VT Dominium Holdings
Investment Company with Variable Capital

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2019

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SHAREHOLDER INFORMATION

Size of the Company:	£21,786,345
Shares Outstanding:	
Accumulation:	18,920,013
Income:	200,000
Net Asset Value per Share:	
Accumulation:	114.0p
Income:	110.4p
Ongoing Charges Figure *(annualised):*	1% *(Capped at 1% p.a., reduced to 0.75% p.a. on incremental net assets above £50m)*
Redemption Charge:	3% for redemptions within 3 years *(payable to VT Dominium Holdings ICVC)*
Portfolio Turnover (*annualised*):	0%
Minimum Initial Investment:	£250,000
Minimum Subsequent Investment:	£20,000
Year end:	31st May
Ex-Dividend Date:	31st May
Dividend Distribution Date:	31st July
Dividend per Share:	
Accumulation:	0.7047p
Income:	0.6747p

Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM) and Registrar	Valu-Trac Investment Management Limited Orton, Moray IV32 7QE Telephone: 01343 880217 Email: dominium@valu-trac.com Authorised and regulated by the Financial Conduct Authority
Investment Adviser	Inpersca Limited 28 Walker Street Edinburgh EH3 7HR Appointed Representative of Valu-Trac Investment Management Limited
Depositary	NatWest Trustee and Depositary Services Limited Drummond House, 2nd Floor, 1 Redheughs Avenue Edinburgh EH12 9RH Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority
Auditor	Johnston Carmichael LLP, CA Commerce House, South Street Elgin IV30 1JE

ABOUT VT DOMINIUM HOLDINGS ICVC

VT Dominium Holdings ICVC ('the Company') is an Open-Ended Investment Company that is regulated and authorised by the United Kingdom's Financial Conduct Authority (FCA) as a non-UCITS retail scheme. It began operations on 14th July 2017 as a vehicle for business ownership and is intended for like-minded shareholders who recognise the risks and benefits of its investment objective and approach. It does not directly own immovable assets, commodities, derivatives or collective investment schemes, and does not 'short' shares or borrow to invest.

Investment Objective
The Company's investment objective is to preserve and grow the purchasing power of shareholders capital (i.e. for its returns to increase in excess of the UK's Consumer Price Index) over the long-term.

Investment Approach
As Investment Adviser, Inpersca Limited is of the opinion that business ownership offers the best means to protect and grow capital in real terms over time. It provides owners with a claim on the true sources of wealth creation. Participating patiently in the ownership of a limited number of carefully selected businesses, each providing products and services that satisfy society's needs, is the core of the Company's investment approach. It has no defined time horizon for each but hopes to own them for decades. *Simply put, its goal is to buy well and hold on*.

The Company will seek to partner with competent and honest entrepreneurs or business owners who share with it a community of interest. These individuals will have the privilege and burden of overseeing the distribution or reinvestment of the cash flows generated by their businesses, a key determinant of the rate at which the Company's capital will compound over time.

In order that this wealth creation accrues to owners, and is not competed away, each business in which the Company has an ownership participation should have barriers to entry that are scarce and difficult to replicate. They should also operate with capital structures and business models resilient enough to endure life's inevitable vicissitudes.

At Inpersca Limited we believe that neither *'risk'* nor *'value'* is a number that can be found on a spreadsheet.

> Given the sanctity of capital we see 'risk' as the likelihood of permanent capital loss. The careful selection of each business the Company owns is its best protection against this outcome – even then we will make errors of judgement. As long-term business owners we do not view asset price volatility, or illiquidity, as risk. You should know in advance that the Company will not avoid large drops in the share prices of the companies it owns. By understanding its businesses and management partners we hope to have the resilience to survive these falls and the courage to take advantage of them.
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> We 'value' scarcity, resilience, adaptability, ingenuity, probity and competence. The Company will look to own as much of this as possible for every portion of a business it acquires. Price volatility may provide it with the opportunity to acquire a greater portion of this value relative to the price it is being asked to pay - a welcome outcome.

Cash represents the residual of the investment approach. Suitable investment opportunities do not arise each and every day, or just because we might want them to. When suitable investment candidates are not available cash will be allowed to accumulate, to a maximum of 15% of net asset value. We have no ability to time markets and so do not attempt to do so.

We do not believe making comparisons of investment performance with other assets over short periods of time is helpful. Furthermore, the Company's ownership interests are selected without consideration of benchmark weightings and as such performance may deviate substantially from other investment vehicles. A realistic measure of long-term performance would be progress against the UK's Consumer Price Index over a rolling 5-year period. We suggest that a reasonable long-term comparator for global business ownership is the MSCI World Index.

INVESTMENT ADVISER'S BUSINESS PRINCIPLES

As Investment Adviser, Inpersca Limited takes seriously its fiduciary responsibility to your savings. To ensure a community of interest between it and the shareholders of the Company, Inpersca Limited is operated on the following broad business principles:

- We regard the capital entrusted to the Company as irreplaceable. Its long-term preservation, in real terms, is our first priority. A major portion of the savings of our staff are invested in the Company. We aim to make money with its shareholders, not from them.
- We care about investment returns. Inpersca Limited is dedicated solely to advising the Company and to monitoring the businesses it owns. The Company's size will be limited so as to maximise its opportunity set.
- As the Company grows it is our intention to share with the Company's shareholders the benefits of scale via a systematic reduction of the 'Ongoing Charges Figure'. In addition, our investment approach seeks to minimize transaction costs, an important and often overlooked expense that impairs long-term investment returns.
- It is essential that the shareholders of the Company are like-minded investors who share our investment philosophy, perspective of risk, return expectations and time horizon. The longer your investment time horizon the better. If your investment time horizon is less than 5 years, it is unlikely to be a suitable vehicle for your savings (a redemption fee is payable to the Company for redemptions within 3 years). Our own time horizon is much longer and we only intend to comment on performance, whether that of the Company or an individual holding, over a minimum of a 3-year rolling period.

Inpersca Limited
Investment Adviser

LETTER TO SHAREHOLDERS

Dear fellow shareholders,

At year-end our Company's assets consisted of ownership participations in twenty-two wonderful businesses and a residual cash balance. You will notice that during the year we became shareholders in TFF Group, the world's premier supplier of casks and barrels for the aging of spirits. TFF was established in 1910 by the François family who still own 71% of the company. It has an estimated global market share of over 25% with dominant positions in supplying the French wine and Scotch whisky industries and an expanding presence in the American whiskey segment. For aged wines and spirits the characteristics of the vessel in which a liquid is left to mature are incredibly important, making its supplier a trusted and indispensable partner.

The joy of ownership.
The purpose of our Company is to enable a group of like-minded shareholders to participate patiently in the ownership of a limited number of carefully selected businesses. I encourage you to consider yourself an owner, not just of Dominium Holdings, but also in each of the underlying businesses. The proficiency with which they utilise their productive assets in order to consistently delight their customers will largely determine the rate of progress in our Company's net asset value per share over time. Through our firms we facilitate the daily supply of such diverse items as casks, soft-drinks, pet food, pizza, beer, motorcycles, elevators, jewellery, insurance coverage, tool hire, payment networks and spectacles (the list is not exhaustive). This is incredible to conceive, and it is worth reflecting upon the benefits accruing to the billions of users of our products and services.

To illustrate, last year Fielmann AG sold over 8 million pairs of spectacles to its customers in Europe. It was so successful at providing fashionable glasses at an affordable price that it accounted for one in every two pairs sold in Germany, its home country, despite only operating 5% of the optical stores there. While the company accounts for 53% of that market by volume, it accounts for just 21% by value. It is apparent then that much of its success stems from a willingness to share with its customers the benefits of scale through prices that are on average half those of its competitors. Thanks to our participation we had a hand in, and of course a claim on the profits from, effectively addressing the needs of millions of people who have a visual impairment. On average, customers save a euro for every euro they spend on a pair of glasses at Fielmann and not elsewhere. Incredible. Also worth noting is the fact that Fielmann's training programmes account for 40% of all newly qualified opticians in Germany each year. They run these programmes in the knowledge that many of these trainees may later be employed by competitors. This suggests some latent earning potential exists as they voluntarily incur this additional cost burden. However, it is a latency I suspect they have little intention of ever unlocking and one I hope they never feel the need to.

To endure in the provision of affordable and fashionable glasses to consumers the firm needs to generate a satisfactory return on the capital it has invested in productive assets. Over the last decade Fielmann has achieved an average annual return on equity in excess of 20% while making use of almost no net debt. It is 72% owned by its founder, Gunter Fielmann, and his family and 85% of its staff are shareholders. This willingness to share scale efficiencies with customers (via lower prices) and staff (via training) while still achieving an attractive return on capital seems reflective of an enlightened owner running a business in such a way as to increase the probability of its long-term sustained success.

Fielmann is not our only shareholding whose success stems from a willingness to pass on economies of scale benefits to customers through lower prices. For example, Admiral Group, Costco Wholesale, PriceSmart, as well as various subsidiaries of both Berkshire Hathaway and Jardine Strategic Holdings follow this powerful business model. Sol Price can be credited as the inspiration behind the founding of two of these firms: Costco and PriceSmart. They each provide a living example of the power of his approach to sharing the benefits of scale in order to achieve persistent business profitability.

Sol Price's fiduciary approach to customers.
In the 1930's the 'Fair Trade' laws prevented retailers in the United States from selling merchandise at a discount to the manufacturers 'recommended retail price'. In 1948 Eugene Ferkauf and Joe Zwillenberg established E.J. Korvette in New York, styling it a co-operative in order to circumvent these laws. This meant its members could purchase products at a discount and employees would simply give membership cards to anyone who walked through the door of the store. The discount retailing model was born. Sol Price, a lawyer by trade, established Federal Employees Merchandise Mart (FedMart) in San Diego in 1954 using this model.

LETTER TO SHAREHOLDERS

FedMart offered discounted merchandise to military and federal employees who became 'life-time' members for a small up-front fee. However, in the cutthroat world of general merchandise retailing Price had a unique approach to delighting his customers. He believed there existed a professional fiduciary relationship between the retailer and the customer such that the retailer owed it to the customer to give them the best deal possible. As witness to how seriously he took this responsibility, when a competitor was selling an item cheaper than it was available at FedMart he would have signs placed in his store informing customers where to go to get the item at the lowest price.[1] While this might have lost him some immediate sales it had the effect of building the long-term trust and loyalty of members. Price's fiduciary approach to customers even dictated the way FedMart grew its membership. As he explained, *"You had a duty to be very, very honest and fair with them and so we avoided sales and advertising. We have in effect said that the best advertising is by our members...the unsolicited testimonial of the satisfied customer."*[2] No superlative laden advertising necessary.

Eventually forced out of FedMart, Price launched the warehouse store Price Club, which spawned both Costco (founded by ex-Price Club executives and merged with it in 1993) and PriceSmart (still run by Sol's son, Robert). Both these two warehouse concepts provide their members with the opportunity to shop for low priced, quality merchandise in exchange for a small annual fee. Their stores are mostly large, nondescript warehouses in out-of-town locations selling merchandise in bulk using rudimentary display racks. Furthermore, each limits the number of different items offered for sale in their stores. Despite this unusual method to retailing, at their 2018 financial year-end Costco reported over 94 million card carrying members shopping at its 762 stores and PriceSmart over 3 million at its 41 stores. A reflection of the satisfaction of these members is their annual renewal rate – an average of 87% at Costco and 85% at PriceSmart over the last decade.

Both Costco and PriceSmart place a very low mark-up on goods, ensuring prices are appealing to potential customers. This attracts a growing number of members who purchase an increasing volume of goods. Greater volumes come with two benefits:

> First, an ability to secure better prices from merchants as a result of larger orders. By placing a flat and very low mark-up on all products sold throughout their stores, any purchase price reductions secured from manufacturers due to larger order volumes are immediately enjoyed by all members in all stores by way of lower selling prices. The power of scale is magnified even further when you concentrate your negotiating efforts to just a limited number of items.
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> Second, operating efficiency is achieved by defraying the fixed costs of a store and delivery network over a larger throughput of volume. These savings are again invested into lowering selling prices but only after paying staff an above average income. Attractive remuneration is not the sole source of staff satisfaction, but it certainly helps. In a service industry such as retailing happy staff can make a huge difference to the member's shopping experience.

Without doubt it is the effective execution of a multitude of little things that ensures there are ever improving efficiencies at Costco and PriceSmart, but it is their fiduciary approach to immediately passing these savings on to members that has provided each with a rare and compelling competitive advantage. A very powerful loyalty arises from knowing your retailer is securing you a real bargain on quality merchandise.

Nonetheless, their competitive positions are not insurmountable, and it is incumbent on each to adapt and learn in order to ensure their advantage is maintained. Technology is constantly chipping away at their competitiveness and e-commerce has become the force with which Costco and PriceSmart must now compete. For Amazon the ability to share with its customers the benefits of scale is not limited to the number of members that can conveniently travel to a physical store (whose construction is costly, time consuming and requires dealing with things like parking, zoning laws etc.). As we might expect, Costco and PriceSmart are learning to adapt to this threat, sometimes successfully and other times less so. In recent years Costco has burdened its income statement and balance sheet with investments to develop its e-commerce and home delivery capabilities. To date it appears to have had some success in this without a deterioration in the economics of its stores. It has also become more vertically integrated as its vast scale in some items provides it with the opportunity to manufacture these goods cost effectively. Whereas most of Costco's sales are made in the United States, PriceSmart operates in the more volatile economies of the Caribbean, Central America and Colombia. In these markets traffic and parking space can be big issues for its members to have to contend with. This has the potential to make online shopping and home delivery even more appealing than it might otherwise be. To address this PriceSmart is currently experimenting with two smaller store formats in more convenient locations (one in the Dominican Republic and one in Panama). It has also acquired a cross-border e-commerce operation to develop its online sales channel. Whether these efforts by Costco or PriceSmart ultimately prove successful cannot be known with certainty in advance, but it is pleasing that both are willing to follow their curiosity and instincts and to learn from experience in order to find a method that succeeds.

For at least six of our companies their success in generating an enduring economic return on invested capital is due in part to a willingness to share economies of scale with customers through lower selling prices. At two of them, doing so is rooted in a belief that they owe their customer a responsibility in this regard. The business model they all have in common is aligned with delighting their customers by providing quality merchandise at low prices. Nevertheless, the incentives to compromise it by earning a little more margin and reporting a little more profit are ever present. Resisting this temptation requires staff and shareholders who are prepared to adhere to a corporate philosophy that gives greater weight to the persistency of future returns than to the magnitude of immediate returns.

Thank you.

Dominium Holdings ICVC is not suitable for everyone. While open-ended in corporate form, I consider it as little different in substance to a family holding company in that its goal is to convey a precious and irreplaceable pool of savings into the future while preserving its purchasing power. Unlike in a family holding company most of our shareholders do not share DNA, but rather a philosophy. At the core of this philosophy is a belief that entrepreneurial endeavour is a major contributor to the ongoing improvement in our standard of living, and that operating as owners and patient supporters in the financing of this entrepreneurialism offers the best means to achieving our Company's objective over time. The like-mindedness of our shareholders is thus a precious asset. Its value resides in affording our Company the opportunity to participate in the ownership of firms such as Fielmann, Costco and PriceSmart free from the short-term pressures that might encourage them to compromise the very reasons for the longevity of their success. It is the alignment of all of our shareholders to this philosophy that allows us to experience the joy of ownership and I am grateful to each of you for your continued support.

Evan Green
Inpersca Limited

Notes:

1. Robert. E. Price (2012), *Sol Price: Retail Revolutionary.* San Diego History Center.
2. Ibid.

OWNERSHIP INTERESTS

Portfolio Statement as at 31st May 2019

Holding	Security	Currency	Value (£)	% of Net Assets	*31st May 2018*
20,850	Heineken Holdings NV	EUR	1,630,426	7.48	
1,800	Markel Corp.	USD	1,506,621	6.92	
60,900	Admiral Group Plc	GBP	1,254,845	5.76	
8,900	Pernod-Ricard SA	EUR	1,245,104	5.72	
36,998	Jardine Strategic Holdings	USD	1,094,929	5.03	
5,610	Costco Wholesale Corp.	USD	1,054,070	4.84	
6,700	Berkshire Hathaway Inc.	USD	1,051,803	4.83	
15,400	RLI Corp.	USD	1,047,454	4.81	
109,936	A.G. Barr Plc	GBP	1,042,743	4.79	
13,100	Nestle SA	CHF	1,028,795	4.72	
6,300	Schindler Holdings AG	CHF	1,022,227	4.69	
16,600	Fielmann AG	EUR	922,333	4.23	
29,900	Brown & Brown Inc.	USD	747,441	3.43	
98,555	VP Plc	GBP	721,423	3.31	
32,350	Compania Cervecerias Unidas SA (ADR)	USD	675,892	3.10	
3,300	Mastercard Inc.	USD	661,085	3.03	
11,300	Compagnie Financiere Richemont SA	CHF	657,197	3.02	
15,750	Diageo Plc	GBP	523,648	2.40	
14,816	TFF Group	EUR	497,983	2.29	
900	Rational AG	EUR	451,763	2.07	
9,600	PriceSmart Inc.	USD	371,288	1.70	
1,500	The Swatch Group	CHF	297,875	1.37	
Total equities			**19,506,945**	**89.54**	86.30
Cash and equivalents		Various	2,291,399	10.52	13.80
Adjustment to revalue assets from mid to bid			(11,999)	(0.06)	(0.10)
Total portfolio			**21,786,345**	**100.0**	

During the year, there were investment purchases of £2,026,911, and investment sales of £nil (note 13).

FINANCIAL STATEMENTS

Statement of total return

	Notes	For the year ended 31st May 2019 £	£	For the period from 14th July 2017 to 31st May 2018 £	£
Income					
Net capital gains	**2**		1,471,710		690,087
Revenue	**3**	390,797		260,011	
Expenses	**4**	(226,479)		(151,433)	
Finance costs: interest	**5**	-		(579)	
Net revenue before taxation		164,318		107,999	
Taxation	**6**	(33,507)		(20,421)	
Net revenue after taxation			130,811		87,578
Total return before dividends			1,602,521		777,665
Finance costs: dividends	**5**		(130,811)		(87,578)
Change in net assets attributable to shareholders from investment activities			1,471,710		690,087

Statement of changes in net assets attributable to shareholders

	For the year ended 31st May 2019 £	For the period from 14th July 2017 to 31st May 2018 £
Opening net assets attributable to shareholders	18,597,973	-
Amounts receivable on creation of shares	1,782,741	17,802,934
Amounts payable on cancellation of shares	(199,409)	-
Dilution levy	-	2,609
Dividend reinvested	133,330	102,343
Change in net assets attributable to shareholders from investment activities (see above)	1,471,710	690,087
Closing net assets attributable to shareholders	21,786,345	18,597,973

FINANCIAL STATEMENTS

Balance sheet

At 31st May	Notes	2019 £	2019 £	2018 £	2018 £
Assets					
Investment assets			19,494,946		16,030,538
Debtors	**7**	53,193		67,332	
Cash and bank balances	**8**	2,263,310		2,527,053	
Total other assets			2,316,503		2,594,385
Total assets			21,811,449		18,624,923
Liabilities					
Creditors	**9**	(23,754)		(21,347)	
Dividend payable		(1,349)		(951)	
Bank overdraft	**8**	(1)		(4,652)	
Total liabilities			(25,104)		(26,950)
Net assets attributable to shareholders			21,786,345		18,597,973

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st May 2019

1 Accounting policies

(a) The financial statements have been prepared in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds (SORP) issued by the Investment Association (IA) in May 2014. The functional currency of the Company is sterling.

(b) Dividends on equities are recognised when the security is quoted ex-dividend. Both interest on deposits and the annual management charge rebates are accounted for on an accrual basis. Accumulation of revenue, relating to accumulation shares held in the Company, is not included in the amount available for distribution.

(c) The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Company, and where applicable is included in the distribution. In the case of an enhanced stock dividend the value of the enhancement is treated as capital.

(d) Special dividends are treated as repayments of capital or revenue depending on the facts of each particular case.

(e) All expenses are accounted for on an accruals basis and, other than those relating to the buying and selling of investments, all expenses are charged to the revenue of the Company.

(f) Where the revenue from investments exceeds the expenses of the Company, annual dividends are paid to all holders of income shares. In all cases, tax vouchers will be issued to shareholders.

(g) The Company is not more than 60% invested in qualifying investments (as defined by S468L ICTA 1988) and where applicable will pay a dividend distribution.

(h) The listed investments of the Company have been valued at bid market prices at 4.30pm UK time on 31st May 2019.

(i) All transactions in foreign currencies are converted into sterling at the rates of exchange ruling at the date of such transactions. Foreign currency assets and liabilities at the end of the accounting period are translated at the exchange rates at the closing valuation point and any gains or losses taken to capital.

(j) Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax assets are recognised only to the extent that the ACD considers that it is more likely than not there will be taxable profits from which underlying timing differences can be deducted.

(k) In certain circumstances the ACD may charge a dilution levy on the sale or repurchase of shares. The levy, which is paid into the Company, is intended to cover certain charges not included in the bid market value of the Company, used in calculating the share price, which could have a diluting effect on the performance of the Company.

NOTES TO THE FINANCIAL STATEMENTS

2	**Net capital gains**	**For the year ended 31st May 2019 £**	**For the period 14th July 2017 to 31st May 2018 £**
	The net capital gains comprise:		
	Currency gains/(losses)	39,804	(42,334)
	Non-derivative securities gains	1,432,013	734,484
	Custodial transaction charges	(107)	(2,063)
	Total net capital gains	1,471,710	690,087

3	**Revenue**	**For the year ended 31st May 2019 £**	**For the period 14th July 2017 to 31st May 2018 £**
	UK dividends	121,667	94,542
	Overseas dividends	228,511	142,402
	Annual management charge rebate	23,643	23,067
	Bank interest	16,976	-
	Total revenue	390,797	260,011

4	**Expenses**	**For the year ended 31st May 2019 £**	**For the period 14th July 2017 to 31st May 2018 £**
	Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director, and agents of either of them:		
	ACD fees	198,697	126,986
	Payable to the depositary, associates of the depositary, and agents of either of them:		
	Depositary and safekeeping fees	22,398	18,831
	Other expenses:		
	Audit fee	5,400	5,400
	FCA fee	(16)	216
		5,384	5,616
	Total expenses	226,479	151,433

The Investment Adviser has agreed to rebate the Company any expenses to the extent necessary to limit the annual ongoing charges figure to 1.0% of the Company's average net assets. This rebate is accounted for as revenue and reflected as 'Annual management charge rebate' (Note 3).

NOTES TO THE FINANCIAL STATEMENTS

5	Finance costs	For the year ended 31st May 2019 £	For the period 14th July 2017 to 31st May 2018 £
	Negative interest on bank deposits	-	579
	Dividend for the period	134,679	103,294
	Reconciliation of dividend:		
	Net revenue after taxation	130,811	87,578
	Equalisation on subscriptions	4,458	15,716
	Equalisation on redemptions	(590)	-
	Dividend for the period	134,679	103,294

6	Taxation	For the year ended 31st May 2019 £	For the period 14th July 2017 to 31st May 2018 £
(a)	**Analysis of charge in the period**		
	Irrecoverable income tax	33,507	20,421
	Total current tax charge for the period (note 6b)	33,507	20,421
(b)	**Factors affecting current tax charge for the period**		
	The tax assessed for the period is lower than the standard rate of corporation tax in the UK for an open-ended investment company 20.0%. The differences are explained below:		
	Net revenue before taxation	164,318	107,999
	Corporation tax at 20.0%	32,864	21,600
	Effects of:		
	Revenue not subject to UK corporation tax	(70,036)	(47,389)
	Current year expenses not utilised	37,172	25,789
	Overseas tax expenses	33,507	20,421
	Current tax charge for period (note 6a)	33,507	20,421

(c) Provision for deferred taxation

At 31st May 2019 there is a potential deferred tax asset of £62,961 (2018: £25,789) in relation to surplus management expenses. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised.

7	Debtors	2019 £	2018 £
	Dividends receivable	16,392	50,506
	Tax reclaimable	34,468	13,918
	Annual management charge rebate receivable	2,333	2,908
	Total debtors	53,193	67,332

NOTES TO THE FINANCIAL STATEMENTS

8 Cash and bank balances

	2019	2018
	£	£
Cash and bank balances	2,263,310	2,527,053
Bank overdraft	1	4,652

9 Creditors

	2019	2018
	£	£
ACD fee	15,305	13,628
Other accrued expenses	8,449	7,719
Total creditors	23,754	21,347

10 Share movement

	Income shares	Acc. shares
Shares outstanding at 1st June 2018	200,000	17,441,867
Shares issued during the year	-	1,663,393
Shares cancelled during the year	-	(185,247)
Shares converted during the year	-	-
Shares outstanding at 31st May 2019	200,000	18,920,013

11 Financial instruments

In pursuing its investment objective as stated on page 2, the Company holds a number of financial instruments. The Company's financial instruments comprise securities, cash balances, debtors and creditors that arise directly from its operations, for example, in respect of sales and purchases awaiting settlement, amounts receivable for issues and payable for redemptions and debtors for accrued revenue.

The main risks arising from the Company's financial instruments, those of its underlying holdings and the ACD's policies for managing these risks are summarised below. These policies have been applied throughout the period.

Market price risk

Market price risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Company holds. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

The Company's investment holdings are exposed to market price fluctuations, which are monitored by the ACD in pursuance of the investment objective and policy as set out in the Prospectus. If market prices at the balance sheet date had been 10% higher or lower while all other variables remained the same the return attributable to shareholders for the period ended 31st May 2019 would have increased or decreased by £1,949,495 (2018: £1,603,054).

Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Interest rate risk

Interest rate risk is the risk that the capital value or income of the Company's investments will fluctuate as a result of changes in interest rates.

The Company currently does not invest in floating rate securities. The Company does hold cash balances which are subject to variable interest rates.

At the period end date 10.4% of the Company's assets by value were interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

Maturity of financial liabilities

The financial liabilities of the Company at 31st May 2019 are payable either within one year or on demand.

Liquidity risk

The Company's assets comprise mainly of readily realisable securities. The main liability of the Company is the redemption of any shares that its investors wish to sell. Assets of the Company may need to be sold if insufficient cash is available to finance such redemptions.

Foreign currency risk

Foreign currency risk is the risk that the value of the Company's investment holdings will fluctuate as a result of changes in foreign currency exchange rates.

The Company's investment holdings can be invested in holdings that are registered overseas, and this means that the balance sheet can be affected by movements in foreign exchange rates. Revenue received in other currencies is converted to sterling on or near the date of receipt.

A portion of the net assets of the Company is denominated in currencies other than sterling with the effect that the balance sheet and total return can be affected by currency movements. If foreign exchange rates at the balance sheet date had been 10% higher or lower while all other variables remained the same the return attributable to shareholders for the year ended 31st May 2019 would have increased or decreased by £1,682,192 (2018: £1,390,627).

The currency exposure at 31st May 2019 consists of:

	Monetary assets		Non-monetary assets		Total net assets	
	2019	2018	2019	2018	2019	2018
	£	£	£	£	£	£
Sterling	1,390,164	1,793,716	3,539,793	2,897,982	4,929,957	4,691,698
Euro	25,939	2,209	4,744,049	3,167,281	4,769,988	3,169,490
Swiss Franc	8,529	10,129	3,005,345	2,738,750	3,013,874	2,748,879
US Dollar	866,767	761,381	8,205,759	7,226,525	9,072,526	7,987,906
Total	2,291,399	2,567,435	19,494,946	16,030,538	21,786,345	18,597,973

Credit risk

Certain transactions in securities that the Company enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Company has fulfilled its responsibilities. The Company only buys and sells investments through brokers which have been approved by the ACD as acceptable counterparties and fund management companies. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed. At the year end the Company held cash balances of £2,263,310 with an overdraft of £1 (2018: cash balances £2,527,053, overdraft £4,652). The credit ratings of all the banks related to the fund are reviewed daily to ensure they continue to meet the criterion required by the ACD.

Fair value disclosure

All investments are valued using prices for identical instruments in active markets.

12 Contingent assets and liabilities

At 31st May 2019 the Company had no contingent liabilities or commitments. (2018: none)

NOTES TO THE FINANCIAL STATEMENTS

13 Portfolio transaction costs

	2019 £	% of purchases	**2018** £	% of purchases
Analysis of total purchase costs:				
Purchases in period before costs	2,021,298		15,253,362	
Commissions	1,278	0.06	8,066	0.05
Taxes	4,302	0.21	16,610	0.11
Levies	33	0.00	21	0.00
Total transaction costs	5,613	0.27	24,697	0.16
Total purchases plus transaction costs	2,026,911		15,278,059	

	£	% of sales	£	% of sales
Analysis of total sale costs:				
Sales in period before costs	-		-	
Commissions	-	-	-	-
Taxes	-	-	-	-
Total transaction costs	-	-	-	-
Total sales less transaction costs	-		-	

	£	% of average net assets		% of average net assets
Analysis of total transaction costs:				
Commissions	1,278	0.01	8,066	0.04
Taxes	4,302	0.02	16,610	0.09
Levies	33	0.00	21	0.00
	5,613	0.03	24,697	0.13

COMPARATIVE TABLES

	Income shares	
	For the year ended 31st May 2019	1st September 2017 to 31st May 2018
Change in net assets per share		
Opening net asset value per share	102.8p	100.0p
Return before operating charges †	9.4p	4.3p
Operating charges	(1.1p)	(1.0p)
Return after operating charges	8.3p	3.3p
Dividend on income shares	(0.7p)	(0.5p)
Closing net asset value per share	110.4p	102.8p
† after direct transaction costs of:	0.03p	0.14p
Returns		
Total return after charges	8.1%	3.3%
Other information		
Closing net asset value	£0.2m	£0.2m
Closing number of shares	0.2m	0.2m
Annualised operating charges	1.00%	1.00%
Direct transaction costs	0.03%	0.14%
Share prices		
Highest price	110.4p	102.8p
Lowest price	102.3p	97.0p

	Accumulation shares	
	For the year ended 31st May 2019	14th July 2017 to 31st May 2018
Change in net assets per share		
Opening net asset value per share	105.6p	100.0p
Return before operating charges †	9.5p	6.6p
Operating charges	(1.1p)	(1.0p)
Return after operating charges	8.4p	5.6p
Dividend on accumulation shares	(0.7p)	(0.6p)
Reinvested dividend on accumulation shares	0.7p	0.6p
Closing net asset value per share	114.0p	105.6p
† after direct transaction costs of:	0.05p	0.14p
Returns		
Total return after charges	8.0%	5.6%
Other information		
Closing net asset value	£21.6m	£18.4m
Closing number of shares	18.9m	17.4m
Annualised operating charges	1.00%	1.00%
Direct transaction costs	0.03%	0.14%
Share prices		
Highest price	114.0p	105.6p
Lowest price	105.0p	99.1p

AUTHORISED CORPORATE DIRECTOR'S REPORT

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("COLL") require the Authorised Corporate Director to prepare financial statements for each accounting period which give a true and fair view of the financial position of the Company at the end of the financial year and its net revenue and net capital gains for the year. In preparing these financial statements the Authorised Corporate Director is required to:

- comply with the Prospectus and applicable accounting standards, subject to any material departures which are required to be disclosed and explained in the financial statements
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in operation for the foreseeable future

The Authorised Corporate Director is required to keep proper accounting records and to manage the Company in accordance with the COLL regulations, the FCA's Investment Funds Sourcebook ("FUND"), the Instrument of Incorporation, and the Prospectus. The Authorised Corporate Director is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director's statement

In accordance with the requirements of the Financial Conduct Authority's COLL and FUND, we hereby certify the annual report.

Anne A. Laing CA

Neil J. Smith MA BA CA

Valu-Trac Investment Management Limited
Authorised Corporate Director

DEPOSITARY'S REPORT

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) (the OEIC Regulations), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of shares are carried out in accordance with the Regulations;
- the value of shares in the Company is calculated in accordance with the Regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has the duty to take reasonable care to ensure that the Company is managed in accordance with the Regulations and the Scheme documents in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the AIFM:

(i) has carried out the issue, sale, redemptions and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations and the Scheme documents of the Company, and
(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

NatWest Trustee and Depositary Services Limited
1st June 2019

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of VT Dominium Holdings ICVC ("the Company") for the year ended 31st May 2019 which comprise the Statement of Total Return, Statement of Changes in Net Assets Attributable to Shareholders, Balance Sheet and the related Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the financial position of the Company at 31st May 2019 and of the net revenue and the net capital gains on the scheme property of the Company for the year then ended; and
- have been properly prepared in accordance with the IA Statement of Recommended Practice for Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority and the Instrument of Incorporation.

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 described further in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the ACD's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the ACD has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The ACD is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT

Opinions on other matters prescribed by the COLL regulations

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

- proper accounting records for the Company have been kept and the accounts are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit; and
- the information given in the report of the ACD and in the report of the authorised fund manager for the period is consistent with the financial statements.

Responsibilities of the Authorised Corporate Director

As explained more fully in the Authorised Corporate Director's Responsibilities Report set out on page 17, the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal controls as the ACD determines 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 ACD is responsible for assessing the 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 ACD either intends to liquidate the Company or to cease operations, or has 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the ACD.
- Conclude on the appropriateness of the ACD's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP, Chartered Accountants
Statutory Auditor, Elgin

ADDITIONAL INFORMATION

Issue and redemption of shares
Valu-Trac Investment Management Limited is the ACD and Registrar and will receive requests for the purchase or sale of shares at any time during normal business hours. Instructions may be given by email to dominium@valu-trac.com or by sending an application form to the Registrar. Application forms are only available from the Registrar.

The price of shares will be determined by reference to a valuation of the Company's net assets at 4:30pm on the 1st and 15th (or the next business day) of each month.

The ACD has the right to reject, on reasonable grounds relating to the circumstances of the applicant, any application for shares in whole or part, and in this event the ACD will return any money sent, or the balance of such monies, at the risk of the applicant. In addition, the ACD may reject any application previously accepted in circumstances where the applicant has paid by cheque and that cheque subsequently fails to be cleared. Any subscription monies remaining after a whole number of shares has been issued will not be returned to the applicant. Instead, smaller denomination shares will be issued in such circumstances.

A contract note giving details of the shares purchased and the price used will be issued by the Registrar by the end of the business day following the valuation point by reference to which the purchase price is determined. Settlement is due four business days after the trade date shown on the contract note and should be made to the ACD's dealing account.

Ownership of shares will be evidenced by an entry on the Company's Register of Shareholders. Certificates will not be issued. Statements in respect of periodic distributions of revenue will show the number of shares held by the recipient in respect of which the distribution is made. Individual statements of a shareholder's shares will also be issued at any time on request by the registered holder.

Where shares are redeemed, payment will be made not later than the close of business on the fourth business day following the next valuation point after receipt by the ACD of a request for redemption. Please note that shares redeemed within three years of purchase will be subject to a redemption charge. This redemption charge is payable to the Company, not to the ACD or Investment Adviser.

The prices of shares are published on www.fundlistings.com. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices. The most recent prices are also available from the ACD upon request.

Taxation
The Company will pay no corporation tax on its profits for the year and capital gains within the Company will not be taxed.

Distribution
Distributions of the revenue of the Company will be made to shareholders on or before 31st July each year.

UK Resident individual shareholders
In 2016 HM Revenue & Customs changed the taxation of dividends, replacing dividend tax credits with an annual dividend allowance. UK resident shareholders are currently subject to tax on dividend income in excess of the annual allowance. The actual rate depends on the individual's tax rate band.

Individual shareholders resident in the UK for tax purposes may be liable to capital gains tax on realisation of their shares in the Company, as with other chargeable assets.

Shareholders should consult with their tax adviser about their circumstances.

Debts of the Company
Shareholders of the Company are not liable for the debts of the Company.

ADDITIONAL INFORMATION

Alternative Investment Fund Managers Directive

Under the EU's Alternative Investment Fund Managers Directive (AIFMD) 2013, the Company has been designated an Alternative Investment Fund. The ACD, Valu-Trac Investment Management Limited, has been appointed as the AIFM. The AIFMD has had little impact on the operating costs or management of VT Dominium Holdings ICVC.

To comply with the AIFMD, information about the AIFM's remuneration policies and disclosures and conflict of interest policies are available from Valu-Trac Investment Management Limited on its website. The Company does not employ any staff directly from the AIFM, so there are no quantitative disclosures in this report.