VALUE AND INDEXED PROPERTY INCOME TRUST PLC

Long, strong, indexed property income

Annual report and accounts 2024

VIP plc

Long, strong, indexed property income

Rent collection

Fully Let
No Voids

100%

Rent indexation

96% rent index-related

71% RPI-linked

Leases

11.6 years
weighted average unexpired lease length to break

35 properties - **38** leases

EPCs

97%
EPCs rated A-C

Debt

3.9% average rate

6.9 years maturity

35% loan to value

Property yield

6.6%
net initial property yield

Total property return

-1.8% over 1 year
(Index -1.1%)

+3.4% P.A. over 5 years
(Index +0.7% P.A.)

+7.1% P.A. over 10 years
(Index +5.0% P.A.)

Annual dividend growth

6.6%
P.A over 37 years
(RPI 3.7%)

55% income from top five tenants

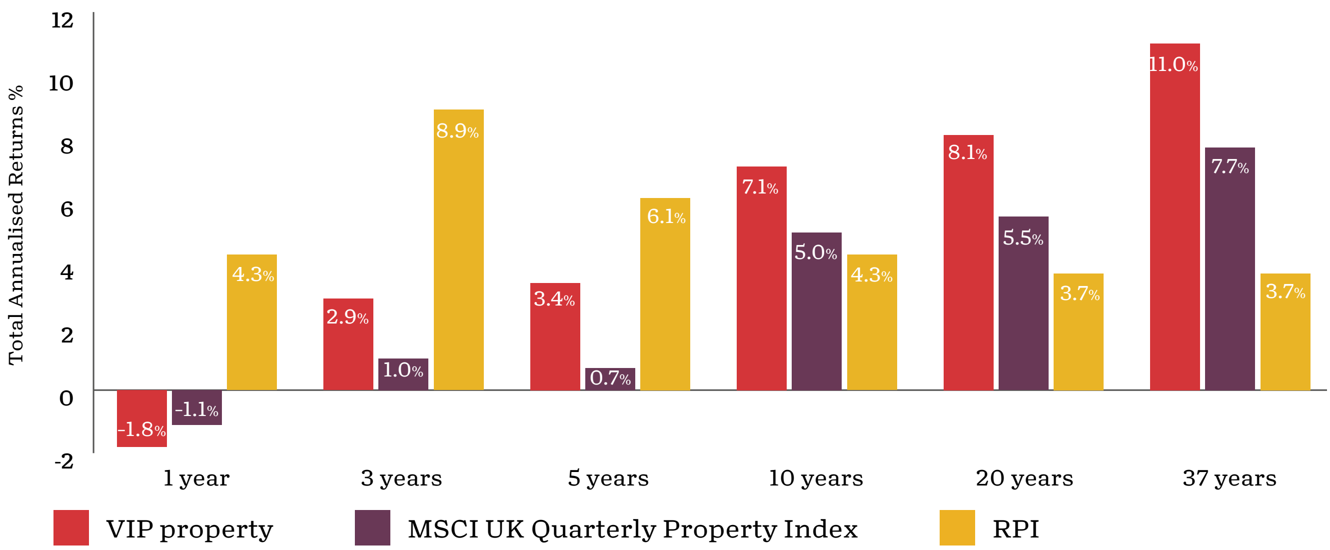
M&S · GOV.UK · tenpin · Premier Inn · Sainsbury's

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

VIP's dividend per share has risen every year since 1986 when OLIM's management began. It has risen by 956% against the Retail Price Index rise of 281%. Three interim dividends of 3.2p each were paid on 27 October 2023, 26 January 2024 and 26 April 2024. The targeted total dividend for the full year is 13.2p (+2.3%). Our medium term dividend policy is for increases at least in line with inflation, underpinned by VIP's index-related property income. The dividend yield at 31 March 2024 was 7.7% (2023: 6.3%).

VIP's property portfolio delivered a total return of -1.8% over the year against -1.1% for the MSCI UK Quarterly Property Index. Over the past five years, the VIP property return was 3.4% p.a. (Index 0.7% p.a.), over 10 years it was 7.1% p.a. (Index 5.0% p.a.) and over 37 years it was 11.0% p.a. (Index 7.7% p.a.).

VIP property portfolio performance record over 37 years to 31 March 2024



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

Over the past two years, as the table below shows, the average interest rate on VIP's borrowings was cut from 5.6% to 3.9%, the loan to value ratio rose from 30% to 35% and the average loan length rose from 6.2 years to 6.9 years.

Borrowings	31 March 2024	31 March 2023	31 March 2022
Average interest rate	3.9%	3.9%	5.6%
Total loans (loan to value)	£50 million (35%)	£50 million (32%)	£57 million (30%)
Loan maturity	6.9 years	7.9 years	6.2 years

Over the year, VIP strengthened and upgraded its portfolio by selling seven riskier properties, the last four Stonegate pubs, two short let petrol stations and an overrented convenience store, for £13.25 million, above valuation and at a net yield of 7.5%. The sales proceeds were invested in three long-let leisure properties in East Anglia and the South-East at a net yield of 7.8%, rising to 8.5% in May 2024. All have annual RPI-related rent increases.

Financial calendar

27 October 2023
First quarterly dividend of 3.2p per share for the year ended 31 March 2024

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

26 January 2024
Second quarterly dividend of 3.2p per share for the year ended 31 March 2024

26 April 2024
Third quarterly dividend of 3.2p per share for the year ended 31 March 2024

12 June 2024
Announcement of Annual Financial Report for the year ended 31 March 2024

11 July 2024
Annual General Meeting, Edinburgh (12.30pm)

26 July 2024
Final dividend of 3.6p per share payable for the year ended 31 March 2024

25 October 2024
First quarterly dividend payable for the year ending 31 March 2025

November 2024
Announcement of Half-Yearly Financial Report for the six months ending 30 September 2024

31 January 2025
Second quarterly dividend payable for the year ending 31 March 2025

The intended retail investor in the Company is a retail investor who is seeking long-term (at least five years) real growth in dividends and capital value from investing in directly held UK commercial property, plus cash or near cash securities, pending re-investment. The Company changed its investment policy and its name from Value and Income Trust PLC in January 2021.


Stoke-on-Trent

Strategic Report

The Company's capital performance was disappointing last year, with a net asset value total return of -9.7%. The discount to net asset value also widened, resulting in a share price total return of -10.3%. Since our year end on 31 March 2024, however, the share price has rebounded and the discount narrowed again. Rental income growth was well above inflation last year, and since the year end, 100% of rent has become index-related.

The weakness of the property market is principally the result of the abrupt end of the extended era of exceptionally low interest rates which followed the global financial crisis. Central Banks around the world have been indicating that the next moves in rates are more likely to be down than up. But we should expect a return to historical normality rather than a resumption of the near zero cost bank financing.

As a result, there are some indications that the worst is over for property, although confidence is still fragile and transaction volumes are low. The election in Britain, which will take place on July 4, may result in a degree of political stability which has been missing for most of the current Parliament. It is difficult to maintain similar hopes for the outcome of the US Presidential contest in November. In both countries, fiscal projections bear little relation to reality. The geopolitical uncertainties which contributed to the rise in inflation and consequent increase in interest rates have compounded. The war in Ukraine continues and hostilities have ravaged Palestine. The ambitions of China's leaders are a growing source of tension and concern.

While no asset classes are immune from these factors, the Company's portfolio of UK property assets with good locations, strong covenants and rents linked to inflation is well positioned to be robust to external events. During the year, the portfolio was strengthened with the purchase of three long-let leisure investments at yields over 8%, and the sale of seven weaker properties including the last Stonegate pub holdings. That company has since announced it is seeking to refinance its debts. All the remaining tenants appear well financed.

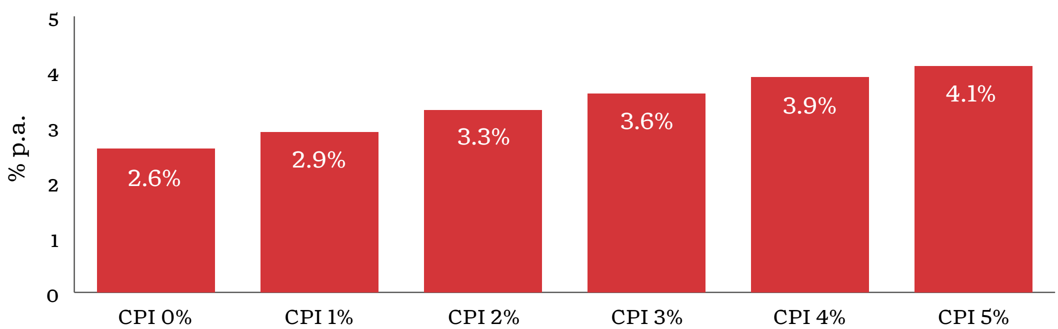
We continue to improve the sustainability credentials of our properties, post year end 100% of all Energy Performance Certificates are now A - C. All rent due in the last year was collected in full.

A major restructuring of the Company's debt was completed last year with the repayment of the costly debenture and the Company now has a comfortable loan to value position locked in at affordable interest rates.

Underlying income growth was strong with 11 rent reviews adding 4.9% to total rental income. As the revised name of the Company, adopted in 2021 emphasises, our focus is on achieving value from secure indexed property income.

At the year end, the yield on the Company's shares (at the proposed dividend) was 7.7% as against 0.1% on the UK Government's 2031 indexed gilt, which is linked to the Retail Prices Index (RPI).

Forecast VIP rental income growth over five years



Some of the rents on VIP's properties are linked to the RPI, others to the slightly slower rising Consumer Prices Index (CPI), which is the basis for the 2% target prescribed for the Bank of England. As the table above shows, the Company's index-related rent reviews should make it well placed to at least match inflation now it is nearer to the official target.

The prior year accounts have been restated as set out in Note 24 on pages 115 to 121. This restatement has resulted in an increase in the Group's basic earnings per share from -55.22p to -54.20p and a reduction in the Net Asset Value per Ordinary Share from 246.9p to 244.4p for the year ended 31 March 2023.

As anticipated, dividend cover has now been restored and the Board aims to maintain the Company's thirty-seven year history of progressive dividend increases. The Board is recommending a final dividend of 3.6p per share, making total dividends of 13.2p per share for the year to 31 March 2024, compared to 12.9p in the previous year, an increase of 2.3%. Subject to Shareholder approval at the 2024 Annual General Meeting (AGM), the final dividend will be paid on 26 July 2024 to Shareholders on the register on 28 June 2024. The ex-dividend date is 27 June 2024.

As Shareholders were advised when the new investment policy was adopted in 2021, proposals will be put to the 2026 AGM of the Company to offer Shareholders an exit at net asset value less costs.

The AGM will be held at the offices of Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh EH3 8FY at 12.30pm on Thursday, 11 July 2024. The Notice of Annual General Meeting can be found on pages 132 to 136 of this Annual Report. The Board encourages Shareholders to vote using the proxy form, which can be submitted to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY. Proxy forms should be completed and returned in accordance with instructions thereon and the latest time for the receipt of proxy forms is 12.30pm on 9 July 2024. Proxy votes can also be submitted by Crest or online using the Registrar's Share Portal service at www.investorcentre.co.uk/eproxy.

John Kay
Chairman

11 June 2024

VIP property portfolio - sector weightings since 2014

Sector	March 2024	March 2023	March 2022	March 2021	March 2020	March 2014
Offices	0%	0%	0%	0%	0%	0%
Shops	0%	0%	0%	0%	0%	39%
Supermarkets	29%	31%	30%	16%	2%	5%
Pubs / Restaurants	6%	9%	13%	24%	32%	17%
Bowling and Health Club	19%	9%	5%	8%	12%	0%
Hotels	9%	9%	6%	0%	0%	0%
Industrial / Warehouse	28%	29%	33%	35%	32%	8%
Roadside	0%	4%	4%	3%	6%	16%
Other	9%	9%	9%	14%	16%	15%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
Number of Properties	**35**	**39**	**43**	**31**	**26**	**29**

The property market

UK commercial property values, as measured by the MSCI UK Quarterly Property Index, the main benchmark for institutional property performance, fell by 5.5% over VIP's year to end March 2024, giving a total return of -1.1%. This brings the average fall to 23% from the markets' mid-2022 peak.

Louise Cleary and Matthew Oakeshott

Capital value % falls by sector – to end March 2024

Sector	12 months to March 2024	June 2022 to March 2024
Retail	-6	-19
Office	-13	-27
Industrial	0	-26
Alternatives	-5	-14
All Property	-6	-23

Most capital values were slipping slowly throughout the year, but on very low transaction volumes (around half their long term average, and even lower than in 2020 during COVID). This has made valuers' jobs harder than usual, with a wide spread between the prices most buyers are prepared to offer and most sellers to accept. Many completed sales, therefore, are coming from vendors under actual or potential pressure from redemptions, in the case of institutional sellers, or rising interest rates and refinancing risk for individuals and property companies.

As the table shows, the pain was worst in the office sector, with buyers few and far between and many older offices only saleable, if at all, for alternative uses. Total returns, including income, were 4% in the industrial sector, and around zero in retail and the alternatives sectors, with offices firmly at the bottom at -9%. Underlying rental values generally edged ahead, by about 3%-4% on average with industrials leading the way, but growth slowed across the board over the year.

UK commercial property – % growth rates to March 2024

		6 months*	1 year	3 years	5 years	10 years
Capital values	All property	-5.6	-5.3	-3.2	-3.7	+0.2
Rental values	All property	+3.9	+3.7	+3.4	+1.3	+1.8
Total returns	All property	-0.8	-0.5	+1.2	+0.8	+5.0

Source: MSCI UK Quarterly Property Index March 2024 - Standing Investments

* Annualised

2024 has seen little change so far, with transaction volumes staying very low and more pressure to sell than to buy. But in the non-office sectors, capital values are starting to stabilise, with rental growth offsetting slight adverse shifts in valuation yields.

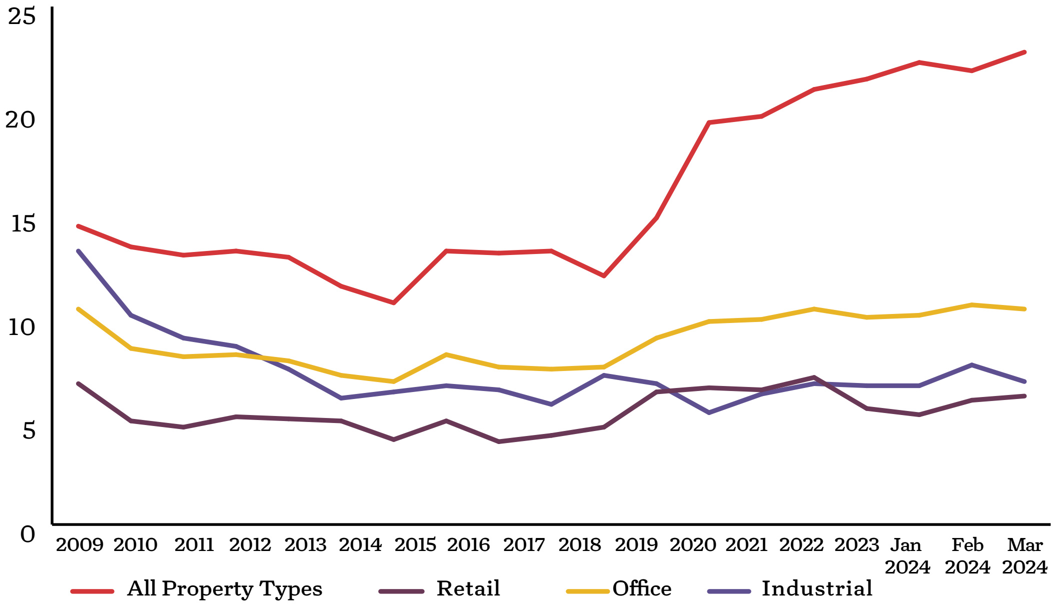
Comparative investment yields – End December (except 2024 end March)

		2024	2023	2022	2021	2020	2011	2008	2006
Property (equivalent yield)		6.6	6.5	6.1	5.1	5.8	6.9	8.3	5.4
Long Gilts	Conventional	3.9	3.5	3.8	1.0	0.2	2.5	3.7	4.6
	Index linked	0.4	0.2	0.3	-2.6	-2.6	-0.2	0.8	1.1
UK Equities		3.8	3.8	3.6	3.1	3.4	3.5	4.5	2.9
RPI (annual rate)		4.3	5.2	13.4	7.5	1.2	4.8	0.9	4.4
Yield gaps:	Property less Conventional Gilts	2.7	3.0	2.3	4.1	5.6	4.4	4.6	0.8
	Property less Index Linked Gilts	6.2	6.3	5.8	7.7	8.4	7.1	7.5	4.4
	Property less Equities	2.8	2.7	2.5	2.0	2.4	3.4	3.8	2.5

Source: MSCI UK Quarterly Property Index and ONS for the RPI

After UK 10 year gilt yields rose to a high of 4.7% last October, the mood in international bond markets grew calmer, bringing the gilt yield down to 3.5% at the year end. But 10 year gilt yields then rose again to around 4% at end March and have since traded in a 4%-4.5% range, influenced by rising US bond yields and election and international concerns, despite a much improved outlook for world food and energy prices. As the table above shows, UK commercial property is fairly valued against equities and conventional fixed-coupon gilts. It offers outstanding value against index-linked gilts, which still only offer negligible real returns at considerable capital risk, as their performance since 2021 has shown.

MSCI UK Monthly Property Index vacancy rates %



Source: MSCI UK Monthly Property Index March 2024

As the chart above shows, average commercial property vacancy rates are at historic highs, with offices well above them, and covenant and lease renewal risk will persist as indebted companies face higher interest and labour costs. The premium for security and quality of property income is set to grow further.

Property prospects by sector

Industrial / Warehouse – Slow but steady

Capital values in the industrial investment market were broadly stable last quarter on low trading volumes. Investor sentiment has improved since the start of the year as those who had been sitting on the sidelines are now showing interest, but, the lack of suitable stock is stifling the market. Investor preference is still focused on rare Grade A stock, which when marketed generates plenty of interest with competitive bidding. Other industrial/warehouse property attracts many window shoppers but few credible offers when bidders are asked to show their hands.

The buyers vary according to asset quality. The institutions are active but only for prime assets, other market participants such as the smaller funds, property companies and, if they are cash buyers, private investors are attracted by value-add opportunities at higher initial yields with near-term rent reviews to boost returns further. Investors needing finance are still waiting for an expected base rate cut later in the year before committing.

Transaction volumes in Q1 2024 were around £1.6 billion, slightly up on the £1.2 billion transacted in Q4 2023. Capital values of industrial properties in the MSCI UK Quarterly Property Index were stagnant over the 12 months and the average net initial yield moved marginally out.

Milton Keynes

The occupier market also remains slow as supply and demand move towards equilibrium. Take up levels are steady as the sluggish economy continues to hamper activity. Vacancy rates are edging up as some smaller tenants go under and the recent increase in business rates hit this sector hardest. Economic stagnation and a weak investment market are also hitting speculative development. Only 10 million sq. ft of new development put spade to ground in 2023 (this contrasts with the previous peak of 23.6 million in 2022).

Occupational demand for prime stock remains steady, emanating mostly from third party logistics firms and discount retailers. Consequently, rental growth is still forecast for those brand-new prime assets, optimally located for transport and workforce with full top level environmental certification, however, this is at significantly more muted levels than recent years, forecast at c4% for the year. On the other side, rental growth for more secondary, older space will be minimal or worse over the next two years as the polarisation between environmentally sound prime assets and secondary properties widens amid the overall economic backdrop and total operational costs increasing.

Despite the lacklustre start to the year, most active investors and potential players in the industrial investment market want to be positive. The rest of 2024 should see more liquidity in the market and increased transaction volumes despite the overall cautious backdrop - stable pricing and positive total returns continue to attract desired investment into the sector but sourcing stock is proving more difficult.

Offices – Still deteriorating

In contrast to the industrial sector, investor sentiment towards the office sector is still very weak and transaction levels remain at their lowest level for over 20 years. £8.5 billion was traded in 2023, a 54% decrease on 2022 levels. This negativity prevails in 2024. The sellers are the historic core investors in the sector; both the retail and pension funds have effectively become forced sellers due to either redemptions, to satisfy environmental law changes or the need to decrease portfolio weighting in the weakening sector.

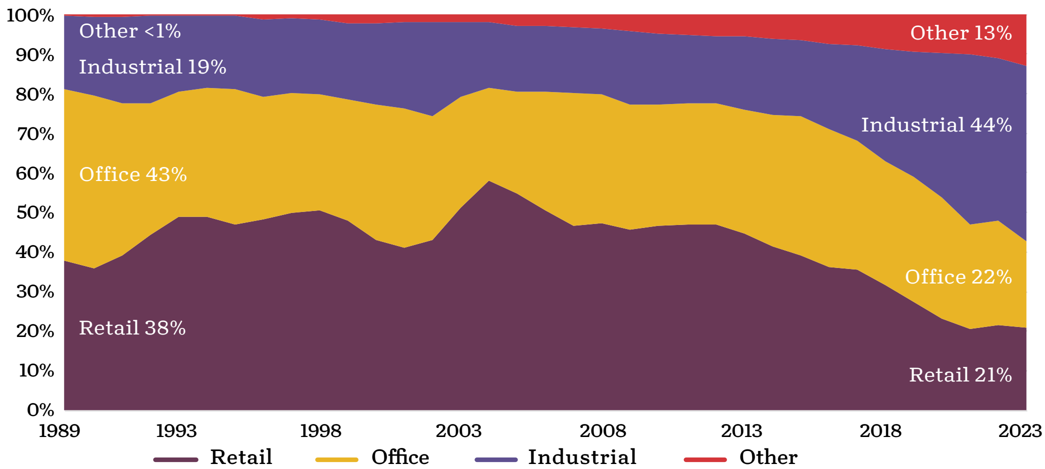
There are few genuine buyers for offices: well-funded family offices and private individuals are interested but only in the smaller lot sizes (sub £20 million). American private equity buyers are also starting to appear, but only at very high income yields to compensate for poor capital growth prospects.

Average net initial office yields in the MSCI UK Quarterly Property Index have increased from 4.4% over the last year to 5.0%. These will move out further over 2024 as valuers and the market twig that much office space is actually unlettable. Capital values are down -13.0% over the 12 months to March 2024 and have further to fall.

Take up for UK offices remains at historically low levels. Outside London it totalled 4.7m sq ft in 2023, a 15% decline on 2022 figures. The "flight to quality" for occupiers is still happening and this selectiveness is widening the gap for the two-tier market. Net disinvestment of space by occupiers continues as working from home (even for only one to two days a week) is now the norm. Occupiers are moving to upgrade their offices, with preferred space being Grade A specification with a range of market-leading amenities and high levels of sustainability check boxes ticked. But invariably at the same time they vacate larger amounts of existing office space, with Canary Wharf the most extreme example.

Whilst transaction volumes may increase during the rest of 2024, prices will continue to fall and this will be on the back of purchases made for more viable redevelopment such as hotel, mixed uses, life sciences and, where Local Authorities allow, residential. The amendment of permitted development rights for offices, regardless of size, to be converted into residential without full planning permission, should help. But with conversion costs at their highest for decades, capital values of existing offices will need to fall even further to make change work. We also expect to see more forced sales as lenders, having recently taken a more compassionate and pragmatic stance to that during the global financial crisis, are going to have to become more forceful to compensate for capital value falls triggering severe breaches of loan to value covenants.

MSCI UK Monthly Property Index composition 1989 to 2023



Source: MSCI UK Monthly Property Index March 2024

Retail – Food still driving growth

The first three months of 2024 have been strong for food retail and weak in non-food. Whilst the value of total retail sales increased by 3.8% over the three months to March 2024 in comparison to the same period last year, this was below the corresponding figure for March 2023 (4.6%) but well above the average growth over the last 12 months (0.9%). Once again this growth is being driven by the food sector with sales increasing 5.3% year on year over the three months to March in comparison to non-food sales 2.5%.

The positive effects of an early Easter and school holidays were tempered by the exceptional levels of rainfall with UK footfall reducing by -1.3% year on year to March. The proportion of sales online is currently 25.7% in comparison to 22.1% in March 2020 and is slipping back towards pre-COVID levels.

Over the 12 weeks to 17 March, grocery price inflation fell to 4.5% from a peak of 17% in March last year. Grocery sales rose by 4.6% over this 12 week period boosted by seasonal sales in the run up to the early Easter weekend. Tesco, Sainsbury's, Asda and Aldi maintained a combined market share of 66% during the 12 weeks to 17 March with Lidl (7.8%) continuing to make ground on Morrisons (8.7%). Tesco's results for the year to end February demonstrated their dominance, with like for like UK sales up by 7.7% and retail operating profit up from £2.3 billion to £2.7 billion.

Restrained discretionary spending is likely to continue to cast a shadow over the non-food retail sector. It is estimated over 2,000 retailers collapsed in the year to January, a 19% increase compared to the previous year. Since Christmas, The Body Shop, Ted Baker and now Superdry have gone into administration. The Body Shop closed 82 stores in February with the administrator hoping to keep their remaining 116 stores open via a CVA. Ted Baker is to close 15 unprofitable high street stores out of a total of 46 with Next considering an acquisition of the company. However, the strongest non-food retailers like Next and Primark continue to thrive.

Business rates increased significantly in April with the standard multiplier linked to last September's CPI figure (6.7%). This and the National Living Wage increase of at least 9.8% are raising operating costs.

York

Newport

During 2023, the volume of retail property investment transactions was £7.2 billion a fall of 5% year on year, with food stores accounting for 40% of this total. Yields for prime supermarkets let on long index-related leases have stabilised at 5.0% after rising from 4.0% in mid 2022. To date in 2024 limited stock has been brought to the market with few sellers of the strong covenants. There is pent up demand from specialist supermarket and institutional investors for the right-sized stock let at current market rents. The food store sector continues to offer strong, long term investment criteria: planning restrictions limit supply, customer demand for food is inelastic, occupier covenants like Tesco, Sainsburys, M&S and Aldi are strong with minimal risk of failure, and prospects for rental growth are good - long leases with index-related uplifts are common and the threat from on-line retailing is mitigated with over 70% of online food retailing serviced direct from stores rather than warehouses.

In the non-food retail sub-sectors there is demand for well let retail warehousing with good prospects for rental growth, although deal volumes continue to be limited by valuation figures higher than prices investors are willing to pay. After the significant rise in retail yields, there is demand for high street shops, both for units let to strong covenants at realistic rents in top tier retail locations such as cathedral cities and wealthy London suburbs. Recent auction results also confirm increasing demand from investors seeking higher income returns from sub £2 million shops let at rebased rents at double figure yields in smaller towns. Shopping centres can also usually only be sold at double figure yields.

Over the 12 months to March 2024 the Retail sector outperformed All Property on the MSCI UK Quarterly Property Index total return (-0.2% for Retail v -1.1% for All Property). This outperformance was due to a higher income return (6.0% v 4.7%) with the sector underperforming All Property in terms of capital growth (-6.0% for Retail v -5.5% All Property). The Retail sector currently provides the highest income return out of all sectors, however, retail rental value growth is low at 1.0%.

Ashford

Alternatives - Operational resilience key to outperformance

Property in the "Alternatives" sector – i.e. everything except offices, retail and industrial/warehouse property - accounts for 24% of the MSCI UK Quarterly Property Index, against 23% for offices and 20% for retail property. Properties in this sector are often defensive with long, index-related leases and a wide range of property types and tenants.

Q4 2023 was the lowest quarter on record for transaction volumes since the global financial crisis, but investment appetite for 'alternatives' (generally for the sub £5 million lot sizes) now shows signs of picking up with property companies and individual investors becoming more acquisitive. After a challenging year, valuation yields in the alternatives sector are beginning to look attractive. But the flight to quality remains, and investors continue to take a more cautious view on covenant strength and the affordability of rents. Properties let to well-funded tenants with robust balance sheets who operate successful businesses will drive long term, sustainable outperformance.

Although real consumer incomes are rising again, core inflation remains stubbornly high and labour markets very tight. The costs of doing business are still rising rapidly, with the latest increase in the National Living Wage and business rates. Encouragingly, however, leisure spending has seen a continued uptick over the last 12 months, in spite of consumer belt-tightening and cost of living increases. Consumers are prioritising 'experiences' over new shop purchases and are still keen to make up for lost opportunities during the pandemic or to escape the pressures of a tightening economy.

Occupationally, the pub/restaurant sector continues to be polarised between the best and the rest. Many independents and most private-equity backed chains are struggling. But well managed operators with resilient cashflows and strong income growth potential, like Greene King, Wetherspoons, Brunning & Price, Loungers and Shepherd Neame are flourishing.

Overborrowed private-equity owned groups such as Stonegate, with over 4,000 pubs, are now showing signs of serious financial strain, having to pay interest rates as high as 12% on recent short term borrowings. Consumers are still keen to eat and drink out, particularly in London with the partial return to offices by city centre workers and a buoyant tourist trade. Well managed, prosperous suburban and rural pubs are also thriving. The out-of-town market continues to see a significant appetite for growth. People seek 'value' in how they spend their money so operators have to deliver good service and value for money to survive.

Bowling remains one of the most affordable family-friendly outings, attracting all income groups. Both main operators, Hollywood Bowl and Ten Entertainment (Tenpin) continue to trade very strongly. Bowling is an undervalued niche and presents a good opportunity for the specialist investor to acquire long-let, index-related leases at high yields, with rents below neighbouring retail warehouses.

Modern budget hotels and caravan parks in rural and holiday areas are still benefiting from the more cost-conscious consumer, while business and tourist trade is returning to city centre hotels. Premier Inn/Whitbread remain best in class but hotel investment yields are continuing to move up with many institutional investors still needing to sell. More opportunities to invest at attractive yields are likely.

Capital values for Health and Fitness clubs have been falling. David Lloyd, the high-end operator, tend to occupy affluent commuter locations and are reporting an increase in membership levels as they continue to invest in their clubs, with more spa retreats and solar panels. But Nuffield Health and other mid-market operators have failed to invest in their facilities and memberships are dropping. The budget gym market remains highly competitive.

Care homes are struggling from staff shortages and insufficient public sector funding. Only the strongest, mainly charity, operators in this sector are attracting investment. The rent and cost burden for the main private-equity owned groups is unsustainable, so further collapses as happened at Southern Cross are likely. Cinemas are also a very high risk investment. Garden Centre operators occupy large sites and so investments in affluent locations are in demand. The strong operators are investing in their sites and increasing concession income.

Capital values of student housing, as with other residential investment types, have been slipping as investment competition had driven prices up too far and valuation yields too low. But many universities are still facing a critical shortage of student housing with new local supply limited and likely to remain so.

The abolition of Multiple Dwellings Relief (MDR) across England and Northern Ireland from 1 June 2024 will result in the effective rate of Stamp Duty Land Tax (SDLT) for Build to Rent, Purpose Built Student Accommodation and Co-Living schemes increasing to a maximum of 5% from an effective tax rate as low as 1%. MDR was initially introduced to encourage institutional investment in residential property and has been a significant tax saving for some investors. This change is already hitting valuation yields. Crucially, this may also affect the ability of investors and developers to secure land where previously they would have benefited from this cost saving, accelerating the current crisis in rented housing. Some residential developments are also facing problems from the need to include a second staircase in blocks between 18 and 30 storeys high.

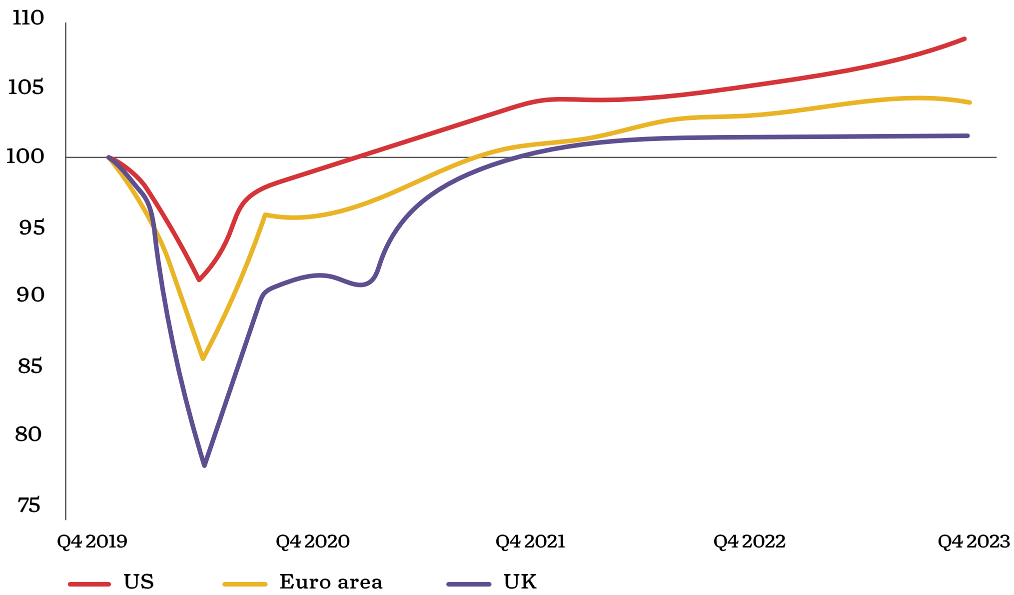
The economy

The world economic outlook is returning to nearer normal as food and energy price inflation falls back to pre-Ukraine war levels in most developed Western economies. Economic growth in 2024 should turn positive in the UK and throughout the Eurozone, and stay above 2% in the United States. China's growth rate, however, continues to slow, with deep-seated structural problems in its property and credit markets and Western resistance to Chinese technology and other exports. The war in Ukraine and turmoil in the Middle East still pose real risks to all economies.

International bond and equity investors are less nervous than last autumn, although still prone to short term mood swings about the timing of interest rate cuts. They are not concerned about a probable Labour win in the UK General Election on 4 July or a possible Trump victory in the US election later this year. The yield on UK 10 year conventional gilts fell from a peak of 4.7% in October to 3.5% at the year end and has recently traded in a range of 4% to 4.5%.

The main Western bond markets tend to move together, but the USA and the main European economies have been performing differently, as the chart below shows: US GDP suffered less than Europe's over the COVID crisis, and has grown faster over the past two years, partly because it is far less dependent on imported food and energy and partly because it has been investing and borrowing much more than most European countries, as it is able to do in the US dollar, the world's reserve currency. The UK economy, by contrast, has underperformed even the Eurozone economies since COVID, partly because of Brexit disruption and partly because of persistent low investment and productivity growth and a tight labour market.

Real GDP (Q4 2019 = 100)



Source: Eurostat, ONS, BEA

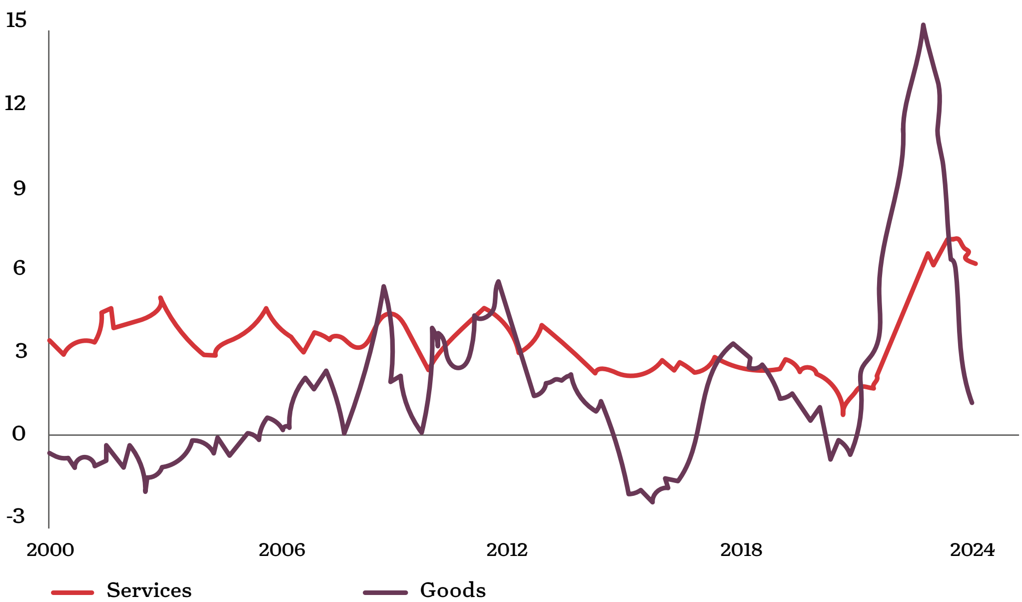
Annual headline inflation rates have fallen sharply across Europe, as high monthly increases last winter drop out of the indices and are replaced by static or even falling recent numbers. In the UK, the annual rate of increase in the CPIH (Consumer Prices Index including Housing) should fall below the Bank of England's official target of 2% by June. As the table below shows, CPIH has risen only 1.2% over the past six months and 0.8% over three months, while the producer output (factory gate prices) and input price indices are flat or falling. The Retail Prices Index annual rate fell from 13.5% a year ago to 4.3% in March and has only risen by 1.2% since last June.

UK 12 month inflation to fall below 2% by June 2024

To March 2024	RPI %	CPIH %	Producer output prices	Producer input prices
12 months	+4.3	+3.8	+0.6	-2.5
6 months	+1.2	+1.2	+0.3	-0.6
3 months	+1.1	+0.8	-0.1	-1.1

However, consumer price inflation may well be on the way up again by October as core inflation (excluding energy, food, alcohol and tobacco) is still running at 4.3% a year, with average annual earnings growth and service sector price inflation at around 6%. The National Living (formerly Minimum) Wage rose in March by 9.8% for adults and up to 21.2% for younger workers. State Pensions are up 8.5% and most benefits by 6.7%. The Monetary Policy Committee should, therefore, be cautious about cutting Bank Rate too soon and too far from its current 5.25% or it risks having to raise it again next year. For those rates of income increase to be consistent with sustainable 2% inflation after 2025, UK investment and productivity growth will have to start catching up with our closest competitors, and the UK's labour market, with its high and rising inactivity levels since COVID, will need to limber up and loosen up fast.

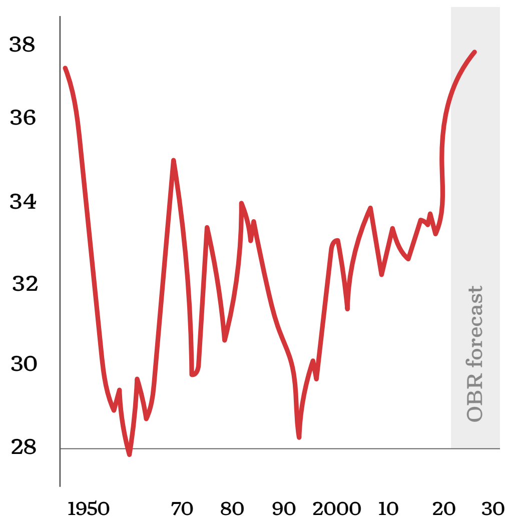
Goods and services inflation UK CPI, YoY %



Source: ONS

The UK's public finances, centrally and locally, are under serious strain, because the tax burden (taxes as a percentage of UK GDP – as shown in the chart below) has risen to levels not seen since the 1940s. But public spending on health and social care has to rise in the short term, whatever the possible savings from longer term reforms, and it is now very hard to cut many other public spending priorities, from defence to education to law and order. Low growth for many years in both private and public sector investment, especially in public housing and other infrastructure, together with an eroded tax base, is now casting its long shadow. The present official projections for public expenditure from next year are just wishful thinking.

UK tax revenue as a % of GDP



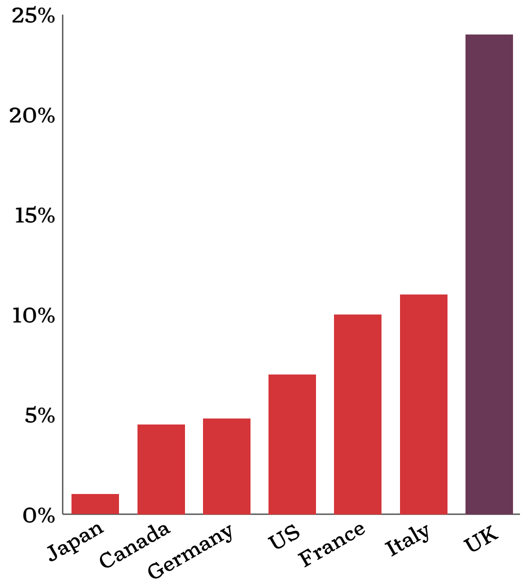
Source: OBR, OECD, LSEG, FT calculations

English local authorities' debts have risen by 78% to £119 billion since 2010, with debt interest now costing 15% of their annual budgets. Many years of back door cuts in public services, through real term reductions in local authority budgets, have now come home to roost, with many councils bankrupt and struggling to cover even the most basic public needs such as social care, children's services and repairing potholes. But the Council Tax system could be reformed so that it again provides a realistic and sustainable source of local finance for local councils.

It should be brought up to date from its antique 1991 valuations, with more bands so that council tax payable properly reflects both today's relative property values and a fairer share of local taxation to be paid by those with the largest and most valuable properties. At present there is effectively a perverse incentive not to downsize for people occupying larger properties than they need, because properties in the highest council tax bands pay so little more than the lowest.

The Government gilt buying spree under Quantitative Easing (QE) has left the UK with far more of its bonds riskily index-linked than our main competitors, as the chart below shows:

Index-linked bond percentages



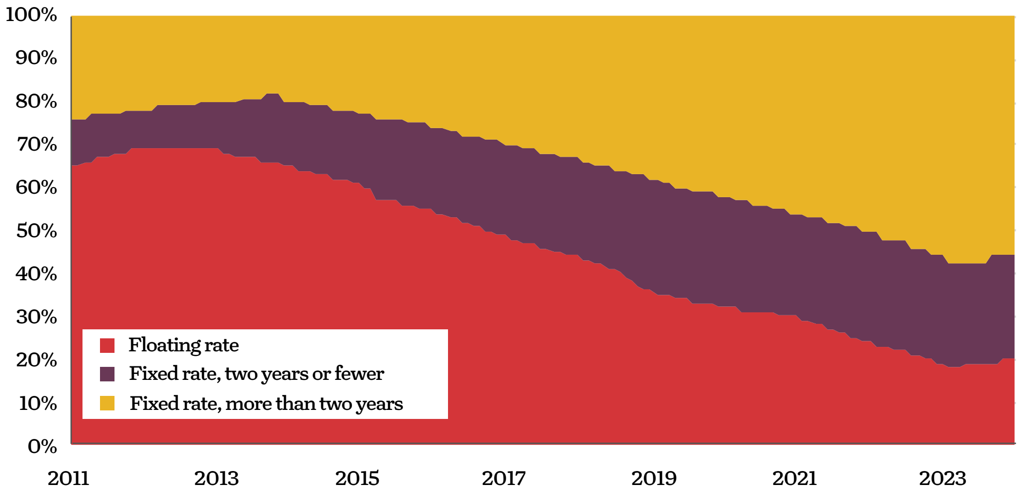
Source: OBR

Our national debt interest bill is now running at 3% of GDP. This grim state of the UK public finances, the costly over-issuance of index-linked gilts, and the dangerously short (under four years average) maturity of the UK gilt market makes us a forced seller to foreigners of large quantities of gilts every year for the foreseeable future. So, no Chancellor of the Exchequer or Governor of the Bank of England can afford to take risks with inflation over the next few years. Unlike the United States, we no longer enjoy the luxury of printing and borrowing as much as we want of the world's reserve currency.

Real reform and simplification of savings taxation for private investors is also long overdue. It could help stimulate investment and reduce the cost of capital, especially for UK mid and small cap companies (which are far more domestically focused than the FTSE-100 Index) quoted on The London Stock Exchange, and help salvage the City of London's competitive position in raising capital for growing companies post Brexit. The over-complicated seven versions of ISA's should be redirected to focus in future on UK shares and investments – it makes no economic sense for UK taxpayers' money to flow abroad to subsidise investments in and by our competitors.

Only 30% of UK households now have mortgages, against 40% in the late 1980s. Over the past decade the proportion of floating rate mortgages has collapsed from 70% to just over 10%, as the chart below shows:

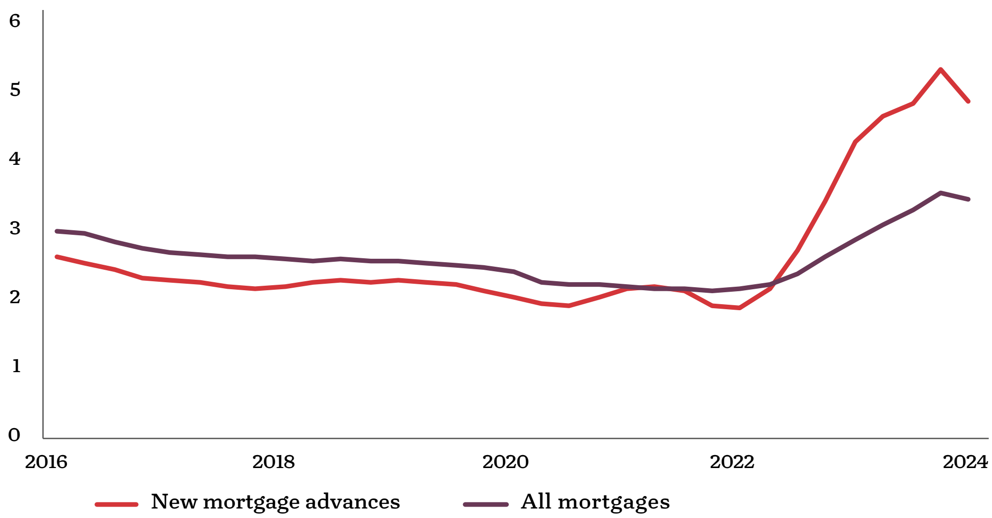
UK distribution of mortgage product by type or mortgage



Source: Bank of England

This means that rising interest rates cause less immediate pain in falling house prices and rising repossessions than in the past, but with a delayed effect as borrowers – 1.8 million of them this year – come off low rate deals. New mortgage advances are currently at an average interest rate of 4.9%, against the average rate of 3.49% paid on all existing mortgages, which will slow down any potential house price recovery as affordability tightens and millions of mortgages are re-fixed at higher rates each year.

Average interest rates %



Source: Bank of England

There are more renters (9.2 million) than mortgage holders (7.4 million). Many in both tenures are now facing unaffordable housing costs, especially as private landlords sell up. Average UK house prices, adjusted for inflation, fell by about 20% in the early 1990s, then between 2008-10, and again over the last three years with house prices up by about 10% on average and the RPI up by 30%. Real house prices are unlikely to recover for some time.

Housing costs, to buy or rent, are still unaffordable in most areas of the UK by long-term standards. Only 70,000 social homes to rent have been built in the last 10 years, against twice that number every year in the 1950s and 1960s: under Conservative as well as Labour Governments. The sustainable solution to the UK's housing crisis is to build much more genuinely affordable social housing, along with radical reform of the planning system to stop land hoarding by private developers.

The economic outlook is improving for 2024, but it does depend on international conflicts staying contained. The collapse in annual inflation rates in the UK and the rest of Europe is boosting real incomes and business and consumer confidence here but it shows no signs of improving the Government's fortunes and investors are relaxed about the General Election within the next nine months. The strength of the US economy and Mr Trump's legal travails now give him and President Biden each a 50-50 chance, according to the betting markets for what they are worth. US economic policy making under a re-elected President Biden would be more prudent than under Trump but the US election is unlikely to move markets until late autumn.

Meanwhile, as extreme weather records are being broken month by month around the world, long term investors in direct property, even more than in other asset classes, must keep ahead of the climate change curve.

Conclusion

The UK economy is growing slowly again after a flat year, annual consumer price inflation will dip below 2%, if only briefly, this summer and short term interest rates should be lower by the year end. But longer term interest rates also need to be seen as stable before the property market as a whole, as measured by the main indices, makes real progress. The key to outperformance by property portfolios on both the income and total return fronts in this tough economic climate, with public sector finances under serious long term pressure, is therefore still to stick to strong tenants, paying affordable rents on long, index-related leases for sustainable buildings in prosperous locations.

That means avoiding office investments for the foreseeable future and focussing hard in other sectors on upgrading portfolio quality, especially on covenant strength, by constant vigilance in acquisitions, disposals and lease extensions.

Annual portfolio summary

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

The portfolio comprises 35 properties across six well diversified sub-sectors, all let on 38 full repairing and insuring leases (WAULT 11.6 years to the tenants' option to break) to 20 different tenant covenants across England, Scotland and Wales, with 55% of rents coming from the top five tenants. All are freehold except two, which are long leasehold with 107 and 81 years to run (Doncaster and Fareham). Fareham has since been sold in May after the year end.

Index-related rent reviews

The contracted income on the whole portfolio stands at £9.7 million per annum, where 95.6% (37 out of 38 tenancies) have index-related or fixed increases. Only Fareham had open market reviews.

Over the financial year, 11 rent reviews completed representing 40% of the rent roll, with an average increase of 12.2% on their rents passing. This added £0.4 million (4.9%) to all held properties. Five were annual reviews: three were RPI-linked and two with fixed increases. Five had five yearly RPI-linked reviews, and one had a three-yearly open market rent review.

There are 38 leases, which are reviewed with either RPI-linked (71%), CPI-linked (11%) or fixed increases (14%) and there was just one industrial / warehouse (Fareham) with an open market review (4%).

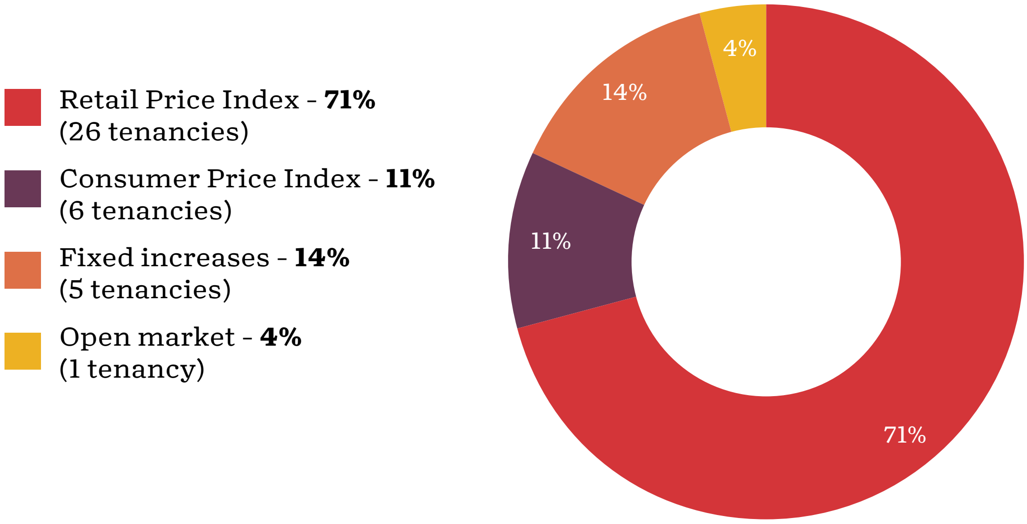
Eight tenancies representing 32% (year ended 31 March 2024) of the rental income have annual rent reviews and 29 (64%) have five yearly reviews with one (4%) having a three yearly review pattern. Over the next five years, the following percentage of rental income will be reviewed in each financial year, based on the portfolio as at 31 March 2024.

Year ending 31 March	Annual	5 yearly	3 yearly	Total
2025	32%	3%	–	**35%**
2026	32%	29%	–	**61%**
2027	32%	8%	4%	**44%**
2028	32%	12%	–	**44%**
2029	32%	12%	–	**44%**

Over the next 12 months, 10 tenancies, representing 35% of the total rent roll, will undergo a rent review.

Of the index-related rents within the portfolio; 68% of the RPI-linked and CPI-linked rents are subject to collared uplifts, which average 1.7% per annum and 74% are subject to capped uplifts, which average 3.8% per annum. 12% of the total indexed income has uncapped RPI increases. Fixed rent review uplifts average 2.4% per annum.

Indexed income review pattern by contracted income



Purchases and sales

Three purchases for £11.85 million and seven sales for £13.25 million completed over the year.

Purchases completed

The purchase of three long-let index-related leisure properties completed during the year for £11.85 million at a net initial yield of 7.8%, rising to 8.5% in May 2024.

Health Club - Clearview Health & Racquets Club, Little Warley Hall Lane, Brentwood, Essex
This purchase of a 76,000 sq ft health club on a freehold 6.7 acre site near Brentwood, 2 miles from M25 Junction 29, completed in November 2023 at a purchase price of £6.1 million. It is let to Virgin Active Limited until July 2036 (WAULT 12.7 years); with annual RPI-linked rent increases with a minimum of 1% and a maximum of 4% p.a. The net initial purchase yield was 7.5%, rising to 8.7% in May 2024.

Bowling - Hollywood Bowls
The purchase of the following two freehold properties completed in March 2024 at a combined purchase price of £5.75 million. They are both let to Hollywood Bowl Group plc until August 2040 (WAULT 16.4 years) with annual RPI-linked rent reviews with a minimum of 2% and a maximum of 3% p.a. Their net initial purchase yield was 8.2%.

Ashford, Kent: 43-79 Station Road is a freehold 20,165 sq ft building on a 0.7 acre town centre site.

Peterborough, Cambridgeshire: Sturrock Way is a freehold 22,667 sq ft building on a 1.9 acre site.

Sales completed

The sale of seven weaker properties completed during the year for £13.25 million, just above valuation at an average net yield of 7.5%. Four were pubs let to Stonegate, plus two short let petrol stations and an overrented convenience store.

Sales exchanged

Contracts were exchanged in November 2023 for the sale to the tenant, Shepherd Neame, of the pub in London EC1 at a net sale yield of 3.5%, rising to 4.7% in January 2024 with completion fixed for 5 July 2024. This was above the September 2023 valuation and in line with the March 2024 valuation. Contracts were exchanged in May for the sale of a short-let industrial property in Thurrock at a net sale yield of 5.3%, well above valuation. Completion is fixed for June 2024.

Sales completed since 31 March 2024

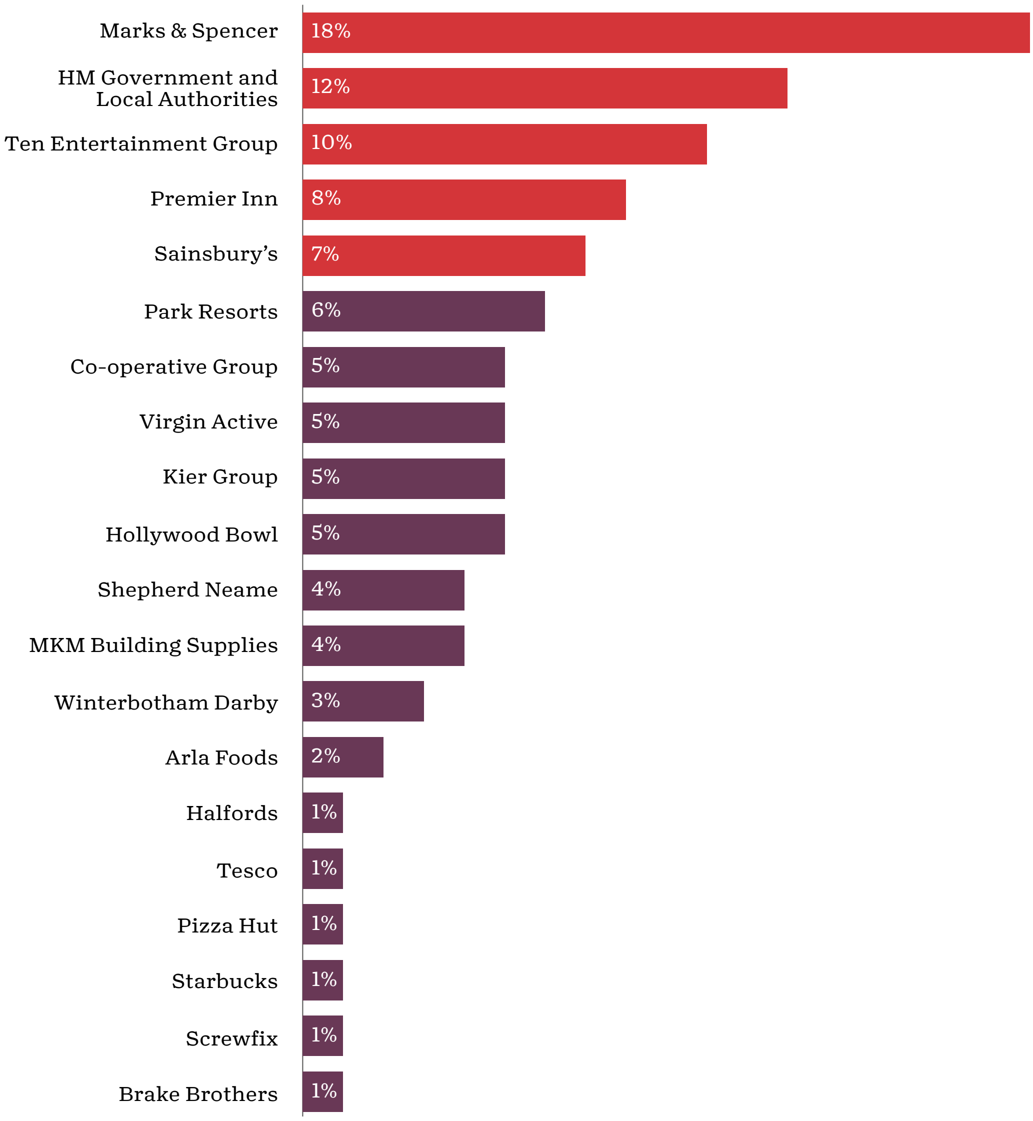
The sale of the short-let leasehold industrial estate at Fareham let to Hampshire County Council exchanged and completed in May above valuation at a net sale yield of 8.8%.

We are actively seeking to reinvest the sales proceeds to further upgrade portfolio quality and reduce risk.

Rent collection

100% of all contracted rents due were collected during the year to 31 March 2024. The top five tenants have 15 leases: Marks & Spencer, HM Government and Local Authorities, Ten Entertainment Group, Premier Inn and Sainsbury's, representing 55% of the contracted income.

Contracted income by tenant %



Fully let

The portfolio is fully let, with no voids (MSCI UK Monthly Property Index void rate: 10.4%).

Responsible impact based ESG management

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

All VIP's properties are regularly reviewed, ESG improvements implemented at appropriate asset management stages and properties, such as Fareham, sold where performance may be negatively impacted by ESG factors.

Energy Performance Certificates (EPCs)

97% of the properties now have an EPC rating A-C (up from 64% in 2022). This rises to 100% after the sale of Fareham. We continue to work with our tenants to upgrade properties and improve EPC ratings.

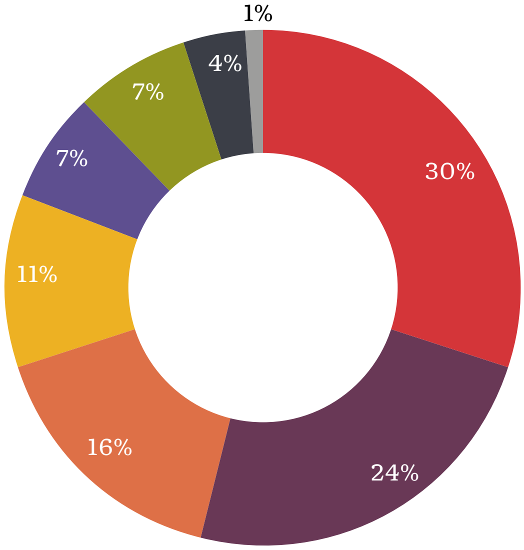
Top 10 properties by capital value

Property	Tenant	Sector	% of portfolio by capital value
Dover	Park Resorts	Caravan Park	8%
Newport, Isle of Wight	Marks and Spencer	Supermarket	7%
Rayleigh	Marks and Spencer	Supermarket	6%
Garstang	Sainsbury's	Supermarket	6%
Coventry	Tenpin, Pizza Hut & Starbucks	Bowling	6%
Aylesford	Kier	Industrial / Warehouse	5%
Brentwood	Virgin Active	Health Club	5%
Catterick	Premier Inn	Hotel	4%
Alnwick	Premier Inn	Hotel	4%
Milton Keynes	Winterbotham Darby	Industrial / Warehouse	4%
Total			**55%**

Peterborough

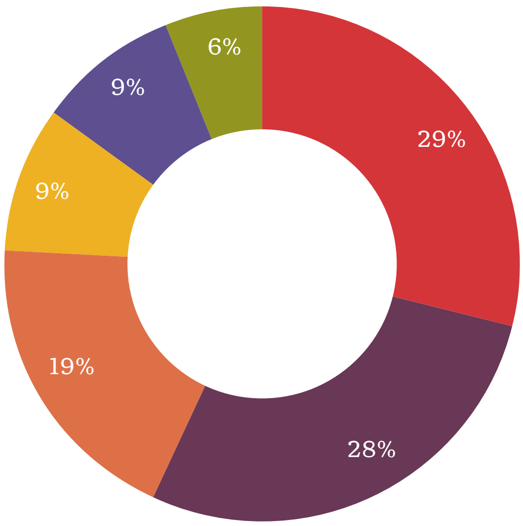
Capital value % by region

- South East - **30%** (8 properties)
- North - **24%** (8 properties)
- East Anglia - **16%** (5 properties)
- Midlands - **11%** (3 properties)
- South West - **7%** (3 properties)
- Scotland - **7%** (5 properties)
- London - **4%** (2 properties)
- Wales - **1%** (1 property)

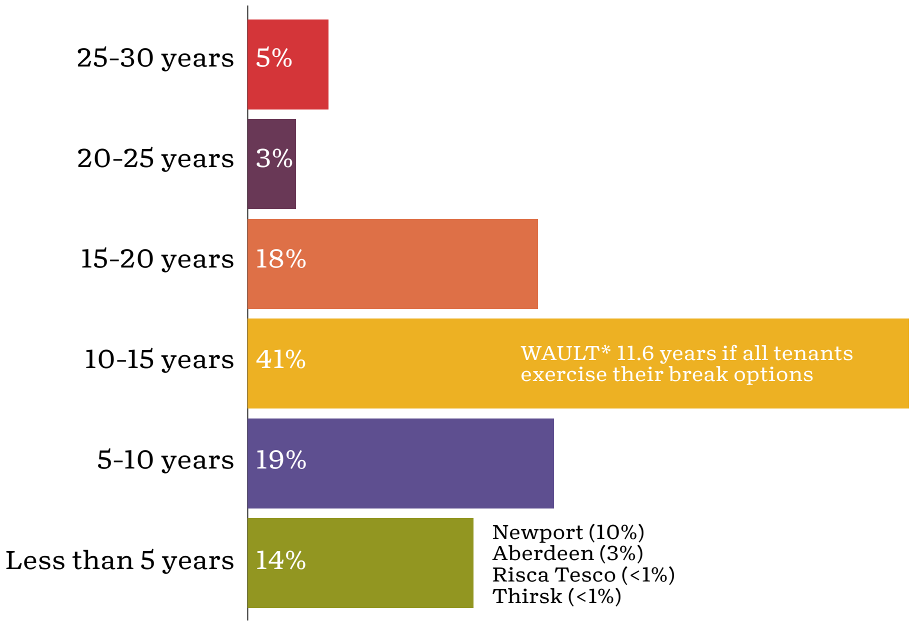


Capital value % by sector weighting

- Supermarkets - **29%**
- Industrial / Warehouse - **28%**
- Bowling and Health Club - **19%**
- Hotels - **9%**
- Other - **9%**
- Pubs - **6%**



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



* Weighted Average Unexpired Lease Term

Performance and independent revaluation

Savills' independent valuation at 31 March 2024 on all 35 properties totalled £138,100,000, as detailed in Note 9 to the Financial Statements on pages 100 to 102 of this Annual Report, reflecting a net initial yield of 6.6% after deducting notional purchase costs (31 March 2023: 5.8%, 30 September 2023: 6.1%). The valuation totals at 31 March 2023 were £150,500,000 and at 30 September 2023 (half-year) £135,450,000.

On a like for like basis, excluding purchases and sales, the portfolio's capital value declined by 5.0% in the first half of the year and by 3.7% in the second, reflecting the impact of rising interest rates across the investment property market. Purchases and sales were profitable, adding 0.4% to the VIP portfolio's total value over the year.

Investment turnover across the market remains very low with a wide spread between what most buyers are prepared to offer and most sellers to accept. Most completed sales, therefore, are from vendors under redemption of refinancing pressure. Investors are cautious and risk averse.

The only sector in the portfolio to gain in value over the year was pubs, up by 16.9% on exceptional rent increases and a profitable deferred sale, with bowling down by 3.2%. The supermarket, hotel and industrial/warehouse sectors all fell by 10%-12% as pressure on valuation yields on lower yielding properties in particular outweighed rental growth.

Contracted rental income at the year end rose to £9.7 million against £9.3 million at end March 2023, due mainly to rent increases over the year delivering rental growth of 4.9% on all held properties, usefully above inflation.

The property portfolio has been upgraded and tenant quality improved with the sale of seven weaker properties, which completed for £13.25 million (four Stonegate pubs, two petrol stations and a convenience store) with the net sale proceeds reinvested in three long-let leisure property purchases for £11.85 million, a Virgin Active Health Club in Brentwood, Essex and Hollywood Bowls in Ashford, Kent and Peterborough, Cambridgeshire, all let on RPI-related leases.

The property portfolio produced a total return of 0.0% over the past six months and -1.8% over the past year to March, against -0.6% and -1.1% for the MSCI UK Quarterly Property Index, the main benchmark for commercial property performance.

The returns on VIP's property portfolio have been above the MSCI averages by between 1.9% and 3.3% a year over 3, 5, 10, 20 and 37 years. The real returns have been behind the Retail Price Index over one, three and five years but above it over longer periods, with a real return of over 7.0% a year over 37 years since the inception of OLIM Property's Management.

Matthew Oakeshott & Louise Cleary
OLIM Property Limited

11 June 2024

Property portfolio at 31 March 2024

1. Supermarkets

9 properties	**30%** of contracted rent	**7.7** years WAULT	**100%** indexed

Garstang

2. Industrial / Warehouse

13 properties	**29%** of contracted rent	**9.3** years WAULT	**85%** indexed

Westbury

3. Leisure - Bowling and Health Club

6 properties	21% of contracted rent	17.4 years WAULT	100% indexed

Brentwood

4. Leisure - Hotels

2 properties	8% of contracted rent	15.0 years WAULT	100% indexed

Alnwick

5. Leisure - Pubs

3 properties

4% of contracted rent

22.7 years WAULT

100% indexed

London

6. Other (Caravan park and library)

2 properties

8% of contracted rent

9.2 years WAULT

100% indexed


Dover

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

Value and Indexed Property Income Trust PLC's (VIP or the Company) 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 and 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).

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

Aylesford

Capital structure

As at 31 March 2024, VIP's share capital consisted of 42,664,550 Ordinary Shares of 10p nominal value in issue and 2,885,425 Ordinary Shares of 10p held in Treasury. As at the date of this Annual Report, VIP's share capital consists of 42,476,147 Ordinary Shares of 10p in issue and 3,073,828 Ordinary Shares of 10p 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 regulated investment platform, or indirectly through a lawyer, accountant or other professional adviser. Further information on how to invest in VIP is detailed on page 130.

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. The returns to investors are based on investments in directly held property.

Highlights of the year

- Net Asset Value total return (with debt at carrying value)* of -9.7% (2023 restated: -18.7%) over one year and -10.2% (2023 restated: 10.6%) over three years.
- Share Price total return* of -10.3% (2023: -9.2%) over one year and -3.2% (2023: 48.3%) over three years.
- MSCI UK Quarterly Property Index total return of -1.1% over one year (2023: -13.0%) and 2.9% (2023: 5.1%) over three years.
- Dividends for year up 2.3% - the 37th consecutive year of dividend increases.
- Dividend yield at 31 March 2024 - 7.7% (2023: 6.3%).

Financial record

	30 Sep 1986	31 Mar 1987	31 Mar 2015	31 Mar 2016	31 Mar 2017	31 Mar 2018	31 Mar 2019	31 Mar 2020	31 Mar 2021	31 Mar 2022 Restated	31 Mar 2023 Restated	31 Mar 2024
NAV (valuing debt at carrying value) (p)*	44.0	55.1	326.9	319.0	345.5	330.5	332.5	253.1	271.1	310.9	244.4	213.5
Share price (p)	42.0	52.0	254.3	221.8	255.0	262.0	251.0	165.0	218.0	239.0	204.5	171.3
Discount of share price to NAV (valuing debt at carrying value)* (%)	4.6	5.6	22.2	30.5	26.2	20.7	24.5	34.8	19.6	23.1	16.3	19.8
Dividend per share (p)	N/A	1.25	9.0	10.5	11.0	11.4	11.8	12.1	12.3	12.6	12.9	13.2
Total assets less current liabilities (£m)	17.4	24.8	189.0	185.5	207.3	200.4	205.6	176.2	177.6	195.0	157.0	143.1

* This is an Alternative Performance Measure (APM) which has been explained in the Glossary on page 131.

Investment objective and investment policy

Investment objective

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

Investment policy

The Company's policy is to invest in directly held UK commercial property and cash or near cash securities. UK directly held commercial property will usually account for at least 80% of the total portfolio but it may fall below that level if relative market levels and investment value, or a desired increase in cash or near cash securities, make it appropriate. The Company will not use derivatives.

The Company is permitted to invest cash held for working capital purposes pending re-investment in cash deposits, gilts and money market funds.

The UK commercial property portfolio

The Company will target secure income and capital returns linked to inflation, mainly through its diversified portfolio of UK property assets, let or pre-let to a broad range of strong tenants on long leases with rental growth subject to index-related 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% of the Company's gross asset value and no single tenant (except UK Government and public sector) will account for more than 30% of the Company's total rental income.

Aberfoyle

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% and 50% of the total portfolio. The Company will not raise new borrowings if total net borrowings would then represent more than 50% of the total assets.

Detail of the Company's current borrowings, comprising two fixed term secured loan facilities can be found in Note 12 to the Financial Statements on pages 104 and 105 of this Annual Report.

Performance, results and dividend

As at 31 March 2024, the Net Asset Value (NAV) total return (with debt at carrying value) over one year was -9.7% and the Share Price total return over one year was -10.3%. This compares to the MSCI UK Quarterly Property Index total return of -1.1%. Total assets less current liabilities were £143.1 million. A review of the performance of the property portfolio is detailed in the Chairman's Statement on pages 8 and 9 and in the Manager's Report on pages 10 to 31.

For the year to 31 March 2024, quarterly dividends of 3.2p per share were paid on 27 October 2023, 26 January 2024 and 26 April 2024, respectively. The Directors have declared a final dividend of 3.6p per Ordinary Share (2023: 3.6p) which, if approved by Shareholders at the 2024 AGM, will be paid on, or around, 26 July 2024 to Shareholders on the register on 28 June 2024. The ex-dividend date is 27 June 2024. This represents an annual increase in dividends of 2.3% as compared with the 4.3% and 3.8% annual increases in the Retail Prices and Consumer Prices (including Housing) Indices, respectively, as at the end of March 2024.

Principal and emerging risks and uncertainties

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

Market risk

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

Price risk

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

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 limits on a regular basis. Current borrowings comprise of two secured term loans, with two and nine year terms remaining, providing secure long-term funding. It is the Board's policy to maintain a gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of between 25% and 50%.

Liquidity risk

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

The Group's assets comprise investment properties which, by their nature, are not readily realisable. The maturity of the Company's existing borrowings is detailed in the interest rate risk profile section of Note 21 to the Financial Statements on pages 109 to 111.

Property risk

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

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

Against that background, the specific risks to the income from the portfolio are tenants being unable to pay their rents and other charges or leaving their properties at the end of their leases. All leases are on full repairing and insuring terms, with upward only rent reviews, and the weighted average unexpired lease length to the break option is 11.6 years. Details of the tenant and geographical spread of the portfolio are set out on pages 25 and 27. The long-term performance record through the varying property cycles since 1987 is set out on pages 124 and 125. OLIM Property is responsible for property investment management, with surveyors, solicitors and managing agents acting on the portfolio under OLIM Property's supervision.

Political risk

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

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

An explanation of certain economic and financial risks and how they are managed is contained in Note 21 to the Financial Statements on pages 108 to 114.

Climate change and social responsibility risk

The Board recognises that climate change is an important risk that all companies should take into consideration within their strategic planning. As referred to elsewhere in this Strategic Report on pages 8, 26 and 41 and in the Governance Report on pages 47 and 64 in this Annual Report, the Company has little direct impact on environmental issues. All of the Company's properties are let on full repairing and insuring leases, with the tenants responsible for complying with statutory obligations. The Board is aware that the Manager continues to take into account environmental, social and governance (ESG) matters, and, in particular, Energy Performance Certificates and flood risks, in managing the portfolio. In accordance with the RICS Professional Standard 'Sustainability and ESG in commercial property valuation and strategic advice', the Savills' valuation of the Company's properties takes into consideration sustainability and ESG factors.

Economic risk

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

Other key risks

Additional risks and uncertainties include:

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

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

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

Breaches of controls by service providers to the Company could also lead to reputational damage or loss. The Audit and Management Engagement Committee monitors compliance with regulations by reviewing internal control reports from the Administrator and from the Investment Manager.

Alternative investment fund managers directive

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

In accordance with the requirements of the AIFMD, the Company appointed VIS as its Alternative Investment Fund Manager (AIFM) and BNP Paribas Securities Services S.A. 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, which also enable Shareholders and prospective investors to gain an understanding of its business.

A historical record of these performance measures, with comparatives, together with the Alternative Performance Measures (APMs) are shown in the Highlights of the year and Financial record section on page 33 of this Business Review. Definitions of the APMs can be found in the Glossary on page 131.

The Directors have identified the following as key performance indicators:

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

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

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

The Board reviews the Company's rental income and operational expenses on a quarterly basis, as the Directors consider that both of these elements are important components in the generation of Shareholder returns. Further information can be found in Notes 2 and 4 to the Financial Statements on pages 95 and 96.

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

Share buy-backs

347,914 Ordinary Shares were bought back in the year to 31 March 2024 (2023: 545,000 Ordinary Shares bought back). As at 31 March 2024, 2,885,425 Ordinary Shares of 10p each were held in Treasury. Post the year end, 188,403 Ordinary Shares were bought back and as at the date of this Annual Report 3,073,828 Ordinary Shares of 10p each are held in Treasury. Further information can be found in Note 14 to the Financial Statements on page 105.

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

Statement of compliance with investment policy

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

Newport

The Board's section 172 duty and stakeholder engagement

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

Form of Engagement	Influence on Board decision making
Stakeholder: Shareholders	
AGM – Shareholders are encouraged to attend the AGM and are provided with the opportunity to ask questions and engage with the Directors and the Manager. Shareholders are also encouraged to exercise their right to vote on the resolutions proposed at the AGM (please refer to the further information on the AGM in the Directors' Report on pages 52 and 53). Shareholder documents – The Company reports formally to Shareholders by publishing Annual and Interim Reports, normally in June and November each year. Significant matters or reporting obligations are disseminated to Shareholders by way of announcement to the London Stock Exchange. The Company Secretary acts as a key point of contact for the Board, and all communications received from Shareholders are circulated to the Board. Other Shareholder events include investor and wealth manager lunches and roadshows organised by the Company's Corporate Broker at which the Manager is invited to present.	Dividend declarations – The Board recognises the importance of dividends to Shareholders and takes this into consideration when making decisions to pay quarterly and propose final dividends for each year. Further details regarding dividends for the year under review can be found in the Chairman's Statement on pages 8 and 9. Share buy-back policy – the Directors recognise the importance to Shareholders of the Company maintaining a share buy-back policy and considered this when establishing the current programme. Further details can be found in this Business Review on page 39 and in the Directors' Report on page 53. Shareholder communication and feedback from the Broker directly influences the Board's review of strategy, the asset allocation considerations, and the Manager's guidance on desirable investment characteristics. The Directors recognise the importance to Shareholders of having a diverse Board with a range of skilled and experienced individuals represented.
Stakeholder: Manager	
Quarterly Board Meetings – The Manager attends every Board Meeting and presents a detailed portfolio analysis and reports on key issues, including the performance of the property portfolio. The Directors challenge the Manager where they feel it is appropriate.	The Directors and the Manager are cognisant of the Company's investment policy and the strategy agreed by the Board, which the Manager has been tasked with implementing. The Board engages constructively with the Manager to ensure investments are consistent with the agreed strategy and investment policy and supported the decision during the year to strengthen the portfolio with the purchase of three long-let leisure investments at yields over 8%, and the sale of seven weaker properties, including the last Stonegate pub holdings. The Manager works closely with all tenants and, as a result, 100% of all contracted rents due were collected in the year to 31 March 2024.

Form of Engagement	Influence on Board decision making
Stakeholder: Corporate Broker	
The Corporate Broker attends Board Meetings regularly to present an update on the market, the Company's performance, and a comparison with the performance of the Company's peers.	The Directors review the performance of all third party service providers and, during the year, made the decision to appoint Joh. Berenberg, Gossler & Co. KG as its new Corporate Broker.
Stakeholder: Depositary and Custodian	
Regular statements and control reports received, with all holdings and balances reconciled.	The Directors review the performance of all third party service providers, including oversight of securing the Company's assets.
Stakeholder: Advisers & Registrar	
The Company relies on the expert audit, accounting and legal advice received from its Auditor, Administrator and Legal Advisers. The Directors ensure that the Registrar is a market leader in the services it provides to the Company's Shareholders.	The Directors review the performance of all third party service providers and, during the year, on the recommendation of the Audit and Management Engagement Committee, appointed RSM UK Audit LLP as new Auditors to the Company.

There were no other key decisions made in the year to 31 March 2024 that require to be disclosed.

Employee, environmental and human rights policy

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

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

Independent auditor

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

Future strategy

The Board and the Investment Manager intend to maintain the strategic policies set out above for the year ending 31 March 2025 as it is believed that these are in the best interests of Shareholders.

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

Approval

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

John Kay
Chairman

11 June 2024

York

Governance Report

John Kay
Chairman

Sir John Kay is an economist specialising in the application of economics to business issues. He has been chairman of London Economics, has held chairs at the London Business School and Oxford University and was previously a director of Scottish Mortgage Investment Trust. John was knighted in the Queen's 2021 Birthday Honours List for services to economics, finance and business. He was appointed as a Director on 4 February 1994 and as Chairman on 8 July 2022 and is a member of the Audit and Management Engagement and Nomination Committees.

Matthew Oakeshott

Matthew Oakeshott, after studying economics at Oxford University and a period as special adviser to Mr Roy Jenkins as Home Secretary, joined S.G.Warburg & Co in 1976 and became a director of Warburg Investment Management in 1978. He was Investment Manager of Courtaulds Pension Fund from 1981 to 1985. He is chairman of OLIM Property Limited, which manages the Company's property portfolio. Matthew is one of the original founders of the Company having served previously on the Board from 1 April 2007 to 1 April 2019. He was re-appointed as a Director on 10 September 2020.

David Smith

David Smith retired from the legal firm Shepherd and Wedderburn LLP in 2008 where he was a partner for 34 years, specialising in commercial property. He was appointed as a Director on 10 July 2009 and chairs the Audit and Management Engagement Committee and the Nomination Committee.

Jo Valentine

Baroness Josephine Valentine was appointed as a Director on 13 November 2020. She is a crossbench member of the House of Lords and her other current non-executive roles include, chair of Heathrow Southern Railway Ltd and an executive at Business in the Community.

Other previous roles have included chief executive of London First; an investment banker at Barings Bank; head of the corporate finance and planning function at The BOC Group; a National Lottery commissioner; a member of the Board of Governors for The Peabody Trust, a London housing association; a non-executive director of HS2 and of Crossrail; and a board member of a Triple Point venture capital trust. Jo is the Company's Senior Independent Director and a member of the Audit and Management Engagement and Nomination Committees.

Lucy Winterburn

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

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

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

The Directors submit their report together with the Financial Statements of the Group and the Company for the year ended 31 March 2024. A summary of the financial results for the year can be found in the Highlights of the year and Financial record in the Business Review on page 33. Details of the final dividend for the year are set out in the Chairman's Statement and in the Business Review within the Strategic Report. The Statement of Corporate Governance, which forms part of this Directors' Report, is shown on pages 58 to 65.

Principal activity and status

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

The Company is a member of the AIC, and its Ordinary Shares are listed on the London Stock Exchange.

Regulatory status

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

Going concern

The Group and the Parent Company's business activities, together with the factors likely to affect their future development and performance, are set out in the Chairman's Statement on pages 8 and 9, the Manager's Review on pages 10 to 31, and in the Business Review on pages 32 to 41, and the financial position of the Group and of the Parent Company is described in the Chairman's Statement within the Strategic Report. In addition, Note 21 to the Financial Statements includes: the policies and processes for managing the financial risks; details of the financial instruments; and the exposures to market risk (price risk and interest rate risk), liquidity risk, credit risk and property risk. The Directors believe that the Group and the Parent Company are well placed to manage their business risks.

Following a detailed review, the Directors have a reasonable expectation that the Group and the Parent Company have adequate financial resources to enable them to continue in operational existence for the foreseeable future, being at least 12 months from approval of the Financial Statements, and accordingly, they have continued to adopt the going concern basis (as set out in Note 1(b) to the Financial Statements on page 91) when preparing the Annual Report and Accounts.

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 2029. The Board considers that this five-year period is appropriate for an investment trust company of its size and based on the financial position of the Company as detailed in the Chairman's Statement, the Manager's Report and the Business Review of this Annual Report.

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

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

a. The property portfolio was valued at £138.1m as at 31 March 2024 as detailed in Note 9 to the Financial Statements on pages 100 to 102 of this Annual Report. The loan facilities expiring in 2026 and 2033 require security of £88.625m.

b. The Company is closed ended in nature and, therefore, does not require to sell investments when Shareholders wish to sell their shares. Proposals will be put to the 2026 AGM of the Company to offer Shareholders an exit at net asset value less costs.

c. The Board has considered the risks faced by the Company as detailed in the Business Review and referred to in Note 21 to the Financial Statements on pages 108 to 114 and have concluded that the Company would be able to take appropriate action to protect the value of the Company.

d. Due to the nature of the business of the Company and the nature of its investments and to the Company's long history, the Board are able to conclude that expenses are predictable and modest in relation to asset values. There is a significant proportion of expenses on an ad valorem basis (management fees to 31 March 2024 are 22.1% of total expenses) which reduces as NAV declines. Expenses including interest were covered 2.33 times by income in the year.

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

f. Details of the financial covenants which the Company complies with are detailed in Note 12 to the Financial Statements on pages 104 and 105.

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 2029.

Financial instruments

The Company's financial instruments comprise of its investment portfolio, cash balances, and payables and receivables 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 on pages 108 to 114.

Global greenhouse gas emissions

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

Share capital and voting rights

As at 31 March 2024, the Company's share capital comprised 42,664,550 Ordinary Shares of 10p nominal value in issue and 2,885,425 Ordinary Shares of 10p nominal value held in Treasury (31 March 2023: 43,012,464 Ordinary Shares of 10p nominal value in issue and 2,537,511 Ordinary Shares of 10p nominal value in Treasury). As at the date of this Annual Report, the Company's share capital comprised 42,476,147 Ordinary Shares in issue and 3,073,828 Ordinary Shares 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.

Directors

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

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

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

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

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

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

No external search consultancy was used by the Company during the year ended 31 March 2024.

During the year under review, the Nomination Committee reviewed the skills, experience and independence of John Kay, Matthew Oakeshott, David Smith, Jo Valentine and Lucy Winterburn, being the Directors standing for re-election. The process was led by the Senior Independent Director and involved discussions with each Director on their performance, the performance of the Committees of the Board, and of the Board as a whole. No individual Director was responsible for their own appraisal. The appraisal of the Senior Independent Director was undertaken by the Chairman and the appraisal of the Chairman was undertaken by the Nomination Committee in his absence. Following the review, the Committee has no hesitation in recommending to the Board and to Shareholders their re-election as Directors at the AGM.

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

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

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

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

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

Lucy Winterburn is a Chartered Surveyor and Director in Savills Investment Management UK Investment Team and a Fund Manager for a FTSE 100 Corporate Pension Fund invested throughout the UK across all commercial property sectors.

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

The Board believes that, for the above reasons, the contribution of each Director continues to be important to the continued long-term success of the Company, as the combined skills and experience ensure a balanced Board of Directors with a wealth of knowledge and understanding in the key areas that are relevant to the Company. It is, therefore, believed to be in the best interests of Shareholders that those Directors standing for re-election be re-elected and Resolutions to this effect will be proposed at the 2024 AGM.

Investment management

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

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

Accordingly, during the year ended 31 March 2024, OLIM Property received an annual investment management fee of £863,000 (2023 - £990,000) excluding VAT.

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

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

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

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

Substantial interests

As at 31 March 2024, 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*	8,497,916	19.9%
RATHBONE NOMINEES LIMITED <CHARITY>*	4,500,000	10.6%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	3,357,778	7.9%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	1,798,927	4.2%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	1,791,996	4.2%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	1,519,670	3.6%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <TDWHSIPP>	1,416,039	3.3%

* Included in the Rathbones Nominees Limited and the Rathbones Nominees Limited (Charity) holding is 10,915,000 Ordinary Shares (25.6%) indirectly held by Matthew Oakeshott, as detailed on page 57.

As at 10 June 2024, 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*	8,404,800	19.8%
RATHBONE NOMINEES LIMITED <CHARITY>*	4,500,000	10.6%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTISAS>	3,462,268	8.2%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <15942>	1,826,144	4.3%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <SMKTNOMS>	1,745,053	4.1%
HARGREAVES LANSDOWN (NOMINEES) LIMITED <HLNOM>	1,473,055	3.5%
INTERACTIVE INVESTOR SERVICES NOMINEES LIMITED <TDWHSIPP>	1,409,920	3.3%

* Included in the Rathbones Nominees Limited and in the Rathbone Nominees Limited (Charity) holding is 10,915,000 Ordinary Shares (25.7%) indirectly held by Matthew Oakeshott, as detailed on page 57.

Independent auditor

RSM UK Audit LLP (RSM) were appointed as the Company's Independent Auditor on 14 November 2023.

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 2024 AGM to propose the appointment of RSM and to authorise the Directors to fix its remuneration. The Directors have received assurances from RSM that it is independent and objective and the Directors remain satisfied that objectivity and independence is being safeguarded by RSM. No non-audit services were provided by RSM to the Company and, accordingly, no non-audit fees were paid to RSM during the year to 31 March 2024.

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

Additional information

Information relating to dividends, likely future developments and important events since the year end, are detailed in the Chairman's Statement on pages 8 and 9 and in the Business Review on pages 32 to 41. Where not provided elsewhere in the Directors' Report, the following additional information is required to be disclosed by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

There are no restrictions on the transfer of Ordinary Shares in the Company, or their related voting rights, other than certain restrictions which may from time to time be imposed by law (for example, the Market Abuse Regulation). The Company is not aware of any agreements between Shareholders that may result in a transfer of securities and/or voting rights.

The Company's Articles may only be amended by the passing of a Special Resolution at a general meeting of Shareholders.

Annual General Meeting

The Notice of the Annual General Meeting, which will be held on Thursday, 11 July 2024 at 12.30pm at the offices of Shepherd And Wedderburn LLP, 9 Haymarket Square, Edinburgh EH3 8FY and related notes can be found on pages 132 to 136 of this Annual Report.

The Board encourages Shareholders to vote at the AGM and votes can be submitted by hard copy proxy form, via CREST, or electronically using the Registrar's share portal service at www.investorcentre/eproxy. Please refer to the notes to the Notice of Annual General Meeting on pages 134 to 136 of this Annual Report.

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

Among the Resolutions being put to the AGM, the following is a more detailed explanation of Resolutions 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 £424,761. This will allow the Directors to allot up to 4,247,610 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 132 to 136 of this Annual Report) (excluding Treasury shares).

During the year ended 31 March 2024, no Ordinary Shares were allotted (2023: 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 £424,761, being up to 4,247,610 Ordinary Shares, representing 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 132 to 136 of this Annual Report (excluding Treasury shares). 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 2024, 347,914 Ordinary Shares were bought back by the Company to be held in Treasury, (2023: 545,000 shares bought back and held in Treasury).

As at the date of the approval of this Annual Report, there were 3,073,828 Ordinary Shares held in Treasury.

The Company's buy back authority was last renewed at the AGM held on 2 August 2023. 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) (being approximately 6,367,174 Ordinary Shares as at the date of the Notice of Annual General Meeting set out on pages 132 to 136 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 2025 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 2025 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 to be held on Thursday, 11 July 2024.

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

11 June 2024

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

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

As at 31 March 2024, and as at the date of this Annual Report, the Company had five Directors and their biographies are shown in the Directors' Details section on page 44 of this Annual Report. The names of the Directors who served during the year together with the fees paid during the year are shown in the table on page 55.

Remuneration policy

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

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

It is the Board's intention that the above Remuneration Policy be put to a Shareholders' vote at least once every three years and, as a resolution was last approved at the AGM held in 2023, an Ordinary Resolution for its approval for the three years to 31 March 2029 will next be proposed at the AGM to be held in 2026.

At the AGM held on 2 August 2023, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Policy for the three years to 31 March 2026 was as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Policy	99.19	0.81	43,352

During the year ended 31 March 2024, the Board was not provided with advice or services by any person in respect of its consideration of the Directors' remuneration. However, in the application of the Board's policy on Directors' remuneration, as defined above, the Committee expects, from time to time, to review the fees paid to the directors of other investment trust companies.

During the year ended 31 March 2023, the Nomination Committee carried out a review of the remuneration policy and the level of Directors' fees and recommended to the Board that rates should be increased by approximately 10% for each Director with effect from 1 April 2023 and fixed at the revised rate for the year to 31 March 2025. Accordingly, the rates for the year to 31 March 2025 will remain at the rates agreed for the year to 31 March 2024 and comprise £33,000 for the Chairman, £27,000 for the Chairman of the Audit and Management Engagement Committee and £24,500 for each other Director.

An Ordinary Resolution to approve this Directors' Remuneration Report will be put to Shareholders at the 2024 AGM. At the AGM held on 2 August 2023, the result in respect of the Ordinary Resolution to approve the Directors' Remuneration Report for the year ended 31 March 2023 was as follows:

	Percentage of votes cast for	Percentage of votes cast against	Number of votes withheld
Remuneration Report	99.23	0.77	43,352

Directors' fees and total remuneration (audited)

The Company does not have any employees and Directors' remuneration comprises solely of Directors' fees. The Directors' fees for the years ended 31 March 2021, 2022, 2023, 2024 and projected fees for the year ending 31 March 2025, respectively are as follows:

	Directors' fees (fixed) Year ended 31 March 2021 £	% change for the year to 31 March 2022	Directors' fees (fixed) Year ended 31 March 2022 £	% change for the year to 31 March 2023	Directors' fees (fixed) Year ended 31 March 2023 £	% change for the year to 31 March 2024	Directors' fees (fixed) Year ended 31 March 2024 £	% change for the year to 31 March 2025	Directors' fees (fixed) Year ending 31 March 2025 £
James Ferguson[1]	30,000	–	30,000	–	8,145	–	–	–	–
John Kay[2]	22,000	–	22,000	–	27,828	10.0	33,000	-	33,000
Dominic Neary[3]	22,000	–	6,860	–	–	–	–	–	–
Matthew Oakeshott[4]	–	–	–	–	–	-	–	–	–
David Smith (Chair of the Audit and Management Engagement Committee)	24,500	–	24,500	–	24,500	10.2	27,000	–	27,000
Jo Valentine[5]	8,433	–	22,000	–	22,000	11.4	24,500	–	24,500
Lucy Winterburn[6]	–	–	–	–	14,667	11.4	24,500	–	24,500
Total	106,933	–	105,360	–	97,140	–	109,000	–	109,000

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

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

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

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

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

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

The percentage changes are calculated based on the annualised amount payable to each individual Director.

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 2024 (2023: £nil).

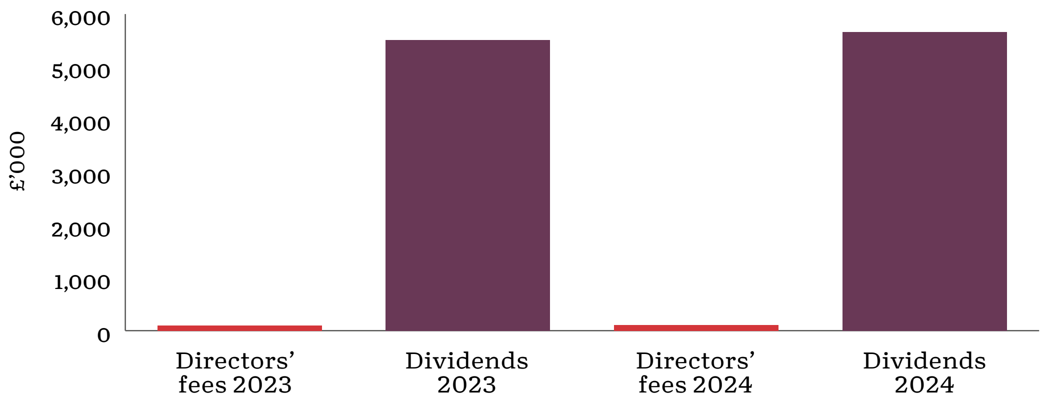
Directors do not have service contracts, but new Directors are provided with a letter of appointment. The terms of appointment provide that Directors should retire and be subject to election at the first AGM after their appointment. The Company's Articles require all Directors to retire by rotation at 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 2024, 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 2023 and 31 March 2024, the cost of Directors' fees compared with the level of dividend distribution.

Relative Cost of Directors' Remuneration



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

Directors' and Officers' liability insurance

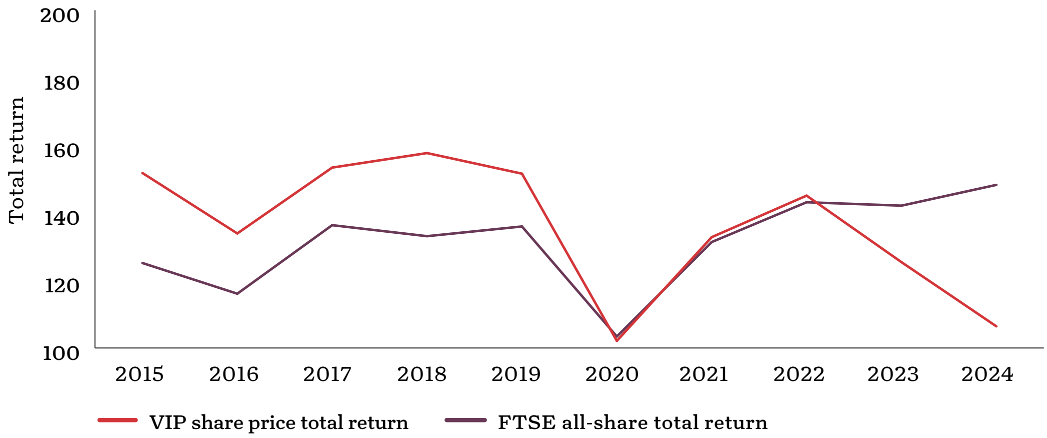
The Company purchases and maintains liability insurance covering the Directors and Officers of the Company. This insurance is not a benefit in kind, nor does it form part of the Directors' remuneration.

Company performance

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

The graph below compares the total returns on an investment of £100 in the Ordinary Shares of the Company, for each annual accounting period for the ten years to 31 March 2024, assuming all dividends are reinvested, with the total shareholder return on a notional investment of £100 made up of shares of the same kinds and number as those by reference to which the FTSE All-Share Index is calculated. This index was chosen for comparison purposes as it was the most relevant to the Company's investment portfolio for the ten year period under review.

Cumulative total return for the ten year period ended 31 March 2024
(figures rebased to 100)



Directors' interests (audited)

The Directors' interests in the share capital of the Company as at 31 March 2024 (which were unchanged as at the date of this Annual Report), and as at 31 March 2023 are shown below. There is no requirement for Directors to hold shares in the Company.

	31 March 2024 Ordinary Shares of 10p each	31 March 2023 Ordinary Shares of 10p each
John Kay	238,114	238,114
John Kay – Family	19,274	19,274
John Kay – as Trustee	74,830	74,830
Matthew Oakeshott & family	–	4,500,000
Matthew Oakeshott – the AIL Pension Scheme	6,415,000	2,555,000
Matthew Oakeshott - The Coltstaple Charitable Trust	4,500,000	4,500,000
David Smith	19,320	19,320
Jo Valentine	13,500	13,500
Lucy Winterburn	–	–

Approval

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

David Smith
Director

11 June 2024

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

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

The key requirements of the AIC Code include:

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

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

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

Application of the main principles of the AIC code

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

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

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

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

The Board

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

Other than Matthew Oakeshott, who is chairman of OLIM Property and a substantial Shareholder, all other Directors who served during the year are considered by the Board to be independent of the Investment Manager and free of any material relationship with the Investment Manager. The Board sets the Company's values and objectives and ensures that its obligations to Shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues. These matters include:

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

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest, as required by the Companies Act 2006.

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

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

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

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

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

John Kay is Chairman of the Company.

Jo Valentine is the Company's Senior Independent Director.

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

The Board meets at least four times each year.

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

During the year ended 31 March 2024, the Board held four quarterly Board Meetings; and six meetings of a Committee of the Board to approve the release of financial results and approve the release and substitution of properties from the loan agreements. In addition, there were two meetings of the Nomination Committee and three meetings of the Audit and Management Engagement Committee.

Accordingly, Directors have attended Board and Committee Meetings during the year ended 31 March 2024[1] as follows:

	Board	Board Committee	Audit and Management Engagement Committee	Nomination Committee
John Kay	4 (4)	6 (6)	3 (3)	2 (2)
Matthew Oakeshott	4 (4)	6 (6)	N/A	N/A
David Smith	4 (4)	2 (2)	3 (3)	2 (2)
Jo Valentine	4 (4)	2 (2)	3 (3)	2 (2)
Lucy Winterburn[3]	4 (4)	2 (2)	3 (3)	2 (2)

1 The number of meetings which the Directors were eligible to attend is in brackets.

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

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

Directors' terms of appointment and policy on tenure

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

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

Committees

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

Audit and Management Engagement Committee

Information regarding the composition, responsibilities and activities of the Audit and Management Engagement Committee is detailed in the Report of the Audit and Management Engagement Committee on pages 67 to 70.

Nomination Committee

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

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

Board diversity policy

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

At 31 March 2024, there were three male and two female Directors on the Board. One of the male Directors is Chairman of the Company; one of the male Directors is Chair of the Audit and Management Engagement Committee and Chair of the Nomination Committee; and one of the female directors is the Company's Senior Independent Director. None of the Directors is from a minority ethnic background.

In accordance with the FCA's Listing Rule 9.8.6R (9)(a), the table below reports on gender identity or sex and ethnic background within the Board as at 31 March 2024.

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

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

External agencies

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

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

Corporate governance and stewardship

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

Socially responsible investment policy

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

Communication with shareholders

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

In addition, both the Chairman and Senior Independent Director are available to meet major shareholders. Shareholders may contact the Directors by writing to the Chairman at the Registered Office. The address for the Registered Office can be found on page 137.

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 www.olimproperty.co.uk/value-and-indexed-property-income-trust.html from where Annual and Interim Reports, Company Announcements and other information on the Company can be viewed, printed or downloaded.

Accountability and audit

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

By order of the Board

Maven Capital Partners UK LLP
Company Secretary

11 June 2024

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

Company law requires the Directors to prepare Group and Company Financial Statements for each financial year. Under that law, the Directors are required to prepare the Group Financial Statements, and have elected to prepare the Company Financial Statements, in accordance with UK adopted international accounting standards.

The Group and Company Financial Statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group and the Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' responsibility statement

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

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

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

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

John Kay
Chairman

11 June 2024

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

Responsibilities

The principal responsibilities of the Committee include:

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

Internal control and risk management

The Directors are ultimately responsible for the Company's system of internal controls and risk management and for reviewing its effectiveness. Following publication by the FRC of "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" (the FRC Guidance), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. This process, which has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements, is regularly reviewed by the Board and accords with the FRC Guidance.

The Directors have, in tandem with VIS, reviewed the effectiveness of the system of internal controls and risk management. In particular, the Directors have reviewed and updated the process for identifying and evaluating the principal and emerging risks affecting the Company and the policies by which these risks are managed. The significant risks faced by the Company are as follows:

- Financial;
- Operational; and
- Compliance.

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

- Forecasts and management accounts are prepared which allow the Directors to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- OLIM Property regularly reports to VIS and to the Directors on the investment portfolio;
- OLIM Property's Compliance Officer keeps OLIM Property's operations under review;
- VIS regularly reports to the Directors on compliance with the AIFMD;
- written agreements are in place which specifically define the roles and responsibilities of VIS, OLIM Property and other third party service providers; and
- at its meeting in May 2024, the Audit and Management Engagement Committee carried out its annual assessment of internal controls and risk management for the year ended 31 March 2024 by considering documentation from OLIM Property and Maven Capital Partners UK LLP and by taking account of events since 31 March 2024.

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

Assessment of key risks

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

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

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

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

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

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

The valuation of the property portfolio is undertaken in accordance with the Company's stated accounting policy as set out in Note 1(k) to the Financial Statements on page 93.

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

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

Rental income recognition - How the risk was addressed

The recognition of rental income is undertaken in accordance with accounting policy Note 1(e) to the Financial Statements on page 92. 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 income. The Directors are satisfied that the level of income recognised is in line with revenue estimates. The Committee concluded that there were no further issues associated with rental income recognition which required to be addressed.

Review of investment manager and risk reporting

The Committee met three times during the year under review, in May, August and November 2023. At the meetings in May and November 2023, the Committee considered the key risks detailed above and the corresponding control and risk reports provided by the Investment Manager and the Company Secretary. No significant weaknesses in the control environment were identified and it was also noted that there had not been any adverse comment from the Auditor and that the Auditor had not identified any significant issues in its audit report. The Committee, therefore, concluded that there were no significant issues which required to be reported to the Board.

Also, at its meeting in May 2023, the Committee reviewed, for recommendation to the Board, the Audit Report from the Independent Auditor and the draft Annual Report and Financial Statements for the year ended 31 March 2023, along with the amount of the final dividend for the year then ended.

At its meeting in August 2023, as part of its annual evaluation of audit services, including the overall performance, cost effectiveness and general relationship with the external Auditor, the Audit and Management Engagement Committee agreed to conduct an audit tender selection process. Following the audit tender selection process, RSM UK Audit LLP (RSM) were appointed as the Auditor effective from 14 November 2023. RSM has conducted the audit of the Company's financial statements for the year to 31 March 2024. The appointment of RSM as auditor for the year ending 31 March 2025, will be subject to approval by Shareholders at the 2024 Annual General Meeting of the Company.

At its meeting in November 2023, the Committee reviewed the Half-Yearly Report for the period to 30 September 2023.

Subsequent to 31 March 2024, the Committee considered the draft Annual Report and Financial Statements for the year ended 31 March 2024, and provided advice to the Board that it considered that the Annual Report and Financial Statements, taken as a whole, was fair, balanced and understandable and provided the information necessary for Shareholders to assess the Company's position and performance, business model and strategy. The Committee also reviewed the performance of the Investment Manager and the terms and conditions of its appointment and concluded that the performance of the Investment Manager was satisfactory and that the continued appointment of the Investment Manager was in the best interests of Shareholders as a whole.

Review of effectiveness of external auditor

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

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 RSM's reporting.

The Auditor's Report is on pages 71 to 79. Alan Aitchison of RSM is the Senior Statutory Auditor responsible for the audit and RSM will rotate the Senior Statutory Auditor every five years. Alan Aitchison was appointed as Senior Statutory Auditor for the Company during the year to 31 March 2024 and will be rotated for the audit for the year to 31 March 2029. 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 appointment, and the Directors' responsibility for the remuneration, of the Auditor at each AGM. No non-audit services were provided to the Company by RSM 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 RSM is independent of the Company and that a Resolution for the appointment of RSM as Auditor should be put to the 2024 AGM.

David Smith
Director

11 June 2024

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

Opinion

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 2024, which comprise the Group Statement of Comprehensive Income, Company Statement of Comprehensive Income, Group Statement of Financial Position, Company Statement of Financial Position, Group Statement of Cashflows, Company Statement of Cashflows, Group and Company Statement of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2024 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	**Group** • Valuation of investment properties **Parent Company** • None
Materiality	**Group** • Overall materiality: £1,470,000 (2023: £1,505,000) • Performance materiality: £961,000 (2023: £980,000) **Parent Company** • Overall materiality: £1,469,999 (2023: £1,500,00) • Performance materiality: £955,500 (2023: £980,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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 group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties	
Key audit matter description	Investment property is held in the financial statements at fair value. There are independent valuations which are carried out by a qualified surveyor. The Group owns a portfolio of investment properties, which include supermarkets, hospitality, leisure, industrial and retail properties. The valuations depend on inputs provided by management and on criteria which are subjective, despite the involvement of an independent valuation expert. This is a key audit matter assessment because the Directors' assessment of the value of investment properties is considered a significant audit risk due to the magnitude of the total amount, the potential impact of the movement in value on the reported results and the subjectivity of the valuation process.

Valuation of investment properties	
How the matter was addressed in the audit	In response to this key audit matter, the audit procedures we performed included: Auditing the independent valuations of investment properties to ensure they have been prepared on a consistent basis for all properties and are appropriate, and correctly recorded in the financial statements in line with accounting standards. We have also ensured that any fluctuations in value are correctly accounted for through the Statement of Comprehensive Income. We assessed the external valuers' qualifications and expertise and considered their terms of engagement, we also considered their objectivity and any other existing relationships with the group and concluded that there was no evidence that the valuer's objectivity has been compromised. We engaged a property valuation specialist, as our auditor's expert, and we identified 35 properties for detailed testing based on a sample of the individually material properties, or where the current year valuation movement fell out with current market expectations or the yield fell out with expectations from our overall review of the portfolio. We discussed and challenged the valuation of 20 of these properties with the valuer directly. The valuer demonstrated a detailed knowledge of each property, the geographical location, the tenant status and the overall asset desirability. We corroborated the additional information provided to support these movements. In addition, our auditor's expert carried out a review of the valuations of the remaining 15 properties. Our expert considered the specific inputs to these valuations and also considered the comparable transaction evidence that was used by management's expert in preparing their valuation. We tested a sample of the inputs used by the valuer and ensured these reflected the correct inputs for a sample of properties. We audited the accuracy and completeness of the disclosures in the financial statements.
Key observations	Based on the procedures performed, we found the investment valuations to be within a reasonable range and the assumptions used in the valuations to be appropriate.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£1,470,000 (2023: £1,505,000)	£1,469,999 (2023: £1,500,00)
Basis for determining overall materiality	1% of Total assets	1% of Total assets
Rationale for benchmark applied	The key users of the financial statements are primarily focussed on the valuation of the property portfolio which drives the value of the total assets.	The key users of the financial statements are primarily focussed on the valuation of the property portfolio which drives the value of the total assets.
Performance materiality	£961,000 (2023: £980,000)	£955,500 (2023: £980,000)
Basis for determining performance materiality	65% of overall materiality	65% of overall materiality
Reporting of misstatements to the Audit and Management Engagement Committee	Misstatements in excess of £73,900 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £73,400 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

The Statement of Comprehensive Income has been audited to a lower performance materiality based on 5% of Operating Profit (before gains and losses on property assets and other investments) for the financial year to ensure adequate coverage of these values. This is calculated as £297,000 for the year ended 31 March 2024.

We have elected to use Total assets (rather than 1% of Investment Properties as used by the previous auditors) as a benchmark for materiality. This is because this benchmark is extremely relevant to the key users of the financial statements.

An overview of the scope of our audit

The group consists of two components, both of which are based in the UK.

The coverage achieved by our audit procedures was:

	Number of components	Revenue	Total assets	Profit before tax
Full scope audit	2	100%	100%	100%
Total	2	100%	100%	100%

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's and parent company's ability to continue to adopt the going concern basis of accounting included reviewing and evaluating management's latest forecasts and plans, considering the appropriateness and sensitivity of the key assumptions, and reviewing the key terms of debt facilities.

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

In relation to the entity reporting on how they have applied the AIC Code of Corporate Governance, 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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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.

Corporate governance statement

We have reviewed 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 AIC Code of Corporate Governance specified for our review by the Listing Rules.

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 and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 45;
- Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 46;
- Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 45;
- Directors' statement on fair, balanced and understandable set out on page 66;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 46;
- Section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 67 and 68; and
- Section describing the work of the Audit and Management Engagement Committee set out on pages 67 to 70.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 66, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included
IFRS/UK adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance
Tax compliance regulations	Inspection of advice received from external tax advisors

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team
Revenue recognition	Performed substantive testing by agreeing rental income for each property to supporting invoices; Tested the completeness of rental income by confirming that each property received the correct amount of rental income in the year; and Reviewed the accuracy and completeness of disclosures in the Annual Report in relation to revenue.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Other matters which we are required to address

Following the recommendation of the Audit and Management Engagement Committee, we were appointed by the Directors on 14 November 2023 to audit the financial statements for the year ended 31 March 2024 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is 1 year, covering the year ended 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Management Engagement Committee in accordance with ISAs (UK).

Use of our report

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

Alan Aitchinson
(Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants
Centenary House
69 Wellington Street
Glasgow
G2 6HG

11 June 2024

Milton Keynes

Financial Statements

	Note	Year ended 31 March 2024 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2023 Restated* Revenue £'000	Capital £'000	Total £'000
Income							
Rental income	2	8,824	–	8,824	8,226	–	8,226
Investment income	2	–	–	–	168	–	168
Other income	2	242	–	242	314	–	314
		9,066	–	9,066	8,708	–	8,708
Gains and losses on investments							
Realised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(137)	(137)	–	1,446	1,446
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(11,480)	(11,480)	–	(24,563)	(24,563)
Total income		9,066	(11,617)	(2,551)	8,708	(23,117)	(14,409)
Expenses							
Investment management fees	3	(863)	–	(863)	(990)	–	(990)
Other operating expenses	4	(894)	–	(894)	(895)	–	(895)
Finance costs	5	(2,142)	–	(2,142)	(1,779)	(6,269)	(8,048)
Total expenses		(3,899)	–	(3,899)	(3,664)	(6,269)	(9,933)
Profit/(loss) before taxation		5,167	(11,617)	(6,450)	5,044	(29,386)	(24,342)
Taxation	6	(1,251)	–	(1,251)	(535)	1,425	890
Profit/(loss) attributable to equity shareholders of parent company		3,916	(11,617)	(7,701)	4,509	(27,961)	(23,452)
Earnings per Ordinary Share (pence)	7	9.14	(27.11)	(17.97)	10.42	(64.62)	(54.20)

* As explained in Note 24 to the Financial Statements on pages 115 to 121 of this Annual Report.

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 non-controlling interests.

The Board is proposing a final dividend of 3.6p per share, making a total dividend of 13.2p per share for the year ended 31 March 2024 (2023: 12.9p per share) which, if approved by Shareholders, will be payable on 26 July 2024 (see Note 8).

The Notes on pages 92 to 121 form part of these Financial Statements.

	Note	Year ended 31 March 2024 Revenue £'000	Capital £'000	Total £'000	Year ended 31 March 2023 Restated* Revenue £'000	Capital £'000	Total £'000
Income							
Rental income	2	8,824	–	8,824	8,226	–	8,226
Investment income	2	–	–	–	168	–	168
Other income	2	242	–	242	314	–	314
		9,066	–	9,066	8,708	–	8,708
Gains and losses on investments							
Realised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(137)	(137)	–	1,446	1,446
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	9	–	(11,480)	(11,480)	–	(24,563)	(24,563)
Total income		9,066	(11,617)	(2,551)	8,708	(23,117)	(14,409)
Expenses							
Investment management fees	3	(863)	–	(863)	(990)	–	(990)
Other operating expenses	4	(894)	–	(894)	(895)	–	(895)
Finance costs	5	(2,142)	–	(2,142)	(1,779)	(6,269)	(8,048)
Total expenses		(3,899)	–	(3,899)	(3,664)	(6,269)	(9,933)
Profit/(loss) before taxation		5,167	(11,617)	(6,450)	5,044	(29,386)	(24,342)
Taxation	6	(1,251)	–	(1,251)	(535)	1,425	890
Profit/(loss) attributable to equity shareholders of parent company		3,916	(11,617)	(7,701)	4,509	(27,961)	(23,452)
Earnings per Ordinary Share (pence)	7	9.14	(27.11)	(17.97)	10.42	(64.62)	(54.20)

* As explained in Note 24 to the Financial Statements on pages 115 to 121 of this Annual Report.

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 92 to 121 form part of these Financial Statements.

	Note	As at 31 March 2024 £'000	As at 31 March 2024 £'000	As at 31 March 2023 Restated £'000	As at 31 March 2023 Restated £'000
Assets					
Non current assets					
Investment properties	9		135,112		147,055
Investments held at fair value through profit or loss	9		–		–
			135,112		147,055
Deferred tax asset	6		2,228		3,479
Receivables	10		5,792		6,209
			143,132		156,743
Current assets					
Cash and cash equivalents		2,695		2,273	
Receivables	10	687		337	
			3,382		2,610
Total assets			146,514		159,353
Current liabilities					
Payables	11	(3,428)		(2,376)	
			(3,428)		(2,376)
Total assets less current liabilities			143,086		156,977
Non-current liabilities					
Payables	12	(2,913)		(2,845)	
Borrowings	12	(49,073)		(49,000)	
			(51,986)		(51,845)
Net assets			91,100		105,132
Equity attributable to equity shareholders					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		68,099		82,131
Total equity			91,100		105,132
Net asset value per Ordinary Share (pence)	17		213.53		244.42

	As at 31 March 2022 Restated	
	£'000	£'000
Assets		
Non current assets		
Investment properties		152,330
Investments held at fair value through profit or loss		26,871
		179,201
Deferred tax asset		2,589
Receivables		5,934
		187,724
Current assets		
Cash and cash equivalents	5,153	
Receivables	4,521	
		9,674
Total assets		197,398
Current liabilities		
Payables	(2,423)	
		(2,423)
Total assets less current liabilities		194,975
Non-current liabilities		
Payables	(2,854)	
Borrowings	(56,723)	
		(59,577)
Net assets		135,398
Equity attributable to equity shareholders		
Called up share capital		4,555
Share premium		18,446
Retained earnings		112,397
Total equity		135,398
Net asset value per Ordinary Share (pence)		310.85

These Financial Statements were approved by the Board on 11 June 2024 and were signed on its behalf by:

John Kay
Chairman

The Notes on pages 92 to 121 form part of these Financial Statements.

	Note	As at 31 March 2024 £'000	As at 31 March 2024 £'000	As at 31 March 2023 Restated £'000	As at 31 March 2023 Restated £'000
Assets					
Non current assets					
Investment properties	9		135,112		147,055
Investments held at fair value through profit or loss	9		200		200
			135,312		147,255
Deferred tax asset	6		2,228		3,479
Receivables	10		5,792		6,209
			143,332		156,943
Current assets					
Cash and cash equivalents		2,495		2,073	
Receivables	10	687		337	
			3,182		2,410
Total assets			146,514		159,353
Current liabilities					
Payables	11	(3,428)		(2,376)	
			(3,428)		(2,376)
Total assets less current liabilities			143,086		156,977
Non-current liabilities					
Payables	12	(2,913)		(2,845)	
Borrowings	12	(49,073)		(49,000)	
			(51,986)		(51,845)
Net assets			91,100		105,132
Equity attributable to equity shareholders					
Called up share capital	14		4,555		4,555
Share premium	15		18,446		18,446
Retained earnings	16		68,099		82,131
Total equity			91,100		105,132
Net asset value per Ordinary Share (pence)	17		213.53		244.42

	As at 31 March 2022 Restated	
	£'000	£'000
Assets		
Non current assets		
Investment properties		152,330
Investments held at fair value through profit or loss		27,071
		179,401
Deferred tax asset		2,589
Receivables		5,934
		187,924
Current assets		
Cash and cash equivalents	4,953	
Receivables	4,521	
		9,474
Total assets		197,398
Current liabilities		
Payables	(2,423)	
		(2,423)
Total assets less current liabilities		194,975
Non-current liabilities		
Payables	(2,854)	
Borrowings	(56,723)	
		(59,577)
Net assets		135,398
Equity attributable to equity shareholders		
Called up share capital		4,555
Share premium		18,446
Retained earnings		112,397
Total equity		135,398
Net asset value per Ordinary Share (pence)		310.85

These Financial Statements were approved by the Board on 11 June 2024 and were signed on its behalf by:

John Kay
Chairman

The Notes on pages 92 to 121 form part of these Financial Statements.

	Note	Year ended 31 March 2024 £'000	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000
Cash flows from operating activities					
Rental income received			8,987		8,936
Dividend income received			–		266
Interest and other income received			241		295
Operating expenses paid			(1,694)		(1,974)
Taxation paid			–		(29)
Net cash inflow from operating activities	18		7,534		7,494
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		–		(7,215)	
Purchase of investment properties		(11,363)		(25,353)	
Sale of investments held at fair value through profit or loss		–		35,720	
Sale of investment properties		12,633		9,746	
Net cash inflow from investing activities			1,270		12,898
Cash flow from financing activities					
Repayment of debenture stock		–		(26,380)	
Drawdown of loan		–		13,000	
Fees paid on new loan		–		(176)	
Interest paid on loans		(1,962)		(2,815)	
Finance cost of leases		(80)		(78)	
Payments of lease liabilities		(9)		(9)	
Dividends paid	8	(5,661)		(5,507)	
Buyback of Ordinary Shares for Treasury	14	(670)		(1,307)	
Net cash outflow from financing activities			(8,382)		(23,272)
Net increase/(decrease) in cash and cash equivalents			422		(2,880)
Cash and cash equivalents at 1 April			2,273		5,153
Cash and cash equivalents at 31 March			2,695		2,273

The Notes on pages 92 to 121 form part of these Financial Statements.

	Note	Year ended 31 March 2024 £'000	£'000	Year ended 31 March 2023 £'000	£'000
Cash flows from operating activities					
Rental income received			8,987		8,936
Dividend income received			–		266
Interest and other income received			241		295
Operating expenses paid			(1,694)		(1,974)
Taxation paid			–		(29)
Net cash inflow from operating activities	18		7,534		7,494
Cash flows from investing activities					
Purchase of investments held at fair value through profit or loss		–		(7,215)	
Purchase of investment properties		(11,363)		(25,353)	
Sale of investments held at fair value through profit or loss		–		35,720	
Sale of investment properties		12,633		9,746	
Net cash inflow from investing activities			1,270		12,898
Cash flow from financing activities					
Repayment of debenture stock		–		(26,380)	
Drawdown of loan		–		13,000	
Fees paid on new loan		–		(176)	
Interest paid on loans		(1,962)		(2,815)	
Finance cost of leases		(80)		(78)	
Payments of lease liabilities		(9)		(9)	
Dividends paid	8	(5,661)		(5,507)	
Buyback of Ordinary Shares for Treasury	14	(670)		(1,307)	
Net cash outflow from financing activities			(8,382)		(23,272)
Net increase/(decrease) in cash and cash equivalents			422		(2,880)
Cash and cash equivalents at 1 April			2,073		4,953
Cash and cash equivalents at 31 March			2,495		2,073

The Notes on pages 92 to 121 form part of these Financial Statements.

Year ended 31 March 2024

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Group					
Net assets at 31 March 2023		4,555	18,446	82,131	105,132
Loss for the year		–	–	(7,701)	(7,701)
Dividends paid	8	–	–	(5,661)	(5,661)
Buyback of Ordinary Shares for Treasury	14	–	–	(670)	(670)
Net assets at 31 March 2024		4,555	18,446	68,099	91,100
Company					
Net assets at 31 March 2023		4,555	18,446	82,131	105,132
Loss for the year		–	–	(7,701)	(7,701)
Dividends paid	8	–	–	(5,661)	(5,661)
Buyback of Ordinary Shares for Treasury	14	–	–	(670)	(670)
Net assets at 31 March 2024		4,555	18,446	68,099	91,100

Year ended 31 March 2023 Restated

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Group					
Net assets at 31 March 2022		4,555	18,446	112,397	135,398
Loss for the year		–	–	(23,452)	(23,452)
Dividends paid	8	–	–	(5,507)	(5,507)
Buyback of Ordinary Shares for Treasury		–	–	(1,307)	(1,307)
Net assets at 31 March 2023		4,555	18,446	82,131	105,132
Company					
Net assets at 31 March 2022		4,555	18,446	112,397	135,398
Loss for the year		–	–	(23,452)	(23,452)
Dividends paid	8	–	–	(5,507)	(5,507)
Buyback of Ordinary Shares for Treasury		–	–	(1,307)	(1,307)
Net assets at 31 March 2023		4,555	18,446	82,131	105,132

The Notes on pages 92 to 121 form part of these Financial Statements.

1. Accounting policies

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

The presentational currency of the Group and Company, and functional currency of the 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 45 and on the historical cost basis, except for the revaluation of investment properties, investment in subsidiaries and the £35 million bank borrowings, which are valued at fair value through profit and loss. The principal accounting policies adopted are set out below. Where presentational guidance set out in the Statement of Recommended Practice Financial Statements of Investment Trust Companies and Venture Capital Trusts (the SORP) issued by the Association of Investment Companies (AIC) in July 2022 is consistent with the requirements of IFRSs, the Directors have sought to prepare the Financial Statements on a basis compliant with the recommendations of the SORP, except for the allocation of finance costs to revenue as explained in Note 1(f).

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

(b) Going concern

The Group's business activities, together with the factors likely to affect its future development and performance, are set out in the Strategic Report on pages 8 to 41. The financial position of the Group as at 31 March 2024 is shown in the Statement of Financial Position on page 84. The cash flows of the Group for the year ended 31 March 2024 are set out on page 88. The Group had fixed debt totalling £49,073,000 as at 31 March 2024, as set out in Note 12 on pages 104 and 105, none of the borrowings is repayable before March 2026. Note 21 on pages 108 to 114 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 2024, the Group's total assets less current liabilities exceeded its total non current liabilities by a factor of 2.75. The assets of the Group consist mainly of investment properties that are held in accordance with the Group's investment policy, as set out on page 34. The Directors, who have reviewed carefully the Group's forecasts for the coming year and having taken into account the liquidity of the Group's investment portfolio and the Group's financial position in respect of cash flows, borrowing facilities and investment commitments (of which there is none of significance), are not aware of anything that may cast significant doubt upon the Group's ability to continue as a going concern. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

1. Accounting policies continued

(c) Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and the entity controlled by the Company (its subsidiary). An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has ability to affect those returns through its power over the investee. The Company consolidates the investee that it controls. All intra-group transactions, balances, income and expenses are eliminated on consolidation. The investment in the subsidiary is recognised at fair value in the Financial Statements of the Company. This is considered to be the net asset value of the Shareholders' funds, as shown in its Statement of Financial Position.

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

(d) Presentation of Statement of Comprehensive Income

In order to reflect better the activities of an investment trust company and in accordance with guidance issued by the AIC, supplementary information which analyses the Statement of Comprehensive Income between items of a revenue and capital nature has been presented alongside the Statement of Comprehensive Income. In accordance with the Company's Articles, net realised capital returns may be distributed by way of dividend.

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

(e) Income

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

Where the Group has elected to receive dividend income in the form of additional shares rather than cash, the amount of cash dividend foregone is recognised as income.

Any excess in the value of shares received over the amount of cash dividend foregone is recognised as a gain in the income statement.

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

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

(f) Expenses and Finance Costs

All expenses and finance costs are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect and in accordance with the SORP, the investment management fees have been allocated, 100% to revenue to reflect the Board's expectations of long term investment returns.

It is normal practice and in accordance with the SORP for investment trust companies to allocate finance costs to capital on the same basis as the investment management fee allocation. However, as the Company has a significant exposure to property, and property companies allocate finance costs to revenue to match rental income, the Directors consider that, contrary to the SORP, it is inappropriate to allocate finance costs to capital.

(g) Other receivables

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

(h) Other payables

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

(i) Taxation

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

1. Accounting policies continued

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the date of the Statement of Financial Position, where transactions or events that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the date of the Statement of Financial Position.

This is subject to deferred tax assets only being recognised if it is considered more probable than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted.

Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to maintain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

(j) Dividends payable

Interim dividends are recognised as a liability in the period in which they are paid as no further approval is required in respect of such dividends. Final dividends are recognised as a liability only after they have been approved by Shareholders in general meeting.

(k) Investments

Equity investments

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

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.

Investment property

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

After initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in fair value are included in net profit or loss for the period as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the retained earnings.

As disclosed in Note 21, the Group leases out all of its properties on operating leases. A property held under an operating lease is classified and accounted for as an investment property where the Group holds it to earn rental, capital appreciation or both. Any such property leased under an operating lease is carried at fair value. Fair value is established by half-yearly professional valuation on an open market basis by Savills (UK) Limited, Chartered Surveyors and Valuers, and in accordance with the RICS Valuation - Global Standards (January 2022) (the 'RICS Red Book'). The determination of fair value by Savills is supported by market evidence, excluding prepaid or accrued operating lease income arising from the spreading of lease incentives or minimum lease payments because it has been recognised as a separate liability or asset. The fair value of investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments that are expected to become payable). Accordingly, if a valuation obtained for a property is net of all payments expected to be made, it will be necessary to add back any recognised lease liability, to arrive at the carrying amount of the investment property using the fair value model. These valuations are disclosed in Note 9 on pages 100 to 102.

1. Accounting policies continued

(l) Cash and cash equivalents

Cash and cash equivalents comprises deposits held with banks.

(m) Non - current liabilities

All new loans and borrowings are initially measured at cost, being the fair value of the consideration received, less issue costs where applicable. Thereafter, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement. The costs of arranging any interest-bearing loans are capitalised and amortised over the life of the loan. When the term of a loan is modified, the amortisation of costs is adjusted in line and the loan measured at fair value on the balance sheet.

(n) Leases

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

(o) Critical accounting judgements and key estimates

The preparation of the Financial Statements requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The critical accounting area involving a higher degree of judgement or complexity comprises the determination of fair value of the investment properties. The Group engages independent professional qualified valuers to perform the valuation. Information about the valuation techniques and inputs used in determining fair value as at 31 March 2024 is disclosed in Note 9 to the Financial Statements on pages 100 to 102.

(p) Adoption of new and revised Accounting Standards

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

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

Standards

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

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

IAS 7 and IFRS 7 Amendments - Supplier Finance (effective 1 January 2024)

IAS 21 Amendments - Lack of Exchangeability (effective 1 January 2025)

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.

1. Accounting policies continued

(q) Prior period adjustments and errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error.

Generally, the majority of prior period items arise from corrections and adjustments that are the natural result of estimates inherent in the accounting process. Such adjustments constitute normal transactions in the year in which they are identified, and are accounted for accordingly. Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

2. Income

	Year ended 31 March 2024		Year ended 31 March 2023 Restated	
	Group £'000	Company £'000	Group £'000	Company £'000
Other operating income				
Rental income	8,824	8,824	8,226	8,226
Interest receivable on short term deposits	183	183	155	155
Other income	59	59	159	159
Investment income				
Dividends from listed investments in UK	–	–	168	168
Total income	9,066	9,066	8,708	8,708

3. Investment management fee

	Year ended 31 March 2024			Year ended 31 March 2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Group and Company						
Investment management fee	863	–	863	990	–	990

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

OLIM Property Limited received an investment management fee of £863,000 (2023 - £990,000), the basis of calculation of which is given on page 49.

4. Other operating expenses

	Year ended 31 March 2024		Year ended 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Fee payable to the Group's auditor for the audit of the Group's accounts	86	86	65	65
Directors' fees	109	109	97	97
NIC on Directors' fees	5	5	3	3
Fees for company secretarial services	270	270	237	237
Direct property costs	–	–	(23)	(23)
Other expenses	424	424	516	516
	894	894	895	895

Directors' fees comprise the Chairman's fees of £33,000 (2023 - £30,000), the Audit and Management Engagement Committee Chairman's fees of £27,000 (2023 - £24,500) and fees of £24,500 (2023 - £22,000) per annum paid to each other Director.

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

5. Finance costs

	Year ended 31 March 2024		Year ended 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Interest payable on:				
9.375% Debenture Stock 2026	–	–	456	456
Less amortisation of issue premium	–	–	(111)	(111)
Bank loan interest payable	1,988	1,988	1,753	1,753
Loan expenses derecognised	–	–	385	385
Gain on loan modification	–	–	(908)	(908)
Borrowing costs expensed on recognition of fair value	–	–	80	80
Effective interest	35	35	24	24
Amortisation of loan expenses	39	39	22	22
Finance costs attributable to lease liabilities	80	80	78	78
	2,142	2,142	1,779	1,779

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

5. Finance costs continued

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

6. Taxation

	Year ended 31 March 2024			Year ended 31 March 2023 Restated		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
a) Analysis of the tax credit/(charge) for the year: Group and Company						
Current tax	–	–	–	(979)	979	–
Deferred tax	(1,251)	–	(1,251)	444	446	890
	(1,251)	–	(1,251)	(535)	1,425	890
Factors affecting the total tax credit/(charge) for year:						
Loss before taxation			(6,450)			(24,342)
Tax (credit) thereon at 25% (2023 - 19%)			(1,613)			(4,625)
Effects of:						
Non taxable dividends			–			32
Losses on investments not relievable			2,904			4,392
Finance costs			(40)			(689)
			1,251			(890)

6. Taxation continued

	Year ended 31 March 2024			Year ended 31 March 2023 Restated		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
b) Factors affecting future tax charges						
Unutilised tax losses			8,913			13,918
Potential tax benefit at 25%			2,228			3,479
			2,228			3,479
Recognised as a deferred tax non-current asset			2,228			3,479
Not recognised as a deferred tax asset			–			–
			2,228			3,479

The Company and Group have deferred tax assets of £2,228,000 (2023 restated - £3,479,000) at 31 March 2024 relating to total accumulated unrelieved tax losses carried forward of £8,913,000 (2023 restated - £13,918,000). The Company and Group have recognised deferred tax assets of £2,228,000 (2023 restated - £3,479,000), based on forecast profits for the next five years.

7. Return per Ordinary Share

	Year ended 31 March 2024		Year ended 31 March 2023 Restated	
	Group £'000	Company £'000	Group £'000	Company £'000
The return per Ordinary Share is based on the following figures:				
Revenue return	3,916	3,916	4,509	4,509
Capital return	(11,617)	(11,617)	(27,961)	(27,961)
Weighted average number of Ordinary Shares in issue	42,855,131	42,855,131	43,272,601	43,272,601
Return per share - revenue	9.14p	9.14p	10.42p	10.42p
Return per share - capital	(27.11p)	(27.11p)	(64.62p)	(64.62p)
Total return per share	(17.97p)	(17.97p)	(54.20p)	(54.20p)

8. Dividends

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Dividends on Ordinary Shares:		
Third quarterly dividend of 3.20p per share (2023 - 3.00p) paid 28 April 2023	1,376	1,307
Final dividend of 3.60p per share (2023 - 3.60p) paid 4 August 2023	1,548	1,568
First quarterly dividend of 3.20p per share (2023 - 3.00p) paid 27 October 2023	1,369	1,296
Second quarterly dividend of 3.20p per share (2023 - 3.10p) paid 26 January 2024	1,368	1,336
Dividends paid in the period	5,661	5,507

The third interim dividend of 3.20p (2023 - 3.20p), paid on 26 April 2024, has not been included as a liability in these financial statements.

The final dividend of 3.60p (2023 - 3.60p), being paid on 26 July 2024, 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 £3,916,000 (2023 restated - £4,509,000).

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
First quarterly dividend of 3.20p per share (2023 - 3.00p) paid 27 October 2023	1,369	1,296
Second quarterly dividend of 3.20p per share (2023 - 3.10p) paid 26 January 2024	1,368	1,336
Third quarterly dividend of 3.20p per share (2023 - 3.20p) payable 26 April 2024	1,365	1,376
Final quarterly dividend of 3.60p per share (2023 - 3.60p) payable 26 July 2024	1,529	1,549
	5,631	5,557

The final dividend is based on the latest share capital of 42,476,147 ordinary shares excluding those held in Treasury.

9. Investments

	Investment properties £'000	Equities £'000	Total £'000
Group			
Cost at 31 March 2023	146,525	–	146,525
Fair value movement brought forward	530	–	530
Valuation at 31 March 2023 - Restated	147,055	–	147,055
Purchases	12,737	–	12,737
Sales proceeds	(13,063)	–	(13,063)
Realised losses on sales	(137)	–	(137)
Fair value movement in year	(11,480)	–	(11,480)
Valuation at 31 March 2024	135,112	–	135,112

	Investment properties £'000	Investment in subsidiary £'000	Equities £'000	Total £'000
Company				
Cost at 31 March 2023	146,525	200	–	146,725
Fair value movement brought forward	530	–	–	530
Valuation at 31 March 2023 - Restated	147,055	200	–	147,255
Purchases	12,737	–	–	12,737
Sales proceeds	(13,063)	–	–	(13,063)
Realised losses on sales	(137)	–	–	(137)
Fair value movement in year	(11,480)	–	–	(11,480)
Valuation at 31 March 2024	135,112	200	–	135,312

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

9. Investments continued

	As at 31 March 2024 £'000	As at 31 March 2023 Restated £'000
Savills plc valuation	138,100	150,500
Operating lease assets	(5,911)	(6,298)
Finance lease liabilities	2,923	2,853
Valuation of Investment Properties	135,112	147,055
Decrease in fair value	(2,988)	(3,445)

The fair value valuation given by Savills plc includes £4,200,000 relating to the property at Mitchell Close, Fareham where contracts have been exchanged and completed for sale in May 2024, £700,000 relating to a property at Thurrock where contracts have been exchanged for sale in June 2024 and £3,700,000 relating to The Bishop's Finger, London where contracts have been exchanged for sale in July 2024.

Transaction costs

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

	Year ended 31 March 2024 £'000	Year ended 31 March 2023 £'000
Purchases	154	9
Sales	179	32
	333	41

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

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

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

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

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

9. Investments continued

Property portfolio	Passing rent range £	Fair value - Group £'000	Key unobservable input	Inputs range	Blended yield
Supermarkets	87,000 – 986,458	40,500	Net Equivalent Yield	5.50% - 7.50%	6.25%
Industrial	49,500 – 486,680	39,250	Net Equivalent Yield	5.50% -8.50%	6.50%
Leisure - Bowling and Health Club	217,160 – 610,324	26,350	Net Equivalent Yield	8.00% - 8.75%	8.25%
Hotels	360,000 – 373,549	11,900	Net Equivalent Yield	5.75% - 6.25%	6.00%
Other	168,610 – 599,166	11,800	Net Equivalent Yield	5.50% - 10.50%	8.00%
Public Houses	120,000 – 185,000	8,300	Net Equivalent Yield	4.75% - 6.00%	5.25%
		138,100			

A 25 bps decrease in the equivalent yield applied would have increased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £5,250,000. A 25 bps increase in the equivalent yield applied would have decreased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £4,975,000. A 5% decrease in the rental value applied would have decreased the net assets attributable to the Group and Company's Shareholders and the total gain for the year by £3,550,000. A 5% increase in the rental value applied would have increased the net assets attributable to the Group and Company's Shareholders and the total loss for the year by £3,325,000.

Investment in subsidiary

Name	Country of incorporation	Date of incorporation	% ownership	Principal activity
Value and Indexed Property Income Services Limited , having its registered office c/o Maven Capital Partners UK LLP, Kintyre House, 205 West George Street, Glasgow G2 2LW.	UK	16 January 2014	100	AIFM

10. Receivables

	As at 31 March 2024		As at 31 March 2023 Restated	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Operating lease asset	119	119	89	89
Other receivables	338	338	194	194
Prepayments and accrued income	57	57	54	54
Rents receivable	173	173	–	–
	687	687	337	337
Amounts falling due after more than one year:				
Operating lease asset	5,792	5,792	6,209	6,209
	6,479	6,479	6,546	6,546

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 an operating lease asset.

11. Payables

	As at 31 March 2024		As at 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due to OLIM Property Limited	65	65	53	53
Accruals and other creditors	2,966	2,966	1,907	1,907
Value Added Tax payable	387	387	408	408
Lease liability	10	10	8	8
	3,428	3,428	2,376	2,376

The amount due to OLIM Property Limited comprises the monthly management fee for March 2024, subsequently paid in April 2024.

12. Non-current liabilities

	As at 31 March 2024		As at 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Non-current liabilities				
Bank loans held at fair value				
Bank loan b/fwd	34,116	34,116	35,000	35,000
Balance of costs incurred	–	–	(250)	(250)
Costs written off in the year	–	–	385	385
Gain on modification of debt	–	–	(908)	(908)
Borrowing costs expensed on recognition of fair value	–	–	80	80
Costs incurred in the year	–	–	(215)	(215)
Effective interest	35	35	24	24
	34,151	34,151	34,116	34,116
Bank loans held at amortised costs				
Bank loan	15,000	15,000	15,000	15,000
Balance of costs incurred	(116)	(116)	(138)	(138)
Add: Debit to income for the year	38	38	22	22
	14,922	14,922	14,884	14,884
Total bank borrowings	49,073	49,073	49,000	49,000
9.375% Debenture Stock 2026				
Add: Balance of premium less issue expenses	–	–	111	111
Less: Credit to income for the year	–	–	(111)	(111)
	–	–	–	–
Total borrowings	49,073	49,073	49,000	49,000
Lease liability payable in more than one year				
- within 2 - 5 years	42	42	28	28
- over 5 years	2,871	2,871	2,817	2,817
Total payables	2,913	2,913	2,845	2,845
	51,986	51,986	51,845	51,845

The Company has a £15,000,000 fixed term secured loan facility for a period of up to ten years to 31 March 2026 (2023 - £15,000,000). At 31 March 2024, £11,893,750 was drawn down at a rate of 4.344% and £3,106,250 was drawn down at a rate of 3.60%. The terms of the loan facility contain financial covenants that require the Company to ensure that:

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

12. Non-current liabilities continued

On 28 November 2019, the Company entered into a £22,000,000 fixed term secured loan facility for a period of up to seven years to 30 November 2026. On 3 March 2021, this facility was extended until 31 March 2031. On 27 April 2022, the loan was increased to £30,000,000 and on 22 June 2022, the loan was increased to £35,000,000 and extended for a further two years until 31 March 2033, costs previously incurred on the loan were extinguished at this point. Subsequent to this, the loan was recorded in the Statement of Financial Position as it's fair value in the year to 31 March 2023. As at 31 March 2024, the loan is recorded on an amortising basis. 95% of the loan is at a fixed rate and 5% at a floating rate of interest. At 31 March 2024, £35,000,000 was drawn down at a net effective interest rate of 3.81%. 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 fair value of the loans are disclosed in Note 21 on pages 113 and 114 and the Net Asset Value per share, calculated with the borrowings at fair value, is disclosed in Note 17 on page 107.

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 97 and 98, 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

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Authorised:		
56,000,000 Ordinary Shares of 10p each (2023 - 56,000,000)	5,600	5,600
Called up, issued and fully paid:		
42,664,550 Ordinary Shares of 10p each (2023 - 43,012,464)	4,266	4,301
Treasury shares:		
2,885,425 Ordinary Shares of 10p each (2023 - 2,537,511)	289	254
	4,555	4,555

The ordinary share capital on the Statement of Financial Position relates to the number of Ordinary Shares in issue and held 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 347,914 Ordinary Shares at a cost of £670,000 including expenses. Subsequent to the year end, the Company repurchased 188,403 Ordinary Shares at a cost of £315,000, including expenses. All of these shares were placed in Treasury.

15. Share premium

	As at 31 March 2024		As at 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Opening balance	18,446	18,446	18,446	18,446

16. Retained earnings

	As at 31 March 2024		As at 31 March 2023 Restated	
	Group £'000	Company £'000	Group £'000	Company £'000
Opening balance at 31 March 2023	82,131	82,131	112,397	112,397
Loss for the year	(7,701)	(7,701)	(23,452)	(23,452)
Dividends paid (see Note 8)	(5,661)	(5,661)	(5,507)	(5,507)
Buyback of Ordinary Shares for Treasury (see Note 14)	(670)	(670)	(1,307)	(1,307)
Closing balance at 31 March 2024	68,099	68,099	82,131	82,131

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

	Year ended 31 March 2024			Year ended 31 March 2023 Restated		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Group						
Opening balance at 31 March 2023	(2,468)	84,599	82,131	(1,470)	113,867	112,397
Profit/(loss) for the year	3,916	(11,617)	(7,701)	4,509	(27,961)	(23,452)
Dividends paid (see Note 8)	(5,661)	–	(5,661)	(5,507)	–	(5,507)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(670)	(670)	–	(1,307)	(1,307)
Closing balance at 31 March 2024	(4,213)	72,312	68,099	(2,468)	84,599	82,131
Company						
Opening balance at 31 March 2023	(3,555)	85,686	82,131	(2,557)	114,954	112,397
Profit/(loss) for the year	3,916	(11,617)	(7,701)	4,509	(27,961)	(23,452)
Dividends paid (see Note 8)	(5,661)	–	(5,661)	(5,507)	–	(5,507)
Buyback of Ordinary Shares for Treasury (see Note 14)	–	(670)	(670)	–	(1,307)	(1,307)
Closing balance at 31 March 2024	(5,300)	73,399	68,099	(3,555)	85,686	82,131

Of the Company's Retained Earnings of £68,099,000 (2023 restated - £82,131,000), £74,797,000 (2023 restated - £75,375,000) 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 £91,100,000 (2023 restated - £105,132,000) and on the Company's net assets attributable of £91,100,000 (2023 restated - £105,132,000) and on 42,664,550 (2023 - 43,012,464) Ordinary Shares in issue at the year end, excluding shares held in Treasury.

The net asset value per Ordinary Share, based on the net assets of the Group and the Company adjusted for borrowings at fair value (see Note 21) of £92,070,000 (2023 restated - £105,384,000) is 215.80p (2023 restated - 245.01p).

	As at 31 March 2024		**As at 31 March 2023 Restated**	
	Group £'000	Company £'000	Group £'000	Company £'000
Net assets at 31 March 2024	91,100	91,100	105,132	105,132
Fair value adjustments	970	970	252	252
Net assets with borrowings at fair value	92,070	92,070	105,384	105,384
Number of shares in issue	42,664,550	42,664,550	43,012,464	43,012,464
Net asset value per share	213.53p	213.53p	244.42p	244.42p
Net asset value per share with borrowings at fair value	215.80p	215.80p	245.01p	245.01p

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

	Year ended 31 March 2024		**Year ended 31 March 2023 Restated**	
	Group £'000	Company £'000	Group £'000	Company £'000
Income from operations before tax	(2,551)	(2,551)	(14,409)	(14,409)
Losses on investments	11,617	11,617	23,117	23,117
Investment management fee	(863)	(863)	(990)	(990)
Other operating expenses	(894)	(894)	(895)	(895)
(Increase)/decrease in receivables	(322)	(322)	653	653
Increase in other payables	547	547	18	18
Net cash from operating activities	7,534	7,534	7,494	7,494

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

	Year ended 31 March 2024		Year ended 31 March 2023	
	Group £'000	Company £'000	Group £'000	Company £'000
Cash movements				
Payment of rental (for leasing)	89	89	87	87
Repayment of debenture	–	–	20,000	20,000
Drawdown of loans (for financing)	–	–	(13,000)	(13,000)
Loan costs	–	–	80	80
Non-cash movements				
Finance costs (for leasing)	(159)	(159)	(78)	(78)
Changes in fair value	–	–	578	578
Issue premium on debenture	–	–	111	111
Effective interest	(35)	(35)	(24)	(24)
Amortisation of loan premium and expenses and fair value adjustment	(38)	(38)	(22)	(22)
Change in debt in the year	(143)	(143)	7,732	7,732
Opening debt at 31 March	(51,853)	(51,853)	(59,585)	(59,585)
Closing debt at 31 March	(51,996)	(51,996)	(51,853)	(51,853)

20. Relationship with the Investment Manager and Related Parties

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

Matthew Oakeshott is a director of OLIM Property Limited, which has an agreement with the Group to provide investment management services, the terms of which are outlined on page 49 and in Note 3 on page 95.

21. Financial instruments and investment property risks

Risk management

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

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

21. Financial instruments and investment property risks continued

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

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

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

(ii) liquidity risk

(iii) credit risk

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

(i) Market risk

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

Price risk

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

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

Price risk sensitivity

If market prices at the date of the Statement of Financial Position had been 10% higher or lower, while all other variables remained constant, the return attributable to ordinary shareholders for the year ended 31 March 2024 would have increased/decreased by £13,511,000 (2023 (restated) - increase/decrease of £14,706,000 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 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 2024 are shown in Note 12 on pages 104 and 105.

21. Financial instruments and investment property risks continued

Interest risk profile

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

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 31 March 2024				
Assets				
Sterling	–	3.79	–	2,695
Total assets	–	3.79	–	2,695
At 31 March 2024				
Liabilities				
Sterling	6.90	3.92	47,365	1,708
Total liabilities	6.90	3.92	47,365	1,708
At 31 March 2023				
Assets				
Sterling	–	3.18	–	2,273
Total assets	–	3.18	–	2,273
At 31 March 2023				
Liabilities				
Sterling	6.51	3.63	50,000	–
Total liabilities	6.51	3.63	50,000	–

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 Note 12 on pages 104 and 105.

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

Interest rate sensitivity

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

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

- profit for the year ended 31 March 2024 would increase/decrease by £18,000 (2023 - increase/decrease by £21,000). This is mainly attributable to the Group's exposure to interest rates on its floating rate cash balances.
- the Group holds no financial instruments that will have an equity reserve impact.

21. Financial instruments and investment property risks continued

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

Currency sensitivity

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

(ii) Liquidity risk

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

The Group's assets of cash or near cash securities and investment properties which, by their nature, are less readily realisable. The maturity of the Group's mainly fixed rate borrowings is set out in the interest risk profile section of this Note.

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

	Carrying value £'000	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
At 31 March 2024					
Borrowings	49,073	63,666	493	1,478	61,695
Leases	2,923	7,286	22	67	7,197
Other payables	3,418	3,418	3,418	–	–
Total	55,414	74,370	3,933	1,545	68,892
At 31 March 2023					
Borrowings	50,270	62,378	405	1,245	60,728
Leases	2,853	7,177	22	65	7,090
Other payables	1,500	1,500	1,500	–	–
Total	54,623	71,055	1,927	1,310	67,818

21. Financial instruments and investment property risks continued

(iii) Credit risk

This is the failure of a counterparty to a transaction to discharge its obligations under that transaction that could result in the Group suffering a loss. Cash is held only with reputable banks with high quality external credit rating, which are monitored on a regular basis.

Credit risk exposure

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

	Year ended 31 March 2024		Year ended 31 March 2023 Restated	
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Cash and cash equivalents	2,695	9,593	2,273	27,725
Other receivables	687	2,787	337	8,239
	3,382	12,380	2,610	35,964

(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 to the break option is 11.6 years (2023 - 12.6 years). Details of the tenant and geographical spread of the portfolio are set out on pages 25 and 27. The long term record of performance through the varying property cycles since 1987 is set out on pages 124 and 125. 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 2024, the future minimum lease receipts, including minimum future uplifts in rent, under non-cancellable leases are as follows:

	As at 31 March 2024 £'000	As at 31 March 2023 £'000
Due within 1 year	10,383	9,338
Due between 2 and 5 years	39,073	36,302
Due after more than 5 years	75,930	89,151
	125,386	134,791

21. Financial instruments and investment property risks continued

This amount comprises the total contracted rent receivable as at 31 March 2024.

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

Fair values of financial assets and financial liabilities

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

(i) Fair value hierarchy disclosures

Investment properties, investment subsidiaries and the £35 million bank borrowings are held in the Statement of Financial Position at fair value.

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

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
At 31 March 2024				
Investment properties	–	–	135,112	135,112
	–	–	135,112	135,112
At 31 March 2023 Restated				
Investment properties	–	–	147,055	147,055
	–	–	147,055	147,055

Company and Group numbers per the above fair value disclosures are the same except for the investment of £200,000 made by the Company in its subsidiary, which was the subject of an inter-group transfer in 2014. This investment falls under Level 3.

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

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

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

Level 3 - inputs are not observable.

There were no transfers between Levels during the year.

21. Financial instruments and investment property risks continued

(ii) Borrowings

The fair value of borrowings has been calculated at £48,103,000 as at 31 March 2024 (2023 - £48,748,000) compared to a Statement of Financial Position value in the Financial Statements of £49,073,000 (2023 - £49,000,000) per Note 12 on pages 104 and 105.

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. There were no transfers between Levels during the year.

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

(iii) Financial instruments by category

Financial assets

	Fair value through profit or loss		Amortised cost	
	2024 £'000	2023 £'000	2024 £'000	2023 Restated £'000
Cash and cash equivalents	–	–	2,695	2,273
Other receivables	–	–	6,479	6,546
Total financial assets	–	–	9,174	8,819

Financial liabilities

	Fair value through profit or loss		Amortised cost	
	2024 £'000	2023 £'000	2024 £'000	2023 Restated £'000
Other payables	–	–	(5,954)	(5,103)
Loans and other borrowings	–	(34,116)	(49,073)	(14,884)
Total financial liabilities	–	(34,116)	(55,027)	(19,987)

22. Capital management policies and procedures

The Group's capital management objectives are:

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

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

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

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

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

Details of the Group's gearing and financial covenants are disclosed in Note 12 on pages 104 and 105.

23. Commitments

The Board is recommending the payment of a final dividend of 3.6p per Ordinary Share (2023: 3.6p) and, subject to receiving Shareholder approval at the 2024 AGM, will be paid on 26 July 2024 to all Shareholders on the register 28 June 2024.

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 page 25.

24. Correction of errors

During the year to 31 March 2024, the Group discovered an error in the calculation of the operating lease asset brought forward, being the operating lease income arising from the spreading of lease incentives or minimum future uplifts over the length of the lease term for each of the investment properties. The 2023 financial statements have been restated to take account of this error and the consequential tax impact, which resulted in a decrease to Net Asset Value of £1,058,000 with the Net Asset Value per Ordinary Share moving from 246.88p to 244.42p.

As a result of the restatement, the Group's basic earnings per share increased from -55.22p to -54.20p. There has been no impact on the total operating, investing or financing cash flows for the years ended 31 March 2024 and 2023.

The error has been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Group and Company financial statements.

24. Correction of errors continued

(i) Statement of financial position

As at 31 March 2022	Group Impact of correction of error As previously reported £'000	Adjustments £'000	As restated £'000	Company Impact of correction of error As previously reported £'000	Adjustments £'000	As restated £'000
Assets						
Non current assets						
Investment properties	155,838	(3,508)	152,330	155,838	(3,508)	152,330
Investments held at fair value through profit or loss	26,871	–	26,871	27,071	–	27,071
	182,709	(3,508)	179,201	182,909	(3,508)	179,401
Deferred tax asset	4,091	(1,502)	2,589	4,091	(1,502)	2,589
Receivables	2,238	3,696	5,934	2,238	3,696	5,934
	189,038	(1,314)	187,724	189,238	(1,314)	187,924
Current assets						
Cash and cash equivalents	5,153	–	5,153	4,953	–	4,953
Receivables	4,709	(188)	4,521	4,709	(188)	4,521
	9,862	(188)	9,674	9,662	(188)	9,474
Total assets	198,900	(1,502)	197,398	198,900	(1,502)	197,398
Current liabilities						
Payables	(2,423)	–	(2,423)	(2,423)	–	(2,423)
Total assets less current liabilities	196,477	(1,502)	194,975	196,477	(1,502)	194,975
Non-current liabilities						
Payables	(2,854)	–	(2,854)	(2,854)	–	(2,854)
Borrowings	(56,723)	–	(56,723)	(56,723)	–	(56,723)
	(59,577)	–	(59,577)	(59,577)	–	(59,577)
Net assets	136,900	(1,502)	135,398	136,900	(1,502)	135,398
Equity attributable to equity shareholders						
Called up share capital	4,555	–	4,555	4,555	–	4,555
Share premium	18,446	–	18,446	18,446	–	18,446
Retained earnings	113,899	(1,502)	112,397	113,899	(1,502)	112,397
Total equity	136,900	(1,502)	135,398	136,900	(1,502)	135,398

24. Correction of errors continued

As at 31 March 2023	Group Impact of correction of error As previously reported £'000	Adjustments £'000	As restated £'000	Company Impact of correction of error As previously reported £'000	Adjustments £'000	As restated £'000
Assets						
Non current assets						
Investment properties	150,636	(3,581)	147,055	150,636	(3,581)	147,055
Investments held at fair value through profit or loss	–	–	–	200	–	200
	150,636	(3,581)	147,055	150,836	(3,581)	147,255
Deferred tax asset	4,537	(1,058)	3,479	4,537	(1,058)	3,479
Receivables	2,366	3,843	6,209	2,366	3,843	6,209
	157,539	(796)	156,743	157,739	(796)	156,943
Current assets						
Cash and cash equivalents	2,273	–	2,273	2,073	–	2,073
Receivables	599	(262)	337	599	(262)	337
	2,872	(262)	2,610	2,672	(262)	2,410
Total assets	160,411	(1,058)	159,353	160,411	(1,058)	159,353
Current liabilities						
Payables	(2,376)	–	(2,376)	(2,376)	–	(2,376)
Total assets less current liabilities	158,035	(1,058)	156,977	158,035	(1,058)	156,977
Non-current liabilities						
Payables	(2,845)	–	(2,845)	(2,845)	–	(2,845)
Borrowings	(49,000)	–	(49,000)	(49,000)	–	(49,000)
	(51,845)	–	(51,845)	(51,845)	–	(51,845)
Net assets	106,190	(1,058)	105,132	106,190	(1,058)	105,132
Equity attributable to equity shareholders						
Called up share capital	4,555	–	4,555	4,555	–	4,555
Share premium	18,446	–	18,446	18,446	–	18,446
Retained earnings	83,189	(1,058)	82,131	83,189	(1,058)	82,131
Total equity	106,190	(1,058)	105,132	106,190	(1,058)	105,132

24. Correction of errors continued

(ii) Statement of comprehensive income

	Group Impact of correction of error			Group Impact of correction of error		
	As previously reported			Adjustments		
For the year ended 31 March 2023	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income						
Rental income	8,358	–	8,358	(132)	–	(132)
Investment income	168	–	168	–	–	–
Other income	314	–	314	–	–	–
	8,840	–	8,840	(132)	–	(132)
Gains and losses on investments						
Realised gains on held-at-fair-value investments and investment properties	–	1,446	1,446	–	–	–
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	–	(24,695)	(24,695)	–	132	132
Total income	8,840	(23,249)	(14,409)	(132)	132	–
Expenses						
Investment management fees	(990)	–	(990)	–	–	–
Other operating expenses	(895)	–	(895)	–	–	–
Finance costs	(1,779)	(6,269)	(8,048)	–	–	–
Total expenses	(3,664)	(6,269)	(9,933)	–	–	–
Profit/(Loss) before taxation	5,176	(29,518)	(24,342)	(132)	132	–
Taxation	(979)	1,425	446	444	–	444
Profit/(Loss) attributable to equity shareholders of parent company	4,197	(28,093)	(23,896)	312	132	444
Earnings per Ordinary Share (pence)	9.70	(64.92)	(55.22)	0.72	0.30	1.02

24. Correction of errors continued

For the year ended 31 March 2023	Group Impact of correction of error As restated Revenue £'000	Capital £'000	Total £'000
Income			
Rental income	8,226	–	8,226
Investment income	168	–	168
Other income	314	–	314
	8,708	–	8,708
Gains and losses on investments			
Realised gains on held-at-fair-value investments and investment properties	–	1,446	1,446
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	–	(24,563)	(24,563)
Total income	8,708	(23,117)	(14,409)
Expenses			
Investment management fees	(990)	–	(990)
Other operating expenses	(895)	–	(895)
Finance costs	(1,779)	(6,269)	(8,048)
Total expenses	(3,664)	(6,269)	(9,933)
Profit/(Loss) before taxation	5,044	(29,386)	(24,342)
Taxation	(535)	1,425	890
Profit/(Loss) attributable to equity shareholders of parent company	4,509	(27,961)	(23,452)
Earnings per Ordinary Share (pence)	10.42	(64.62)	(54.20)

24. Correction of errors continued

For the year ended 31 March 2023	Company Impact of correction of error As previously reported Revenue £'000	Capital £'000	Total £'000	Company Impact of correction of error Adjustments Revenue £'000	Capital £'000	Total £'000
Income						
Rental income	8,358	–	8,358	(132)	–	(132)
Investment income	168	–	168	–	–	–
Other income	314	–	314	–	–	–
	8,840	–	8,840	(132)	–	(132)
Gains and losses on investments						
Realised gains on held-at-fair-value investments and investment properties	–	1,446	1,446	–	–	–
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	–	(24,695)	(24,695)	–	132	132
Total income	8,840	(23,249)	(14,409)	(132)	132	–
Expenses						
Investment management fees	(990)	–	(990)	–	–	–
Other operating expenses	(895)	–	(895)	–	–	–
Finance costs	(1,779)	(6,269)	(8,048)	–	–	–
Total expenses	(3,664)	(6,269)	(9,933)	–	–	–
Profit/(Loss) before taxation	5,176	(29,518)	(24,342)	(132)	132	–
Taxation	(979)	1,425	446	444	–	444
Profit/(Loss) attributable to equity shareholders of parent company	4,197	(28,093)	(23,896)	312	132	444
Earnings per Ordinary Share (pence)	9.70	(64.92)	(55.22)	0.72	0.30	1.02

24. Correction of errors continued

For the year ended 31 March 2023	Company Impact of correction of error As restated Revenue £'000	Capital £'000	Total £'000
Income			
Rental income	8,226	–	8,226
Investment income	168	–	168
Other income	314	–	314
	8,708	–	8,708
Gains and losses on investments			
Realised gains on held-at-fair-value investments and investment properties	–	1,446	1,446
Unrealised (losses)/ gains on held-at-fair-value investments and investment properties	–	(24,563)	(24,563)
Total income	8,708	(23,117)	(14,409)
Expenses			
Investment management fees	(990)	–	(990)
Other operating expenses	(895)	–	(895)
Finance costs	(1,779)	(6,269)	(8,048)
Total expenses	(3,664)	(6,269)	(9,933)
Profit/(Loss) before taxation	5,044	(29,386)	(24,342)
Taxation	(535)	1,425	890
Profit/(Loss) attributable to equity shareholders of parent company	4,509	(27,961)	(23,452)
Earnings per Ordinary Share (pence)	10.42	(64.62)	(54.20)

Canterbury

Additional Information

31 March	Rental income £'000	Capital value £'000	Running yield %	Total return VIP %	 MSCI UK Quarterly Property Index* %
2024	9,665	138,100	7.0	-1.8	-1.1
2023	9,338	150,500	6.2	-7.8	-13.0
2022	8,334	155,478	5.4	20.2	19.6
2021	5,152	80,550	6.4	2	1
2020	4,482	70,200	6.4	6	-1
2019	4,372	68,800	6.4	8	5
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	11*
2000	3,054	39,800	7.7	15	15*
1999	3,410	41,055	8.3	25	12*

31 March	Rental income £’000	Capital value £’000	Running yield %	Total return VIP %	 MSCI UK Quarterly Property Index* %
1998	3,141	34,800	9.0	15	18*
1997	3,111	32,805	9.5	10	11*
1996	2,840	29,440	9.6	9	5*
1995	2,948	31,125	9.5	10	13*
1994	2,806	29,835	9.4	23	19*
1993	2,773	26,415	10.5	12	-3*
1992	2,709	25,880	10.5	10	-5*
1991	2,331	23,800	9.8	2	-9*
1990	2,050	24,390	8.4	15	15*
1989	1,915	23,475	8.2	30	29*
1988	1,329	14,939	8.9	24	27*
1987	1,155	11,375	10.2	N/A	N/A

*MSCI (ex IPD) UK Quarterly Property Index 12 months total returns to 31 March; except 1988 – 2000: IPD Annual Index

Supermarkets

Address	Tenants
Aberfoyle – Main Street	Co-operative Group Food**
Bebington – 152 Kings Road	Sainsbury's*
Blandford Forum – Langton Road	Marks and Spencer*
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, Church Litten	Marks and Spencer***
Rayleigh – 12 - 24 Eastwood Road	Marks and Spencer*
York – 103 - 104 Hull Road	Co-operative Group Food***

Industrial / Warehouse

Address	Tenants
Aberdeen – Moss Road, Gateway Business Park	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 – Laleham Road	Halfords**
Stoke-on-Trent – Stanley Matthews Way	MKM Building Supplies*
Thetford – Units 1 - 4, Baird Way	Brake Brothers*
Thirsk – Dalton Airfield Industrial Estate	H.M. Government*
Thurrock – 680 London Road	Halfords**
Westbury – 50 Cory Way, West Wilts Trading Estate	Arla Foods*

Bowling and Health Club

Address	Tenants
Ashford – 43-79 Station Road	Hollywood Bowl Group*
Brentwood – Little Warley Hall Lane	Virgin Active Health Club*
Coventry – Crosspoint, Olivier Way	Ten Entertainment Group* Starbucks* Pizza Hut***
Doncaster – The Leisure Park, Bawtry Road	Ten Entertainment Group*
Peterborough – Sturrock Way	Hollywood Bowl Group*
Stafford – TenPin, Greyfriars Place	Ten Entertainment Group*

Hotels

Address	Tenants
Alnwick – Willowburn Avenue, South Road	Premier Inn**
Catterick - Princes Gate, Richmond Road	Premier Inn**

Other

Address	Tenants
Dover – St. Margaret's Holiday Park, Reach Road	Park Resorts*
Risca – 75-77 Tredegar Street	Caerphilly Borough Council*** Tesco*

Pubs

Address	Tenants
Canterbury – The Bishop’s Finger, 13 St. Dunstan Street	Shepherd Neame*
London – The Bishop's Finger, West Smithfield	Shepherd Neame*
London – The Prince of Wales, 48 Cleaver Square	Shepherd Neame*

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

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

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

An additional requirement of the AIFMD is to appoint a depositary on behalf of the Company to oversee the custody and cash arrangements of the Company. The Company has appointed BNP Paribas Securities Services S.A. 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 last updated to reflect the change of Auditor in November 2023.

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

- **Investment Management**: Details of the investment objective, strategy and policy of the Company are included in the Strategic Report. A list of the investment properties is included on pages 126 and 127.
- **Valuation of illiquid assets**: None of the Company's assets is subject to special arrangements arising from their illiquid nature.
- **Liquidity management**: There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Company.
- **Risk Management**: There is an ongoing process for identifying, evaluating and managing the principal and emerging risks faced by the Company. Further details of the risk profile and risk management systems of the Company are set out in the Strategic Report and in Note 21 to the Financial Statements. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- **AIFM Remuneration**: All authorised AIFMs are required to comply with the AIFMD Remuneration Code. The expenses which VIS incurs in the provision of AIFM services are met by the Company. During the year ended 31 March 2024, all of the directors of VIS were the same as the Directors of the Company, with the exception of Matthew Oakeshott who is not a director of VIS, and no additional staff were employed by VIS. The Directors of the Company do not receive a separate fee in respect of being directors of VIS and details of the remuneration of the Directors is set out in the Directors' Remuneration Report on pages 54 to 57. The Investment Manager receives remuneration separately (as set out on page 49). The Investment Manager is bound by regulatory requirements on remuneration that are equally as effective as those applicable to VIS under the AIFMD Remuneration Code.

Leverage

Circumstances when the Company may use leverage

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

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

Types and sources of leverage permitted

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

The Company's current borrowings comprise a £15 million secured term loan at a ten year interest rate of 4.19% including all costs, which expires on 31 March 2026, and a £35 million secured term loan, at a rate of 3.65% on £33.25 million and the balance of £1.75 million on a floating rate (SONIA) plus a margin of 2.2%, which expires on 31 March 2033. Further details can be found in Note 12 to the Financial Statements on pages 104 and 105 of this Annual Report.

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 2024	152	152

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

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

Direct

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

Keeping you informed

The latest Ordinary Share price is displayed on the London Stock Exchange website, subject to a delay of 15 minutes. "VIP" is the Code for the Ordinary Shares which may be found at www.londonstockexchange.com. Additional data on the Company and other investment trusts may be found at www.trustnet.co.uk.

Customer services

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

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol, BS99 6ZZ

Telephone: 0370 703 0168

www.investorcentre.co.uk/contactus

Note

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

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

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

Alternative performance measures

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

Total return

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

Net asset value valuing debt at carrying value

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

Discount

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

	31 March 2024	**31 March 2023 Restated**
Share price	171.3p	204.5p
NAV (debt at carrying value)	213.5p	244.4p
Discount	19.8%	16.3%

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 Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh EH3 8FY on Thursday, 11 July 2024 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, together with the Auditor's Report thereon for the year ended 31 March 2024.
2. To approve the Directors' Remuneration Report for the year ended 31 March 2024.
3. To approve a final dividend of 3.6p per Ordinary Share in respect of the year ended 31 March 2024.
4. To re-elect John Kay as a Director of the Company.
5. To re-elect Matthew Oakeshott as a Director of the Company.
6. To re-elect David Smith as a Director of the Company.
7. To re-elect Josephine Valentine as a Director of the Company.
8. To re-elect Lucy Winterburn as a Director of the Company.
9. To appoint RSM UK Audit 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 2025.
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 £424,761 (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 2025 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 £424,761 (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 2025, 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 6,367,174 Ordinary Shares, representing 14.99% of the issued ordinary share capital of the Company as at the date this Notice;

(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 2025 or on the expiry of 15 months from the passing of this Resolution (whichever is the earlier) save that the Company may at any time prior to such expiry, enter into a contract or arrangement to purchase Ordinary Shares under this authority which will or might be completed or executed wholly or partly after the expiration of this authority and may make a purchase of shares pursuant to any such contract or arrangement; and

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

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

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

11 June 2024

Notes:

(i) A member entitled to vote at the meeting may appoint a proxy or proxies to exercise all or any of his/her rights to attend, speak and vote on his/her behalf at the meeting. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise the rights attached to any one share. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman of the meeting) and give your instructions directly to them. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms or would like to appoint more than one proxy, please contact the Company's Registrars, Computershare Investor Services PLC on 0370 703 0168. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior). A member present in person or by proxy shall have one vote on a show of hands and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share of which he/she is the holder.

(ii) A personalised form of proxy, and reply-paid envelope, is enclosed for Ordinary Shareholders. To be valid, any proxy form or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY so as to arrive not less than forty eight hours (excluding non-working days) before the time fixed for the meeting.

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

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

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

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

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

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

(ix) The right to vote at a meeting is determined by reference to the Company's register of members as at close of business on 9 July 2024 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 10 June 2024 (being the latest practicable date prior to the publication of this document) the Company's issued share capital comprised 42,476,147 Ordinary Shares of 10p each in issue and 3,073,828 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 10 June 2024 was 42,476,147. Following Resolution 13 becoming effective, the maximum aggregate number of shares hereby authorised to be purchased shall be 6,367,174 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 re-election are set out on page 44 of this Annual Report.

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

(xv) Members should note that, it is possible that, pursuant to requests made by members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to the audit of the Company's accounts (including the auditors' report and the conduct of the audit) that are to be laid before the meeting or any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditors no later than the time when it makes the statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

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

(xvii) Information regarding the Annual General Meeting is available from the Company's web pages, hosted by the Investment Manager, at www.olimproperty.co.uk/value-and-indexed-property-income-trust.html

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

Directors

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

Secretary

Maven Capital Partners UK LLP
First Floor Kintyre House
205 West George Street
Glasgow G2 2LW

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

(Authorised and regulated by the Financial Conduct Authority)

Registered Office

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

Registered Number

Registered in Scotland
Company No: SC050366

Legal Entity Identifier:
213800CU1PIC7GAER820
ISIN: GB0008484718
TIDM: VIP

Registrars

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The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

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

Independent Auditor

RSM UK Audit LLP
Third Floor Centenary House
69 Wellington Street
Glasgow G2 6HG

Investment Manager

OLIM Property Limited
15 Queen Anne's Gate
London SW1H 9BU

Telephone: 020 7846 3252
Website: www.olimproperty.co.uk

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

Alternative Investment Fund Manager

Value and Indexed Property Income Services Limited
c/o Maven Capital Partners UK LLP
First Floor Kintyre House
205 West George Street
Glasgow G2 2LW

Registered in Scotland
Registration number: SC467598

Legal Entity Identifier:
213800D7AEDHGXDAM208

(Authorised and regulated by the Financial Conduct Authority)

Depositary and Custodian

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London Branch
10 Harewood Avenue
London NW1 6AA

Corporate Broker

Joh. Berenberg, Gossler & Co. KG
60 Threadneedle Street
London EC2R 6HP

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