

Interim Report

# CT Property Trust Limited

For the six months ended  
31 December 2022



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### Forward-looking statements

This interim report may contain forward-looking statements with respect to the financial condition, results of operations and business of the Group. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the Directors' current view and on information known to them at the date of this document. Nothing should be construed as a profit forecast.

Front Cover Photo: Southampton International Park, Eastleigh

# Company Summary

## The Company

CT Property Trust Limited ('the Company') formerly known as BMO Real Estate Investments Limited is an authorised closed-ended Guernsey-registered investment company. Its shares have a premium listing on the Official List of the Financial Conduct Authority and are traded on the Main Market of the London Stock Exchange. Stock code: CTPT.

The Interim Report of the Company consolidates the results of its subsidiary undertakings, which collectively are referred to throughout this document as 'the Group', details of which are contained in note 14 to the Consolidated Financial Statements.

The Group elected into the UK REIT regime from 1 January 2015.

## Objective

To provide ordinary shareholders with an attractive level of income together with the potential for capital and income growth from investing in a diversified UK commercial property portfolio.

## Management

The Board has appointed Columbia Threadneedle Investment Business Limited as the Company's investment manager and Columbia Threadneedle REP PM Limited as the Company's property manager. Both of these companies are part of the Columbia Threadneedle Investments Group and, collectively, are referred to in this document as 'the Manager'.

## Capital Structure

The Company's equity capital structure consists of Ordinary Shares.

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets greater than the value of the liabilities.

## How to Invest

The Investment Manager operates a number of investment plans which facilitate investment in the shares of the Company. Details are contained on page 30.

## Alternative Performance Measures ('APM')

The Company uses a number of alternative performance measures in the discussion of its business performance and financial position. Further information is provided on pages 32 to 34.

Visit our website at  
[ctpropertytrust.co.uk](http://ctpropertytrust.co.uk)

Registered in Guernsey with company registration number: 41870  
Legal Entity Identifier: 231801XRCB89W6XTR23

# Financial Headlines

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-26.8%

**Net asset value total return\***

Net asset value total return of -26.8 per cent for the 6 months ended 31 December 2022

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-16.2%

**Share price total return\***

Share price total return of -16.2 per cent for the 6 months ended 31 December 2022

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-22.1%

**Portfolio total return\***

Portfolio ungeared total return of -22.1 per cent for the 6 months ended 31 December 2022

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5.8%

**Annualised dividend yield\***

Dividends for the period of 2.0 pence per share, giving an annualised dividend yield of 5.8 per cent, based on the period end share price

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108.5%

**Dividend cover\***

Dividend cover of 108.5 per cent for the 6 months ended 31 December 2022

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Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

\* See Alternative Performance Measures on pages 32 and 34.

# Performance Summary

	Six months to 31 December 2022
<b>Total Returns for the period*</b>	
Net asset value per share	<b>-26.8%</b>
Ordinary share price	<b>-16.2%</b>
Portfolio ungeared return	<b>-22.1%</b>
MSCI UK Quarterly Property Index	<b>-15.5%</b>
FTSE All-Share Index	<b>5.1%</b>

	Six months to 31 December 2022	Year ended 30 June 2022	% Change
<b>Capital Values</b>			
Total assets less current liabilities (£000's)	<b>312,100</b>	410,721	-24.0%
Net asset value per share	<b>95.4p</b>	132.8p	-28.2%
EPRA net tangible assets per share**	<b>95.4p</b>	132.8p	-28.2%
Ordinary share price	<b>68.6p</b>	84.0p	-18.3%
MSCI UK Quarterly Property Universe	<b>111.9</b>	135.1	-17.2%
FTSE All-Share Index	<b>4,075.1</b>	3,940.9	3.4%
Ordinary share price discount to net asset value per share*	<b>28.1%</b>	36.7%	
Net gearing*	<b>22.7%</b>	22.1%	

	Six months to 31 December 2022	Six months to 31 December 2021
<b>Earnings and Dividends</b>		
Earnings per ordinary share	<b>-36.7p</b>	20.9p
EPRA Earnings per ordinary share**	<b>2.3p</b>	2.0p
Dividends paid per ordinary share	<b>2.0p</b>	2.0p
Annualised dividend yield*	<b>5.8%</b>	4.7%

## Notes

\* See Alternative Performance Measures on pages 32 and 34.

\*\* See EPRA Performance Measures on page 35.

Sources: Columbia Threadneedle Investment Business, MSCI Inc, and Refinitiv Eikon.

# Chairman's Statement



**Davina Walter**

2022 was a year characterised by geopolitical challenges as inflationary pressures led to rising interest rates amidst slowing economic growth. The second half of the year was marked by economic events closer to home, with September's mini budget the catalyst for October 2022 being the worst month of capital performance from the UK real estate market on record, closely followed by November 2022 as the second. The end of a prolonged period of loose monetary policy has seen a rapid pricing correction across the real estate markets, causing illiquidity and uncertainty that has spilled over into the start of 2023, albeit with a tentative air of optimism amid initial indications of stabilisation in parts of the market.

## Company Performance

In this challenging economic context, the Company has delivered a net asset value ('NAV') total return of -26.8 per cent and a NAV per share as at 31 December 2022 of 95.4 pence, down from 132.8 pence per share as at 30 June 2022 (a decrease of 28.2 per cent).

The potential downside risk attached to real estate asset values has been priced into the share price for some time with the Company's shares trading at a substantial discount to NAV. The discount narrowed to 28.1 per cent at the period end, compared to 36.7 per cent as at 30 June 2022. The share price total return for the six-month period was -16.2 per cent.

	<b>Pence</b>
NAV per share as at 30 June 2022	132.8
Unrealised decrease in valuation of property portfolio	(38.7)
Realised gains on disposal of properties	0.5
Share buybacks	0.5
Other net revenue	2.3
Dividends paid	(2.0)
NAV per share as at 31 December 2022	95.4

## Portfolio Performance

The Company's portfolio delivered a total return of -22.1 per cent over the 6 month reporting period, underperforming the MSCI UK Quarterly Property Index ('MSCI' or 'Index') return of -15.5 per cent. This was driven by a capital return of -24.1 per cent against the Index return of -17.2 per cent. The relative underperformance can be attributed to the Company's high weighting towards the industrial, logistics and distribution ('industrials') and retail warehousing sectors (a combined 77.5 per cent of the portfolio by capital value), which suffered the sharpest yield adjustments following a sustained period of valuation growth.

Whilst this has resulted in a disappointing short-term outturn, our bias to industrials and retail warehouses remains strategically important to our long-term performance. As the Manager's

Review sets out in further detail, these sectors retain strong occupational fundamentals and growth prospects that we expect to come to the fore as the commercial property market moves toward a stabilisation phase. Our portfolio is also characterised by good quality assets in core and primarily south-eastern locations, which should place us in good stead as we navigate these challenging economic headwinds.

### **Borrowings and Cash**

The company has maintained a healthy cash position over the period, which was supported by the sale in August 2022 of 14 Berkeley Street in London's Mayfair for £32.4m.

As at 31 December 2022, the Company had approximately £32.3 million of available cash and an undrawn revolving credit facility of £20 million, with the £7 million drawn down at the start of the period having been paid down. The £90 million long-term debt with Canada Life and the £20 million revolving credit loan facility with Barclays do not need to be refinanced until November 2026 and March 2025 respectively. As at 31 December 2022, the LTV (net of cash) was 22.7 per cent and the weighted average interest rate on the Group's total current borrowings was 3.36 per cent.

### **Share Buybacks**

The Company used some of the proceeds from the sale of Berkeley Street to buy the Company's shares at a discount. This offered attractive value for shareholders and was both NAV and earnings enhancing. The buybacks were transacted between August and October 2022 but there have not been any in recent months, with the preservation of cash in current markets taking precedence. To date, the Company has bought back 8,575,000 Ordinary Shares at an average discount to the NAV at the time of transaction of 37.9 per cent.

### **Dividends**

Two interim dividends of 1.0 pence per share were paid over the six month period, reflecting an annualised yield of 5.8 per cent based on the share price of 68.6 pence at the period close. The current dividend is being paid at 80 per cent of the rate paid pre-pandemic and is fully covered.

The Board will continue to keep the future level of dividends under review.

### **Board Composition**

The Company's former Chairman, Vikram Lall, retired from the Board following November's Annual General Meeting, having served on the Board for nine years. The Board would like to thank Vikram for his dedication and years of valuable service to the Company during his time in office. As highlighted in the 2022 Annual Report, Rebecca Gates retired from the Board in August 2022, and we thank her for the contribution she made during her time on the Board.

I was delighted to be appointed Chairman with immediate effect following Vikram's departure and, at the same time, James Thornton joined the Board as a non-executive Director, bringing with him a wealth of experience within the UK real estate market.

### **Environmental, Social and Governance ('ESG')**

The ESG agenda continues to gather pace. Delivering best practice and positioning our asset base for long-term resilience remains a key pillar of the Company's strategy.

# Chairman's Statement (continued)

The Company has just published its pathway to Net Zero Carbon ('NZC') and this can be found on our website [ctpropertytrust.co.uk](https://ctpropertytrust.co.uk), with a commitment to achieve this critical milestone by 2040. The Board has worked closely with the Manager and their specialist consultants to undertake NZC audits across each of the portfolio assets, modelling the timing and impact of interventions to enable us to make our commitment based on a tangible and deliverable pathway. In line with Green Building Council guidance, our "fabric-first" approach means that the process of delivering the interventions necessary to reduce our portfolio's operational carbon and energy intensity is already underway and we will continue to closely monitor progress against best practice standards.

April 2023 sees the introduction of the latest Minimum Energy Efficiency Standards (MEES) threshold, against which the portfolio is fully compliant. We are now focused on future threshold requirements, with incremental improvements to energy efficiency a key element of our asset-level business plans and offering clear synergies in the delivery of our NZC commitment.

We continue to develop our ESG agenda, and we are pleased to retain both our GRESB two-star rating and EPRA Gold Award for sustainability disclosures, demonstrating continued progress. The Company's 2022 ESG Report, detailing the current status and progress made on the portfolio is available on the Company's website.

## Outlook

Persistently high inflation and rising interest rates will continue to put downward pressure on growth. However, the employment market remains tight, supply chain pressures are easing and energy costs abating, indicating the impact may be less severe than originally feared.

The level of future growth will be pivotal for the occupational markets, which have demonstrated notable resilience and continue to offer a foundation for growing confidence in the investment markets. The initial stages of 2023 have seen an uptick in investment activity which is expected to support a stabilisation in valuations, although some segments of the real estate market remain under pressure. Provided any impact on the occupational markets is relatively mild, we would expect that the UK real estate sector will see a stabilisation and recovery in the second half of 2023.

At a time when income and its resilience will prove the primary driver of total returns, we are confident that the Company's portfolio is weighted in favour of those sectors offering the most sustainable income delivery alongside the greatest rental growth prospects. As capital appreciation begins to return, growth sectors will be prioritised, as will the long-term security offered by good quality assets. In this regard, our portfolio is well-positioned.

**Davina Walter**  
**Chairman**

21 March 2023



# Managers Review



**Matthew Howard,**  
**Fund Manager**

## Portfolio Headlines

- The Company's portfolio produced a total return of -22.1 per cent over the 6 months to December 2022, against the MSCI UK Quarterly Property Index ('Index' or 'MSCI') return of -15.5 per cent. This was largely driven by capital underperformance from exposure to industrial and retail warehousing.
- Portfolio total return outperformance of the Index to December 2022 has been maintained over longer time periods of 3, 5 and 10-years.
- Industrial and retail warehousing now account for 77.5 per cent of portfolio value. Portfolio vacancy in these sectors remains at nil and income growth has been delivered over the period.
- Disposal of 14 Berkeley Street for £32.4m, reflecting a net initial yield of 3.1 per cent, completed in August 2022.
- Low portfolio vacancy rate maintained at 2.9 per cent by estimated rental value ("ERV") at period end, below the Index average of 8.0 per cent.
- Debt remains conservative at a loan to value of 22.7 per cent (net of cash), with long-term debt not due for refinancing until November 2026.
- Rental collection of 99.9 per cent over both the period and 2022 as a whole.

## Property Market Review

The second half of 2022 witnessed a rapid repricing of UK commercial real estate owing to a concentration of factors. This challenging backdrop has resulted in the Index at a market level reporting a total return of -15.5 per cent over the period, driven by capital decline of -17.2 per cent. The Index delivered an income return of 2.0 per cent over the period (4.0 per cent annualised).

The inflationary environment gained momentum over the year and as the Bank of England tried to control this, there has been ten consecutive increases to the base rate rising from 0.1 per cent at the start of 2022 to 4.0 per cent at the

time of writing. This increase in interest rates placed downward pressure on real estate values, and this was compounded by September's mini budget, which led to gilt yields rising to levels not seen since 2010. These mounting headwinds of higher interest rates, a weaker economic backdrop and volatility in the financial markets resulted in marked investor caution and subdued activity throughout the period. In October, UK real estate experienced its sharpest monthly value decline on record (according to MSCI), with some areas of forced selling of real estate spurred by the need to satisfy redemption requests and reweighting pressures.

# Managers Review (continued)

As 2022 came to a close we did see an uptick in agreed transactions, suggesting the period of 'pricing discovery' was approaching an end for attractive assets and sectors, which has been further supported by gradual momentum in the early stages of 2023. The nuance of the current downturn has been the strength of the underlying occupational markets where near record low vacancy levels have been maintained across the industrial, retail warehouse and alternative sectors.

In any period of economic pressure, the full impact to real estate is not immediately known and property owners will have a keen eye on occupier health over the forthcoming months. However, owing to the continued positive occupier activity within the aforementioned sectors and provided that any potential recession (real or technical) is mild, occupational markets are expected to remain relatively sound. This is further assisted by a muted development pipeline, constrained by the rise in construction and debt cost, which will keep levels of supply in check.

Despite the strong occupational story, the industrial sector's low yields in H1 2022 were particularly exposed to the inflationary environment and prime yields moved out approximately 150 basis points in the 6 months to December. The sector delivered rental value growth in excess of 10 per cent<sup>1</sup> in the 12 months to December 2022 and take up levels for 2022 were amongst the strongest on record, despite slowing in the second half of the year. The sector's vacancy rate remains at near historic lows of circa 4.0 per cent nationally (for units over 100,000 sq ft) principally driven by e-commerce, the push for supply chain resilience and increasing

on- and near-shoring. Market level rental growth is expected to remain positive but moderate as occupier margins come under pressure.

Prime yields for retail warehouses moved out by approximately 100-125 basis points over H2 2022, although by the close of 2022, the sector's vacancy rate fell to circa 5 per cent<sup>2</sup>, supported by the expansion of discount and convenience led retailers such as Lidl, PureGym, B&M, Home Bargains and Aldi. The sector drivers including consumer convenience, flexibility of the real estate, omni-channel retailing ('clicks and bricks'), and the role the real estate plays in the 'last mile' of the consumer supply chain remains sound. Other good news at an occupier level has been the recent business rates revaluation that will see rating liabilities fall, supporting retailer margins.

High street retail has been less exposed to the pricing correction seen over the period, as the sector benefitted from a relative yield defence following a number of years of yield decompression. The sector has been through a significant period of restructuring, and continues to do so, however the occupational market continues to thrive for assets in 'permanent' locations at sustainable rents.

Offices remains highly polarised between prime and secondary stock. Occupiers are increasingly seeking high quality space with strong amenity provision to serve as an attractive environment for employees working in hybrid models. The propensity for staff to visit the office to meet colleagues typically during the central part of the week, and businesses need to offer more

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<sup>1</sup> MSCI Quarterly Reference Tables, December 2022

<sup>2</sup> <https://pdf.euro.savills.co.uk/uk/commercial-retail-uk/uk-retail-warehousing-december-2022.pdf>

expansive working environments (larger desks, more break-out areas and a greater breadth of meeting rooms and pods), means that many space requirements for some occupiers do not differ greatly compared to pre-pandemic levels. Nevertheless, larger floorplates, often in out-of-town locations, have been noticeably impacted and demand for basic secondary space has materially declined. Sound ESG credentials continue to increase in importance to occupiers, and responsible investors with established ESG agendas, such as ourselves, will be well placed.

### Portfolio Performance

Over the six months to December 2022 the Company's portfolio delivered an ungeared total return of -22.1 per cent, against the Index return of -15.5 per cent, driven by the relative capital declines of -24.1 per cent against the index of -17.2 per cent.

While capital performance over the six-month period has been negative, the portfolio has outperformed the Index over 3, 5 and 10 years.

### Portfolio Sector Performance

In recent years, the portfolio's exposure to the industrial and retail warehouse sectors (77.5 per cent combined portfolio value) has proven the key determinant of outperformance. However, recent sustained yield compression resulted in these sectors being more acutely exposed to the inflationary environment that saw marked outward yield movement in the second half of 2022.

The portfolio's industrial assets saw capital falls of -28.8 per cent, against the Index sector return of -25.7 per cent, and the portfolio's retail warehouses fell by -20.0 per cent against

the Index of -15.6 per cent. Despite recent underperformance, we remain confident with our asset allocation to these growth sectors for their functional relevance in occupier markets and rental growth prospects. Indeed, our industrial portfolio delivered estimated rental value growth of 11.7 per cent in 2022 (vs the Index at 10.4 per cent), resulting in the industrial portfolio offering reversionary income potential in excess of 30 per cent at the period end.

Our retail warehousing assets remain fully let at sustainable rents to 'essential retailers', which has generated an attractive income return of 3.2 per cent over the six-month period, vs the Index of 2.9 per cent. Both sectors are therefore key in delivering our yield advantage and we expect them to be at the forefront of any future capital value recovery.

The portfolio's high street retail holdings outperformed the Index on both capital and income returns on a relative basis generating a weighted total return of -5.7 per cent. The portfolio is at near full occupation with assets located in core locations within their local setting. This has helped the Company enter a number of lease renewals over the period.

The office portfolio generated a total return of -14.7 per cent. While the portfolio saw greater capital falls of -17.9 per cent against the Index at -13.7 per cent, the portfolio generated an income return of 3.7 per cent over the period, a significant premium on the Index income return of 1.7 per cent. This was in part due to the reverse premium paid by the outgoing tenant at High Wycombe following the reletting.

# Managers Review (continued)

## Portfolio Activity

As at December 2022 the portfolio had a low vacancy rate at 2.9 per cent alongside rent collection rates of 99.9 per cent for the period. The portfolio is characterised by reversionary income potential of 19 per cent, without factoring in any additional forecast rental growth. The weighted average unexpired lease term (“WAULT”) stands at 6.2 years (assuming all tenant breaks are operated) which offers an attractive balance between income duration and the opportunity to leverage leasing events to generate both income and capital growth. We expect income to be a key component of return as we enter a low-return environment.

## Industrial

The industrial portfolio (56.0 per cent of portfolio value) is fully occupied and carries reversionary income potential in excess of 30 per cent. During the six-month period we completed a number of successful asset management initiatives:

- **Unit 1 Network, Bracknell** – this 35,000 sq ft logistics unit became vacant in September 2022 as the tenant operated their break option. The unit was re-let in December 2022 on a new 10-year lease to DX Logistics at £15.50 psf reflecting a 47 per cent uplift to the previous passing rent and 15 per cent premium to the rent agreed on the reletting of the adjacent Unit 2 Network in March 2022.
- **Unit K60, Lister Road, Basingstoke** – the 58,000 sq ft logistics unit, let to distribution specialist Bunzl, was subject to a February 2022 rent review. This settled in July 2022 at a rent of £11.10 psf showing a 24 per cent uplift to the previous passing rent.
- **Unit 2, Lakeside Logistics Centre, Colnbrook, Heathrow** – this unit on the multi-let logistics estate, let to branding agency N20, was subject to an outstanding July 2020 rent review. It was settled in September 2022 at a rent showing a 14 per cent uplift to the previous passing rent.

## Retail Warehouses & Retail

Our retail warehousing portfolio (21.5 per cent of portfolio value) remains fully occupied and is let to ‘essential’ and discount retailers at sustainable rents. Given the full occupancy, there were no leasing events over the period.

The high street retail portfolio (6.4 per cent of portfolio value) is focussed on neighbourhood and convenience-led assets in ‘permanent’ locations and includes a number of mixed-use holdings offering residential and office alternative uses. The portfolio’s low vacancy rate of 3.7 per cent by ERV has been supported by a number of recent asset management initiatives:

- **24 Haymarket, London** – the occupier of two office suites at this West End mixed-use holding was subject to lease renewal in early 2022. The event offered the opportunity to carry out ESG led upgrades to one of the suites, following which two new 5-year leases were completed in July at rents broadly in line with the ERV.
- **Chobham Road, Sunningdale** – this mixed-use retail holding, with some residential upper parts, offers convenience-led retail in an affluent and busy catchment. Over the 6-month period, lease renewals have completed on 3 units, all delivered at a premium to ERV, maintaining full-occupancy of the retail element.

## Offices

The Company's offices (16.1 per cent of value) are characterised by 'blue chip' occupiers, including the likes of Lloyds Bank, The Secretary of State and HSBC. Recent asset management activity includes:

- **Glory Park, High Wycombe** – the ground and first floors were let to Takeda until 2024, although the tenant was no longer in occupation. In November 2022 the tenant's lease was surrendered for a premium payable to the Company and the floors immediately relet at £24.0 psf to a new tenant on a 10-year lease, with a break option after 5 years. The incoming tenant has carried out a refurbishment of the office suites to include upgrades to the lighting systems, which will future-proof the asset EPC rating.

There is an increasing focus on the ESG credentials of offices, with investors becoming more sensitive to potential capital expenditure requirements. The Company's independent valuers have long been building capital expenditure contingencies into leasing assumptions.

## Investment Activity

In August 2022, the Company completed the disposal of the prime, multi-let office at 14 Berkeley Street, London, for £32.4 million. Following the completion of the business plan the asset was identified for sale as it was considered to be at its cyclical peak, low yielding and one of the largest assets in the portfolio. We exited at a yield of 3.1% (a 5 per cent premium to the June 2022 valuation), which is considered to have been top of the market.

The proceeds from the sale have strengthened the Company's balance sheet at an important juncture. A portion of the proceeds were used by the Board to initiate a share buyback programme, whilst the Company retains a healthy cash balance and a conservative level of gearing.

Reinvestment into new assets was postponed owing to the repricing of commercial property in the later half of 2022. At the right time the Company will look to reinvest in yield accretive quality assets where and when we see value.

We will look to retain our overweight allocations to industrial and retail warehousing, and the bias exposure to the South of England. At the appropriate time there will be the opportunity for some asset rotation to add a degree of geographic diversity and enhance income return.

## Outlook

As a relatively illiquid asset class, it is important to take a medium to long-term view in direct real estate investment. Although capital values can fluctuate in the short term the income element of returns has remained attractive and stable over the short and long-term and will once again come into focus as we enter a low growth environment.

Inflationary pressures and the cost of debt are showing early signs of easing. This has been reflected in the stabilisation of the 10-year government bonds, generally considered as the risk-free rate proxy to commercial real estate.

## Managers Review (continued)

Whilst risks remain, as the year progresses, we expect to see values stabilise with some recovery in the valuations of assets with strong occupier fundamentals. We have begun to witness this with an uptick in investment activity either side of the new year. Notwithstanding this, we do not expect values to rebound to the levels of over exuberance witnessed in the early part of 2022, whilst poorer secondary assets, particularly within the offices sector, are expected to see further downward pressure.

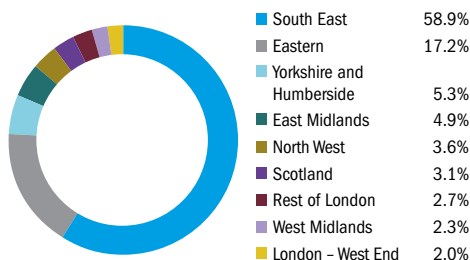
Income is the key driver of real estate returns over the long-term. Whether we are in periods of capital growth or facing upward yield pressure, the fundamentals remain consistent – to manage a portfolio of attractive assets with functional relevance that businesses want to occupy. The qualities of the portfolio have been well discussed, characterised by our inherent reversionary potential and bias exposure to growth sectors. We remain positive that despite the current headwinds the portfolio will deliver a sustainable and growing income stream.

**Matthew Howard**  
**Fund Manager**

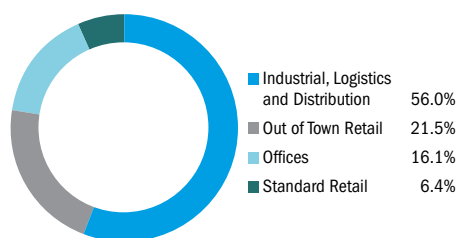
21 March 2023

# Portfolio Statistics

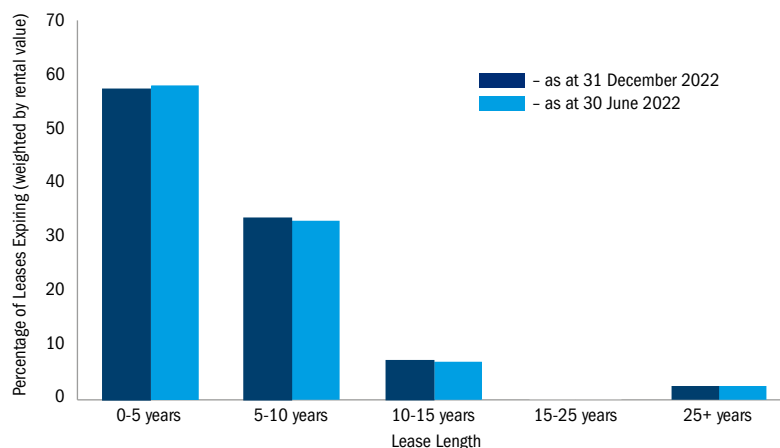
**Geographical Analysis**  
as at 31 December 2022,  
% of total property portfolio



**Sector Analysis**  
as at 31 December 2022,  
% of total property portfolio



## Lease Expiry Profile



As at 31 December 2022 the average lease length for the portfolio, assuming all break options are exercised was 6.2 years (as at 30 June 2022: 6.1 years).

# Environmental, Social and Governance (“ESG”)

## Highlights for the half year period to 31 December 2022

Much of the Company’s focus during the last several months, in the context of ever-increasing stakeholder demands for transparency and authenticity within the ESG arena, has been on developing its net zero carbon pathway, using the detailed individual asset assessments commissioned and received despite constrained market capacity conditions, to pinpoint risk and opportunities, to inform on strategy and to provide greater confidence on delivery. The Company is pleased to have published its Net Zero Carbon Pathway and be able to share insight into the methodology it intends to adopt in order to achieve the principle target of achieving net zero carbon by 2040 or sooner.

Meanwhile, attention continues to be given to other important aspects of our ESG agenda. On a like-for-like basis, comparing landlord procured energy in the first half of the current reporting year with the first half of the previous reporting year, an 8.35% reduction in energy consumption was achieved, equating to a 14.25% reduction in carbon emissions. Whilst there is likely to be some residual impact on occupational levels post pandemic, our efforts to implement efficiency measures and operate assets optimally continues to contribute this overall improved position.

The distribution of our Energy Performance Certificate (EPC) ratings has also improved across the portfolio over the last six months. At the date of report publication the Company does not have any F or G rated demises. For a short period one asset was subject to an F rating, representing less than 1% by number, floor area and estimated rental value however this was addressed post period end. The Company has now commissioned a series of reports to establish the opportunities and likely capital investments necessary to further improve the energy efficiency of individual assets in anticipation of minimum regulatory requirements at the end of the decade.

We are pleased to report that the Company submitted to the 2022 Global Real Estate Sustainability Benchmark (GRESB) survey and maintained its overall score of 70, and two green stars. The Company also maintained its rating in GRESB’s public disclosure analysis, retaining an A grade indicating the highest level of reporting and transparency. The Company is also delighted to report the achievement of a Gold Award from the European Public Real Estate Association (EPRA) for the standard of its disclosures in its Annual ESG Report. These indicators confirm that good progress is being made and that the Company has a solid platform from which to continue making further incremental improvements.



# Property Portfolio

as at 31 December 2022

Properties	Sector
<b>Properties valued in excess of £20 million</b>	
Colnbrook, Units 1-8 Lakeside Road	Industrial, logistics and distribution
Banbury, 3663 Unit, Echo Park	Industrial, logistics and distribution
<b>Properties valued between £10 million and £20 million</b>	
Hemel Hempstead, Hemel Gateway	Industrial, logistics and distribution
Eastleigh, Southampton International Park	Industrial, logistics and distribution
Bracknell, 1-2 Network Bracknell, Eastern Road	Industrial, logistics and distribution
Colnbrook, Heathrow Truck Centre	Industrial, logistics and distribution
Luton, Enterprise Way	Retail Warehouse
Chelmsford, County House, County Square	Offices
Basingstoke, Unit K60, Bunzl	Industrial, logistics and distribution
Eastleigh, Wide Lane	Industrial, logistics and distribution
Theale, Maxi Centre, Brunel Road	Industrial, logistics and distribution
Milton Keynes, Site E Chippenham Drive	Industrial, logistics and distribution
<b>Properties valued between £5.0 million and £7.5 million</b>	
York, Clifton Moor Gate*	Retail Warehouse
Nottingham, Standard Hill	Offices
Andover, Keens House, Anton Mill Road	Offices
Edinburgh, 1-2 Lochside Way, Edinburgh Park	Offices
Banbury, Southam Road	Retail Warehouse
Bromsgrove, Brook Retail Park, Sherwood Road	Retail Warehouse
New Malden, 7 Beverley Way	Retail Warehouse
Northallerton, Willowbeck Road	Retail Warehouse
London, 24 Haymarket & 1-2 Panton Street	Retail
Bury, Halls Mill Retail Park, Foundry Street	Retail Warehouse
<b>Properties valued under £5 million</b>	
Nelson, Churchill Way	Retail Warehouse
High Wycombe, Glory Park	Offices
Sunningdale, 53/79 Chobham Road, Berkshire	Retail
Rayleigh, 41/47 High Street	Retail
Newbury, The Triangle, Pinchington Lane	Retail Warehouse
Nottingham, 21/22 Long Row East and 2/6 King Street	Retail
Nottingham, Park View House	Offices
Redhill, 15 London Road	Offices
Rayleigh, 81/87 High Street	Retail
Bellshill, Mercury House, Strathclyde Business Park	Offices
Kingston upon Thames, 11 Church Street	Retail
Nottingham, 25-27 Bridlesmith Gate	Retail

\* Leasehold Property

# Statement of Principal Risks and Uncertainties

The economic environment has deteriorated significantly in the six month period as UK inflation has risen to above 10 per cent.

This has led to a cost of living crisis and we have witnessed interest rates rising to 4 per cent with a further increase predicted.

Against this background, real estate valuations are going through a period of price adjustment as capital values fall. Rent collections statistics have, however, held up to date.

The Group's assets consist of direct investments in UK commercial property. Its principal risks are therefore related to the UK commercial property market in general but also the particular circumstances of the properties in which it is

invested and their tenants. Other risks faced by the Group include geopolitical, market, investment and strategic, regulatory, tax structuring and compliance, financial, reporting, credit, operational and environmental risks. The Group is also exposed to risks in relation to its financial instruments. These risks, and the way in which they are mitigated and managed, are described in more detail under the heading 'Principal Risks and Future Prospects' within the Strategic Report in the Group's Annual Report for the year ended 30 June 2022. The Group's principal risks and uncertainties have not changed materially since the date of that report and are not expected to change for the remainder of the Company's financial year.

# Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union;
- the Chairman's Statement constituting the Interim Management Report together with the Statement of Principal Risks and Uncertainties include a fair review of the information required by the Disclosure and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated financial statements; and
- the Chairman's Statement together with the consolidated financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

On behalf of the Board

**Davina Walter**  
**Chairman**

21 March 2023

# Condensed Consolidated Statement of Comprehensive Income

For the period ended				
Notes	Six months to 31 December 2022 (unaudited) £'000	Six months to 31 December 2021 (unaudited) £'000	Year to 30 June 2022 (audited) £'000	
	<b>Revenue</b>			
	Rental income	8,503	8,617	17,869
	Other Income	397	-	607
	<b>Total revenue</b>	<b>8,900</b>	8,617	18,476
	<b>(Losses)/gains on investment properties</b>			
6	Gains on sale of investment properties realised	1,153	572	772
6	Unrealised (losses)/gains on revaluation of investment properties	(93,207)	44,892	71,767
	<b>Total income</b>	<b>(83,154)</b>	54,081	91,015
	<b>Expenditure</b>			
2	Investment management fee	(887)	(1,119)	(2,380)
3	Other expenses	(1,001)	(819)	(1,568)
	<b>Total expenditure</b>	<b>(1,888)</b>	(1,938)	(3,948)
	<b>Net operating (loss)/profit before finance costs and taxation</b>	<b>(85,042)</b>	52,143	87,067
	<b>Net finance costs</b>			
	Interest receivable	227	-	5
	Finance costs	(1,765)	(1,725)	(3,434)
		<b>(1,538)</b>	(1,725)	(3,429)
	<b>Net (loss)/profit from ordinary activities before taxation</b>	<b>(86,580)</b>	50,418	83,638
	Taxation	(2)	(118)	(235)
	<b>(Loss)/profit for the period</b>	<b>(86,582)</b>	50,300	83,403
5	<b>Basic and diluted earnings per share</b>	<b>(36.7)p</b>	20.9p	34.6p
	<b>EPRA earnings per share</b>	<b>2.3p</b>	2.0p	4.5p

All items in the above statement derive from continuing operations.

All of the profit for the period is attributable to the owners of the Group.

# Condensed Consolidated Balance Sheet

<b>As at</b>				
Notes		<b>31 December 2022 (unaudited) £'000</b>	31 December 2021 (unaudited) £'000	30 June 2022 (audited) £'000
	<b>Non-current assets</b>			
6	Investment properties	<b>281,866</b>	381,459	405,875
	Trade and other receivables	<b>4,189</b>	3,979	4,734
		<b>286,055</b>	385,438	410,609
	<b>Current assets</b>			
	Trade and other receivables	<b>2,629</b>	3,139	2,418
	Cash and cash equivalents	<b>32,323</b>	11,052	13,563
		<b>34,952</b>	14,191	15,981
	<b>Total assets</b>	<b>321,007</b>	399,629	426,590
	<b>Non-current liabilities</b>			
7	Interest-bearing bank loans	<b>(90,005)</b>	(89,939)	(89,999)
	Trade and other payables	<b>(744)</b>	(772)	(1,137)
		<b>(90,749)</b>	(90,711)	(91,136)
	<b>Current liabilities</b>			
	Trade and other payables	<b>(8,907)</b>	(7,622)	(8,768)
	Tax payable	-	(118)	(186)
7	Interest-bearing bank loan	-	(9,882)	(6,915)
		<b>(8,907)</b>	(17,622)	(15,869)
	<b>Total liabilities</b>	<b>(99,656)</b>	(108,333)	(107,005)
	<b>Net assets</b>	<b>221,351</b>	291,296	319,585
	<b>Represented by:</b>			
9	Share capital	<b>2,407</b>	2,407	2,407
	Special distributable reserve	<b>170,189</b>	177,161	177,161
	Capital reserve	<b>44,229</b>	109,208	136,283
	Revenue reserve	<b>4,526</b>	2,520	3,734
	<b>Equity shareholders' funds</b>	<b>221,351</b>	291,296	319,585
10	<b>Net asset value per share</b>	<b>95.4p</b>	121.0p	132.8p
	<b>EPRA net tangible assets per share</b>	<b>95.4p</b>	121.0p	132.8p

# Condensed Consolidated Statement of Changes in Equity

## For the period ended 31 December 2022 (unaudited)

Notes	Share Capital £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 July 2022	2,407	177,161	136,283	3,734	319,585
9 Shares bought back for treasury	-	(6,972)	-	-	(6,972)
Loss for the period	-	-	-	(86,582)	(86,582)
4 Dividends paid	-	-	-	(4,680)	(4,680)
Transfer in respect of losses on investment properties	-	-	(92,054)	92,054	-
<b>At 31 December 2022</b>	<b>2,407</b>	<b>170,189</b>	<b>44,229</b>	<b>4,526</b>	<b>221,351</b>

## For the period ended 31 December 2021 (unaudited)

Notes	Share Capital £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 July 2021	2,407	177,161	63,744	2,498	245,810
Profit for the period	-	-	-	50,300	50,300
4 Dividends paid	-	-	-	(4,814)	(4,814)
Transfer in respect of gains on investment properties	-	-	45,464	(45,464)	-
<b>At 31 December 2021</b>	<b>2,407</b>	<b>177,161</b>	<b>109,208</b>	<b>2,520</b>	<b>291,296</b>

## For the year ended 30 June 2022 (audited)

Notes	Share Capital £'000	Special Distributable Reserve £'000	Capital Reserve £'000	Revenue Reserve £'000	Total £'000
At 1 July 2021	2,407	177,161	63,744	2,498	245,810
Profit for the year	-	-	-	83,403	83,403
4 Dividends paid	-	-	-	(9,628)	(9,628)
Transfer in respect of gains on investment properties	-	-	72,539	(72,539)	-
<b>At 30 June 2022</b>	<b>2,407</b>	<b>177,161</b>	<b>136,283</b>	<b>3,734</b>	<b>319,585</b>

# Condensed Consolidated Statement of Cash Flows

## For the period ended

Notes	Six months to 31 December 2022 (unaudited) £'000	Six months to 31 December 2021 (unaudited) £'000	Year to 30 June 2022 (audited) £'000
<b>Cash flows from operating activities</b>			
	(86,580)	50,418	83,638
	Adjustments for:		
6	(1,153)	(572)	(772)
6	93,207	(44,892)	(71,767)
	335	(395)	(429)
	(254)	(1,127)	384
	(227)	-	(5)
	1,765	1,725	3,434
	7,093	5,157	14,483
	(188)	(187)	(236)
	<b>6,905</b>	<b>4,970</b>	<b>14,247</b>
<b>Cash flows from investing activities</b>			
6	(68)	(1,129)	(1,547)
6	-	(20,789)	(20,737)
6	32,022	7,809	10,834
	227	-	5
	<b>32,181</b>	<b>(14,109)</b>	<b>(11,445)</b>
<b>Cash flows from financing activities</b>			
	(4,680)	(4,814)	(9,628)
	(1,674)	(1,626)	(3,242)
	(6,972)	-	-
	(7,000)	10,000	7,000
	<b>(20,326)</b>	<b>3,560</b>	<b>(5,870)</b>
	18,760	(5,579)	(3,068)
	13,563	16,631	16,631
	<b>32,323</b>	<b>11,052</b>	<b>13,563</b>

# Notes to the Condensed Consolidated Financial Statements

## 1. General information

The condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 'Interim Financial Reporting'. The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements for the Group for the year ended 30 June 2022 which were prepared under full IFRS requirements. The accounting policies used in preparation of the condensed consolidated financial statements are consistent with those of the consolidated financial statements of the Group for the year ended 30 June 2022.

## 2. Investment management fee

	<b>Six months to 31 December 2022 £'000</b>	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Investment management fee	<b>887</b>	1,119	2,380

With effect from 1 July 2022, the Company's investment manager Columbia Threadneedle Investment Business Limited (formerly BMO Investment Business Limited) receives an investment management fee of 0.55 per cent per annum of Total Assets including cash held provided that no fee is payable on any cash held in excess of 5 per cent of the net assets of the Group. Prior to 1 July 2022, the investment management fee was 0.6 per cent per annum of Total Assets including cash held provided that no fee is payable on any cash held in excess of 5 per cent of the net assets of the Group.

The notice period in relation to the termination of the investment management agreement is six months by either party. The investment management agreement may be terminated earlier provided that a payment in lieu of notice, equivalent to the amount the Investment Manager would otherwise have received during the notice period, is made.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 3. Other expenses

	Six months to 31 December 2022 £'000	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Direct operating expenses of let rental property	325	377	641
Direct operating expenses of vacant property	118	321	371
Bad debts	(42)	(358)	(425)
Valuation and other professional fees	194	112	266
Directors' fees	80	82	165
Administration fee payable to the Manager	57	57	113
Other expenses	269	228	437
	<b>1,001</b>	819	1,568

## 4. Dividends

	Six months to 31 December 2022		Six months to 31 December 2021		Year ended 30 June 2022	
	£'000	Rate (pence)	£'000	Rate (pence)	£'000	Rate (pence)
<b>Property Income Distributions:</b>						
Fourth interim for the prior year	2,359	1.0	2,407	1.0	2,407	1.0
First interim	2,321	1.0	2,407	1.0	2,407	1.0
Second interim	-	-	-	-	2,407	1.0
Third interim	-	-	-	-	2,407	1.0
	<b>4,680</b>	<b>2.0</b>	4,814	2.0	9,628	4.0

A second interim dividend for the year to 30 June 2023, of 1.0 pence per share, will be paid on 31 March 2023 to shareholders on the register at close of business on 17 March 2023.



## 5. Earnings per share

	<b>Six months to 31 December 2022</b>	Six months to 31 December 2021	Year to 30 June 2022
Net (loss)/profit attributable to ordinary shareholders (£'000)	<b>(86,582)</b>	50,300	83,403
Weighted average of ordinary shares in issue during period	<b>235,670,703</b>	240,705,539	240,705,539
Earnings per share	<b>(36.7)p</b>	20.9p	34.6p

Earnings for the six months to 31 December 2022 should not be taken as guide to the results for the year to 30 June 2023.

## 6. Investment properties

	<b>Six months to 31 December 2022 £'000</b>	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
<b>Freehold and leasehold properties</b>			
Opening market value	<b>410,225</b>	325,575	325,575
Capital expenditure	<b>68</b>	1,129	1,547
Purchases	<b>-</b>	20,789	20,737
Sales – net proceeds	<b>(32,022)</b>	(7,809)	(10,834)
– gains on sales	<b>13,390</b>	2,956	2,111
Unrealised gains realised during the period	<b>(12,237)</b>	(2,384)	(1,339)
Unrealised gains on investment properties	<b>356</b>	48,754	77,353
Unrealised losses on investment properties	<b>(93,563)</b>	(3,862)	(5,586)
Movement in lease incentive receivable	<b>(262)</b>	652	661
Closing market value	<b>285,955</b>	385,800	410,225
Adjustment for lease incentives	<b>(4,089)</b>	(4,341)	(4,350)
Balance sheet fair value	<b>281,866</b>	381,459	405,875

# Notes to the Condensed Consolidated Financial Statements (continued)

## 6. Investment properties (continued)

	<b>Six months to 31 December 2022 £'000</b>	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Gains on sales	<b>13,390</b>	2,956	2,111
Unrealised gains realised during the year	<b>(12,237)</b>	(2,384)	(1,339)
Gains on sale of investment properties realised	<b>1,153</b>	572	772

	<b>Six months to 31 December 2022 £'000</b>	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Unrealised gains on investment properties	<b>356</b>	48,754	77,353
Unrealised losses on investment properties	<b>(93,563)</b>	(3,862)	(5,586)
Unrealised (losses)/gains on revaluation of investment properties	<b>(93,207)</b>	44,892	71,767

All the Group's investment properties were valued as at 31 December 2022 by qualified professional valuers working in the company of Cushman & Wakefield. All such valuers are chartered surveyors, being members of the Royal Institution of Chartered Surveyors ('RICS'). There were no significant changes to the valuation techniques used during the period and these valuation techniques are detailed in the consolidated financial statements as at and for the year ended 30 June 2022. The market value of these investment properties amounted to £285,955,000 (31 December 2021: £385,800,000; 30 June 2022: £410,225,000), however an adjustment has been made for lease incentives of £4,089,000 that are already accounted for as an asset (31 December 2021: £4,341,000; 30 June 2022: £4,350,000).

## 7. Interest-bearing bank loans

IRP Holdings Limited (“IRPH”) has in place a £90 million non-amortising term loan facility agreement with Canada Life. Interest is payable on this loan quarterly in arrears, at a fixed rate of 3.36 per cent per annum. The loan is secured by means of a fixed charge over specific properties. The loan has a maturity date of 9 November 2026.

IPT Property Holdings Limited (“IPTH”) has in place a £20 million revolving credit facility (“RCF”) agreement with Barclays. The loan facility expires on 27 March 2025 and can be drawn down or repaid at anytime. Interest accrues on the bank loan at a variable rate, based on the SONIA Daily Compounded rate plus margin and mandatory lending costs. The margin is 1.7 per cent per annum for the duration of the loan and interest is payable quarterly. As at 31 December 2022, none of the RCF was drawn down (31 December 2021: £10 million and 30 June 2022: £7 million).

At 31 December 2022 borrowings of £90 million were drawn down. The balance sheet value is stated at an amortised cost of £90,005,000 (31 December 2021: £99,821,000 and 30 June 2022: £96,914,000). Amortised cost is calculated by deducting loan arrangement costs, which are amortised back over the life of the loan. The fair value of the Canada Life loan is shown in note 8.

## 8. Fair value measurements

The fair value measurements for financial assets and financial liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Examples of such instruments would be investments listed or quoted on any recognised stock exchange.
- Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be those for which the quoted price has been suspended, forward exchange rate contracts and certain other derivative instruments.
- Level 3 – External inputs are unobservable. Fair value is the Directors’ best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instruments.

All of the Group’s investments in direct property are included in Level 3 as it involves the use of significant inputs. There were no transfers between levels of the fair value hierarchy during the six month period ended 31 December 2022.

# Notes to the Condensed Consolidated Financial Statements (continued)

## 8. Fair value measurements (continued)

Other than the fair values stated in the table below, the fair value of all other financial assets and liabilities is not materially different from their carrying value in the financial statements.

	<b>31 December 2022 £'000</b>	31 December 2021 £'000	30 June 2022 £'000
£90 million Canada Life Loan 2026*	<b>93,448</b>	93,997	93,443

\* The fair value of the interest-bearing Canada Life Loan is based on the yield on the Treasury 2% 2025 which would be used as the basis for calculating the early repayment of such loan plus the appropriate margin. The Canada Life loan is classified as Level 2 under the hierarchy of fair value measurement.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2022.

## 9. Share capital

### Allotted, issued and fully paid

	Listed Number	£'000	Held in Treasury Number	£'000	In Issue Number	£'000
<b>Ordinary Shares of 1 pence each</b>						
Balance at 1 July 2022	240,705,539	2,407	-	-	240,705,539	2,407
Repurchased to be held in treasury	-	-	(8,575,000)	(86)	(8,575,000)	(86)
Balance at 31 December 2022	240,705,539	2,407	(8,575,000)	(86)	232,130,539	2,321

During the period the Company bought back 8,575,000 Ordinary shares at a cost of £6,972,000 (period to 31 December 2021 – nil; year to 30 June 2022 – nil).

As at 31 December 2022 the Company held 8,575,000 Ordinary shares in treasury (31 December 2021 – nil; 30 June 2022 – nil).

## 10. Net asset value per share

	<b>Six months to 31 December 2022</b>	Six months to 31 December 2021	Year ended 30 June 2022
Net asset value per ordinary share	<b>95.4p</b>	121.0p	132.8p
Net assets attributable at the period end (£'000)	<b>221,351</b>	291,296	319,585
Number of ordinary shares in issue at the period end	<b>232,130,539</b>	240,705,539	240,705,539

### 11. Going concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have considered the current cash position of the Group, the availability of the loans and compliance with their covenants, forecast rental income and other forecast cash flows. The Group has agreements relating to its borrowing facilities with which it has complied during the period. Based on this information the Directors believe that the Group has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of the approval of the accounts. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### 12. Related party transactions

The Directors of the Company, who are considered to be the Group's key management personnel, received fees for their services and dividends from their shareholdings in the Company. No fees remained payable at the period end.

### 13. Operating segments

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Group is engaged in a single segment of business, being property investment, and in one geographical area, the United Kingdom, and that therefore the Group has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance is the total return of the Group's net asset value, as calculated under IFRS, and therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the condensed consolidated financial statements.

### 14. Investment in subsidiary undertakings

The Group results consolidate those of IRP Holdings Limited ('IRPH') and IPT Property Holdings Limited ('IPTH'). IRPH and IPTH are companies incorporated in Guernsey whose principal business is that of a property investment company. These companies are 100 per cent owned by the Group's ultimate parent company, which is CT Property Trust Limited.

# Shareholder Information

## Dividends

Ordinary dividends are paid quarterly in March, June, September and December each year. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for the purpose. Mandates may be obtained from Computershare Investor Services (Guernsey) Limited, 13 Castle Street, St. Helier, Jersey JE1 1ES on request. Where dividends are paid directly to shareholders' bank accounts, dividend tax vouchers are sent to shareholders' registered addresses.

## Share Price

The Company's Ordinary Shares are listed on the Main Market of the London Stock Exchange. Prices are given daily in the Financial Times under "Investment Companies".

## Data Protection

The Company is committed to ensuring the privacy and security of any personal data provided to it. Further details of the Company's privacy policy can be found on its website: [ctpropertytrust.co.uk](https://ctpropertytrust.co.uk).

## Change of Address

Communications with shareholders are mailed to the address held on the share register. In the event of a change of address or other amendment this should be notified to Computershare Investor Services (Guernsey) Limited, 13 Castle Street, St. Helier, Jersey JE1 1ES under the signature of the registered holder.

## Shareholder Enquiries

Contact Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands GY1 3QL. Additional information regarding the Company may also be found on its website: [ctpropertytrust.co.uk](https://ctpropertytrust.co.uk).

## Common reporting standards

Tax legislation requires investment fund companies to provide information annually to the local tax authority on the tax residencies of a number of non-UK based certificated Shareholders and corporate entities who have purchased shares in investment companies. All new Shareholders, excluding those whose shares are held in CREST, who are entered onto the share register are sent a certification form for the purpose of collecting this information.

## Key Information Document

The Key Information Document relating to the Company's shares can be found on its website at [ctpropertytrust.co.uk](https://ctpropertytrust.co.uk). This document has been produced in accordance with EU's PRIIPs Regulations.

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**Financial Calendar 2023**

<b>April 2023</b>	Q3 2023 Net Asset Value announcement
<b>July 2023</b>	Q4 2023 Net Asset Value announcement
<b>September 2023</b>	Announcement of annual results
<b>October 2023</b>	Q1 2024 Net Asset Value announcement
<b>November 2023</b>	Annual General Meeting

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**Warning to shareholders – Beware of Share Fraud**

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you are approached by fraudsters please tell the Financial Conduct Authority ('FCA') by using the share fraud reporting form at [fca.org.uk/scams](https://fca.org.uk/scams) where you can find out more about investment scams. You can also call the FCA Consumer Helpline on **0800 111 6768**. If you have already paid money to share fraudsters you should contact Action Fraud on **0300 123 2040**.

# How to Invest

One of the most convenient ways to invest in CT Property Trust Limited is through one of the savings plans run by Columbia Threadneedle Investments.

## CT Individual Savings Account (ISA)

You can use your ISA allowance to make an annual tax efficient investment of up to £20,000 for the current tax year with a lump sum from £100 or regular savings from £25 a month. You can also transfer any existing ISAs to us whilst maintaining the tax benefits.

## CT Junior Individual Savings Account (JISA)\*

A tax efficient way to invest up to £9,000 per tax year for a child. Contributions start from £100 lump sum or £25 a month. JISAs or CTFs with other providers can be transferred to Columbia Threadneedle Investments.

## CT Lifetime Individual Savings Account (LISA)

For those aged 18-39, a LISA could help towards purchasing your first home or retirement in later life. Invest up to £4,000 for the current tax year and receive a 25% Government bonus up to £1,000 per year. Invest with a lump sum from £100 or regular savings from £25 a month.

## CT Child Trust Fund (CTF)\*

If your child already has a CTF, you can invest up to £9,000 per birthday year, from £100 lump sum or £25 a month. CTFs with other providers can be transferred to Columbia Threadneedle Investments.

## CT General Investment Account (GIA)

This is a flexible way to invest in our range of Investment Trusts. There are no maximum contributions, and investments can be made from £100 lump sum or £25 a month.

## CT Junior Investment Account (JIA)

This is a flexible way to save for a child in our range of Investment Trusts. There are no maximum contributions, and the plan can easily be set up under bare trust (where the child is noted as the beneficial owner) or kept in your name if you wish to retain control over the investment. Investments can be made from a £100 lump sum or £25 a month per account. You can also make additional lump sum top-ups at any time from £100 per account.

\*The CTF and JISA accounts are opened by parents in the child's name and they have access to the money at age 18.

## Charges

Annual management charges and other charges apply according to the type of plan.

## Annual account charge

ISA/LISA: £60+VAT

GIA: £40+VAT

JISA/JIA/CTF: £25+VAT

You can pay the annual charge from your account, or by direct debit (in addition to any annual subscription limits).

## Dealing charges

£12 per fund (reduced to £0 for deals placed through the online Columbia Threadneedle Investor Portal) for ISA/GIA/LISA/JIA and JISA. There are no dealing charges on a CTF.

Dealing charges apply when shares are bought or sold but not on the reinvestment of dividends or the investment of monthly direct debits. Government stamp duty of 0.5% also applies on the purchase of shares (where applicable).

**The value of investments can go down as well as up and you may not get back your original investment. Tax benefits depend on your individual circumstances and tax allowances and rules may change. Please ensure you have read the full Terms and Conditions, Privacy Policy and relevant Key Features documents before investing.** For regulatory purposes, please ensure you have read the Pre-sales Cost & Charges disclosure related to the product you are applying for, and the relevant Key Information Documents (KIDs) for the investment trusts you want to, these can be found at [ctinvest.co.uk/documents](http://ctinvest.co.uk/documents).



### How to Invest

To open a new Columbia Threadneedle Investments plan, apply online at [ctinvest.co.uk](https://ctinvest.co.uk) Online applications are not available if you are transferring an existing plan with another provider to Columbia Threadneedle Investments, or if you are applying for a new plan in more than one name but paper applications are available at [ctinvest.co.uk/documents](https://ctinvest.co.uk/documents) or by contacting Columbia Threadneedle Investments.

### New Customers

Call: **0800 136 420\*\***  
(8.30am – 5.30pm, weekdays)

Email: [invest@columbiathreadneedle.com](mailto:invest@columbiathreadneedle.com)

\*\*Calls may be recorded or monitored for training and quality purposes.

### Existing Plan Holders

Call: **0345 600 3030\*\***  
(9.00am – 5.00pm, weekdays)

Email: [investor.enquiries@columbiathreadneedle.com](mailto:investor.enquiries@columbiathreadneedle.com)

By post: Columbia Threadneedle Management Limited,  
PO Box 11114, Chelmsford, CM99 2DG

You can also invest in the trust through online dealing platforms for private investors that offer share dealing and ISAs. Companies include: **Barclays Stockbrokers, EQi, Halifax, Hargreaves Lansdown, HSBC, Interactive Investor, Lloyds Bank, The Share Centre**

To find out more, visit [ctinvest.co.uk](https://ctinvest.co.uk)

**0345 600 3030**, 9.00am – 5.00pm, weekdays, calls may be recorded or monitored for training and quality purposes.

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## Alternative Performance Measures

The Company uses the following Alternative Performance Measures ('APMs'). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

**Discount or Premium** – The share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. If the share price is lower than the NAV per share, the shares are trading at a discount. This usually indicates that there are more sellers than buyers. Shares trading at a price above the NAV per share, are said to be at a premium.

		Six months to 31 December 2022 pence	Six months to 31 December 2021 pence	Year to 30 June 2022 pence
Net Asset Value per share	(a)	95.4	121.0	132.8
Share price per share	(b)	68.6	85.4	84.0
<b>Discount (c = (b-a)/a)</b>	(c)	<b>28.1%</b>	29.4%	36.7%

**Dividend Cover** – The percentage by which profits for the period (less gains/losses on investment properties) cover the dividend paid.

A reconciliation of dividend cover is shown below:

	Six months to 31 December 2022 £'000	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
(Loss)/profit for the period	(86,582)	50,300	83,403
Add back: Realised gains	(1,153)	(572)	(772)
Other income	(397)	-	(607)
Unrealised losses/(gains)	93,207	(44,892)	(71,767)
Profit before investment gains and losses	5,075	4,836	10,257
Dividends	4,680	4,814	9,628
Dividend Cover percentage	<b>108.4%</b>	100.5%	106.5%

**Dividend Yield** – The annualised dividend divided by the share price at the period end. An analysis of dividends is contained in note 4 to the accounts.

**Net Gearing** – Borrowings less net current assets divided by value of investment properties.

		<b>Six months to 31 December 2022 £'000</b>	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Interest-bearing bank loans		<b>90,005</b>	99,821	96,914
Less net current assets excluding Barclays loan		<b>(26,045)</b>	(6,451)	(7,027)
Total	(a)	<b>63,960</b>	93,370	89,887
Investment properties	(b)	<b>281,866</b>	381,459	405,875
<b>Net Gearing (c = a/b)</b>	(c)	<b>22.7%</b>	24.5%	22.1%

**Portfolio (Property) Capital Return** – The change in property value during the period after taking account of property purchases and sales and capital expenditure, calculated on a quarterly time-weighted basis.

**Portfolio (Property) Income Return** – The income derived from a property during the period as a percentage of the property value, taking account of direct property expenditure, calculated on a quarterly time-weighted basis.

**Portfolio (Property) Total Return** – Combining the Portfolio Capital Return and Portfolio Income Return over the period, calculated on a quarterly time-weighted basis.

**Total Return** – The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets, respectively, on the date on which they were quoted ex-dividend.

	<b>Six months to 31 December 2022</b>	Six months to 31 December 2021	Year to 30 June 2022
NAV per share at the start of the period	<b>132.8p</b>	102.1p	102.1p
NAV per share at the end of the period	<b>95.4p</b>	121.0p	132.8p
Change in the period	<b>-28.2%</b>	+18.5%	+30.1%
Impact of dividend reinvestments	<b>+1.4%</b>	+2.1%	+4.2%
<b>NAV total return for the period</b>	<b>-26.8%</b>	+20.6%	+34.3%

## Alternative Performance Measures (continued)

	Six months to 31 December 2022	Six months to 31 December 2021	Year to 30 June 2022
Share price per share at the start of the period	84.0p	71.0p	71.0p
Share price per share at the end of the period	68.6p	85.4p	84.0p
Change in the period	-18.3%	+20.3%	+18.3%
Impact of dividend reinvestments	+2.2%	+3.0%	+5.7%
<b>Share price total return for the period</b>	<b>-16.1%</b>	<b>+23.3%</b>	<b>+24.0%</b>

## EPRA Performance Measures

The European Public Real Estate Association (EPRA) is the industry body representing listed companies in the real estate sector. EPRA publishes Best Practice Recommendations (BPR) to establish consistent reporting by European property companies. Key performance measures are disclosed below:

**EPRA earnings and EPRA earnings per share** – EPRA earnings represents the earnings from core operational activities, excluding investment property revaluations and gains/losses on asset disposals. It demonstrates the extent to which dividend payments are underpinned by recurring operational activities.

	Six months to 31 December 2022 £'000	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
Earnings per IFRS income statement	<b>(86,582)</b>	50,300	83,403
Exclude:			
Net change in value of investment properties	<b>93,207</b>	(44,892)	(71,767)
Gains on disposals of investment properties	<b>(1,153)</b>	(572)	(772)
<b>EPRA earnings</b>	<b>5,472</b>	4,836	10,864
Weighted average number of shares in issue (000's)	<b>235,671</b>	240,705	240,705
<b>EPRA earnings per share (pence per share)</b>	<b>2.3</b>	2.0	4.5

**EPRA Net Tangible Assets:** Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

	Six months to 31 December 2022 £'000	Six months to 31 December 2021 £'000	Year to 30 June 2022 £'000
IFRS NAV	<b>221,351</b>	291,296	319,585
<b>Net assets used in per share calculation</b>	<b>221,351</b>	291,296	319,585
Shares in issue (000's)	<b>232,131</b>	240,705	240,705
<b>EPRA assets per share (pence per share)</b>	<b>95.4</b>	121.0	132.8

# Corporate Information

## Directors (all non-executive)

Davina Walter (Chairman – appointed 29 November 2022)\*  
Mark Carpenter  
David Ross\*  
Alexa Henderson\*  
James Thornton (appointed 29 November 2022)  
Vikram Lall (retired 29 November 2022)  
Rebecca Gates (resigned 31 August 2022)

## Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited  
PO Box 255  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3QL

☎ 01481 745001

## Alternative Investment Fund Manager ('AIFM') and Investment Manager

Columbia Threadneedle Investment Business Limited  
Quartermile 4  
7a Nightingale Way  
Edinburgh EH3 9EG

☎ 0207 628 8000

## Property Manager

Columbia Threadneedle REP PM Limited  
7 Seymour Street  
London W1H 7BA

## Property Valuers

Cushman & Wakefield  
43-45 Portman Square  
London W1H 6LY

## Auditor

PricewaterhouseCoopers CI LLP  
Royal Bank Place  
1 Glatigny Esplanade  
St Peter Port  
Guernsey GY1 4ND

## Guernsey Legal Advisers

Mourant Ozannes  
1 Le Marchant Street  
St Peter Port  
Guernsey GY1 4HP

## UK Corporate Legal Advisers

Dickson Minto  
Broadgate Tower  
20 Primrose Street  
London EC2A 2EW

## Bankers

Barclays Bank plc  
1 Churchill Place  
Canary Wharf  
London E14 5HP

## Corporate Brokers

Panmure Gordon & Co.  
40 Gracechurch Street  
London EC3V 0BT

## Depositary

JPMorgan Europe Limited  
25 Bank Street  
Canary Wharf  
London E14 5JP

## Website:

ctpropertytrust.co.uk

\* Chairman of the Nomination Committee

\* Chairman of the Management Engagement Committee

\* Chairman of the Audit Committee



# CT Property Trust Limited

## Interim Report 2022

### Contact us

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