VALUE AND INDEXED PROPERTY INCOME TRUST PLC

Long, strong, indexed property income

Half-yearly report 2024

VIP plc

Long, strong, indexed property income

Rent collection

Fully Let
No Voids

100%

Rent indexation

100% rent index-related

87% RPI-linked

Leases

13.7 years
weighted average unexpired lease length to break

32 properties - **34** leases

EPCs

A
B
C

100%
EPCs rated A-C

Debt

4.5% average rate

6.9 years maturity

39% loan to value

Property yield

%

6.4%
net initial property yield

Total property return

+4.0% over 6 months
(Index +2.7%)

+3.6% P.A. over 5 years
(Index +1.1% P.A.)

+6.8% P.A. over 10 years
(Index +4.3% P.A.)

Annual dividend growth

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

68% income from top eight tenants

M&S EST. 1884 · Blue Diamond · tenpin · Premier Inn · Sainsbury's · Parkdean Resorts · GOV.UK · co op

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 property portfolio delivered a total return of 4.0% over the six months to 30 September 2024 against 2.7% for the MSCI UK Quarterly Property Index. Over the past 5 years the VIP property return was 3.6% p.a. (Index 1.1% p.a.) and over 10 years it was 6.8% p.a. (Index 4.3% p.a.).

VIP's dividend per share has risen every year since 1986 when OLIM's management began. It has risen by 956% against the UK Retail Price Index rise of 281%. The medium term dividend policy is for increases at least in line with inflation, underpinned by VIP's index-related property income. A first interim dividend of 3.4p per share was paid on 25 October 2024. The second interim dividend of 3.4p per share will be paid on 31 January 2025 to Shareholders on the register on 3 January 2025, with an ex-dividend date of 2 January 2025. It is intended that a third interim dividend of 3.4p per share will be paid on 25 April 2025 to all Shareholders on the register on 28 March 2025, with an ex-dividend date of 27 March 2025. The targeted total dividend for the full year is 13.6p (+3.0%). See page 48 for further information.

Over the six months to end September, four properties were sold for 4.3% above their March 2024 valuation total (shorter let properties at Fareham, Risca, and Thurrock and one overrented long let London pub, back to the tenant, Shepherd Neame). In August, VIP reinvested the proceeds of these sales, along with part of a new £15 million loan, in an RPI-linked long let Blue Diamond garden centre in Nantwich, Bridgemere Garden Centre. VIP continues to look for further opportunities to upgrade and strengthen the portfolio. Rent increases were achieved on nine properties, and 100% of rent due was collected.

The portfolio is fully let, with no voids (MSCI UK Quarterly Property Index void rate: 9.1%). VIP has no exposure to offices, high street retail or shopping centres. The top eight tenants have nineteen leases: Marks & Spencer, Blue Diamond, Ten Entertainment Group, Premier Inn, Sainsbury's, Parkdean Resorts, HM Government and Co-operative Group, representing 68% of the contracted income.

Borrowings	30 September 2024	31 March 2024
Average interest rate*	4.5%	3.9%
Total loans (loan to value)	£65 million (39%)	£50 million (35%)
Loan maturity	6.9 years	6.9 years

* 96% of VIP's borrowings are at a fixed rate, with 4% variable.

Gloucester

Performance	30 September 2024	31 March 2024
Net Asset Value per Share (valuing debt at par)	210.2p	211.4p
Ordinary Share Price	185.5p	171.3p
Dividend per Share	6.8p (first and second interims)	13.2p (total)

Over the six months to 30 September 2024, VIP's share price increased by 8.3%, while the Net Asset Value per share, valuing debt at par, fell by 0.6%. 215,703 shares were bought back for £364,000. VIP's independent property revaluation (see page 8) increased by 1.1% over the period, giving a total return of 4.0% against 2.7% for the MSCI UK Quarterly Property Index. The portfolio outperformed on both income and capital fronts.


Nantwich

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.

Financial calendar

November 2024
Announcement of Half-Yearly Financial Results for the six months to 30 September 2024

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

25 April 2025
Third quarterly dividend payable for the year ending 31 March 2025

Half-Yearly Report

Manager's Report 8

Interim Board Report 29

Financial Statements

Group Statement of Comprehensive Income 32

Group Statement of Financial Position 34

Group Statement of Changes in Equity 35

Group Statement of Cashflows 36

Notes to the Financial Statements 37

Additional Information

List of properties 46

How to Invest in Value and Indexed Property Income Trust PLC 48

Contact Information 49


Brentwood

Half-Yearly Report

Portfolio summary

VIP invests directly in UK commercial properties to deliver long, strong, index-related income.

The portfolio comprises 32 properties across 7 well diversified sub-sectors, let on 34 full repairing and insuring leases (Weighted Average Unexpired Lease Term – WAULT – 13.7 years to the tenants' option to break) to 20 different tenant covenants across England, Scotland and Wales. All are freehold except one long leasehold with 107 years to run (Doncaster).

Portfolio	30 September 2024	31 March 2024
Capital value	£146,150,000	£138,100,000
Contracted income (Rent collected 100%)	£9,901,796	£9,665,326
Net initial yield	6.4%	6.6%
Number of properties	32	35
Number of Tenants (Portfolio 100% let)	34	38
Contracted indexed income	100.0%	96.0%
WAULT	13.7 years	11.6 years

Performance and independent revaluation

Savills' independent valuation as at end September 2024 totalled £146.15 million on 32 properties against £138.10 million on 35 properties as at 31 March 2024. This reflected a net initial yield of 6.4% (31 March 2024: 6.6%) after deducting notional purchase costs. The average lot size is £4.6 million.

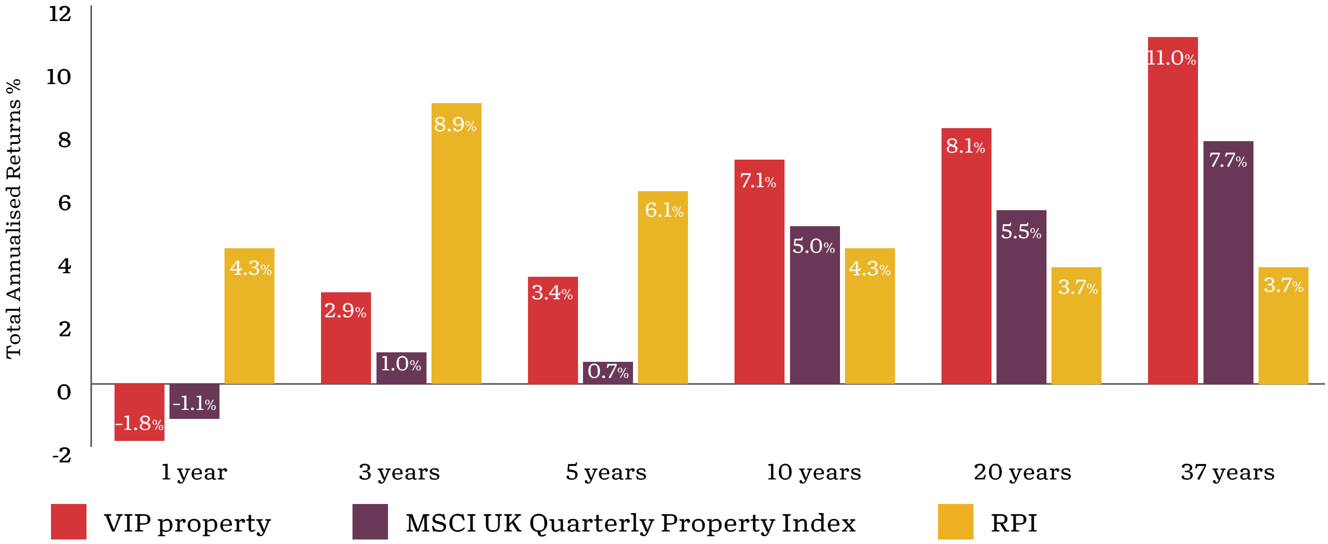
The valuation reflects a 1.1% like-for-like increase in capital value of the 31 properties held over the six months. Supermarkets, industrials, bowling and hotels rose in value, with all other sectors unchanged.

The property portfolio has been upgraded over the six months with the sale of four properties - shorter let properties at Fareham, Risca, and Thurrock, and an overrented long let London pub, back to the tenant, Shepherd Neame, for a gross total of £10.32 million (+4.3% on March 2024 valuation) and a net sale yield of 7.5%.

One property was purchased over the six months to end September. In August, VIP acquired the freehold Bridgemere Garden Centre investment on a 36.5 acre site near Nantwich (Cheshire) for £16.5 million at a net initial yield of 6.6%, rising to an estimated 7.8% in December 2025. It is let to Blue Diamond Limited on a full repairing and insuring lease without break to 2049 (WAULT of 25 years), with five yearly rental increases in line with the Retail Price Index (RPI), capped at 4% p.a. and collared at 1% p.a. We are actively seeking to upgrade portfolio quality further by investing in similar properties with long leases and strong, long term growth prospects and selling shorter let properties with less potential.

The property portfolio total return on all assets, taking capital and income together and deducting all costs, was +4.0% over the six months, against +2.7% for the MSCI UK Quarterly Property Index. VIP's portfolio outperformed by 1.3%, continuing its consistent outperformance by an average of 2%-3% a year over 3, 5, 10, 20 and 37 years.

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



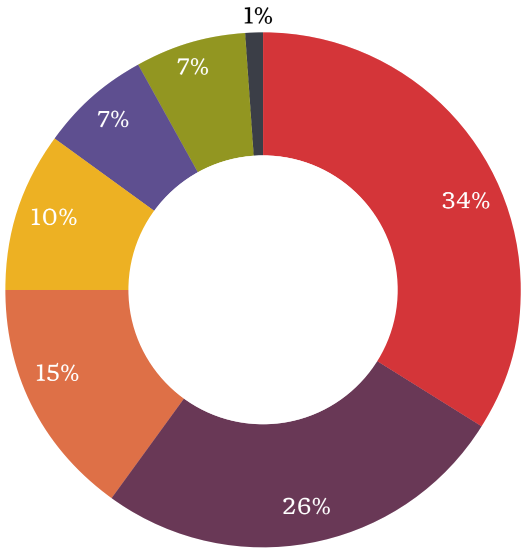
Responsible impact based ESG management and EPCs

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 with 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, Energy Performance Certificates (EPCs) and ESG improvements implemented wherever possible, and properties sold where performance may be negatively impacted by ESG factors. 100% of the portfolio now has EPC ratings A to C (31 March 2024: 97%). We continue to work with our tenants to upgrade properties and improve energy efficiency.

Peterborough

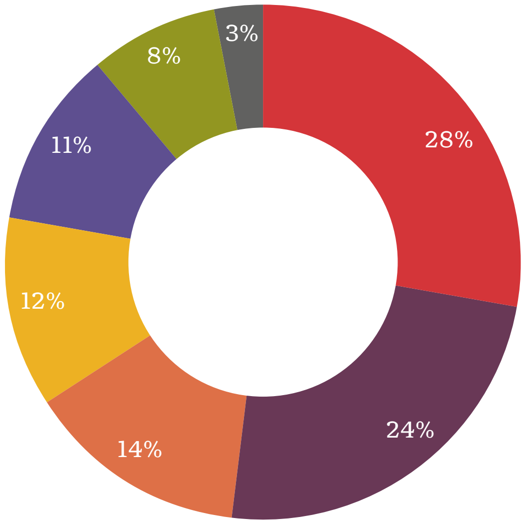
Capital value % by region

- North - **34%** (9 properties)
- South East - **26%** (7 properties)
- East Anglia - **15%** (4 properties)
- Midlands - **10%** (3 properties)
- South West - **7%** (3 properties)
- Scotland - **7%** (5 properties)
- London - **1%** (1 property)



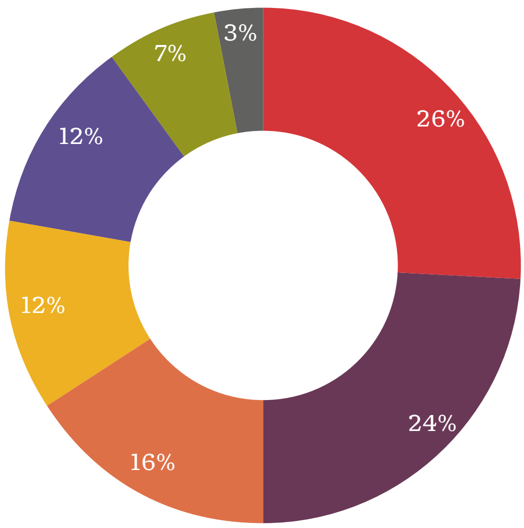
Sector weighting % capital value

- Supermarkets - **28%**
- Industrial / Warehouse - **24%**
- Bowling - **14%**
- Other Leisure - Health Club and Caravan Park - **12%**
- Garden Centre - **11%**
- Hotels - **8%**
- Pubs - **3%**



Sector weighting % contracted income

- Supermarkets - **26%**
- Industrial / Warehouse - **24%**
- Bowling - **16%**
- Other Leisure - Health Club and Caravan Park - **12%**
- Garden Centre - **12%**
- Hotels - **7%**
- Pubs - **3%**

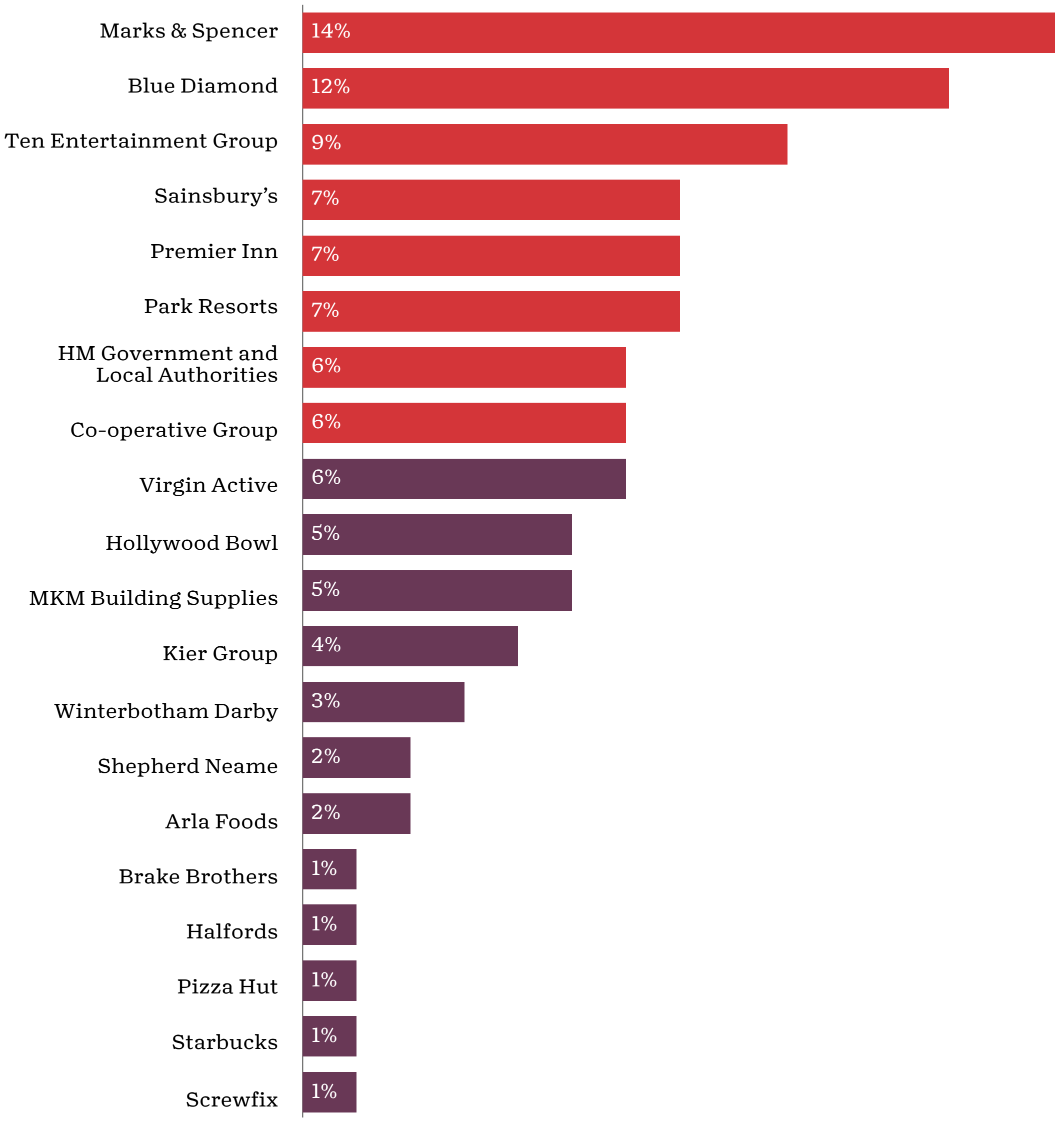


Indexed rent reviews

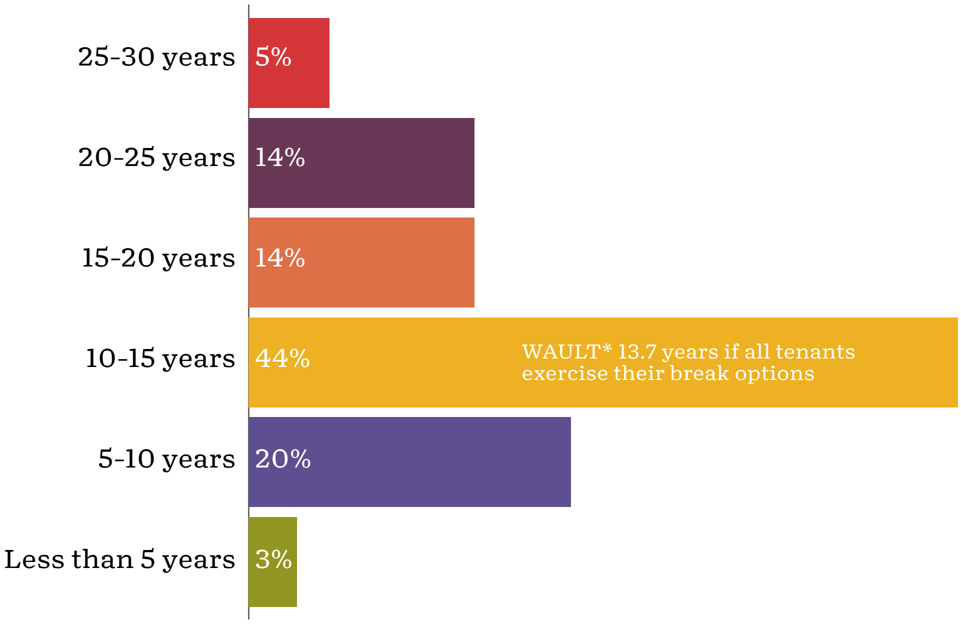
Contracted income from the 32 properties is £9.902 million per annum as at 30 September 2024. 100% (34 tenancies) have index-linked or fixed increases. 86.9% of the rental income is linked to RPI, 9.7% linked to CPI, and 3.4% with fixed increases. Eight tenancies (28.7%) have annual rent reviews and twenty-six (71.3%) have five yearly reviews.

Rent increases were completed at seven properties over the six months, with an average uplift of +4.1% on their passing rents (six with RPI-linked increases and one with fixed uplifts), contributing to a +3.3% increase in income on all held properties over the six months.

Contracted income by tenant %

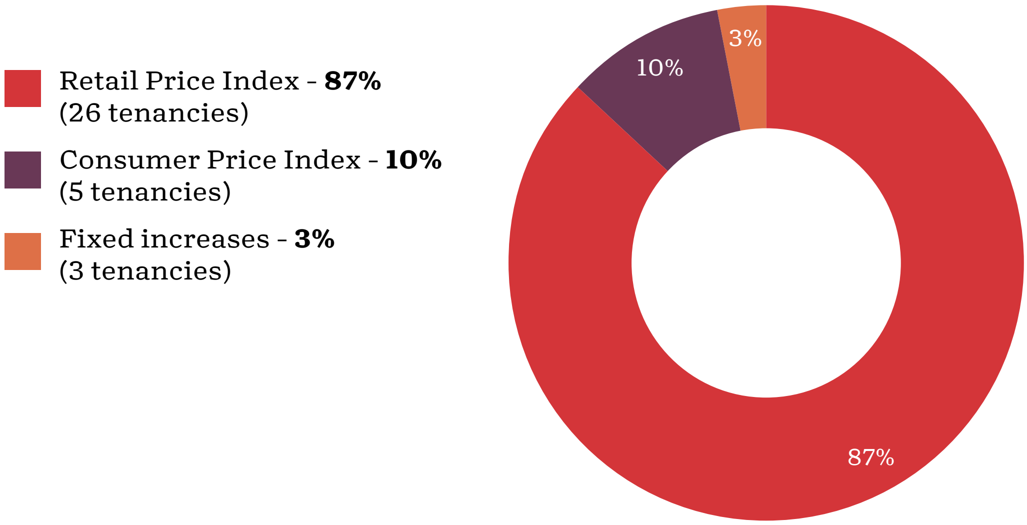


Contracted income by lease expiry % (if all break options exercised)



* Weighted Average Unexpired Lease Term

Index-related income review pattern by contracted income



Market Report

The UK property downturn of 2022 – 2023 is over and the market is now in a cyclical upswing. Average commercial property values, as measured by the MSCI UK Quarterly Property Index, the main benchmark for institutional property performance, stabilised over the summer and are now growing again, after falling by almost a quarter since mid 2022. Investment volumes and investor confidence are also picking up from a low base.

Capital values rising again - % changes by sector

Sector	June 2022 to March 2024	March 2024 to September 2024
Retail	-19.1	+1.3
Office	-27.4	-2.5
Industrial	-26.0	+1.5
Alternatives	-12.8	+0.2
All Property	-22.6	+0.3

Source: MSCI UK Quarterly Property Index September 2024

Capital values across the non-office sectors of the property market are now developing enough momentum to outweigh offices' weakness. Turnover has been low, making valuers' jobs harder than usual, with an unusually wide spread between the prices most buyers are prepared to offer and most sellers prepared to accept. Many sales which completed earlier this year were, therefore, 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.

But with more stock now coming to the market, and more competitive bidding, there will be more evidence for valuers to confirm that the long rise in valuation yields is over and capital values are growing again. Property performance in 2025 should therefore benefit both from rising rents and capital values.

UK commercial property – Average annualised % growth rates to September 2024

		3 months	1 year	3 years	5 years	10 years
Capital values	All property	0.9	-2.6	-4.8	-3.2	-0.2
Rental values	All property	3.8	3.7	3.8	1.7	1.8
Total returns	All property	5.5	2.1	-0.6	1.1	4.3

Source: MSCI UK Quarterly Property Index September 2024

The pain is still 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, so far in 2024 have been +3.2% for the market as a whole, with retail at +5.3%, industrial at +5.0%, the alternatives sectors at +2.6%, and offices at -0.5%. Underlying rental values are still generally improving, by +3.7% on average on an annualised basis, with industrials leading the way.

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

		2024	2023	2022	2021	2020	2011	2008	2006
Property (equivalent yield)		6.6	6.4	6.1	5.1	5.8	6.9	8.3	5.4
Long Gilts:	Conventional	4.0	4.5	3.8	1.0	0.2	2.5	3.7	4.6
	Index-linked	0.7	0.8	0.3	-2.6	-2.6	-0.2	0.8	1.1
UK Equities		3.6	3.8	3.6	3.1	3.4	3.5	4.5	2.9
RPI (annual rate)		2.7	8.9	13.4	7.5	1.2	4.8	0.9	4.4
Yield gaps:	Property less Conventional Gilts	2.6	1.9	2.3	4.1	5.6	4.4	4.6	0.8
	Property less Index Linked Gilts	5.9	5.6	5.8	7.7	8.4	7.1	7.5	4.4
	Property less Equities	3.0	2.6	2.5	2.0	2.4	3.4	3.8	2.5

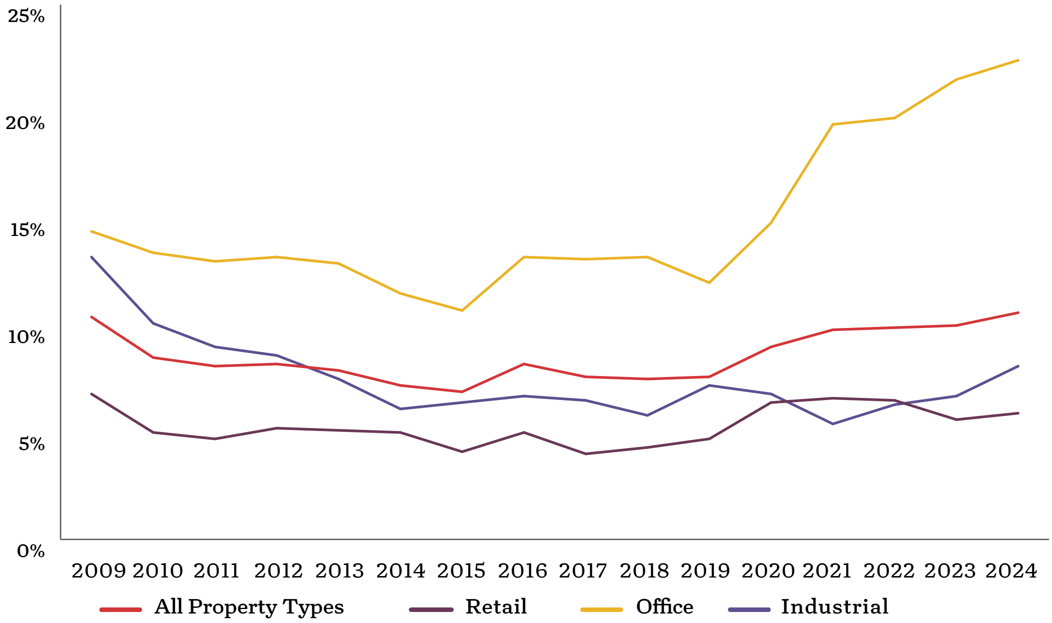
Source: MSCI UK Quarterly Property Index and ONS for the RPI

UK 10 year gilt yields have been volatile over the past year, rising to a high of 4.7% last October, then falling to 3.5% at the year end. They rose again to 4.2% at end June, influenced mainly by rising US bond yields and concerns about the Middle East and Ukraine despite a much improved outlook for world food and energy prices. They calmed over the summer, generally trading at or below 4%, but rose to 4.5% in October after the Budget and over the US Presidential Election. UK index-linked gilt yields rose slightly in October to 0.9%.

UK commercial property offers fair value against equities and conventional fixed-coupon gilts, and outstanding value against index-linked gilts, which still only offer negligible real returns at considerable capital risk, as shown by their performance since 2021.

Ashford

MSCI UK Monthly Property Index vacancy rates



Source: MSCI UK Monthly Property Index September 2024

As the chart above shows, office vacancies are well above their previous historic highs. Occupancy levels in the retail, industrial and alternative sectors are either below or in line with their long term averages.

Markets breathed a sigh of relief at the UK General Election result in July, after the upheavals of the past few years, including Brexit and Prime Minister Truss. But caution returned as the Budget on 30 October contained major tax rises, reflecting the deep seated pressures on the public finances. The economy is growing again, annual consumer price inflation should stay between 2% and 3% and short term interest rates should gradually fall further. But UK ten year gilt yields have risen from 4.0% to 4.5% since end September, partly due to American election concerns, with President Trump's re-election seen as likely to raise inflation and government debt.

UK commercial property should benefit from more stability and public investment over the next year but a rising tide will not float all boats. Property portfolios that stay ahead of structural and environmental change, stick to strong tenants, paying affordable rents on long, indexed leases for sustainable buildings in prosperous locations should outperform. That means still avoiding office investments for the foreseeable future and focussing hard in other sectors, replacing weaker or ex-growth properties with safer and stronger new purchases, and upgrading portfolio quality both by lease extensions and improvements to existing properties.

Property prospects by sector

Warehouse / Industrials – Green shoots of positivity after a slow year

Stability has been the buzz word of the year so far for industrial property, however there are now signs of a positive shift. Overall, capital values are at least stable for all types of warehouse and industrial property with yields starting to move inwards for the large sought after brand new big box industrial units of 100,000 sq ft plus. Stability has prevailed this quarter in the occupational market with demand also for big box units. Investor optimism is coming back.

Industrial transaction volumes totalled £2.7 billion for the first half of 2024, down 12% on the c£3.0 billion traded in H1 2023 and 20% below the H1 10-year average of £3.3 billion. We expect these numbers to improve over the final quarter of the year but, the investment market still has limited stock available for purchase. With such low trading volumes, capital values have nudged up by 0.2% a month since the summer.

The equivalent yield for industrials in the MSCI UK Monthly Property Index is still 6.3%, having been over 6.0% since February 2023 and the net initial yield has stayed between 4.8% and 4.9% since November 2023. We expect this to start to move down again in 2025 as demand and confidence increases.

The occupational market has started to show early shoots of improvement despite the vacancy rate in the MSCI UK Monthly Property Index remaining at 7.4%. Total industrial occupier take up for H1 2024 was 20.1 million sq ft, a 30% increase on the H1 2023 figure, and above pre-Covid levels for five and ten-year H1 averages. Rental growth is up about 4% year-on-year across the UK for general industrials and slightly higher for the larger distribution warehouses. Rental growth across the whole sector should average circa 5% over 2024, a slight increase on our previous estimate.

Q4 should see the end of the seller / buyer stalemate, and we expect increased trading volumes and downward yield pressure over the next year.

Stoke-on-Trent

Offices – Shrinking in size and stature

Office vacancies in the MSCI UK Monthly Index have risen from 14% to 23% since the aftermath of the Global Financial Crisis 15 years ago. A vacancy rate of over 20% has prevailed for over 16 months and looks set to stay.

Occupational statistics remain bleak. H1 2024 take up for offices in the UK markets (excluding Central London) totalled 2.6 million sq ft, with 1.2 million sq ft in Q2, a 14% fall on the previous quarter. Central London saw stagnant take up at 4.4 million sq ft over H1 2024, broadly equal to the same period in 2023, and set to be significantly below the 10-year average of 12.1 million sq ft.

Newspaper headlines have been recently dominated by the "will they / won't they" return to the office full-time with both Google and Amazon insisting on the return to the office 100% of the working week for all staff from January 2025. This could have offered a glimmer of hope to owners of office investments, however potential government legislation looks set to oppose a forced return to the office and hybrid working is now standard in the public sector and well-established across much of the private sector , so is unlikely to affect occupational statistics. The polarisation between the best and the rest is becoming clearer with the market still focusing on prime locations, award winning sustainability credentials and market leading amenities but these offices are few and far between, and are not typical of the office investments measured by MSCI.

The net initial yield in the MSCI UK Monthly Property Index is gradually moving down, having peaked at 5.5% in March 2024 and now stands at 5.1% and the gross rent passing figures are down 4.9% since May 2024, the largest fall over a quarter since the Global Financial Crisis. This is evidence that actual rents are falling steadily as void rates increase and occupational activity lessens.

Office investment transaction volumes are also still depressed. In H1 2024, £3.4 billion worth of transactions took place, a decrease of 30% on the same period in 2023 and down 58% on the 10-year average for the first half of the year equating to £7.9 billion. Year to date, £1.09 billion has transacted in the Central London office market across 46 deals, a 70% decrease on the five-year average. Capital values have now fallen 48% since June 2022 and will continue to fall further as valuers continue to move yields out and sellers adjust their pricing expectations to reduce exposure. The MSCI UK Monthly Property Index reports a 12 month total return of –6.5% on average across the UK, including London, the only sector to show negative total returns over the year.

As we have been predicting, the office property market is shrinking in both size and stature. Office investment now stands at c.20% of total investment volumes having historically accounted for 40 – 50% and only 20% of the MSCI UK Monthly Property Index and 23% of the MSCI UK Quarterly Property Index (having been at 35% and 38% respectively in 2001).

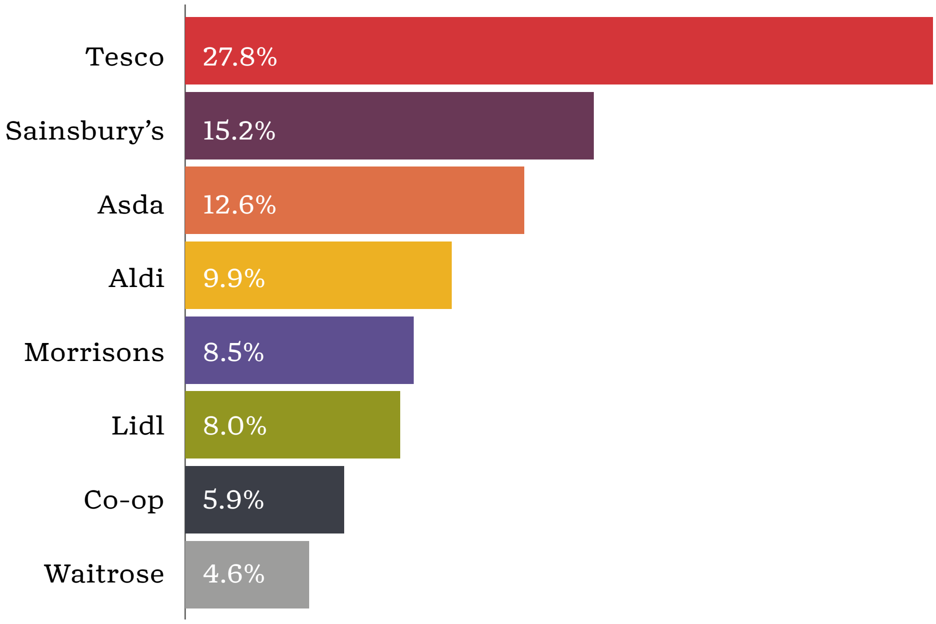
The sector may not be dead, there is still investment demand for the best quality, environmentally resilient space in prime locations with desirable amenities but the yields for these properties are very low. UK institutional investors' focus has moved on to more resilient asset classes. As with retail in recent years, once rents have fallen and yields risen far enough, there will be money to be made again in the office sector but only at high risk.

Retail – Helped by high yields

Retail sales volumes and values increased by 1.9% and 1.6% respectively over the three months to September 2024 compared to the previous three months with the supermarkets and clothing retailers reporting a boost in sales due to the warmer weather and end of season sales. Volumes increased by 3.9% over the previous 12 months, the largest annual rise since February 2022. Despite stable inflation and falling mortgage rates, the GfK Consumer Confidence Barometer fell in October to its lowest level this year after rising from February to August, with consumers nervously awaiting the new Government's Budget on 30 October. This is reflected in a fall in "big ticket" purchases such as furniture, electronics and home DIY rather than essential spending.

In September, Aldi announced UK pre-tax profits for the 12 months to December 2023 had more than tripled to £537m, with 1,000 stores in the UK generating sales of £17.9bn, a 16% increase despite falling inflation. Sales at Aldi and their peer Lidl together account for 17.9% of market share, an increase from 13.5% in February 2021 largely at the expense of Asda which has fallen from 14.8% to 12.6% over the same period. Mohsin Issa has left Asda, and new management will try to stem this decline. Tesco and Sainsbury's have maintained their market share at 43% combined despite increased competition due to the expansion of Aldi and Lidl. The Co-op are now back in profit and planning to open 120 new stores by end 2025. Marks & Spencer have increased their food sales market share to 4%, announcing food sales up by 8.1% over the six months to the end of September with 10 new convenience stores and a revamp of 50 existing stores planned both in and out of town.

Grocery market share



Source: Kantar World

Store openings and closures are now in broad balance with chemists, pubs and banks making up half of all net closures. Food retailers, value chains, coffee shops, hairdressers and beauty salons have delivered the most net openings, led by the big grocery chains opening smaller convenience stores and value retailers such as Poundland, B&M and Home Bargains, with Tapi, Bensons for Beds and Mountain Warehouse taking vacant former Wilko and Carpetright units. Out of town is the only growing retail location, led by discount food and non food retailers and drive-thru coffee shops.

Retail investment volumes to end of August were still low in comparison to 2023 and well below the 10 year average. However, Q3 2024 has seen a gradual increase in stock being brought to the market across all retail sub-sectors. Several large retail warehouse parks have been sold with downward pressure on yields. The institutions are returning to this sector with a focus on London, the South East and other prime locations in the UK where there are few vacancies, strong retailer demand and rental value growth has been achieved on new lettings. But across the retail sector as a whole, MSCI report that over 70% of existing leases are being renewed at less than the passing rent.

The volume of supermarket and convenience store transactions remains low but this is due to a limited supply of investments being brought to the market rather than an absence of buyers. Yields for this sector have remained stable, but with a marked discount for the weaker covenants, Morrisons and Asda in particular. Improved occupational stability in strong high street and shopping centre locations is slowly increasing investor demand although, due to a low availability of large lot sizes, it is predominantly from private investors and property companies. Prices have started to rise for properties let at realistic rental levels.

So far in 2024, Retail has been the best performing sector on the MSCI UK Quarterly Property Index total return (5.3% v 3.2% All Property) due to a higher income return at 4.5% (All Property 3.6%) and capital growth (0.8% v -0.3%), despite Retail rental value growth at 1.2% underperforming All Property at 2.7%.

Newport

Alternatives – Investor confidence is returning in strong operators

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, 20% for retail and 33% for industrial. Properties in this sector are often defensive with long, index-related leases and a wide range of property types and tenants. But sub-sectors such as care homes, leisure and hospitality which rely on low-paid, often part time workers will be hit hard by the Budget's lowering of the starting point for employers' National Insurance contributions.

Valuations have remained broadly steady over the quarter with little transactional evidence to move the dial. Volumes are expected to pick up in Q4 and more stock has come to market in recent weeks in the 'alternatives' sector with buyers' interest improving. Demand is increasing for high quality well-let assets that are priced realistically but borrowing costs remain high and buyers are selective, focusing more than ever on covenant strength and affordability of rents.

Occupationally, the various sub sectors continue to be polarised between the best operators and the rest. The costs of doing business are still high, labour markets remain tight and the increases in employers' National Insurance, the National Living Wage and effective business rates are additional strains on profitability.

In the pub/restaurant sector, many independents and most private equity backed chains are struggling, a reported 50 pubs a month closed in the first half of 2024. But well managed operators with resilient cashflows and strong income growth potential, like Greene King, Wetherspoons, Brunning & Price, Fullers, Shepherd Neame and Youngs are thriving as consumers opt for a more affordable and sociable casual dining experience. Performance over the summer period has been patchy, not helped by disappointing weather. While pubs reaped the benefits of a sports-fuelled July reporting like-for-like growth of 4.9%, restaurants and bars suffered the knock-on effect reporting -2.1% and -6.0% respectively. August was lacklustre and while pubs outperformed the hospitality sector as a whole with year-on-year growth of 2.9%, restaurants recorded only a 0.8% increase and bars a decrease of -9.0%. Challenges remain, especially with rapidly rising wage costs, energy price rise and the phasing out of business rates relief. Whilst the sector is still highly competitive, consumers do appear to be prioritising their spending on eating and drinking out but the recent administration of TGI Fridays underlines the problems faced by weaker traders and outdated brands.

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 and are investing in their sites. Their focus is on attracting customers with value for money experiences bringing multiple concepts like 'Escape Rooms' and 'Laser Tag' together with bowling now under one roof. 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 often below neighbouring retail warehouses or industrial property.

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. Although their exceptional market growth has slowed, Premier Inn/Whitbread remain best-in-class and capital values are now stable. Some garden centre groups, such as Dobbies, have struggled with unseasonal weather and over expansion post-COVID, leaving the well-financed market leader, Blue Diamond, in a dominant position.

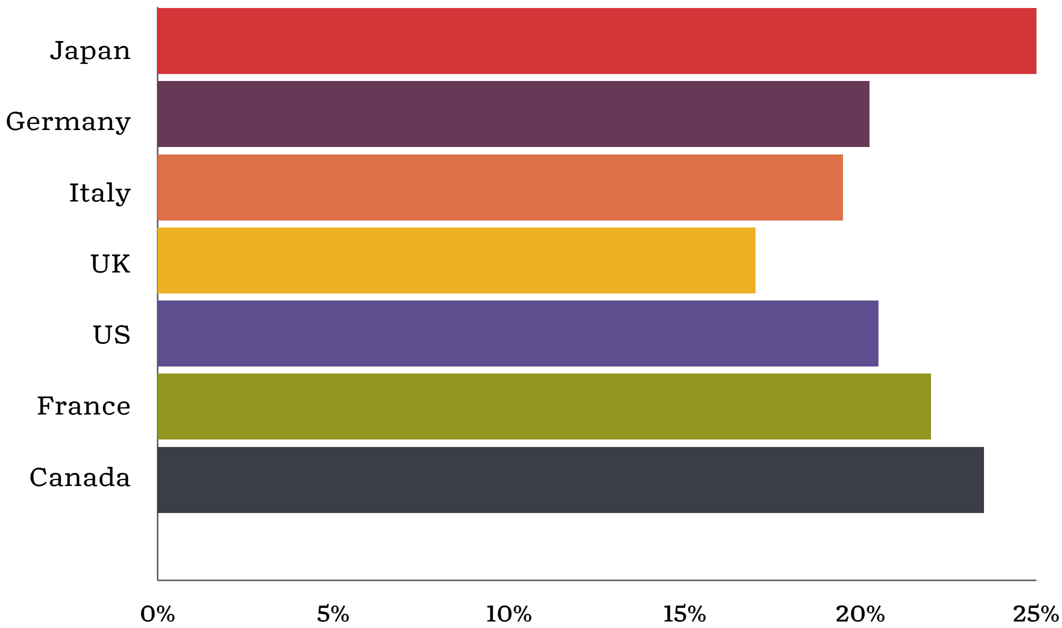
The economy

For a change, Britain looks a relatively safe port in a stormy world. The new Government was elected in July with a massive majority and a resolute commitment to stability and growth, in stark contrast to an unpredictable President Trump Mark II, a paralysed President Macron, a collapsed coalition in Germany and dangerous dictatorial regimes in Russia and China.

The new Prime Minister and Chancellor spent their first four months trying to walk a tricky tightrope between knocking consumer, business and overseas investors' confidence and paving the way for painful rises in the 25% of tax revenues whose rates and exemptions are "unprotected". The Budget on 30 October made a significant start to the long hard slog necessary to rebuild investment and public services, and revitalise economic growth. The City calls new management taking over a business and bemoaning their inheritance from their predecessors "kitchen sinkers", but does prefer facts to fiction.

The Chancellor's care in preparing the ground for tax rises to tackle the current deficit avoided the panic reaction to the 2022 Budget, but there has still been some indigestion in the gilt market as investors come to terms with the volumes of stock needing to be absorbed over the next few years. On the tax side, there has been a necessary increase in capital taxes and clamp down on loopholes, but the increase in employers' national insurance contributions, especially on low paid part time workers will prove very painful for pubs, leisure operators and many retailers , and in particular for care homes and social care providers who were already struggling to survive.

Average annual investment rates (% of GDP) between 2008 and 2024



Source: FT/IMF

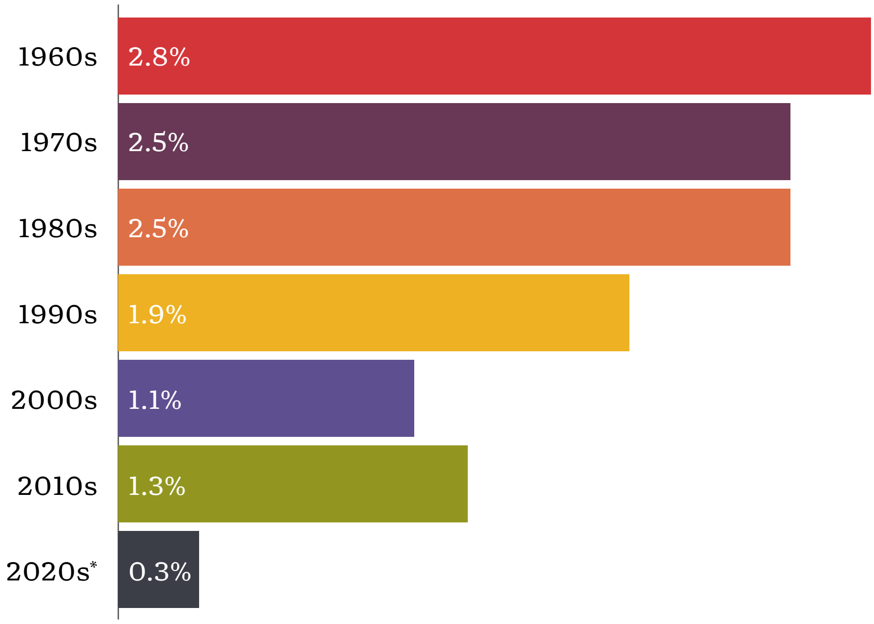
Coventry

The UK economy did grow marginally in 2023 (by 0.3% on the latest revised official estimate) and by an estimated 0.7% and 0.5% in the first two quarters of 2024, with GDP likely to be just over 1% up for 2024 over 2023 as a whole. The Office for Budget Responsibility, reflecting the Budget changes, forecast GDP growth at 2% for 2025 and 1.8% in 2028. International inflation rates have been falling with Eurozone headline inflation down to 1.7% year on year, as high monthly increases last winter have dropped off the indices and been replaced by static or falling recent numbers. Inflation in the United States is down to an annual rate of 2.4%. In the UK, the annual rate of increase in the Consumer Price Index dipped to 1.7% in September from 2.2% in August. The Retail Price Index annual rate has fallen from 13.8% in February 2023 to 2.7%.

UK consumer price inflation may be slightly higher by the year end, as average annual regular earnings growth and service sector price inflation are still near 5%. Unemployment has bottomed out at just over 4%, but these statistics look particularly unreliable since COVID, and the Budget raised the cost of employing lower paid, especially part time, staff. The National Living (formerly Minimum) Wage rose in April by 9.8% for adults and up to 21.2% for younger workers. Further increases of 6.7% and 16.3% next April were announced in the Budget. The Monetary Policy Committee should, therefore, be cautious about cutting the Bank Rate too fast or too far from 4.75%. For those pay rises to be consistent with 2% inflation from 2025, UK investment and productivity growth will have to show marked improvement, and the UK's labour market, with its high and rising inactivity levels covering all age groups since COVID, will need to loosen up.

The UK's longer term growth, productivity and investment performance, however, lags most of our competitors by much more than the 4% Brexit cost estimate by the OBR. As the table below shows, the average annual increases in UK GDP per head, which is the figure that really matters for living standards and public services (without increasing the tax burden), fell from around 2.5% a year late last century to a little over 1% between 2000 and 2020. The figures since then are COVID-affected, but still show very slow progress.

Average annual increase in UK real GDP per head



* Until Q2 2024

Source: ONS

Changing this grim record will require massive institutional, structural and social change, starting with a more holistic approach to genuinely self-financing public investment. There is growing recognition, not least by the OECD and IMF, that the UK's fiscal rules, as currently defined, are too restrictive on productive long-term public investment. Markets focus on a country's general direction of travel and the competence and commitment of those in charge. So the Budget changes in the definition of debt to include public sector financial assets was sensible.

Britain's crumbling public services, with particular pressure on spending on health and social care, welfare and now on defence, partly reflect the short-sightedness of over-restrictive rules on public investment, which have cut it to only around 2% of GDP, well below OECD averages. Many years of spending cuts have cast their long, dark shadow, both physically, in the form of clapped out, energy- and work-inefficient buildings and dangerous potholes, or more widely, in a chronic lack of investment in training, skills, accessibility and mental health help to improve our labour market. Only 13% of school leavers in Barrow apply to university against 70% in Wimbledon. Such disparity in aspiration cannot be in the national interest, even if apprenticeships or other training may be best for many in both places.

London

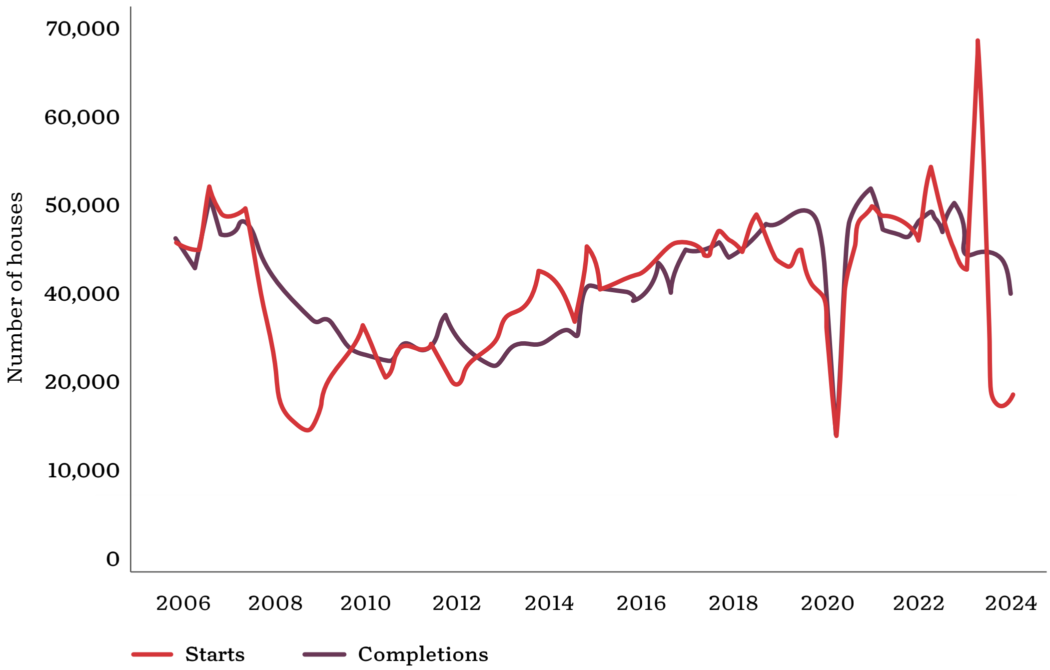
Housebuilding is the other main area where public sector investment is desperately needed for labour mobility, stimulating productivity and growth and easing inflation as well as meeting basic needs. The Budget made a useful start in the right direction.

Selling off almost all the public housing stock at a discount has cost taxpayers many times more in housing benefit payments over many years than the original short-term capital receipts. Private housebuilding has fallen to only 183,600 new homes completed in the year to March 2024, with housing starts down to 162,300, the lowest since 2014. Every region of the UK was well down.

Freeing up the UK's sclerotic planning system, and rebuilding councils' seized up planning departments, are welcome first steps, but there is no possibility that housebuilding is going to almost double to 300,000 a year without enabling housing associations and councils to build serious amounts of social housing again, compared with only 70,000 houses in total over the past 10 years. When 300,000 homes were last built regularly, in the 1970s, over 100,000 were in the public sector. Over the past twenty years, small and medium sized builders' market share has fallen from 40% to 10%, largely as a result of banks pulling the plug on them after 2009.

As the table below shows, English housing completions have been running well below 200,000 a year (50,000 a quarter), since 2006:

England – Quarterly housing starts and completions



Source: ONS

This persistent shortage of supply of houses, both to buy and to rent, has led to rents rising rapidly year by year and house prices growing increasingly unaffordable, but with cyclical fluctuations related to interest rates and real incomes. After a volatile interlude, when mortgage rates shot up in late 2022 and 2023, house prices are now clearly rising again, with the Nationwide reporting an annual rate of increase of 3.2%.

The new Government's Renters' Rights Bill, bringing long overdue reforms to tenancy legislation, including an end to no-fault evictions and enforceable rights to repairs, should improve renting as an option for consumers, but may accelerate sales by private landlords. Better organised and financed suppliers of rented housing, both private and public, must fill that gap.

The new Government, like its predecessors, is trying to stimulate foreign and domestic private investment. As they walk this well-trodden path, their most potent message will be stability, both narrowly in investment incentives and tax, and more widely in giving businesses confidence that there will not be constant changes of direction and people at the top of Government. Policies to promote growth, and to reverse decades of relative economic decline, should start bearing some fruit after five years but much more after ten.

In the shorter term, business rates need urgent reform so that they fairly reflect up to date market values in a fast-moving commercial property market, and ensure that online retailers pay a fair share of the cost of their constant deliveries. The interim change announced in the Budget, to fix a lower rates multiplier for smaller retail and leisure properties from 2026, has clearly not been thought through properly. The arbitrary limit of £500,000 annual rateable value will exclude most supermarket space and many retail warehouses, so the Amazons of this world will be breathing a huge sigh of relief. It is also essential that rating revaluations keep happening every three years and that they come into effect no longer than a year later.

British pension funds and private investors have run their investments in productive UK assets, whether quoted or unquoted businesses, property or wider infrastructure, right down in recent years. Many of these assets are, therefore, now significantly undervalued and being bought up by private equity operators with high risk levels of debt and low long-term commitment to investment here. There is a hard road ahead to reverse that trend as part of a long term UK growth plan.

The world economy is slowly improving, with the OECD now forecasting growth of 3.2% for both 2024 and 2025. Inflation in most developed countries is well under control this year, and has been forecast to fall slightly further in 2025. But markets now need to factor in higher inflation and interest rates in the USA, and higher tariff disruption to world trade, as a result of President Trump and a Republican Congress. Chinese GDP keeps growing at about 5%, with negligible inflation, with India at 7% (GDP) and 5% (inflation).

The world economy has now largely adjusted to disruption from Russia's attack on Ukraine, but the financial and human costs remain very high. There is no end in sight, with serious consequences for the future of Europe, in particular, and the international rule of law if Putin were seen to win. The prospects for peace, or even a sustainable ceasefire, seem remote in the Middle East.

These conflicts divert world leaders' attention away from global warming and weather changes all round the world, which are clearly accelerating. President Trump's re-election could make a real difference on wars and warming, as he strides back triumphant, and unpredictable as ever, onto an even shakier world stage than in 2016.

Matthew Oakeshott & Louise Cleary
OLIM Property Limited

25 November 2024

Alnwick

Management and administration of VIP

As announced on 9 September 2024, and with effect from 8 September 2024, the Company changed its Alternative Investment Fund Manager (AIFM) from its wholly owned subsidiary, Value and Indexed Property Income Services Limited, to OLIM Property Limited (OLIM Property), the Company's current delegated Investment Manager. There was no change to the portfolio management or fee arrangements.

The Investment Manager is responsible for the management of the investment of the assets of the Company in accordance with the Company's investment objective and policy.

BNP Paribas Securities Services is the Company's Depositary and oversees the Company's custody and cash arrangements.

Principal and Emerging Risks and Uncertainties

The Board carries out a regular review and robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. These principal and emerging risks and uncertainties are set out in full in the Strategic Report within the 2024 Annual Report, and remain applicable to the rest of the financial year.

Climate Change and Social Responsibility Risk

The Board recognises that climate change is an important emerging risk that all companies should take into consideration within their strategic planning, but as an investment trust company, the Company has no direct employee or environmental responsibilities. The Board encourages the Manager to take environmental, social and governance matters fully into account, as set out on page 9.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

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

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

John Kay
Chairman

25 November 2024

Aylesford

Financial Statements

	Note	6 months ended 30 September 2024 (unaudited)			6 months ended 30 September 2023 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Rental income	2	4,226	–	4,226	4,540	–	4,540
Other income	2	144	–	144	100	–	100
		4,370	–	4,370	4,639	–	4,639
Gains and losses on investments							
Realised gains on held-at-fair-value investments and investment properties		–	309	309	–	108	108
Unrealised gains/(losses) on held-at-fair-value investments and investment properties		–	939	939	–	(7,405)	(7,405)
Total income		4,370	1,248	5,618	4,639	(7,297)	(2,658)
Expenses							
Investment management fees		(437)	–	(437)	(440)	–	(440)
Other operating expenses		(448)	–	(448)	(443)	–	(443)
Finance costs		(1,545)	–	(1,545)	(1,078)	–	(1,078)
Exceptional items	3	4,511	–	4,511	–	–	–
Total expenses		2,081	–	2,081	(1,961)	–	(1,961)
Profit/(loss) before taxation		6,451	1,248	7,699	2,678	(7,297)	(4,619)
Taxation		(1,042)	–	(1,042)	(644)	–	(644)
Profit/(loss) attributable to equity shareholders of parent company		5,409	1,248	6,657	2,034	(7,297)	(5,263)
Earnings per Ordinary Share (pence)	3	12.74	2.94	15.68	4.76	(17.06)	(12.30)

The total column of this statement represents the Statement of Comprehensive Income of the Group, prepared in accordance with IFRS. The revenue return and capital return columns are supplementary to this and are prepared under guidance issued by the Association of Investment Companies. All items in the above statement derive from continuing operations.

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

The Board declared a first quarterly dividend of 3.4p per share (2024 - 3.2p), which was paid on 25 October 2024 to all Shareholders on the register on 27 September 2024 (ex-dividend date of 26 September 2024). A second quarterly dividend of 3.4p per share (2024 - 3.2p) will be paid on 31 January 2025 to those Shareholders on the register on 3 January 2025 with an ex-dividend date of 2 January 2025. The third quarterly dividend of 3.4p (2024 - 3.2p) will be paid on 25 April 2025 to those Shareholders on the register on 28 March 2025. The ex-dividend date will be 27 March 2025.

The Notes on pages 37 to 43 form part of these Financial Statements.

	Note	Year ended 31 March 2024 (audited) Revenue £'000	Capital £'000	Total £'000
Income				
Rental income	2	8,824	–	8,824
Other income	2	242	–	242
		9,066	–	9,066
Gains and losses on investments				
Realised gains on held-at-fair-value investments and investment properties		–	(137)	(137)
Unrealised (losses)/gains on held-at-fair-value investments and investment properties		–	(11,480)	(11,480)
Total income		9,066	(11,617)	(2,551)
Expenses				
Investment management fees		(863)	–	(863)
Other operating expenses		(894)	–	(894)
Finance costs		(2,142)	–	(2,142)
Exceptional items	3	–	–	–
Total expenses		(3,899)	–	(3,899)
Profit/(loss) before taxation		5,167	(11,617)	(6,450)
Taxation		(1,251)	–	(1,251)
Profit/(loss) attributable to equity shareholders of parent company		3,916	(11,617)	(7,701)
Earnings per Ordinary Share (pence)	3	9.14	(27.11)	(17.97)

	Note	As at 30 September 2024 (unaudited) £'000	£'000	As at 31 March 2024 (audited) £'000	£'000	As at 30 September 2023 (unaudited) £'000	£'000
Assets							
Non current assets							
Investment properties	8		140,741		135,112		135,660
Deferred tax asset			1,186		2,228		3,893
Receivables			5,266		5,792		2,366
			147,193		143,132		141,919
Current assets							
Cash and cash equivalents		8,326		2,695		7,808	
Receivables		2,494		687		2,787	
			10,820		3,382		10,595
Total assets			158,013		146,514		152,514
Current liabilities							
Payables		(3,806)		(3,428)		(3,012)	
			(3,806)		(3,428)		(3,012)
Total assets less current liabilities			154,207		143,086		149,503
Non-current liabilities							
Payables		–		(2,913)		(2,918)	
Borrowings		(64,218)		(49,073)		(49,036)	
Exceptional items	3	4,511		–		–	
			(59,707)		(51,986)		(51,954)
Net assets			94,500		91,100		97,549
Equity attributable to equity shareholders							
Called up share capital			4,555		4,555		4,555
Share premium			18,446		18,446		18,446
Retained earnings	6		71,499		68,099		74,547
Total equity			94,500		91,100		97,549
Net asset value per Ordinary Share (pence)	3		222.62p		213.53p		228.01p

These Financial Statements were approved by the Board on 25 November 2024 and were signed on its behalf by:

John Kay
Chairman

The Notes on pages 37 to 43 form part of these Financial Statements.

6 months ended 30 September 2024 (unaudited)

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Net assets at 31 March 2024		4,555	18,446	68,099	91,100
Profit for the period		–	–	6,657	6,657
Dividends paid	4	–	–	(2,893)	(2,893)
Buyback of Ordinary Shares for Treasury		–	–	(364)	(364)
Net assets at 30 September 2024		4,555	18,446	71,499	94,500

Year ended 31 March 2024 (audited)

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Net assets at 31 March 2023 - Restated	10	4,555	18,446	82,131	105,132
Loss for the year		–	–	(7,701)	(7,701)
Dividends paid	4	–	–	(5,661)	(5,661)
Buyback of Ordinary Shares for Treasury		–	–	(670)	(670)
Net assets at 31 March 2024		4,555	18,446	68,099	91,100

6 months ended 30 September 2023 (unaudited)

	Note	Share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Net assets at 31 March 2023		4,555	18,446	83,189	106,190
Loss for the period		–	–	(5,264)	(5,264)
Dividends paid	4	–	–	(2,925)	(2,925)
Buyback of Ordinary Shares for Treasury		–	–	(453)	(453)
Net assets at 30 September 2023		4,555	18,446	74,548	97,549

The Notes on pages 37 to 43 form part of these Financial Statements.

	Note	6 months ended 30 September 2024 (unaudited) £'000	£'000	6 months ended 30 September 2023 (unaudited) £'000	£'000	Year ended 31 March 2024 (audited) £'000	£'000
Cash flows from operating activities							
Rental income received			3,524		2,759		8,987
Dividend income received			–		–		–
Interest and other income received/(paid)			144		105		241
Operating expenses paid			(893)		(798)		(1,694)
Taxation paid			–		–		–
Net cash inflow from operating activities			2,775		2,066		7,534
Cash flows from investing activities							
Purchase of investment properties		(17,511)		(7,300)		(11,363)	
Sale of investment properties		9,849		15,158		12,633	
Net cash inflow/(outflow) from investing activities			(7,662)		7,857		1,270
Cash flow from financing activities							
Drawdown of loan		15,000		–		–	
Fees paid on new loan		(172)		–		–	
Interest paid on loans		(1,036)		(969)		(1,962)	
Finance cost of leases		(8)		(40)		(80)	
Payments of lease liabilities		(9)		(5)		(9)	
Dividends paid		(2,893)		(2,925)		(5,661)	
Buyback of Ordinary Shares for Treasury		(364)		(451)		(670)	
Net cash outflow from financing activities			10,518		(4,389)		(8,382)
Net increase/decrease in cash and cash equivalents			5,631		5,535		422
Cash and cash equivalents at the start of the period			2,695		2,273		2,273
Cash and cash equivalents at the end of the period			8,326		7,808		2,695

The Notes on pages 37 to 43 form part of these Financial Statements.

1. Accounting policies

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

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

(a) Basis of preparation

The Financial Statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of investment properties, investment in subsidiaries and the £50million bank borrowings, which are valued at fair value through profit and loss. 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.

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 Investment Managers Report on pages 8 to 27.

All expenses and finance costs are accounted for on an accruals basis. Expenses are presented as capital where a connection with the maintenance or enhancement of the value of investments can be demonstrated. In this respect, and in accordance with the SORP, the investment management fees are allocated 100% to income, in line with the general practice of property companies.

The Group’s Financial Statements have been prepared using the same accounting policies as those applied for the Financial Statements for the year ended 31 March 2024, which received an unqualified audit report.

(b) Going concern

The Group’s business activities, together with the factors likely to affect its future development and performance, are set out in this Interim Report. The financial position of the Group as at 30 September 2024 is shown in the Statement of Financial Position on page 34.

The cash flows of the Group for the half year to 30 September 2024, which are not untypical, are set out on page 36. The Group had fixed debt totalling £59,707,000 as at 30 September 2024; none of the borrowings is repayable before 2026.

As at 30 September 2024, the Group’s total assets less current liabilities exceeded its total non current liabilities by a factor of over 2.5.

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 38. The Directors, who have reviewed carefully the Group’s forecasts for the coming year and having taken into account the liquidity of the Group’s investment portfolio and the Group’s financial position in respect of cash flows, borrowing facilities and investment commitments (of which there is none of significance), are not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern. Accordingly the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Group’s 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 had been appointed to act as the Alternative Investment Fund Manager of the Company until it's termination on 8 September 2024. From this date, the Company's current delegated investment manager, OLIM Property Limited, was appointed as the Alternative Investment Fund Manager of the Company in its place.

(d) Presentation of Statement of Comprehensive Income

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

(e) Dividends payable

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

(f) Investments

Investment 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 included within the book cost of the property.

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

The Group leases out all of its properties on operating leases. A property held under an operating lease is classified and accounted for as an investment property where the Group holds it to earn rental, capital appreciation or both. Any such property leased under an operating lease is carried at fair value. Fair value is established by half-yearly professional valuation on an open market basis by Savills (UK) Limited, Chartered Surveyors and Valuers, and in accordance with the RICS Valuation - Global Standards January 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.

Leases

The Group leased properties that met the definition of investment property. These right-of-use assets were presented as part of Investment Properties in the Statement of Financial Position and held at fair value. The Company no longer holds leased properties.

2. Income

	6 months ended 30 September 2024 £'000	6 months ended 30 September 2023 £'000	Year ended 31 March 2024 £'000
Rental income	4,226	4,540	8,824
Interest receivable on short term deposits	144	100	183
Other income	–	–	59
Total income	4,370	4,639	9,066

3. Return per Ordinary Share and Net Asset Value per Ordinary Share

	6 months ended 30 September 2024 £'000	Excluding Exceptional Item 6 months ended 30 September 2024 £'000	6 months ended 30 September 2023 £'000	Year ended 31 March 2024 £'000
The Return and Net Asset Value per Ordinary Share is based on the following figures:				
Revenue return	5,409	898	2,034	3,916
Capital return	1,248	1,248	(7,297)	(11,617)
Weighted average number of Ordinary Shares in issue	42,467,909	42,467,909	42,782,464	42,855,131
Return per share - revenue	12.74p	2.11p	4.76p	9.14p
Return per share - capital	2.94p	2.94p	(17.06p)	(27.11p)
Total return per share	15.68p	5.05p	(12.30p)	(17.97p)
Net Asset Value per share	222.62p	211.99p	228.01p	213.53p

Exceptional Items

On 5 July 2024, the Company extended the borrowing on the 2033 fixed term secured loan facility from £35,000,000 to £50,000,000. In line with SORP requirements, the fair value of the £50,000,000 loan has been recognised at this loan modification date, resulting in a gain on loan modification of £4,511,000 (10.62 pence per share), which has been deemed an exceptional item in the period. The loan has subsequently been recorded on an amortising basis.

4. Dividends paid

	6 months ended 30 September 2024 £'000	6 months ended 30 September 2023 £'000	Year ended 31 March 2024 £'000
Dividends on Ordinary Shares:			
Third quarterly dividend of 3.2p per share (2023 - 3.2p) paid 26 April 2024	1,365	1,376	1,376
Final dividend of 3.6p per share (2023 - 3.6p) paid 26 July 2024	1,528	1,548	1,548
First quarterly dividend of 3.2p per share paid 27 October 2023 *	–	–	1,369
Second quarterly dividend of 3.2p per share paid 26 January 2024 *	–	–	1,368
Dividends paid in the period	2,893	2,925	5,661

* First and second quarterly dividends for the year to 31 March 2025 have been declared with pay dates falling after 30 September 2024. These have not been included as liabilities in these Financial Statements. See Note 5.

5. Interim dividend

The Directors declared a first quarterly dividend of 3.4p per Ordinary share, which was paid on 25 October 2024 to Shareholders on the register on 27 September 2024, with an ex dividend date of 26 September 2024 (2024 - 3.2p). A second interim dividend of 3.4p per share will be paid on 31 January 2025 to Shareholders registered on 3 January 2025, with an ex dividend date of 2 January 2025 (2024 - 3.2p).

The third quarterly dividend of 3.4p (2024 - 3.2p) will be paid on 25 April 2025 to those Shareholders on the register on 28 March 2025. The ex-dividend date will be 27 March 2025.

6. Retained earnings

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

	Revenue £'000	**Capital** £'000	**Total** £'000
As at 31 March 2024	(5,300)	73,399	68,099
Movement during the period:			
Profit/(loss) for the period	5,409	1,248	6,657
Dividends paid (see Note 4)	(2,893)	–	(2,893)
Buyback of Ordinary Shares for Treasury	–	(364)	(364)
As at 30 September 2024	(2,784)	74,283	71,499

7. Transaction costs

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

	6 months ended 30 September 2024 £'000	**6 months ended 30 September 2023** £'000	**Year ended 31 March 2024** £'000
Purchases	184	109	154
Sales	115	117	179
	299	226	333

8. Fair value hierarchy disclosures

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 30 September 2024 (unaudited)				
Investment properties	–	–	140,741	140,741
	–	–	140,741	140,741
Borrowings	–	(57,579)	–	(57,579)
	–	(57,579)	140,741	83,162
At 31 March 2024 (audited)				
Investment properties	–	–	135,112	135,112
	–	–	135,112	135,112
Borrowings	–	(48,103)	–	(48,103)
	–	(48,103)	135,112	87,009
At 30 September 2023 (unaudited)				
Investment properties	–	–	135,660	135,660
	–	–	135,660	135,660
Borrowings	–	(45,295)	–	(45,295)
	–	(45,295)	135,660	90,365

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

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

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

Level 3 - inputs are not observable

The fair values of the loans are determined by a discounted cash flow calculation based on the appropriate inter-bank rate plus the margin per the loan agreement. These instruments are, therefore, considered to be Level 2 as defined above. There were no transfers between Levels during the period. All other assets and liabilities of the Group are included in the Balance Sheet at fair value.

9. Relationship with the Investment Manager and other related parties

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

OLIM Property Limited receive an investment management fee of 0.6% of the capital assets that it manages.

OLIM Property Limited received an investment management fee of £437,000 (half year to 30 September 2023: £440,000 and year to 31 March 2024: £863,000).

At the period end, the balance owed by the Group to OLIM Property Limited was £91,000 (31 March 2024: £65,000) comprising management fees for the month of September 2024 subsequently paid in October 2024.

As announced on 9 September 2024, and with effect from 8 September 2024, the Company changed its Alternative Investment Fund Manager (AIFM) from its wholly owned subsidiary, Value and Indexed Property Income Services Limited, to OLIM Property Limited (OLIM Property), the Company's current delegated Investment Manager. There was no change to the portfolio management or fee arrangements.

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 period.

10. Half-yearly report

The financial information contained in this Half Yearly Financial Report does not constitute statutory accounts as defined in sections 434 - 436 of the Companies Act 2006.

The financial information for the six months ended 30 September 2024 and 30 September 2023 has not been audited.

The information for the year ended 31 March 2024 has been extracted and abridged from the latest published audited financial statements and do not constitute the statutory accounts for that year. Those Financial Statements have been filed with the Registrar of Companies and included the Report of the Independent Auditor, which contained no qualification or statement under section 498 of the Companies Act 2006.

During the year to 31 March 2024, the Group discovered an error in the calculation of the operating lease asset brought forward. The 31 March 2023 financial statements were restated to take account of this error and the consequential tax impact, however the interim accounts to 30 September 2023 have not been restated. Please refer to note 24 - Correction of errors in the Financial Statements to 31 March 2024 for further information.

This Half-Yearly Report was approved by the Board on 25 November 2024.

Aberfoyle

Additional Information

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***
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*
Westbury – 50 Cory Way, West Wilts Trading Estate	Arla Foods*

Bowling

Address	Tenants
Ashford – 43-79 Station Road	Hollywood Bowl*
Coventry – Crosspoint, Olivier Way	Ten Entertainment* Starbucks* Pizza Hut***
Doncaster – The Leisure Park, Bawtry Road	Ten Entertainment*
Peterborough – Sturrock Way	Hollywood Bowl*
Stafford – TenPin, Greyfriars Place	Ten Entertainment*

Other Leisure - Health Club and Caravan Park

Address	Tenants
Brentwood – Little Warley Hall Lane	Virgin Active Health Club*
Dover – St. Margaret's Holiday Park, Reach Road	Park Resorts*

Garden Centre

Address	Tenants
Nantwich – Bridgemere Garden Centre, London Road	Blue Diamond*

Hotels

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

Pubs

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

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

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.

Dividends

VIP pays dividends quarterly, around the end of January, April, July and October. For VIP's year ending 31 March 2025, the Board is currently targeting a total dividend of 13.6p per share (an increase of 3.0% over 13.2p last year).

The first quarterly dividend of 3.4p per Ordinary Share was paid on 25 October 2024 to all Shareholders on the register on 27 September 2024. The second quarterly dividend of 3.4p per Ordinary Share will be paid on 31 January 2025 to those Shareholders on the register on 3 January 2025. The ex-dividend date will be 2 January 2025. It is intended that a third quarterly dividend of 3.4p per Ordinary Share will be paid on 25 April 2025 to those Shareholders on the register on 28 March 2025, with an ex-dividend date of 27 March 2025, and a fourth and final dividend which, subject to Shareholders’ approval, would be paid on or around 25 July 2025.

Directors

John Kay (Chairman)
Matthew Oakeshott
Lorraine Reader
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

c/o Maven Capital Partners UK LLP
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

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

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

Investment Manager

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

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

(Authorised and regulated by the Financial Conduct Authority)

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

Independent Auditor

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

Corporate Broker

Berenberg, Gossler & Co. KG
60 Threadneedle Street
London EC2R 8HP

Depositary and Custodian

BNP Paribas Securities Services
10 Harewood Avenue
London NW1 6AA

VALUE AND INDEXED PROPERTY INCOME TRUST PLC

VIP plc

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

020 7846 3252

www.olimproperty.co.uk