VALUE AND INDEXED PROPERTY INCOME TRUST PLC — VIP

HALF-YEARLY REPORT 2022

LONG, STRONG, INDEXED PROPERTY INCOME

VALUE AND INDEXED PROPERTY INCOME TRUST PLC – VIP

TOP 5 TENANTS

96% OF RENT INDEXED

AVERAGE LEASE LENGTH 19.3 YEARS
(12.0 YEARS TO LEASE BREAK)

FULLY LET

100% OCCUPANCY
100% RENT COLLECTION

WELL SPREAD BY REGION & SECTOR
(NO OFFICES)

90% OF EPCs RATED A - C

3.7% FIXED RATE £50M DEBT

% PY

5.4% PROPERTY YIELD

TOTAL RETURN

+ 2.0% OVER 6 MONTHS (INDEX – 1.3%)
+ 8.8% P.A. OVER 5 YEARS (INDEX +5.5%)

LONG, STRONG, INDEXED PROPERTY INCOME

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

VIP's dividend per share has risen every year since 1986 when OLIM's management began. It has risen by 932% over the 36 years, against the Retail Price Index rise of 232%. The medium term dividend policy is for increases at least in line with inflation, underpinned by VIP's index-related property income. A first interim dividend of 3.0p was paid on 28 October 2022 and a second interim dividend of 3.1p will be paid on 27 January 2023. The targeted total dividend for the full year is 12.9p (+2.4%). See page 34 for further information.

Lucy Winterburn MRICS was appointed as a non executive Director on 1 August 2022.

	30 September 2022		31 March 2022	
PORTFOLIO TRANSITION	£m	%	£m	%
UK Property*	158.6	92.1	155.8	83.0
Cash**	13.5	7.9	5.2	2.7
UK Equities	0.0	0.0	26.9	14.3
	172.1	100.0	187.9	100.0

* Plus £6.0 million for Alnwick completed 24 October 2022.
** Less £6.0 million for Alnwick.

Over the six months ended 30 September 2022, VIP completed its transition to a direct property investment trust, with timely and profitable sales of its remaining property shares (including the industrial REITs at a premium to net asset value) and the acquisition of an index-linked M&S Simply Food supermarket in Essex. Five smaller property sales completed in line with valuation. Completion also took place on 24 October 2022 of the new Premier Inn development at Alnwick.

BALANCE SHEET	30 September 2022	31 March 2022
Loan Maturity Years	8.4	6.2
Total Loans (Loan To Value)	£50 million (29%)	£57 million (31%)
Fixed Interest Rate	3.7%	5.6%

VIP's balance sheet was also transformed by the early repayment in June 2022 of the $9\frac{3}{8}$% debenture (originally repayable in 2026) and the increase and extension to 2033 of an existing loan.

Over the six months to end September, VIP's weighted average cost of debt (96% at a fixed rate) fell from 5.6% to 3.7%, its loan maturity lengthened from 6.2 to 8.4 years and the Loan to Value (LTV) ratio fell from 31% to 29%. The early repayment also removed the requirement for VIP to hold a securities portfolio.

PERFORMANCE	30 September 2022	31 March 2022	30 September 2021
Net Asset Value per Share (valuing debt at par)	294.4p	314.3p	290.5p
Ordinary Share price	191.0p	239.0p	222.0p
Dividend per Share	6.1p (first and second interims)	12.6p (total)	6.0p (first and second interims)
Yield (annualised)	6.4%	5.3%	5.4%

In the six months to 30 September 2022, VIP's share price declined by 20.1%, while the net asset value fell by 6.4%. Reflecting the benefit of VIP's cheap debt, the net asset value per share (valuing debt at market) rose slightly from 305.0p to 306.4p. 370,000 shares were bought back for £0.9m. VIP's independent property revaluation declined by 0.2% on a like for like basis over the six month period, giving a total return of +2.0% against -1.3% for the MSCI UK Quarterly Property Index.

CANTERBURY – 13 ST. DUNSTAN STREET

Portfolio Summary

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

PORTFOLIO SUMMARY	30 September 2022	31 March 2022
Portfolio Value:	£157,550,000*	£155,478,000*
Contracted Income:	£8,485,963	£8,339,944
Contracted income as a % of Portfolio Value:	5.4%	5.4%
Total Number of Properties:	39	43
Total Number of Tenants (the Portfolio is 100% let):	39	43
Contracted Indexed Rent:	95.8%	95.8%
Weighted Average Unexpired Lease Term (if all tenants exercise break options):	19.3 (12.0 years)	19.8 (12.8 years)
Annual Total Return March to March:	–	20.2% (MSCI:19.6%)
Six Months Total Return March to September:	+2.0% (MSCI: -1.3%)	–

* Savills Valuation – NB: This figure does not include £6m committed to complete the Alnwick Hotel Development. The fair valuation given by Savills excludes prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments and for adjustments to recognise finance lease liabilities for one leasehold property, both in accordance with IFRS 16. For further information see Note 9 to the Financial Statements in the Annual Report for the year to 31 March 2022.

Performance and Independent Revaluation

Savills' independent valuation at end September 2022 totalled £157,550,000, with a running yield of 5.4% against £155,478,000 at end March 2022. Capital values of the 38 properties held over the six months had a nominal decrease of £100,000 on a like-for-like basis. Contracted income is now £8,485,963 against £8,339,944 at end of March 2022. The average lot size is £4,040,000.

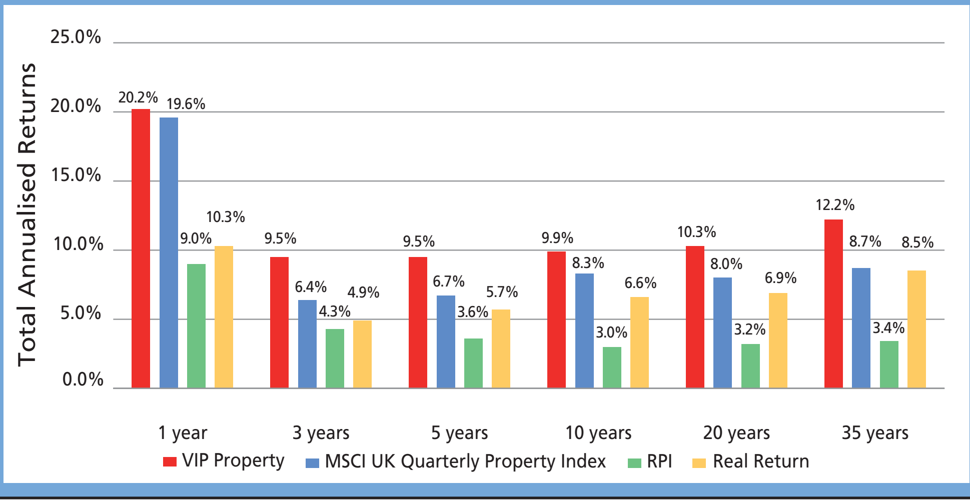
The portfolio's value will have risen until June 2022 and fallen back since. Three properties rose in value over the six months (the caravan park and the two bowling alleys), six fell in value (two industrials, a pub, a petrol station, the library/convenience store and the development site at Alnwick) and the rest were unchanged.

The property portfolio has been upgraded with the sale of five overrented or short-let properties, which completed for £8.5 million, with the net sale proceeds reinvested in the purchase of an M&S Simply Food store in Essex let on a long RPI-linked lease.

The property portfolio total return on all assets, taking capital and income together and deducting all costs, was +2.0% over the six months, against -1.3% for the MSCI UK Quarterly Property Index.

The portfolio remains well spread across the UK with strong tenants on long index-linked leases in all sectors except offices. VIP's portfolio has outperformed through previous turbulent times as shown by the Property Portfolio Performance Record table below.

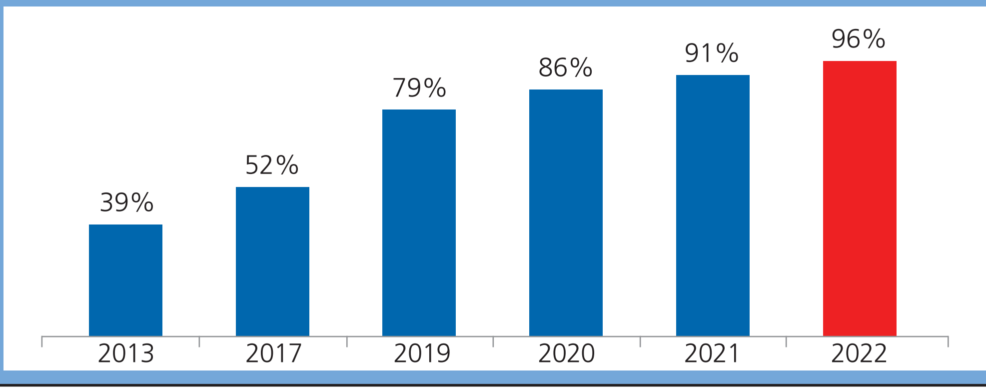
VIP Property Portfolio Performance Record Over 35 Years to 31 March 2022



Rent Reviews

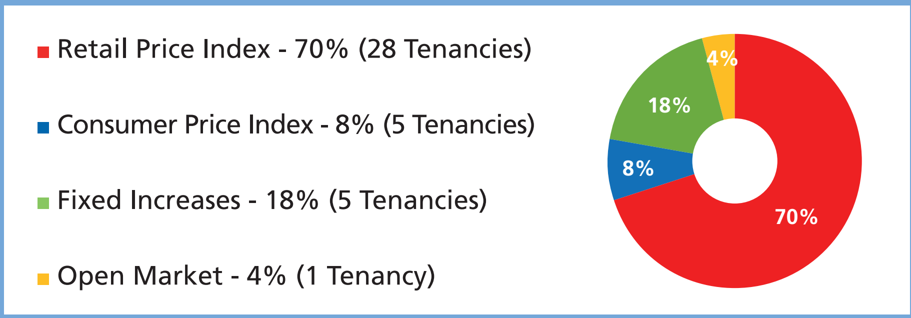
The portfolio now has 96% of contracted income (38 out of 39 tenancies) with index-linked or fixed increases. Only one property, the industrial at Fareham, has three yearly open market upwards only reviews (the December 2021 sweep up clause completed with a 3% uplift).

Contracted % of Indexed Income



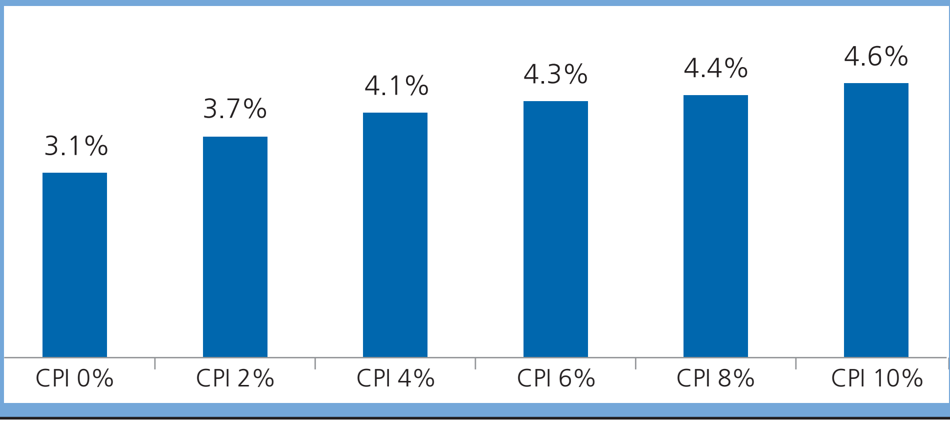
Nine rent reviews completed over the half year with an average increase of 5.6% on their rents passing, which contributed to a 1.9% increase on income on all held properties. Six were annual reviews; five were RPI-linked and one with a fixed increase. Two had five yearly RPI-linked reviews and one with a three yearly upwards only open market rent review.

PROPERTY PORTFOLIO INDEXED RENT REVIEWS - 96% OF CONTRACTED RENT



38 leases are either RPI-linked (70%), CPI-linked (8%) or with fixed increases (18%) and there is just one industrial with an open market review. 9 tenancies representing 31% of indexed rental income have annual rent reviews and 29 (69%) have five yearly reviews.

Forecast Average Annual Rental Income Growth* % over Five Years



*Annual rental growth assuming CPI increases 0% - 10% p.a.

Purchases: Six Months to 30 September 2022

The purchase of a dominant town centre freehold M&S Simply Food supermarket in Rayleigh, Essex completed in July for a total of £11,270,000 let to Marks & Spencer plc until 20 July 2035 (WAULT just under thirteen years) with five yearly RPI-linked rent reviews with a minimum of 1% pa and maximum 4% pa. The net initial purchase yield was 4.8%, which would have already risen to an RPI-linked 5.3% based on the September RPI 2022 figure.

Rayleigh – 12-24 Eastwood Road

Rayleigh – 12-24 Eastwood Road

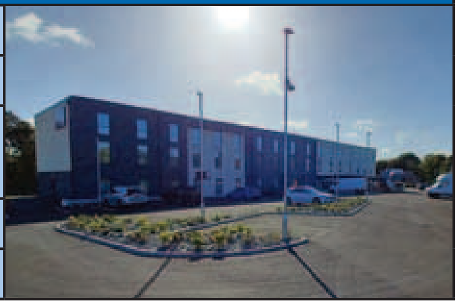
SALES: SIX MONTHS TO 30 SEPTEMBER 2022

The sale of five overrented or short-let properties completed for £8.5 million: two convenience stores, two pubs and a bingo hall, in line with their March 2022 valuation at a net sale yield of 6.6%.

DEVELOPMENT

The forward funding of an 80 bedroom Premier Inn hotel and inhouse Brewers Fayre pub/ restaurant at Willowburn Trading Estate, Alnwick, completed last month (delayed by three months due to COVID) and is now open and trading. It has been under construction since August 2021. The property is let to Premier Inn for twenty five years with a tenant's option to break in 2042, with five yearly CPI-linked rent reviews to a maximum of 4% p.a.

ALNWICK – WILLOWBURN TRADING ESTATE, SOUTH ROAD	
Sector	Hotel
Tenant	Premier Inn
Lease expiry	October 2047 Tenant's option to break 2042
Indexation	Five yearly CPI-Linked: 0% to 4% pa
Purchased	July 2021



RENT COLLECTION

100% of all contracted rents due were collected during the six months. 86% of our tenancies pay rent quarterly in advance and the balance monthly in advance.

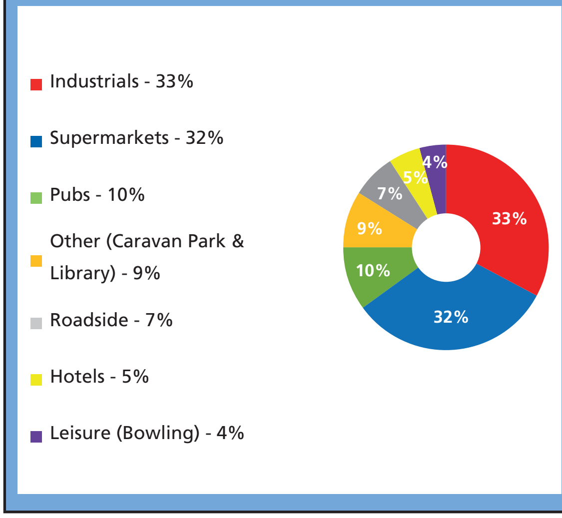
RESPONSIBLE IMPACT BASED MANAGEMENT

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

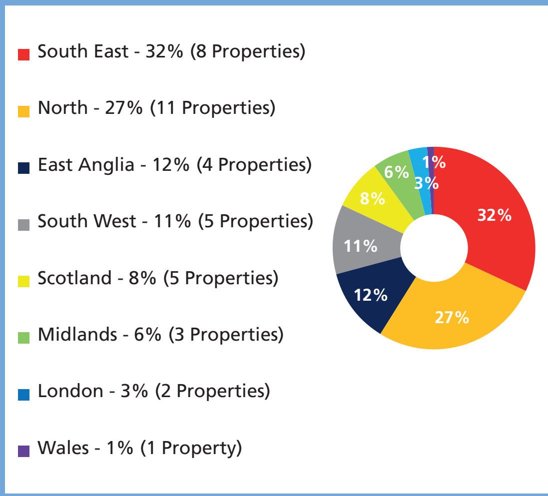
ENERGY PERFORMANCE CERTIFICATES (EPCS)

90% of the properties have an EPC rating A-C (up from 64% over the past six months). We continue to work with our tenants to upgrade properties and improve EPC ratings.

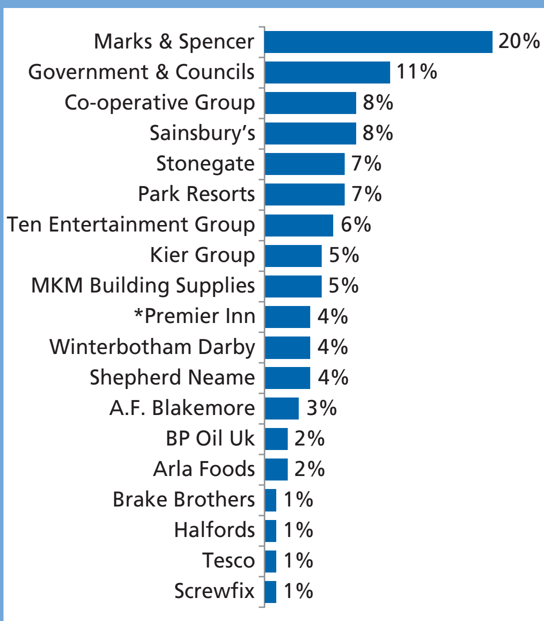
Sector Weighting % Capital Value



By Region % Capital Value

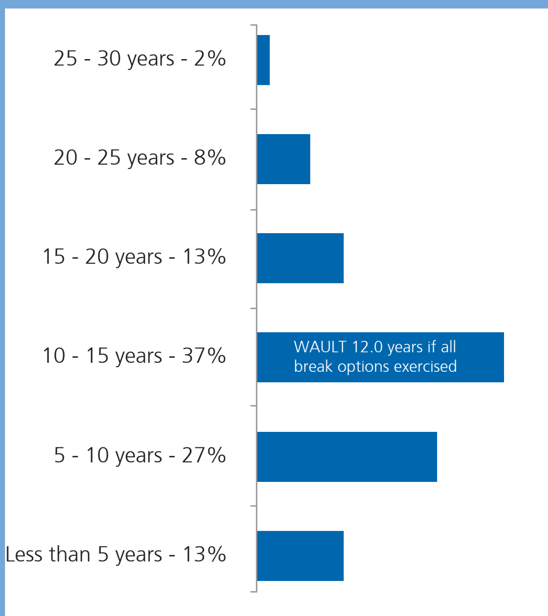


Contracted Income by Tenant %



* Premier Inn - 8% on completion of the Alnwick development.

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



VIP PROPERTY PORTFOLIO AT 30 SEPTEMBER 2022

ADDRESS	TENANTS
INDUSTRIALS	
Aberdeen – Gateway Business Park, Moss Road	H.M. Government*
Aylesford – Broadmead House, Bellingham Way, New Hythe	Kier Group*
Chester – Winsford Way, Sealand Industrial Estate	MKM Building Supplies*
Dundee – Faraday Street, Dryburgh Industrial Estate	Screwfix***
Fareham – Mitchell Close, Segensworth East	Hampshire County Council
Gloucester – Falcon Close, Green Farm Business Park, Quedgeley	H.M. Government*
Milton Keynes – Wimblington Drive	Winterbotham Darby*
Staines – Thameside Service Station, Laleham Road	Halfords**
Stoke-on-Trent – Stanley Matthews Way	MKM Building Supplies*
Thetford – Units 1 - 4, Baird Way, Fison Way Industrial Estate	Brake Brothers*
Thirsk – Dalton Airfield, Dalton	H.M. Government*
Thurrock – 680 London Road	Halfords**
Westbury – 50 Cory Way, West Wilts Trading Estate	Arla Foods*
SUPERMARKETS	
Aberfoyle – Main Street	Co-operative Group Food**
Blandford Forum – Langton Road	Marks and Spencer*
Cleethorpes – 52 St Peters Avenue	Co-operative Group Food*
Garstang – Park Hill Road	Sainsbury's*
Invergordon – 110 High Street	Co-operative Group Food**
Kirriemuir – 33 The Roods	Co-operative Group Food*
Newport, Isle of Wight – Litten Park	Marks and Spencer***
Rayleigh – 12 - 24 Eastwood Road	Marks and Spencer*
York – 103 - 104 Hull Road	Co-operative Group Food***

ADDRESS	TENANTS
PUBS	
Bedford – The Rose, 45 High Street	Stonegate*
Bournemouth – Slug and Lettuce, 2 Dean Park Crescent	Stonegate*
Canterbury – The Bishop's Finger, 13 St. Dunstan Street	Shepherd Neame*
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-upon-Tyne – The Percy Arms, Percy Street	Stonegate*
OTHER	
Dover – St. Margaret's Holiday Park, Reach Road	Park Resorts*
Risca – 77 Tredegar Street	Caerphilly Borough Council*** Tesco*
ROADSIDE	
Bebington – 152 Kings Road, Wirral	Sainsbury's*
Louth – Spar Fairfield Services, Bollingbroke Road, Fairfield Industrial Estate	A.F. Blakemore and Son*
Melton Mowbray – Egerton Park Service Station, Leicester Road	BP Oil***
HOTELS	
Alnwick – Willowburn Trading Estate South Road****	Premier Inn**
Catterick – Princes Gate, Richmond Road	Premier Inn**
LEISURE	
Doncaster – The Leisure Park, Bawtry Road	Ten Entertainment Group*
Stafford – TenPin, Greyfriars Place	Ten Entertainment Group*

* RPI-linked rent increases
** CPI-linked rent increases
*** Fixed rent increases
**** Development completed October 2022

THE MARKET

The UK property investment weather changed clearly for the worse between June and September, and suffered further from political chaos in October. Rents are still rising in most sectors, but capital values have been falling across the board as the market realises that valuation yields have been bid down too far (to 40 year historic lows). They should rise further to reflect higher interest rates, high inflation and the UK's chronic public sector and trade deficits.

COMPARATIVE INVESTMENT YIELDS – END DECEMBER (EXCEPT END SEPTEMBER 2022)

		Sept 2022	2021	2020	2017	2011	2008	2006
Property (Equivalent Yield)		5.2	5.1	5.8	5.6	6.9	8.3	5.4
Long Gilts:	Conventional	4.1	1.0	0.2	1.4	2.5	3.7	4.6
	Index Linked	0.1	-2.6	-2.6	-1.8	-0.2	0.8	1.1
UK Equities		3.8	3.1	3.4	3.6	3.5	4.5	2.9
RPI (Annual Rate) **		12.3	7.5	1.2	4.1	4.8	0.9	4.4
Yield Gaps:	Property less Conventional Gilts	1.1	4.1	5.6	4.2	4.4	4.6	0.8
	less Index Linked Gilts	5.1	7.7	8.4	7.4	7.1	7.5	4.4
	less Equities	1.4	2.0	2.4	2.0	3.4	3.8	2.5

Source: MSCI UK Quarterly Property Index and ONS for the RPI (**to December except September 2022)

Capital values for institutional property portfolios, as measured by the MSCI UK Quarterly Property Index, the main UK property performance benchmark, had risen by 17.9% on average over 18 months post pandemic since December 2020. Taking income and capital growth together, the total return was 16.3% over calendar year 2021 and a further 7.8% in the first half of 2022. Industrial/warehouse property led the way, but all sectors showed some gains.

Property's total returns, however, will be down over 2022 as a whole. This year's strong first half total return of 7.8% on the MSCI UK Quarterly Property Index (with a capital gain of 5.8% and income of 2.0%) will be reversed in the second half of the year as rising bond yields and slower rental growth force property valuation yields up and capital values down. All sectors will be affected, with offices declining further, retail giving back its recent gains and the industrial sector suffering worst in the short term as it had become the most overheated. With consumer confidence at an historic low, and mortgage rates rising rapidly, stagflation may be here to stay, for at least as long as the war in Ukraine lasts.

UK COMMERCIAL PROPERTY – AVERAGE ANNUAL % GROWTH RATES 6 MONTHS TO SEPTEMBER 2022

		6 Months	1 Year	3 Years	5 Years	10 Years
Capital Values	All Property	-6.7	+5.5	+1.1	+0.8	+2.9
Rental Values	All Property	+3.6	+4.2	+0.4	+0.4	+1.4
Total Returns	All Property	-2.6	+9.7	+5.5	+5.4	+7.9

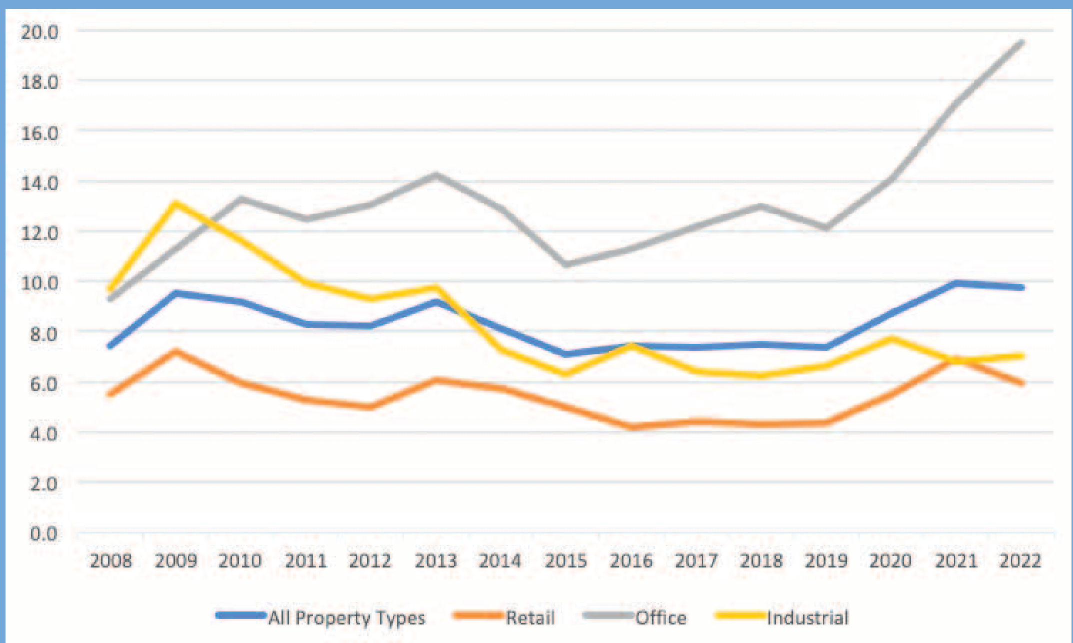
Source: MSCI UK Quarterly Property Index September 2022 (annualised)

Property transaction volumes have slowed down markedly since the summer, especially in the previously strongest sectors such as industrials and retail warehousing, with many sales only going through after agreed prices have been "chipped" by buyers and many more properties having to be withdrawn from the market unsold. Buyers now are few and far between as they wait to see how far yields move out. Property unit trusts have become forced sellers to meet withdrawals, proving yet again that open-ended vehicles are the wrong way to invest in property. Some pension funds will also need to sell after they were caught short of cash to meet margin calls on their dangerous LDI (Liability Driven Investing) schemes.

Land Securities has just sold a prime long-let London office at 9% below its March valuation, while the market for older or secondary offices has fallen off a cliff, with some now virtually unlettable and unsaleable where they do not meet environmental standards. The deep "brown discount" for properties in all sectors with non-compliant Energy Performance Certificates (EPCs) is the clearest evidence so far of the growing market impact of ESG. Two-thirds of car showrooms, for example, are currently estimated to have non-compliant EPCs.

Property void rates rose from 8.2% at the start of the pandemic in March 2020 to a peak of 10.2% in June 2021 and remain around 10%. As the table below shows, industrial and retail void rates have fallen markedly from their COVID peaks, but office voids have shot up from 13% in March 2020 to 19% now, well above the previous record high of 15% for office voids in 2013.

MSCI MONTHLY INDEX VACANCY RATES %



Source: MSCI Monthly Property Index

The downward pressures on the property market are mainly on capital values rather than rental incomes, which are still rising in most well-diversified portfolios. But the key to portfolio outperformance on both the income and total return fronts in a difficult market will be an even firmer focus on investment in strong tenants, paying affordable rents for sustainable buildings.

Property Prospects by Sector

Property valuation yields are now moving out, producing falling capital values in all sectors, but the market reversal has been so sudden that this may not show up fully in property valuations for some time. Properties let on long leases to strong tenants in all sectors should prove relatively resilient, unless they have been valued at too low a yield for their income growth prospects.

Warehouse/Industrials – An Overheated Market – Capital Values Falling Further

Warehouse and industrial property delivered most of commercial property's total capital growth in 2021 and early 2022 as fierce demand in both the investment and occupational markets forced rents up and capital valuation yields down. Driven by the explosion of online retailing, 70 million square feet of logistics "big box" space was taken up over 2020 and 2021, over 70% above previous averages. However, sentiment cooled fast in the second quarter of 2022 after Amazon halted their UK expansion programme. Online sales penetration is now slipping back in many sectors, and the previously fastest growing online retailers like ASOS and Boohoo in the UK are in serious trouble. Tenant demand is holding up better for smaller units and on multi-let industrial estates, but here vacancies are now starting to grow as smaller tenants struggle. Industrial rental growth may, therefore, tail off across the board next year.

The industrial property investment market was running white hot, with yields having been bid down to unsustainably low levels by panic buyers, who had to make unrealistic rental growth projections to justify the prices they paid. But that party is now over. The share prices of the leading industrial property REITs plummeted over the past few months with the prices of Segro and Tritax Big Box down by two-fifths.

Rapidly rising costs and supply chain problems, together with a weakening economy and rock bottom consumer confidence, are already putting pressure on many occupiers. Industrial site values may get some support from the conversion of older and lower value sites to residential and other alternative uses, especially in southern England. But average industrial yields need to rise further from their historic mid year low levels of below 4%, to properly reflect slower rental growth and the reality of rising interest rates and other pressures on occupiers' businesses.

OFFICES – Locked in Long Term Decline – Negative Net Demand for Office Space

There is never going to be a general return to the office in the UK. The five day office week is dead, and hybrid working is here to stay. Investors' long overdue focus on ESG is hitting office values harder than in most other sectors, because so many older office buildings, especially around London, cannot be upgraded at any reasonable cost. Occasional headline-grabbing investment or letting deals for the very best office space are just a sign of a flight from quantity to quality, with tenants usually downsizing at the same time, giving owners of their old space a hospital pass.

Office capital and rental values will come under sustained downward pressure for several years. HSBC have announced they may leave their iconic world headquarters building at Canary Wharf in 2027 and are already trying to shift a quarter of their space.

Mid and back-office work is now being done far more from home, or partly at low cost, non-city centre locations. Unnecessary offices are one cost businesses can now cut, with break clauses exercised in most cases and tenants demanding considerable capital expenditure from landlords to renew leases, even in part.

The public and local authority sector, the largest UK office tenant, has clearly now adopted a long-term hybrid working model. Many UK private sector businesses are following suit, with some closing their head office altogether and taking less temporary space nearby instead. The few office employers still requiring full-time attendance will find staff recruitment and retention ever more difficult in a tight labour market with the balance of power shifting to talented employees.

RETAIL – SUPERMARKETS AND RETAIL WAREHOUSES REPRICING, HIGH STREETS BOTTOMING OUT

Supermarkets and convenience stores (including petrol filling stations), are still hanging on to some of their turnover gains during COVID, with many more people working on average nearer home. Aldi (who have now overtaken Morrisons to be the fourth largest supermarket chain), Lidl, and their older-established grocery competitors are still seeking new stores under 15,000 – 20,000 sq. ft. But profits are now under pressure across the whole food retail sector, with even Aldi's profits well down from their peak.

Capital values of larger supermarkets, in particular, are now falling. Sainsbury's had agreed a £550 million sale and leaseback deal, which aborted after the buyer could not raise the money in late September and Morrisons is struggling on sale and leasebacks to improve its debt-laden balance sheet after a private equity takeover. Supermarkets' margins are now squeezed between rising costs and falling customer incomes, with traditionally loyal customers trading down or going to cheaper competitors. Food prices will be pushed up even faster by sterling's recent devaluation. Britain imports almost half its food, and food retailers will have to share some of their hard-hit customers' pain in their profit margins this winter and next year. Supermarket yields were forced down too far in the summer after an Aldi traded at a 3% yield and they are now reverting to more sensible levels. Realistically rented and priced smaller supermarkets and convenience stores are starting to offer good long term investment value again at yields well above gilts.

Retail warehousing, the sector's most recent "star performer", had its moment in the sun over the past year but that has ended. Pricing started to cool over the summer when the reality of consumer pressures started to bite, with valuation yields rising and investors realising many rents have still not bottomed out.

High street retail and shopping centres have suffered a torrid few years of underperformance, with the steepest falls in capital value of any sector. With consumers so squeezed, values are still drifting down, but they may prove more resilient than low-yielding investments in other sectors. Rebased retail rents are now more affordable, with most retailers enjoying short, flexible leases. Savvy high street occupiers who have not over expanded in recent years, have taken advantage of lower rents and higher vacancy rates to secure favourable high street positions in more prosperous areas. High street and in-town shopping centre properties have suffered so badly from unfair business rates that the revaluation coming into effect next April could be a game-changing lifeline so long as they get the full benefit immediately with no downward phasing.

NON-TRADITIONAL ALTERNATIVES – Index-Linked Leases to Strong Survivors are Key

Property in the "Alternatives" sector – i.e. everything except office, industrial or retail - has been growing rapidly in importance for institutional investors in recent years and now accounts for about one fifth of the MSCI UK Quarterly Property Index. It covers a wide range of property types and tenants, often with long, index-linked leases. With the RPI now rising at an annual rate of over 14% and the CPI over 11%, these index-linked leases hold the key to sustained outperformance so long as the individual property rents are well covered by operating profits and paid by strong multiple tenants, as trading becomes more challenging again and energy bills rise. In all these sub-sectors, valuation yields are still moving out to reflect higher gilt yields.

Alternative investments should continue to outperform the traditional property sectors again and grow their market share, but with strong survivor bias and variations within and between different sub-sectors, as outlined below.

ALTERNATIVES – LEISURE AND HOTELS – Strong Tenants Trading Well Outside City Centres

COVID transformed the pub and restaurant trade in Britain. Many weaker individual operators and most private-equity based restaurant chains went out of business altogether or closed many sites. But the survivors have prospered, especially in suburban and country locations, with far better use of outside and pavement space for a much greater part of the year.

The leading pubcos, like Greene King, as well as traditional regional brewers like Shepherd Neame and Youngs, have strong balance sheets with good freehold assets and borrowing capacity. Spacious, especially food-led pubs with outside space, in suburban, smaller town and rural locations have been trading well, usually above pre-pandemic levels. They will remain long-term winners but serious shortages, especially of kitchen staff, and rising energy prices will hit all hospitality businesses over the next year. Meanwhile, nimble restaurant and pub operators are taking advantage of retailers' woes to open new sites, at low, affordable rents.

Hotel occupancy and capital values have recovered well since 2020. Modern hotels in prosperous smaller towns and rural areas, serving British staycationers, workers and businesses, continue to perform really strongly and are a safer investment than large city centre and airport hotels dependent on international business travel. Zoom, Teams, business cost pressures and ESG have all cut expensive corporate travel. Meanwhile tourist flights remain below pre-COVID levels. Covenant strength will remain crucial for hotels' investment value – for example, a Premier Inn is worth much more to investors than an identical Travelodge, because long-term investors hate CVAs (Company Voluntary Arrangements). Caravan parks are also booming and are well placed to weather economic storms.

Health and Fitness clubs on prosperous suburban sites have seen some benefit from the move to hybrid working at the expense of city centre gyms, but capital values are now coming under pressure right across the sector as they use so much energy, and membership renewals may suffer from the cost of living crisis.

The two main ten pin bowling companies, who dominate the market, are trading strongly and offer a sensibly priced family treat which cannot be replicated online. But bingo halls and cinemas face a hard future; as Cineworld's collapse into administration and Vue's refinancing show, only cinemas trading at low, genuinely affordable rents will survive.

ALTERNATIVES – RESIDENTIAL INVESTMENTS AND CARE HOMES – COVENANT STRENGTH KEY

Student numbers are rising and investments on long leases to well-established universities have been in great demand. But valuation yields on student housing, as on other residential investment types, now look too low in comparison with safe, indexed investments across the commercial property market as a whole.

Care homes remain challenged and values are under downward pressure. Bed vacancy rates are rising rapidly because of more deaths, slower admissions and acute staff shortages due to both Brexit and severe competition from other employers.

THE ECONOMY

The UK is the only country in the G7 group of free world economies whose Gross Domestic Product is still below its pre-COVID level. It also has the worst overseas trade deficit, running at a record 8.3% of GDP, its highest since the Second World War and double its level in 1976 when we needed an emergency loan from the International Monetary Fund.

UK TRADE DEFICIT IS THE WORST ON RECORD ROLLING THREE-MONTH SUM (£BN)

Source: ONS

Although the absolute level of our national debt, at almost 100% of GDP, is not especially high by international standards, the credibility of UK economic policy is still critical because we depend on foreign investors to keep investing hundreds of billions in UK gilts and other UK assets to fund our rising public sector and trade deficits.

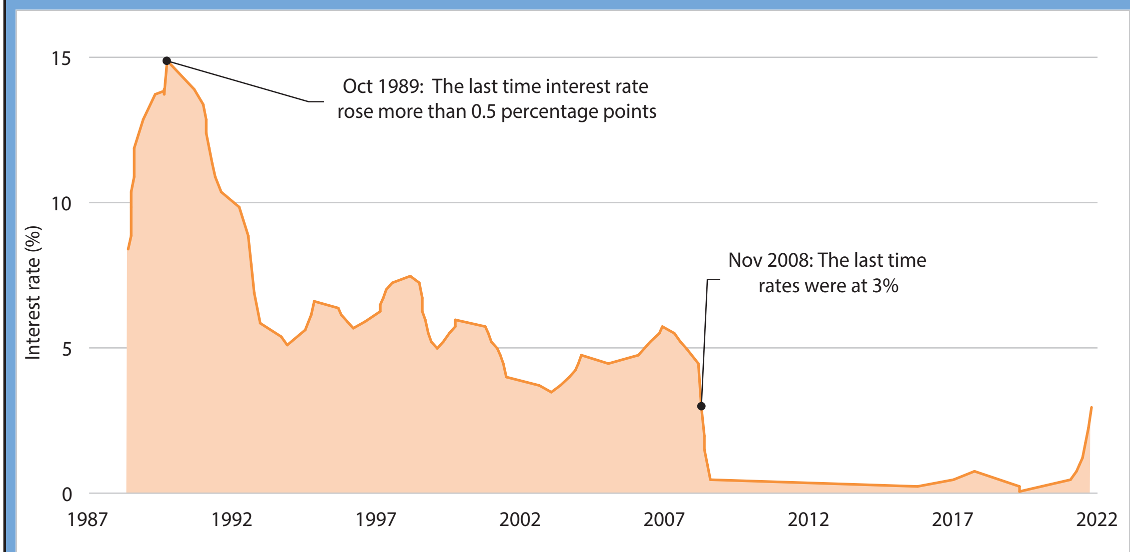
The UK's growth has been at the bottom of the main international league tables since the Global Financial Crash in 2008-9 (partly because our banking system was far too large when it hit and was, therefore, far too slow to start lending again, especially to small businesses). UK productivity only grew by 0.2% a year from 2008 to 2019, and real average earnings, excluding bonuses, have not risen since 2008, after rising by 3% a year on average since 1970. But markets, and almost all expert economic opinion, did not believe the short-lived Truss Government's unfunded tax cuts would have worked in the short term, and took fright at the deficit. They were also concerned about the lack of any independent assessment of the measures and the economic outlook from the Office of Budget Responsibility and the perception of the Treasury and Bank of England as pulling in opposite directions.

The Bank of England raised Bank Rate from 2.25% to 3% on 3 November. It will have to be raised further soon. The UK is now stuck with higher interest rates for some time as an effectively forced seller of both conventional and index-linked gilts. This is partly because a political risk premium is now necessary and partly because Quantitative Easing went far too far for far too long, with over half of all gilts issued since 2009 effectively bought back by the Bank of England, which is only just starting to sell them again.

All our major competitors suffered as we did from COVID and now from massive increases in energy, food and commodity prices stemming from Russia's invasion of Ukraine. International investors are now especially sceptical about the UK, unlike in 2020/21 when economic policy was decisive and effective. The gilt market's convulsions from pension funds' complex LDI (Liability-Driven Investing) strategies should be overcome by regulators limiting their borrowing ratios. After all, rising gilt yields should help push most UK pension funds into healthy actuarial surpluses. But the shock from the mortgage market almost drying up will be more long-lasting, highlighting how house prices have been driven far above their normal sensible long-term affordability ratios by artificially and dangerously low interest rates. House prices at a national average of seven times average earnings are simply unaffordable and unsustainable. Only 27% of people born in the UK between 1981 and 1985 were homeowners by the age of 30, against 55% 25 years ago.

A sharp fall in real house prices will help reduce rising inter-generational inequality between Britain's young and old, a toxic legacy of Quantitative Easing (QE) lasting far too long. A realistic range for short to medium-term sterling interest rates over the next two years would be between 4% and 6% as in the 2000-2008 period pre-QE.

Bank Rate Or Equivalent



Source: ONS

UK GDP is essentially flat at present, with the latest official GDP estimates teetering on the edge of recession. Business investment remains very weak and well below pre-pandemic levels, business confidence is falling and consumer confidence is at an all time low, with real wages under extreme pressure – private sector earnings have risen by 6.2% and public sector earnings by only 2.2% over the past year.

The October CPI increase of 11.1% (the RPI rise was 14.2%) is above inflation in the Eurozone at 10.7% and the USA's 7.7%. It may not be too far from its short term peak after the Government's intervention to cap household and business energy bills. But with serious shortages and wage pressures in so many parts of Britain's labour market post-Brexit, inflation may only slip slowly and painfully in 2023. It will not fall back to the Bank of England's 2% target for the foreseeable future, even if peace returns to Ukraine.

The UK's problems of low investment, productivity and inadequate training and skills, compared to our major competitors, are deep-seated and long term. After COVID, the long-term trend of increasing labour force participation, particularly by women and older people, has been partially reversed. Over half the 640,000 people of working age who have become inactive are long-term sick, mainly older people. Increased public spending on the NHS, social care and childcare is urgently needed to get more of the so-called "sandwich" generation, often with multiple caring responsibilities, back to work.

The economic and inflation outlook for the UK and the developed world could improve fast if the war ends soon in Ukraine and the extreme strains in the world financial system, especially for emerging markets, can be overcome. But the risks are high and more stagflation remains most likely for the UK, for next year at least.

Conclusion – Stick to Safety, Avoid Unsustainably Low Yields and High Rents

After a strong recovery across most sectors of the UK commercial property market since COVID struck in 2020, the investment weather has changed markedly for the worse since the summer. Valuation yields had been forced down too far to 40 year lows and need to rise, until they are properly repriced to reflect the UK's risky mix of stagflation and overseas trade and public sector deficits.

The COVID crisis taught UK property investors a stark lesson: stay on the right side of structural change, avoid offices, and focus firmly on properties let to strong tenants at affordable rents on long, preferably index-linked, leases – provided they are valued at realistic yields.

Secure, index-linked, UK property still offers better long term investment value at lower risk than UK conventional or index-linked gilts, which only offer long-term investors negative or negligible real yields and a painfully bumpy ride.

Louise Cleary & Matthew Oakeshott
OLIM Property Limited
Investment Manager

18 November 2022

Management and Administration of VIP

Value and Indexed Property Income Services Limited (VIS), a wholly owned subsidiary of the Company, is the Company's Alternative Investment Fund Manager (AIFM). As AIFM, VIS has responsibility for the overall portfolio management and risk management of the assets of the Company. VIS has delegated its portfolio management responsibilities for the property portfolio to OLIM Property Limited (OLIMP) (the Investment Manager). The delegation by VIS of its portfolio management responsibilities is in accordance with the delegation requirements of the Alternative Investment Fund Managers Directive (AIFMD). The Investment Manager remains subject to the supervision and direction of VIS. The Investment Manager 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 a risk committee which reviews the effectiveness of the Company's internal controls and risk management systems and procedures and identifies, measures, manages and monitors the risks identified as affecting the Company's business.

BNP Paribas Trust Corporation UK Limited is the Company's Depositary and oversees the Company's custody and cash arrangements.

Principal and Emerging Risks and Uncertainties

The Board carries out a regular review and robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. These principal and emerging risks and uncertainties are set out in full in the Strategic Report within the 2022 Annual Report, and remain applicable to the rest of the financial year.

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, but as an investment trust company, the Company has no direct employee or environmental responsibilities. The Board encourages the Manager to take environmental, social and governance matters fully into account, as set out on page 9.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed set of Financial Statements within the Half-Yearly Financial Report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'; and
- the Interim Report includes a true and fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure, Guidance and Transparency Rules.

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

John Kay
Chairman

18 November 2022

Group Statement of Comprehensive Income

For the 6 months ended 30 September 2022

	Notes	6 months ended 30 September 2022 (Unaudited)			6 months ended 30 September 2021 (Unaudited)		
		Revenue	Capital	Total	Revenue	Capital	Total
		£'000	£'000	£'000	£'000	£'000	£'000
INCOME							
Rental income	2	4,053	-	4,053	3,133	-	3,133
Investment income	2	168	-	168	1,096	-	1,096
Other income	2	33	-	33	-	-	-
		4,254	-	4,254	4,229	-	4,229
GAINS AND LOSSES ON INVESTMENTS							
Realised gains on held-at-fair-value investments and investment properties		-	1,355	1,355	-	7,280	7,280
Unrealised (losses)/gains on held-at-fair-value investment properties		-	(4,432)	(4,432)	-	1,465	1,465
TOTAL INCOME		4,254	(3,077)	1,177	4,229	8,745	12,974
EXPENSES							
Investment management fees		(515)	-	(515)	(529)	-	(529)
Other operating expenses		(412)	-	(412)	(526)	-	(526)
FINANCE COSTS		(1,197)	(6,269)	(7,466)	(1,513)	-	(1,513)
TOTAL EXPENSES		(2,124)	(6,269)	(8,393)	(2,568)	-	(2,568)
PROFIT/(LOSS) BEFORE TAXATION		2,130	(9,346)	(7,216)	1,661	8,745	10,406
TAXATION		(395)	1,648	1,253	(200)	1,083	883
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY		1,735	(7,698)	(5,963)	1,461	9,828	11,289
EARNINGS PER ORDINARY SHARE (Pence)	3	3.99	(17.71)	(13.72)	3.35	22.57	25.92

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 issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of Value and Indexed Property Income Trust PLC, the parent company. There are no minority interests.

A first quarterly dividend of 3.00p per share (2022 - 3.00p) was paid on 28 October 2022 to all Shareholders on the register on 30 September 2022 (with an ex-dividend date of 29 September 2022). A second quarterly dividend of 3.10p per share (2022 - 3.00p) will be paid on 27 January 2023 to those Shareholders on the register on 30 December 2022 (with an ex-dividend date of 29 December 2022).

The Notes on pages 27 to 32 form part of these Financial Statements.

Group Statement of Comprehensive Income

For the 6 months ended 30 September 2022

	Year ended 31 March 2022 (Audited)		
	Revenue	Capital	Total
	£'000	£'000	£'000
INCOME			
Rental income	5,647	-	5,647
Investment income	1,682	-	1,682
Other income	-	-	-
	7,329	-	7,329
GAINS AND LOSSES ON INVESTMENTS			
Realised gains on held-at-fair-value investments and investment properties	-	10,440	10,440
Unrealised (losses)/gains on held-at-fair-value investment properties	-	8,797	8,797
TOTAL INCOME	7,329	19,237	26,566
EXPENSES			
Investment management fees	(1,088)	(2)	(1,090)
Other operating expenses	(870)	-	(870)
FINANCE COSTS	(3,177)	-	(3,177)
TOTAL EXPENSES	(5,135)	(2)	(5,137)
PROFIT/(LOSS) BEFORE TAXATION	2,194	19,235	21,429
TAXATION	(321)	3,154	2,833
PROFIT/(LOSS) ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF PARENT COMPANY	1,873	22,389	24,262
EARNINGS PER ORDINARY SHARE (Pence)	4.30	51.40	55.70

Group Statement of Financial Position

As at 30 September 2022

	Notes		As at 30 September 2022 (Unaudited)	Group	As at 31 March 2022 (Audited)		As at 30 September 2021 (Unaudited)
		£'000	£'000	£'000	£'000	£'000	£'000
ASSETS							
NON CURRENT ASSETS							
Investment properties			158,572		155,838		110,085
Investments held at fair value through profit or loss			-		26,871		30,304
	8		158,572		182,709		140,389
Deferred tax asset			5,344		4,091		2,141
Receivables			2,161		2,238		2,695
			166,077		189,038		145,225
CURRENT ASSETS							
Cash and cash equivalents		13,519		5,153		42,665	
Receivables		433		4,709		1,140	
			13,952		9,862		43,805
TOTAL ASSETS			180,029		198,900		189,030
CURRENT LIABILITIES							
Payables		(621)		(2,423)		(2,898)	
			(621)		(2,423)		(2,898)
TOTAL ASSETS LESS CURRENT LIABILITIES			179,408		196,477		186,132
NON-CURRENT LIABILITIES							
Payables		(2,849)		(2,854)		(2,890)	
Borrowings		(49,430)		(56,723)		(56,701)	
			(52,279)		(59,577)		(59,591)
NET ASSETS			127,129		136,900		126,541
EQUITY ATTRIBUTABLE TO EQUITY SHAREHOLDERS							
Called up share capital			4,555		4,555		4,555
Share premium			18,446		18,446		18,446
Retained earnings	6		104,128		113,899		103,540
TOTAL EQUITY			127,129		136,900		126,541
NET ASSET VALUE PER ORDINARY SHARE (Pence)			294.37p		314.30p		290.52p

These Financial Statements were approved by the Board on 18 November 2022 and were signed on its behalf by:

John Kay, Chairman

The Notes on pages 27 to 32 form part of these Financial Statements.

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
		6 months ended 30 September 2022 (Unaudited)			
Net assets at 31 March 2022		4,555	18,446	113,899	136,900
Loss for the period		-	-	(5,963)	(5,963)
Dividends paid		-	-	(2,875)	(2,875)
Buyback of Ordinary Shares for Treasury	4	-	-	(933)	(933)
Net assets at 30 September 2022		4,555	18,446	104,128	127,129
		Year ended 31 March 2022 (Audited)			
Net assets at 31 March 2021		4,555	18,446	95,082	118,083
Profit for the period		-	-	24,262	24,262
Dividends paid	4	-	-	(5,445)	(5,445)
Net assets at 31 March 2022		4,555	18,446	113,899	136,900
		6 months ended 30 September 2021 (Unaudited)			
Net assets at 31 March 2021		4,555	18,446	95,082	118,083
Profit for the period		-	-	11,289	11,289
Dividends paid	4	-	-	(2,831)	(2,831)
Net assets at 30 September 2021		4,555	18,446	103,540	126,541

The Notes on pages 27 to 32 form part of these Financial Statements.

Group Statement of Cash Flows

For the 6 months ended 30 September 2022

	6 months ended 30 September 2022 (Unaudited)		6 months ended 30 September 2021 (Unaudited)		Year ended 31 March 2022 (Audited)	
	£'000	£'000	£'000	£'000	£'000	£'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Rental income received		2,950		2,089		5,970
Dividend income received		168		1,320		1,835
Interest received/(paid)		33		2		(1)
Operating expenses paid		(1,238)		(1,182)		(1,914)
NET CASH INFLOW FROM OPERATING ACTIVITIES		1,913		2,229		5,890
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments held at fair value through profit or loss	(7,215)		(21,224)		(30,132)	
Purchase of investment properties	(11,376)		(22,492)		(63,412)	
Sale of investments held at fair value through profit or loss	35,720		22,681		32,042	
Sale of investment properties	8,399		-		3,445	
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		25,528		(21,035)		(58,057)
CASH FLOW FROM FINANCING ACTIVITIES						
Repayment of debenture stock	(26,380)		-		-	
Drawdown of loan	13,000		-		-	
Interest paid on loans	(1,844)		(1,620)		(3,113)	
Finance cost of leases	(39)		(39)		(78)	
Payments of lease liabilities	(4)		(4)		(9)	
Dividends paid	(2,875)		(2,831)		(5,445)	
Buyback of Ordinary Shares for Treasury	(933)		-		-	
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(19,075)		(4,494)		(8,645)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		8,366		(23,300)		(60,812)
Cash and cash equivalents at the start of the period		5,153		65,965		65,965
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		13,519		42,665		5,153

The Notes on pages 27 to 32 form part of these Financial Statements.

1 Accounting policies

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) which comprise standards and interpretations approved by the International Accounting Standards Board (IASB) together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee (IASC) that remain in effect, and to the extent that they have been adopted by the European Union.

The functional and presentational currency of the Group is pounds sterling because that is the currency of the primary economic environment in which the Group operates. The Financial Statements 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 and on the historical cost basis, except for the revaluation of certain financial assets. Where presentational guidance set out in the Statement of Recommended Practice '*Financial Statements of Investment Trust Companies and Venture Capital Trusts*' (the SORP) issued by the Association of Investment Companies (AIC) in April 2021 is consistent with the requirements of IFRSs, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP.

The 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 investment in UK commercial properties. The view that the Group is engaged in a single segment of business is based on the fact that one of the key financial indicators received and reviewed by the Board is the total return from the investment portfolio taken as a whole. A review of the investment portfolio is included in the Investment Manager's Report on pages 5 to 20.

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 are allocated 100% to income, in line with the general practice of property companies.

The Group's Financial Statements have been prepared using the same accounting policies as those applied for the Financial Statements for the year ended 31 March 2022, which received an unqualified audit report.

(b) Going concern

The Group's business activities, together with the factors likely to affect its future development and performance, are set out in this Interim Report. The financial position of the Group as at 30 September 2022 is shown in the Statement of Financial Position on page 24. The cash flows of the Group for the half year to 30 September 2022, which are not untypical, are set out on page 26. The Group had fixed debt totalling £49,430,000 as at 30 September 2022; none of the borrowings is repayable before 2026. As at 30 September 2022, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of over 3.

The assets of the Group consists of investment properties that are held in accordance with the Group's investment policy, as set out on page 3. The Directors, who have reviewed carefully the Group's forecasts for the coming year and having taken into account the liquidity of the Group's investment portfolio and the Group's financial position in respect of cash flows, borrowing facilities and investment commitments (of which there is none of significance) are not aware of

1 Accounting policies – continued

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 Group's 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.

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 the 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 capital returns may be distributed by way of dividend.

(e) 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.

(f) Investments

Investment properties

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 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 retained earnings.

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.

1 Accounting policies – continued

Leases

The Group leases properties that meet the definition of investment property. These right-of-use assets are presented as part of Investment Properties in the Statement of Financial Position and held at fair value.

2 Income

	6 months ended 30 September 2022 £'000	6 months ended 30 September 2021 £'000	Year ended 31 March 2022 £'000
Other operating income			
Rental income	4,053	3,133	5,647
Interest receivable on short term deposits	33	–	–
Investment income			
Dividends from listed investments in UK	168	1,096	1,682
Total income	4,254	4,229	7,329

3 Return per Ordinary Share

	6 months ended 30 September 2022 £'000	6 months ended 30 September 2021 £'000	Year ended 31 March 2022 £'000
The return per Ordinary Share is based on the following figures:			
Revenue return	1,735	1,461	1,873
Capital return	(7,698)	9,828	22,389
Weighted average Ordinary Shares in issue	43,447,217	43,557,464	43,557,464
Return per Ordinary Share - revenue	3.99p	3.35p	4.30p
Return per Ordinary Share - capital	(17.71p)	22.57p	51.40p
Total return per Ordinary Share	(13.72p)	25.92p	55.70p

4 Dividends paid	6 months ended 30 September 2022 £'000	6 months ended 30 September 2021 £'000	Year ended 31 March 2022 £'000
Dividends on Ordinary Shares:			
Third quarterly dividend of 3.00p per share (2022 - 2.90p) paid 29 April 2022	1,307	1,263	1,263
Final dividend of 3.60p per share (2022 - 3.60p) paid 29 July 2022	1,568	1,568	1,568
First quarterly dividend of 3.00p per share paid 29 October 2021 *	–	–	1,307
Second quarterly dividend of 3.00p per share paid 28 January 2022 *	–	–	1,307
Dividends paid in the period	2,875	2,831	5,445

* First and second quarterly dividends for the year to 31 March 2023 have been declared with pay dates falling after 30 September 2022. These have not been included as liabilities in these financial statements. See Note 5.

5 Interim dividend

A first quarterly dividend of 3.00p per share was paid on 28 October 2022 to Shareholders registered on 30 September 2022, with an ex dividend date of 29 September 2022 (2022 - 3.00p). A second interim dividend of 3.10p per share will be paid on 27 January 2023 to Shareholders registered on 30 December 2022, with an ex dividend date of 29 December 2022 (2022 - 3.00p).

6 Retained earnings	Revenue £'000	Capital £'000	Total £'000
The table below shows the movement in retained earnings analysed between revenue and capital items.			
At 31 March 2022	(3,476)	117,375	113,899
Movement during the period:-			
Profit/(loss) for the period	1,735	(7,698)	(5,963)
Dividends paid (see Note 4)	(2,875)	–	(2,875)
Buyback of Ordinary Shares for Treasury	(933)	–	(933)
At 30 September 2022	(5,549)	109,677	104,128

7 Transaction costs

During the period, expenses were incurred in acquiring and disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains and losses on investments in the Statement of Comprehensive Income.

The total costs are as follows:-

	6 months ended 30 September 2022 £'000	6 months ended 30 September 2021 £'000	Year ended 31 March 2022 £'000
Purchases	9	84	95
Sales	32	23	32
	41	107	127

8 Fair value hierarchy disclosures

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

At 30 September 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment properties	–	–	158,572	158,572
	–	–	158,572	158,572
Borrowings	–	(44,219)	–	(44,219)
	–	(44,219)	158,572	114,353

At 31 March 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	26,871	–	–	26,871
Investment properties	–	–	155,838	155,838
	26,871	–	155,838	182,709
Borrowings	–	(61,064)	–	(61,064)
	26,871	(61,064)	155,838	121,645

At 30 September 2021 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Equity investments	30,304	–	–	30,304
Investment properties	–	–	110,085	110,085
	30,304	–	110,085	140,389
Borrowings	–	(61,795)	–	(61,795)
	30,304	(61,795)	110,085	78,594

8 Fair value hierarchy disclosures – continued

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

The fair value of the debenture is determined by comparison with the fair values of equivalent gilt edged securities, 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 period. All other assets and liabilities of the Group are included in the Balance Sheet at fair value.

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

9 Relationship with the Investment Manager and other Related Parties

Matthew Oakeshott is a Director of OLIM Property Limited which has an agreement with the Group to provide investment management services.

OLIM Property Limited receive an investment management fee of 0.60% of the capital assets that it manages.

OLIM Property Limited received an investment management fee of £515,000 (half year to 30 September 2021: £529,000 and year to 31 March 2022: £1,090,000). At the period end, the balance owed by the Group to OLIM Property Limited was £86,000 (31 March 2022: £103,000) comprising management fees for the month of September 2022, subsequently paid in October 2022.

Value and Indexed Property Income Services Limited is a wholly owned subsidiary of the 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 period.

10 Half Yearly Report

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in sections 434 - 436 of the Companies Act 2006. The financial information for the six months ended 30 September 2022 and 30 September 2021 has not been audited.

The information for the year ended 31 March 2022 has been extracted and abridged from the latest published audited financial statements and do not constitute the statutory accounts for that year. Those Financial Statements have been filed with the Registrar of Companies and included the Report of the Independent Auditor, which contained no qualification or statement under section 498 of the Companies Act 2006.

This Half-Yearly Report was approved by the Board on 18 November 2022.

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 regulated investment platform or indirectly through a lawyer, accountant or other professional adviser.

Keeping you Informed

The Company's Property Portfolio is valued independently by Savills at 30 September and 31 March each year and the net asset value per Ordinary Share of the Company, incorporating that calculation at those dates, is published shortly thereafter on the London Stock Exchange. “VIP” is the code for the share price, which is displayed subject to a delay of 15 minutes at **www.londonstockexchange.com.**

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 be immediately 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.

Contact Information

Dividends

VIP pays dividends quarterly, around the end of January, April, July and October. For VIP's year ending 31 March 2023, the Board is currently targeting a dividend total of 12.9p per share (an increase of 2.4% over 12.6p last year).

The first quarterly dividend of 3.0p per Ordinary Share was paid on 28 October 2022 to all Shareholders on the register on 30 September 2022. The second quarterly dividend of 3.1p per Ordinary Share will be paid on 27 January 2023 to those Shareholders on the register on 30 December 2022. The ex-dividend date will be 29 December 2022. As referred to above, the Board is targeting a total dividend payment of 12.9p per Ordinary Share for the year, which would be made up of a third quarterly dividend to be paid on 28 April 2023 to those Shareholders on the register on 31 March 2023, with an ex-dividend date of 30 March 2023, and a fourth and final dividend which, subject to Shareholders' approval, would be paid on or around 28 July 2023.

Directors

John Kay, Chairman
Matthew Oakeshott
David Smith
Josephine Valentine
Lucy Winterburn

Secretary

Maven Capital Partners UK LLP
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Telephone: 0141 306 7400
www.mavencp.com
(Authorised and regulated by the Financial Conduct Authority)

Registered Office

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205 West George Street
Glasgow G2 2LW

Registered Number

Registered in Scotland
No. SC50366

Legal Entity Identifier:

213800CU1PIC7GAER820
ISIN: GB0008484718
TIDM: VIP

Registrars

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Alternative Investment Fund Manager

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Glasgow G2 2LW
Registered in Scotland No. SC467598 Legal Entity Identifier: 213800D7AEDHGXDAM208
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Depositary and Custodian

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Corporate Broker

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MANAGED BY OLIM PROPERTY