VT Dominium Holdings
Investment Company with Variable Capital

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MAY 2020

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SHAREHOLDER INFORMATION

Size of the Company:	£20,488,820
Shares Outstanding:	
Accumulation:	18,805,951
Income:	220,760
Net Asset Value per Share:	
Accumulation:	107.9p
Income:	103.9p
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:	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:	0.6596p
Income:	0.6538p

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 43 Melville Street Edinburgh EH3 7JF Appointed Representative of Valu-Trac Investment Management Limited
Depositary	NatWest Trustee and Depositary Services Limited 2nd Floor, Drummond House, 1 Redheughs Avenue Edinburgh EH12 9RH Authorised and regulated by the Financial Conduct 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 authorised and regulated 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 efficiently providing products and services that effectively 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.
>
> 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 five-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 five years, it is unlikely to be a suitable vehicle for your savings (a redemption fee is payable to the Company for redemptions within three 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 three-year rolling period.

Inpersca Limited
Investment Adviser

LETTER TO SHAREHOLDERS

Dear fellow shareholders,

Our Company is a vehicle through which a group of like-minded shareholders participate patiently as owners of a limited number of carefully selected businesses. The objective in doing so is to protect and enhance the purchasing power of our capital over time.

It has been distressing to witness the global health crisis that has occurred because of the novel coronavirus, COVID-19. Equally, it has been incredible to watch the resourcefulness, selflessness and compassion of people in response to a common foe. In the face of adversity we get to witness what individuals truly value. Our choices and actions will be remembered for years to come.

Many governments chose to deal with this pandemic by severely restricting the movements of people, both within and across their borders. This has had important implications on many aspects of our lives, including a devastating impact on the well-being and livelihoods of many. Indeed, for most of us, the effects of government policy choices may prove to be more harmful than the virus itself.

Our actions

We remain owners in the same twenty-two businesses detailed in this report last year. Honesty, resilience, adaptability and ingenuity are *always* highly prized attributes. While they do not make an enterprise impervious to failure, I maintain that they give it a greater ability to overcome life's inevitable vicissitudes.

During a panic, owners play a vital role in staying calm, supportive and resolute. Doing the right thing can require that we embrace what Charlie Munger, Vice Chairman of Berkshire Hathaway, refers to as the 'shared-hardship model'.[1] I have been amazed by the efforts of our businesses to support their workers, customers, vendors, partners and the societies in which they operate. While all have been mindful of the health and safety of their staff and customers, some have made commitments around employee retention, have converted facilities to produce essential medical equipment and supplies, have provided basic essentials to families in need, have extended the medical coverage given to their workforces, or have contributed financial and administrative assistance. These actions highlighted the willingness of our companies to live and invest behind their values. Many of the products and services of our firms were categorised as essential during this pandemic. As a result, their people continued to work throughout to ensure these were readily available. In doing so they placed their own health at risk in the service of others.

As owners we have a moral duty to support these endeavours, even as they burden today's income statements and capital structures. We also have an economic imperative to do so. It needs to be recognised that the ability of our firms to sacrifice profitability today in support of employees, customers, vendors and communities is thanks to past success and resources given to attaining resilience, both operational and financial. The cost of that effort is now being rewarded through an ability to endure without dilution in our ownership. In turn, today's endeavours will be the foundation on which future profits are derived, profits in which we will continue to have a claim.

Parent, not babysitter

When faced with having to make choices in conditions of uncertainty, the potential for catastrophic outcomes matters as much as the average potential outcome. Avoiding catastrophe necessitates building resilience in its various forms. Yet to do so can mean having to compromise on efficiency. As capital, whether human, financial or natural, is scarce, a balance is required.

Each of our motivations and time preferences differ and so the choices we make in achieving this balance differs too. They are both personal and subjective. Knowledge, experience, incentives and biases influence these decisions. The family for whom a claim in an undertaking is a significant portion of their overall wealth are likely to see the appropriate balance very differently to an investor whose investment in the same organisation constitutes a small fraction of their portfolio. The former is likely to be motivated to give greater impetus to endurance and underlying operational progress; the latter to the potential for immediate growth and profitability. The approach of the first might be described as attentive parent rather than temporary babysitter.

LETTER TO SHAREHOLDERS

Most of our participations have an influential owner in their share register and are often only publicly listed through some accident of history. Schindler Holdings is an example. The motivations of its controlling shareholders are revealed by its Chairman, Silvio Napoli, in his letter accompanying this year's annual report, *"As a family company, Schindler continues to place the company's health first and to nurture the business for future generations. Our financial results are the sequential consequence of this approach."*[2] He goes on to point out how this is increasingly at odds with the demands placed on many firms to grow at any cost, even when doing so exposes them to heightened risk. The considered selection of our partners is therefore important in how we balance the need for an acceptable return on scarce resources and the ability to endure.

Devolved decision-making as a source of resilience
A few years ago a generous office neighbour suggested I read Dr. Jan Wallander's book *Decentralisation – Why, and How to Make it Work.* In the 1960s Wallander developed his version of decentralisation at Sundsvallsbanken, a small provincial bank in Sweden. However, it was during his tenure at Svenska Handelsbanken in the 1970s and 1980s that he most forcefully implemented it.

As he describes in his book, decentralisation is beneficial to two important stakeholders in any business. The first being the customer. Decentralisation requires devolving responsibility and decision-making to those closest to the customer, who best understand their ever-evolving needs. Adapting a product or service to suit a customer's specific requirements creates trust, the basis for any enduring relationship.

The second is employees. Delegated decision-making gives them authority and accountability. This provides them with an opportunity to progress. The result is that they often derive a heightened sense of worth and purpose from their association with an organisation. Engaged, committed and enthusiastic people add further to overall responsiveness and thus customer satisfaction.

The benefits of Wallander's approach were to become evident in Svenska Handelsbanken's operating record over the ensuing decades. In its home markets its customer service is consistently voted as industry-leading. Furthermore, by giving its branches authority and responsibility for lending decisions it has a history of low credit losses. As a result, it was the only major Swedish bank not to need state support during the Swedish banking crisis in the early 1990s, and one of only a few major European banks not required to raise additional capital from either government or shareholders during the financial crisis a decade ago. Thus its decentralisation has also proven beneficial to two other stakeholders - the societies in which the bank operates and its shareholders.[3]

Faced with seemingly endless demands to reduce uncertainty, achieve efficiency gains and improve profitability, the incentives for management teams to centralise power are considerable. Increasing regulations and new technology can add to the motivations for doing so. To embrace devolved decision-making corporate leaders must recognise that the role of the head-office and its senior executives is to support the choices and facilitate the progress of its people. Within our participations are several enterprises who make a virtue of decentralisation. As a holding company, Berkshire Hathaway is an obvious example. However, multinationals such as Heineken, Nestle, Pernod Ricard, Richemont, Schindler and TFF Group are also reliant on decentralised operating teams. Each of these is empowered to make choices in areas such as pricing, promotions, distribution, packaging, etc., to ensure their goods are best adapted to the specific needs of local consumers.

Brown and Brown may be a less familiar company to some, despite being the sixth largest independent insurance broker in the United States. With operations stretching back to 1939, over 60% of its staff are shareholders. In aggregate they own more than 30% of the firm. Through over 300 offices, customer interactions occur locally to ensure they provide the best risk management solutions for every client. Each office is responsible for its own performance and all make use of head-office services and skills at their own discretion. Every quarter the performance of these offices is openly shared throughout the group. While many businesses see the use of technology as a means to facilitate centralisation and control, Brown and Brown has invested in systems that enable its employees to be as responsive and productive as possible. This empowers them to innovatively deal with the changing risks faced by the many small and medium sized enterprises that comprise most of their clients.

Affording individuals the space and opportunity for ingenuity and adaptation can be perceived as inefficient and even risky. Yet failing to do so is likely to be fatal to the long-term survival of any organisation, especially so in an environment of rapid change.

Money is not wealth

The fragility of the global economy and the extent of its indebtedness has been made clearer in recent months. Interest rates are the price of the most important commodity in any economy and the manipulation of them is bound to result in significant misallocations of scarce resources. Prolonged manipulation, misplaced confidence in the accuracy of mathematical risk models and government interventions to socialise losses, all often at the insistence of 'experts', have encouraged many to assume risks they are ill-prepared to underwrite.

That money is not wealth, merely a means to transfer or tally it, is obvious. Producing great quantities of money does not create the productive assets from which wealth is derived. Rather it simply increases the claims on existing assets. In the years ahead there is likely to be much more debate about the societal and economic implications of top-down directed government policies administered in response to yet another crisis. It is impossible to know ex-ante precisely what the consequences will be.

Despite an uncertain future, the motivation for retaining our participations is based on the recognition that prosperity is achieved through human endeavour. Our wealth resides in the productive assets within each of our underlying companies. Recent months have reinforced the importance of many of the products and services of these firms. However, it has also more forcefully revealed the ingenuity, adaptability and resolve of their employees.

Buttressed by conservative capital structures, powerful underlying business models and supportive owners, the resilience of our companies is enhanced by their willingness to empower their people to honestly, spontaneously and creatively adapt to the ever-changing needs of the societies they serve.

Thank you for your continued confidence.

Evan Green
Inpersca Limited

Notes
1. Berkshire Hathaway Inc. Annual General Meeting 2009
2. Schindler Holdings Limited 2019 Annual Report Group Review
3. Inpersca Limited is a delighted customer of Svenska Handelsbanken's UK subsidiary

OWNERSHIP INTERESTS

Portfolio Statement as at 31st May 2020

Holding	Security	Currency	Value (£)	% of Net Assets	*31st May 2019*
22,000	Heineken Holdings NV	EUR	1,466,834	7.16	
60,900	Admiral Group Plc	GBP	1,417,752	6.92	
5,610	Costco Wholesale Corp.	USD	1,388,444	6.78	
1,800	Markel Corp.	USD	1,328,726	6.48	
6,300	Schindler Holdings AG	CHF	1,187,737	5.80	
20,000	Fielmann AG	EUR	1,151,422	5.62	
13,100	Nestle SA	CHF	1,146,546	5.60	
8,900	Pernod-Ricard SA	EUR	1,121,426	5.47	
6,700	Berkshire Hathaway Inc.	USD	996,654	4.85	
15,400	RLI Corp.	USD	978,463	4.77	
29,900	Brown & Brown Inc.	USD	972,764	4.75	
3,300	Mastercard Inc.	USD	802,227	3.92	
151,950	A.G. Barr Plc	GBP	743,416	3.63	
99,801	VP Plc	GBP	682,639	3.33	
41,998	Jardine Strategic Holdings	USD	679,522	3.32	
26,316	TFF Group	EUR	648,710	3.16	
1,400	Rational AG	EUR	610,348	2.98	
12,000	Compagnie Financiere Richemont SA	CHF	562,909	2.75	
15,750	Diageo Plc	GBP	440,685	2.15	
38,500	Compania Cervecerias Unidas SA (ADR)	USD	429,996	2.10	
9,600	PriceSmart Inc.	USD	427,401	2.09	
1,500	The Swatch Group	CHF	241,772	1.18	
Total equities			**19,426,393**	**94.81**	89.54
Cash and equivalents		Various	1,104,224	5.39	10.52
Adjustment to revalue assets from mid to bid			(41,797)	(0.20)	(0.06)
Total portfolio			**20,488,820**	**100.0**	

During the year, there were investment purchases of £1,227,679 and investment sales of £nil (note 13).

FINANCIAL STATEMENTS

Statement of total return

For the year ended 31st May	Notes	£	2020 £	£	2019 £
Income					
Net capital (losses)/gains	2		(1,324,772)		1,471,710
Revenue	3	406,413		390,797	
Expenses	4	(245,965)		(226,479)	
Finance costs: interest	5	-		-	
Net revenue before taxation		160,448		164,318	
Taxation	6	(32,758)		(33,507)	
Net revenue after taxation			127,690		130,811
Total return before dividends			(1,197,082)		1,602,521
Finance costs: dividends	5		(126,341)		(130,811)
Change in net assets attributable to shareholders from investment activities			(1,323,423)		1,471,710

Statement of changes in net assets attributable to shareholders

For the year ended 31st May	2020 £	2019 £
Opening net assets attributable to shareholders	21,786,345	18,597,973
Amounts receivable on creation of shares	285,444	1,782,741
Amounts payable on cancellation of shares	(383,594)	(199,409)
Dividend reinvested	124,048	133,330
Change in net assets attributable to shareholders from investment activities (see above)	(1,323,423)	1,471,710
Closing net assets attributable to shareholders	20,488,820	21,786,345

FINANCIAL STATEMENTS

Balance sheet

At 31st May	**Notes**	**£**	**2020** **£**	**£**	**2019** **£**
Assets					
Investment assets			19,384,596		19,494,946
Debtors	**7**	95,435		53,193	
Cash and bank balances	**8**	1,029,903		2,263,310	
Total other assets			1,125,338		2,316,503
Total assets			20,509,934		21,811,449
Liabilities					
Creditors	**9**	(19,671)		(23,754)	
Dividend payable		(1,443)		(1,349)	
Bank overdraft	**8**	-		(1)	
Total liabilities			(21,114)		(25,104)
Net assets attributable to shareholders			20,488,820		21,786,345

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st May 2020

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.

(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 investments of the Company have been valued at bid market prices at 4.30pm UK time on 29th May 2020.

(i) 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 (losses)/gains

	2020 £	2019 £
The net capital (losses)/gains comprise:		
Currency gains	13,293	39,804
Non-derivative securities (losses)/gains	(1,338,029)	1,432,013
Custodial transaction charges	(36)	(107)
Total net capital (losses)/gains	(1,324,772)	1,471,710

3 Revenue

	2020 £	2019 £
UK dividends	119,573	121,667
Overseas dividends	249,755	228,511
Annual management charge rebate	26,985	23,643
Bank interest	10,100	16,976
Total revenue	406,413	390,797

4 Expenses

	2020 £	2019 £
Payable to the ACD, associates of the ACD, and agents of either:		
ACD fees	218,980	198,697
Payable to the depositary, its associates, and agents of either:		
Depositary and safekeeping fees	20,908	22,398
Other expenses:		
Audit fee	5,700	5,400
Under accrual of audit fee in 2019	300	-
FCA fee	77	(16)
	6,077	5,384
Total expenses	245,965	226,479

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

	2020	2019
	£	£
Dividend for the year	125,492	134,679
Reconciliation of dividend:		
Net revenue after taxation	127,690	130,811
Equalisation on subscriptions	384	4,458
Equalisation on redemptions	(1,233)	(590)
Carry forward to next year	(1,349)	-
Dividend for the year	125,492	134,679

6 Taxation

	2020	2019
	£	£
(a) Analysis of charge in the year		
Irrecoverable income tax	32,758	33,507
Total current tax charge for the year (note 6b)	32,758	33,507

(b) Factors affecting current tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK for an open-ended investment company of 20.0%. The differences are explained below:

	2020	2019
Net revenue before taxation	160,448	164,318
Corporation tax at 20.0%	32,090	32,864
Effects of:		
Revenue not subject to UK corporation tax	(73,866)	(70,036)
Current year expenses not utilised	41,776	37,172
Overseas tax expenses	32,758	33,507
Current tax charge for the year (note 6a)	32,758	33,507

(c) Provision for deferred taxation

At 31st May 2020 there is a potential deferred tax asset of £104,737 (2019: £62,961) 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

	2020	2019
	£	£
Dividends receivable	36,832	16,392
Tax reclaimable	55,419	34,468
Annual management charge rebate receivable	3,184	2,333
Total debtors	95,435	53,193

NOTES TO THE FINANCIAL STATEMENTS

8	**Cash and bank balances**	**2020** **£**	**2019** **£**
	Cash and bank balances	1,029,903	2,263,310
	Bank overdraft	-	(1)

9	**Creditors**	**2020** **£**	**2019** **£**
	ACD fee	12,799	15,305
	Other accrued expenses	6,872	8,449
	Total creditors	19,671	23,754

10	**Share movement**	**Income shares**	**Acc. shares**
	Shares outstanding at 1st June 2019	200,000	18,920,013
	Shares issued during the year	20,760	230,593
	Shares cancelled during the year	-	(344,655)
	Shares converted during the year	-	-
	Shares outstanding at 31st May 2020	220,760	18,805,951

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 year.

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 2020 would have increased or decreased by £1,938,460 (2019: £1,949,495).

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 FCA's Collective Investment Schemes Sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

NOTES TO THE FINANCIAL STATEMENTS

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 5.0% of the Company's assets by value were interest bearing.

Maturity of financial liabilities

The financial liabilities of the Company at 31st May 2020 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 registered overseas. This means that the balance sheet can be affected by movements in foreign exchange rates.

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 2020 would have increased or decreased by £1,654,403 (2019: £1,682,192).

The currency exposure at 31st May 2020 consists of:

	Net Monetary assets		**Non-monetary assets**		**Total net assets**	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
	£	**£**	**£**	**£**	**£**	**£**
Sterling	684,766	1,390,164	3,260,020	3,539,793	3,944,786	4,929,957
Euro	-	25,939	4,989,797	4,744,049	4,989,797	4,769,988
Swiss Franc	-	8,529	3,138,057	3,005,345	3,138,057	3,013,874
US Dollar	419,458	866,767	7,996,722	8,205,759	8,416,180	9,072,526
Total	1,104,224	2,291,399	19,384,596	19,494,946	20,488,820	21,786,345

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. In addition, limits are set to the exposure to any individual broker. At the year end the Company held cash balances of £1,029,903 with an overdraft of £nil (2019: cash balances £2,263,310, overdraft £1). The credit ratings of all the banks related to the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

12 Contingent assets and liabilities

At 31st May 2020 the Company had no contingent liabilities or commitments. (2019: none).

13 Portfolio transaction costs

	2020 £	% of purchases	2019 £	% of purchases
Analysis of total purchase costs:				
Purchases before transaction costs	1,225,147		2,021,298	
Commissions	668	0.05	1,278	0.06
Taxes	1,857	0.15	4,302	0.21
Levies	7	0.00	33	0.00
Total transaction costs	2,532	0.20	5,613	0.27
Total purchases plus transaction costs	1,227,679		2,026,911	

	£	% of sales	£	% of sales
Analysis of total sale costs:				
Sales before transaction 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	668	0.00	1,278	0.01
Taxes	1,857	0.01	4,302	0.02
Levies	7	0.00	33	0.00
	2,532	0.01	5,613	0.03

COMPARATIVE TABLES

	Income shares		
	For the year ended 31st May 2020	**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	110.4p	102.8p	100.0p
Return before operating charges †	(4.7p)	9.4p	4.3p
Operating charges	(1.1p)	(1.1p)	(1.0p)
Return after operating charges	(5.8p)	8.3p	3.3p
Dividend on income shares	(0.7p)	(0.7p)	(0.5p)
Closing net asset value per share	103.9p	110.4p	102.8p
† after direct transaction costs of	0.01p	0.03p	0.14p
Returns			
Total return after charges	(5.3%)	8.1%	3.3%
Other information			
Closing net asset value	£0.2m	£0.2m	£0.2m
Closing number of shares	0.2m	0.2m	0.2m
Annualised operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.01%	0.03%	0.14%
Share prices			
Highest price	118.9p	110.4p	102.8p
Lowest price	96.3p	102.3p	97.0p

	Accumulation shares		
	For the year ended 31st May 2020	**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	114.0p	105.6p	100.0p
Return before operating charges †	(5.0p)	9.5p	6.6p
Operating charges	(1.1p)	(1.1p)	(1.0p)
Return after operating charges	(6.1p)	8.4p	5.6p
Dividend on accumulation shares	(0.7p)	(0.7p)	(0.6p)
Reinvested dividend on accumulation shares	0.7p	0.7p	0.6p
Closing net asset value per share	107.9p	114.0p	105.6p
† after direct transaction costs of	0.01p	0.05p	0.14p
Returns			
Total return after charges	(5.3%)	8.1%	5.6%
Other information			
Closing net asset value	£20.3m	£21.6m	£18.4m
Closing number of shares	18.8m	18.9m	17.4m
Annualised operating charges	1.00%	1.00%	1.00%
Direct transaction costs	0.01%	0.03%	0.14%
Share prices			
Highest price	122.7p	114.0p	105.6p
Lowest price	99.5p	105.0p	99.1p

AUTHORISED CORPORATE DIRECTOR'S REPORT

The rules of the Financial Conduct Authority's (FCA) Collective Investment Schemes Sourcebook 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 losses 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 FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, 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 FCA's Collective Investment Schemes Sourcebook and Investment Funds Sourcebook, 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 2020

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT DOMINIUM HOLDINGS ICVC

Opinion

We have audited the financial statements of VT Dominium Holdings ICVC ("the Company") for the year ended 31st May 2020 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 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice including FRS 102 "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 2020 and of the net revenue and the net capital losses 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 TO THE SHAREHOLDERS OF VT DOMINIUM HOLDINGS ICVC

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VT DOMINIUM HOLDINGS ICVC

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 (8.30am to 5.30pm). 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. 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. Annual statements in respect of 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 most recent prices of shares are published on www.valu-trac.com/dominium. Neither the ACD nor the Company can be held responsible for any errors in the publication of the prices.

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
UK resident shareholders are currently subject to tax on dividend income in excess of an annual allowance. The actual rate depends on the individual's tax band. They may also be liable to capital gains tax on the 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.

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.