVID pandemic, rental income is recognised on a straight line basis over the expected term of the lease.

(n) 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 2021 is disclosed in Note 9 to the Financial Statements on pages 80 and 81.

(o) 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 39, IFRS 4, 7, 9 and 16 Amendments - Interest Rate Benchmark Reform (Phase 2) (effective 1 January 2021)

IFRS 3 Amendments - Definition of a Business (effective 1 January 2022)

IFRS 16 Amendments - COVID-19-Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)

Conceptual Framework for Financial Reporting - Revisions (effective 1 January 2022)

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.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
2 Income				
Investment income				
Dividends from listed investments in UK	3,414	3,414	5,931	5,931
Other operating income				
Rental income	5,359	5,359	4,716	4,716
Interest receivable on short term deposits	159	159	97	97
Total income	8,932	8,932	10,744	10,744

	2021 Revenue £000	2021 Capital £000	2021 Total £000	2020 Revenue £000	2020 Capital £000	2020 Total £000
3 Investment management fee						
Group and Company						
Investment management fee	301	702	1,003	345	805	1,150

A summary of the terms of the management agreement is given on page 35 of the Directors' Report.

In November 2020, OLIM Limited gave notice of its intention to wind up its operations in early 2021. As a result, the investment management agreement with OLIM Limited ceased with effect from 28 February 2021 and responsibility for the management of the equity portfolio moved to OLIM Property Limited.

OLIM Limited received an investment management fee of £524,000 (2020 - £738,000), the basis of calculation of which is given on page 35.

OLIM Property Limited received an investment management fee of £479,000 (2020 - £412,000), the basis of calculation of which is given on page 35.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
4 Other operating expenses				
Fee payable to the Company's auditor for the audit of the Company's accounts	63	63	50	50
- audit of the Subsidiary's accounts	2	2	2	2
Fee payable to the Company's former auditor for other services				
- other assurance services	–	–	3	3
- other non audit services	–	–	7	7
Directors' fees	107	107	94	94
NIC on Directors' fees	7	7	5	5
Fees for company secretarial services	230	230	211	211
Direct property costs	(80)	(80)	31	31
Other expenses	442	442	475	475
	771	771	878	878

4 Other operating expenses – continued

Other non-audit services provided by the former auditor comprise consideration of compliance with covenants.

Directors' fees comprise the Chairman's fees of £30,000 (2020 - £28,875), the Audit and Management Engagement Committee Chairman's fees of £24,500 (2020 - £23,500) and fees of £22,000 (2020 - £21,000) per annum paid to each other Director.

Additional information on Directors' fees is given in the Directors' Remuneration Report on pages 39 to 41.

5 Finance costs

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Interest payable on:				
11% First Mortgage Debenture Stock 2021	1,650	1,650	1,650	1,650
9.375% Debenture Stock 2026	1,875	1,875	1,875	1,875
Less amortisation of issue premium	(24)	(24)	(23)	(23)
Bank loan interest payable	1,307	1,307	863	863
Amortisation of loan expenses	85	85	54	54
Finance costs attributable to lease liabilities	191	157	190	157
	5,084	5,050	4,609	4,576

6 Taxation

	2021 Revenue £000	2021 Capital £000	2021 Total £000	2020 Revenue £000	2020 Capital £000	2020 Total £000
a) Analysis of the tax credit/(charge) for the year:						
Group						
Current tax	(359)	359	–	(263)	263	–
Deferred tax	–	773	773	–	96	96
	(359)	1,132	773	(263)	359	96
Factors affecting the total tax credit/(charge) for year:						
Profit/(loss) before tax			11,847			(30,756)
Tax charge/(credit) thereon at 19% (2020 - 19%)			2,251			(5,844)
Effects of:						
Non taxable dividends			(649)			(1,127)
(Gains)/losses on investments not taxable			(1,857)			6,624
Unrelieved finance costs			(518)			251
			(773)			(96)

	2021 Revenue £000	2021 Capital £000	2021 Total £000	2020 Revenue £000	2020 Capital £000	2020 Total £000
6 Taxation - continued						
Company						
Current tax	(359)	359	–	(263)	263	–
Deferred tax	–	773	773	–	96	96
	(359)	1,132	773	(263)	359	96

	2021 £000	2020 £000
Factors affecting the total tax credit/(charge) for year:		
Profit/(loss) before tax	12,477	(30,123)
Tax charge/(credit) thereon at 19% (2020 - 19%)	2,371	(5,723)
Effects of:		
Non taxable dividends	(649)	(1,127)
(Gains)/losses on investments not taxable	(1,970)	6,510
Unrelieved finance costs	(525)	244
	(773)	(96)
b) Factors affecting future tax charges		
Unutilised tax losses	25,617	29,712
Potential tax benefit at 19% (2020 - 19%)	4,867	5,645
Recognised as a deferred tax non-current asset	1,258	485
Not recognised as a deferred tax asset	3,609	5,160
	4,867	5,645

The Company and Group have deferred tax assets of £4,867,000 (2020 - £5,645,000) at 31 March 2021 relating to total accumulated unrelieved tax losses carried forward of £25,617,000 (2020 - £29,712,000). The Company and Group have recognised deferred tax assets of £1,258,000 (2020 - £485,000), based on forecast profits for the next five years but have not recognised deferred tax assets of £3,609,000 (2020 - £5,160,000) 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.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
7 Return per Ordinary Share				
The return per Ordinary Share is based on the following figures:				
Revenue return	2,417	2,451	4,649	4,682
Capital return	10,203	10,799	(35,309)	(34,709)
Weighted average number of Ordinary Shares in issue	45,216,413	45,216,413	45,549,975	45,549,975
Return per share - revenue	5.35p	5.42p	10.21p	10.28p
Return per share - capital	22.56p	23.88p	(77.52p)	(76.20p)
Total return per share	27.91p	29.30p	(67.31p)	(65.92p)

8 Dividends

	2021 £000	2020 £000
Dividends on Ordinary Shares:		
Third quarterly dividend of 2.90p per share (2020 - 2.80p) paid 24 April 2020	1,321	1,275
Fourth quarterly dividend of 3.40p per share (2020 final - 3.40p) paid 28 August 2020	1,549	1,549
First quarterly dividend of 2.90p per share (2020 - 2.90p) paid 30 October 2020	1,321	1,321
Second quarterly dividend of 2.90p per share (2020 - 2.90p) paid 29 January 2021	1,321	1,321
Dividends paid in the period	5,512	5,466

The third interim dividend of 2.90p (2020 - 2.90p), paid on 30 April 2021, has not been included as a liability in these Financial Statements.

The final dividend of 3.60p (2020 fourth interim - 3.40p), being paid on 30 July 2021, 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 £2,451,000 (2020 - £4,682,000).

	2021 £000	2020 £000
First quarterly dividend of 2.90p per share (2020 - 2.90p) paid 30 October 2020	1,321	1,321
Second quarterly dividend of 2.90p per share (2020 - 2.90p) paid 29 January 2021	1,321	1,321
Third quarterly dividend of 2.90p per share (2020 - 2.90p) payable 30 April 2021	1,263	1,321
Final dividend for the year ended 31 March 2021 - 3.60p (2020 fourth interim - 3.40p) payable 30 July 2021	1,568	1,549
	5,473	5,512

The final dividend is based on the latest share capital of 43,557,464 Ordinary Shares excluding those held in Treasury.

9 Investments

	Investment properties £'000	Equities £'000	Total £'000
Group			
Cost at 31 March 2020	49,319	85,356	134,675
Unrealised appreciation	25,140	5,401	30,541
Valuation at 31 March 2020	74,459	90,757	165,216
Purchases	17,553	4,500	22,053
Sales proceeds	(4,703)	(79,584)	(84,287)
Realised gains on sales	92	8,496	8,588
Movement in unrealised appreciation in year	(6,269)	4,412	(1,857)
Valuation at 31 March 2021	81,132	28,581	109,713

	Investment properties £'000	Investment in Subsidiary £'000	Equities £'000	Total £'000
Company				
Cost at 31 March 2020	57,647	200	85,356	143,203
Unrealised appreciation	18,040	–	5,401	23,441
Valuation at 31 March 2020	75,687	200	90,757	166,644
Purchases	17,553	–	4,500	22,053
Sales proceeds	(4,703)	–	(79,584)	(84,287)
Realised gains on sales	92	–	8,496	8,588
Movement in unrealised appreciation in year	(7,497)	–	4,412	(3,085)
Valuation at 31 March 2021	81,132	200	28,581	109,913

The fair value valuation of £80,550,000 given by Savills plc excludes prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments amounting to £2,289,000 and for adjustments to recognise finance lease liabilities for one leasehold property amounting to £2,871,000, both in accordance with IFRS 16. The valuation has therefore been increased by £582,000.

As noted in Notes 11 and 12, the movement in unrealised appreciation in the year disclosed in the Company's Statement of Comprehensive Income includes amortisation of £630,000 (2020 - £633,000) relating to the transfer of the 11% Debenture Stock 2021 from Audax Properties Limited to the Company in 2014.

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:-

	2021 £'000	2020 £'000
Purchases	27	83
Sales	75	17
	102	100

9 Investments – continued

The fair values of the investment properties were independently valued by professional valuation on an open market basis for existing use by Savills (UK) Limited, Chartered Surveyors, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the portfolio as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13 and the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019 (together the 'Red Book') by reference to the Investment Method whereby the net annual income derived from a property is capitalised by an appropriate capitalisation rate or Years' Purchase figure to arrive at the present Capital Value of the property after an allowance for the purchaser's costs. The relevant capitalisation rate is chosen, based on the investment rate of return expected (as derived from comparisons of other similar property investments) for the type of property concerned and taking into consideration such factors as risk, capital appreciation, security of income, ease of sale and management of the property.

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 asset were taken into consideration and, where appropriate, an additional level of risk was applied taking into account the effect on market sentiment brought on by COVID-19. Due to the make-up of the portfolio, which predominately comprises industrial, foodstore and long let properties, yield discounts were only applied to a number of Licenced and Leisure assets, where capitalisation rates were moved out by between 25 and 50 basis points.

Property portfolio	Fair value - Group £'000	Key unobservable input	Inputs Range	Blended Yield
Industrials	30,788	Net Equivalent Yield	3.75% - 6.50%	5.60%
Pubs	16,755	Net Equivalent Yield	5.25% - 13.00%	6.93%
Supermarkets	13,090	Net Equivalent Yield	4.75% - 6.25%	5.61%
Other	12,375	Net Equivalent Yield	5.50% - 8.25%	5.54%
Leisure	6,005	Net Equivalent Yield	8.50% - 9.75%	8.98%
Roadside	2,119	Net Equivalent Yield	6.75%	6.75%
	81,132			

A 50 bps increase in the equivalent yield applied would have decreased the net assets attributable to the Group and Company's Shareholders and the total loss for the year by £1,200,000. A 50 bps decrease in the equivalent yield applied would have increased the net assets attributable to the Group and Company's Shareholders and the total loss for the year by £1,350,000. 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 loss for the year by £5,950,000. 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 £6,900,000.

Investment in subsidiary

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

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
10 Receivables				
Amounts falling due within one year:				
Dividends receivable	251	251	323	323
Prepayments and accrued income	721	721	345	346
	972	972	668	669
Amounts falling due after more than one year:				
Rental	2,017	2,017	–	–
	2,989	2,989	668	669

Many of the Company's leases provide for minimum and maximum increases of rental 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.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
11 Current Liabilities				
Debenture stock				
11% First Mortgage Debenture Stock 2021	–	–	15,000	15,000
Fair value adjustment	–	–	–	630
	–	–	15,000	15,630

The 11% First Mortgage Debenture Stock 2021, previously issued by Audax Properties plc, was, on 28 March 2014, transferred to Value and Indexed Property Income Trust PLC (VIP) following the approval of the substitution of VIP as issuer of the Debentures by the holders on 11 March 2014. Applications were made to the UK Listing Authority and the London Stock Exchange for the Debentures to be admitted in the name of VIP to the Official List and to trading on the main market of the London Stock Exchange from 28 March 2014.

The 11% First Mortgage Debenture Stock 2021 was repaid at par on 31 March 2021. Under IAS 39, now IFRS 9, this debenture required to be recorded initially at fair value of £19,417,000, rather than its nominal value of £15,000,000 in the Company's financial statements. The amortised cost of the debenture as at 31 March 2021 was nil (2020 - £15,630,000). The amortisation of the fair value adjustment was presented as a capital item within gains/losses on investments as it related to the reversal of a previously recognised loss on the Company's investment in its subsidiary. In the Group financial statements, the fair value adjustment was eliminated on consolidation.

The Company complied with the Debenture Stock Trust Deed covenants up to the redemption date.

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Payables				
Amounts due to OLIM Limited	–	–	4	4
Amounts due to OLIM Property Limited	84	84	34	34
Accruals and other creditors	1,653	1,653	1,371	1,372
Value Added Tax payable	572	572	199	199
Lease liability	9	9	16	50
	2,318	2,318	1,624	1,659

The amount due to OLIM Property Limited comprises the monthly management fee for March 2021, subsequently paid in April 2021.

	2021		2020	
	Group £000	Company £000	Group £000	Company £000
12 Non-current liabilities				
Bank loans	37,000	37,000	37,000	37,000
Balance of costs incurred	(536)	(536)	(590)	(590)
Costs incurred in the year	(22)	(22)	–	–
Add: Debit to income for the year	85	85	54	54
	36,527	36,527	36,464	36,464
9.375% Debenture Stock 2026	20,000	20,000	20,000	20,000
Add: - Balance of premium less issue expenses	159	159	182	182
Less: Credit to income for the year	(24)	(24)	(23)	(23)
	20,135	20,135	20,159	20,159
Lease liability payable in more than one year				
- within 2 - 5 years	37	37	74	214
- over 5 years	2,825	2,825	4,169	5,223
	2,862	2,862	4,243	5,437
	59,524	59,524	60,866	62,060

The Company has a £15,000,000 fixed term secured loan facility for a period of up to ten years to 31 March 2026 (2020 - £15,000,000). At 31 March 2021, £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.

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. At 31 March 2021, £20,900,000 was drawn down at a fixed rate of 3.28099% and £1,100,000 was drawn down at a variable rate of 2.38338% (being LIBOR for the period equal in length to the interest period of the loan plus a margin of 2.35%). 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 is repayable at par on 30 November 2026 and is secured by a floating charge over the property and assets of the Company.

12 Non-current liabilities – continued

The Trust Deed of the 9.375% Debenture Stock contains restrictions and events of default. The restrictions require that the aggregate group borrowings, £57 million, must not at any time exceed the total group capital and reserves (equivalent to net assets of £118.1 million as at 31 March 2021).

The fair values of the loan and the debentures are disclosed in Note 21 on pages 87 to 92 and the net asset value per share, calculated with the borrowings at fair value, is disclosed in Note 17 on pages 85 and 86.

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 77 and 78, 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	2021 £000	2020 £000
Authorised:		
56,000,000 Ordinary Shares of 10p each (2020 - 56,000,000)	5,600	5,600
Called up, issued and fully paid: 43,557,464 Ordinary Shares of 10p each (2020 - 45,549,975)	4,356	4,555
Treasury shares:		
1,992,511 Ordinary Shares of 10p each (2020 - nil)	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 1,992,511 Ordinary Shares (2020 - nil) at a cost of £4,332,381 including expenses (2020 - nil). All of these shares were placed in Treasury.

	2021		2020	
15 Share premium	Group £000	Company £000	Group £000	Company £000
Opening balance	18,446	18,446	18,446	18,446

16 Retained earnings

	2021 Group £000	2021 Company £000	2020 Group £000	2020 Company £000
Opening balance at 31 March 2020	92,306	91,676	128,432	127,169
Profit/(loss) for the year	12,620	13,250	(30,660)	(30,027)
Dividends paid (see Note 8)	(5,512)	(5,512)	(5,466)	(5,466)
Buyback of Ordinary Shares for Treasury (see Note 14)	(4,332)	(4,332)	–	–
Closing balance at 31 March 2021	95,082	95,082	92,306	91,676

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

	2021 Revenue £000	2021 Capital £000	2021 Total £000	2020 Revenue £000	2020 Capital £000	2020 Total £000
Group						
Opening balance at 31 March 2020	3,191	89,115	92,306	4,008	124,424	128,432
Profit/(loss) for the year	2,417	10,203	12,620	4,649	(35,309)	(30,660)
Dividends paid (see Note 8)	(5,512)	–	(5,512)	(5,466)	–	(5,466)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(4,332)	(4,332)	–	–	–
Closing balance at 31 March 2021	96	94,986	95,082	3,191	89,115	92,306
Company						
Opening balance at 31 March 2020	2,070	89,606	91,676	2,854	124,315	127,169
Profit/(loss) for the year	2,451	10,799	13,250	4,682	(34,709)	(30,027)
Dividends paid (see Note 8)	(5,512)	–	(5,512)	(5,466)	–	(5,466)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(4,332)	(4,332)	–	–	–
Closing balance at 31 March 2021	(991)	96,073	95,082	2,070	89,606	91,676

Of the Company's Retained Earnings of £95,082,000, £69,262,000 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 £118,083,000 (2020 - £115,307,000) and on the Company's net assets attributable of £118,083,000 (2020 - £114,677,000) and on 43,557,464 (2020 - 45,549,975) Ordinary Shares in issue at the year end, excluding shares held in Treasury.

17 Net asset value per equity share – continued

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 £111,755,000 (2020 - £105,990,000) is 256.57p (2020 - 232.69p)

	2021		2020	
	Group	Company	Group	Company
Net assets at 31 March 2021	118,083	118,083	115,307	114,677
Fair value adjustments	(6,328)	(6,328)	(9,317)	(8,687)
Net assets with borrowings at fair value	111,755	111,755	105,990	105,990
Number of shares in issue	43,557,464	43,557,464	45,549,975	45,549,975
Net asset value per share	271.10p	271.10p	253.14p	251.76p
Net asset value per share with borrowings at fair value	256.57p	256.57p	232.69p	232.69p

	2021		2020	
	Group £000	Company £000	Group £000	Company £000

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

Income from operations before tax	18,705	19,301	(24,119)	(23,519)
(Gains)/losses on investments	(9,773)	(10,369)	34,863	34,263
Investment management fee	(1,003)	(1,003)	(1,150)	(1,150)
Other operating expenses	(771)	(771)	(878)	(878)
(Increase)/decrease in receivables	(274)	(274)	239	239
Increase/(decrease) in other payables	391	391	(418)	(418)
Net cash from operating activities	7,275	7,275	8,537	8,537

	2021		2020	
	Group £000	Company £000	Group £000	Company £000

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

Cash movements				
Payment of rental (for leasing)	209	209	205	206
Repayment of debenture	15,000	15,000	–	–
Drawdown of loans (for financing)	–	–	(21,680)	(21,680)
Loan costs	22	22	–	–
Non-cash movements				
Finance costs (for leasing)	1,179	2,407	(190)	(157)
Changes in fair value	–	630	–	633
Amortisation of loan premium and expenses and fair value adjustment	(61)	(61)	(30)	(30)
Change in debt in the year	16,349	18,207	(21,695)	(21,028)
Opening debt at 31 March 2020	(75,882)	(77,740)	(54,187)	(56,712)
Closing debt at 31 March 2021	(59,533)	(59,533)	(75,882)	(77,740)

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 35 and in Note 3 on page 76.

21 Financial instruments and investment property risks

Risk management

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

The Managers have dedicated investment management processes which ensures that the Investment Policy set out on page 23 is achieved. For equities, stock selection procedures are in place based on active portfolio management and the identification of stocks. The portfolio is reviewed on a periodic basis by a senior investment manager and also, until 28 February 2021, by OLIM's Investment Committee and then by OLIM Property's Investment Committee.

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

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

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

(ii) liquidity risk

(iii) credit risk

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

(i) Market risk

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

Price risk

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

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular sector. For equities, asset allocation and stock selection, as set out in the Investment Policy on page 23, both act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on the London Stock Exchange.

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

21 Financial instruments and investment property risks – continued

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 2021 would have increased/decreased by £10,971,000 (2020 - increase/decrease of £16,522,000) 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 debenture stock and five 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 2021 are shown in Notes 11 and 12 on pages 82 to 84

Interest risk profile

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

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 31 March 2021				
Assets				
Sterling	–	0.00	–	65,965
Total assets	–	0.00	–	65,965
At 31 March 2021				
Liabilities				
Sterling	7.17	5.64	57,000	–
Total liabilities	7.17	5.64	57,000	–
At 31 March 2020				
Assets				
Sterling	1	1.14	21,756	4,672
Total assets	1	1.14	21,756	4,672
At 31 March 2020				
Liabilities				
Sterling	5.35	6.715	72,000	–
Total liabilities	5.35	6.715	72,000	–

21 Financial instruments and investment property risks – continued

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 82 to 84.

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 balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates.

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

- profit for the year ended 31 March 2021 would increase/decrease by £47,000 (2020 - increase / decrease by £43,000). This is mainly attributable the Group's exposure to interest rates on its floating rate cash balances.
- the Group holds no financial instruments that will have an equity reserve impact.

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

Currency risk

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

Currency sensitivity

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

(ii) Liquidity risk

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

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

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

21 Financial instruments and investment property risks – continued

As at 31 March 2021	Carrying value £'000	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
Borrowings	57,853	78,738	1,268	1,951	75,519
Leases	2,871	7,351	22	65	7,264
Other payables	527	527	527	–	–
Total	61,251	86,616	1,817	2,016	82,783
As at 31 March 2020					
Borrowings	73,062	95,311	1,380	18,571	75,360
Leases	4,259	11,547	51	154	11,342
Other payables	467	467	467	–	–
Total	77,788	107,325	1,898	18,725	86,702

(iii) Credit risk

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

The risk is not significant and is managed as follows:

- investment transactions are carried out on behalf of VIP by an outsourced dealing agent. Settlement of these transactions is executed by a large investment bank whose credit standing is reviewed periodically by OLIM Property (which reports to VIS).
- the risk of counterparty exposure due to failed trades causing a loss to the Group is mitigated by the review of failed trade reports on a daily basis. In addition, a stock reconciliation to third party administrators' records is performed on a daily basis to ensure that discrepancies are picked up on a timely basis.
- cash is held only with reputable banks with high quality external credit ratings 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:

	2021		2020	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Current assets				
Cash and cash equivalents	65,965	83,209	26,428	26,428
Other receivables	597	7,733	668	1,185
	66,562	90,942	27,096	27,613

21 Financial instruments and investment property risks – continued

(iv) Property risk

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

Against that background, the specific risks to the income from the portfolio are tenants being unable to pay their rents and other charges, or leaving their properties at the end of their leases. All leases are on full repairing and insuring terms, with upward only rent reviews and the average unexpired lease length is 17 years (2020 - 17 years). Details of the tenant and geographical spread of the portfolio are set out on page 13. The long term record of performance through the varying property cycles since 1987 is set out on page 17. 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 2021, the future minimum lease receipts under non-cancellable leases are as follows:-

	2021 £000	2020 £000
Due within 1 year	5,152	4,482
Due between 2 and 5 years	20,362	17,675
Due after more than 5 years	63,155	49,642
	88,669	71,799

This amount comprises the total contracted rent receivable as at 31 March 2021.

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 Balance Sheet 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 Balance Sheet at fair value.

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

At 31 March 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	28,581	–	–	28,581
Investment properties	–	–	81,132	81,132
	28,581	–	81,132	109,713
At 31 March 2020				
Equity investments	90,757	–	–	90,757
Investment properties	–	–	74,459	74,459
	90,757	–	74,459	165,216

21 Financial instruments and investment property risks – continued

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 and, for 2020 only, the differing fair value of one property, sold during the year, 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.

(ii) Borrowings

The fair value of borrowings has been calculated at £62,652,000 as at 31 March 2021 (2020 - £81,317,000) compared to a Balance Sheet value in the Financial Statements of £56,662,000 (2020 - £71,623,000) per Notes 11 and 12.

The fair value of the debenture is determined by comparison with the fair value of an equivalent gilt edged security, discounted to reflect the differing levels of credit worthiness of the borrowers. 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 Balance Sheet at fair value.

	Fair Value		Balance Sheet Value	
	2021 £000	2020 £000	2021 £000	2020 £000
9.375% Debenture Stock 2026	25,517	26,740	20,135	20,159
11% First Mortgage Debenture Stock 2021	–	16,074	–	15,000
	25,517	42,814	20,135	35,159
Bank loans	37,135	38,503	36,527	36,464
	62,652	81,317	56,662	71,623

There were no transfers between Levels during the year.

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 through the optimisation of the debt and equity balance.

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 Managers' views on the market and the extent to which revenue in excess of that which requires to be distributed should be retained.

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

Details of the Group's gearing and financial covenants are disclosed in Notes 11 and 12 on pages 82 to 84.

23 Events after the Statement of Financial Position Date

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 9 and 10.

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 and equity portfolios 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 Securities Services, London Branch 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 January 2021 following the General Meeting held on 7 January 2021 at which Shareholders approved the adoption of a new investment objective and investment policy.

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 all holdings is included on page 16 (properties) and page 20 (equities).
- ***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:*** VIS has 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 2021, 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 39 to 41. The Investment Manager receives remuneration separately (as set out on page 35). 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 consistently monitored.

Types and sources of leverage permitted

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.

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 and equities 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.

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 2021	93	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 Trustee of the Debenture Stock and to the respective providers of the two secured term loans.

How to Invest in Value and Indexed Property Income Trust PLC

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 net asset value per Ordinary Share of the Company is calculated and published monthly on the London Stock Exchange where the latest Ordinary Share price is also displayed, subject to a delay of 15 minutes. "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.

Unsolicited Offers for Shares (Boiler Room Scams)

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**

Glossary

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 Market

Net asset value valuing debt at market is the net value of the Group's assets, cash and other current assets less all creditors, provisions and all debt, all valued at fair 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 2021	31 March 2020
Share price	218.0p	165.0p
NAV (debt at market)	256.6p	232.7p
Discount	15.0%	29.1%

Notice is hereby given that the Annual General Meeting of Value and Indexed Property Income Trust PLC (the "Company") will be held at the offices of Maven Capital Partners UK LLP, Kintyre House, 205 West George Street, Glasgow G2 2LW on Friday, 23 July 2021 at 12.30pm, for the following purposes:

To consider and if thought fit, pass the following Resolutions, of which Resolutions 1 to 11 inclusive will be proposed as Ordinary Resolutions and Resolutions 12 to 14 inclusive will be proposed as Special Resolutions:

1. To receive the Directors' Report and audited Financial Statements for the year ended 31 March 2021.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2021.
3. To approve a final dividend of 3.6p per Ordinary Share in respect of the year ended 31 March 2021.
4. To re-elect James Ferguson as a Director of the Company.
5. To re-elect John Kay as a Director of the Company.
6. To re-elect David Smith as a Director of the Company.
7. To elect Matthew Oakeshott as a Director of the Company.
8. To elect Josephine Valentine as a Director of the Company.
9. 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.
10. To authorise the Directors to fix the remuneration of the Independent Auditor for the year to 31 March 2022.
11. 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 £435,574 (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 2022 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.

12. Disapplication of Pre-emption Rights

    That, subject to the passing of Resolution 11 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 11 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 £435,574 (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 2022, 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.

13. 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 6,529,263 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 2022 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 UK Listing Authority, be held or otherwise dealt with as permitted by the Companies Act 2006 as Treasury Shares.

14. 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

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

22 June 2021

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. **Please note the guidance on attendance provided in the Chairman's Statement on page 3.** 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 21 July 2021 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 22 June 2021 (being the latest practicable date prior to the publication of this document) the Company's issued share capital comprised 43,557,464 Ordinary Shares of 10p each in issue and 1,992,511 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 22 June 2021 was 43,557,464. Following Resolution 13 becoming effective, the maximum aggregate number of shares hereby authorised to be purchased shall be 6,529,263 Ordinary Shares in issue immediately prior to the passing of Resolution 13.

(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 and re-election are set out on page 31 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.

Contact Information

Directors
James Ferguson (Chairman)
John Kay
Dominic Neary
Matthew Oakeshott
David Smith
Josephine Valentine

Secretary
Maven Capital Partners UK LLP
First Floor Kintyre House
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Glasgow G2 2LW
Telephone: 0141 306 7400
Website: **www.mavencp.com**
(Authorised and regulated by the Financial Conduct Authority)

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Glasgow G2 2LW

Registered Number
Registered in Scotland
Registration number: SC050366
Legal Entity Identifier:
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ISIN: GB0008484718
TIDM: VIP

Registrars
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ
Telephone: 0370 703 0168
Website: **www.investorcentre.co.uk/contactus**

Independent Auditor
BDO LLP
55 Baker Street
London W1U 7EU

Investment Manager
OLIM Property Limited
15 Queen Anne's Gate
London SW1H 9BU
Telephone: 020 7647 6701
Website: **www.olimproperty.co.uk**
(Authorised and regulated by the Financial Conduct Authority)

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

Alternative Investment Fund Manager
Value and Indexed Property Income Services Limited
c/o Maven Capital Partners UK LLP
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Registered in Scotland
Registration number: SC467598
Legal Entity Identifier:
213800D7AEDHGXDAM208
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