

M&G Property Portfolio

**Interim report and unaudited financial statements
for the six months ended 31 March 2024**

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Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Property Portfolio presents its interim report and unaudited financial statements for the period ended 31 March 2024.

The unaudited financial statements of M&G Property Portfolio, the Authorised Corporate Director's Reports including the portfolio statement, financial highlights and the unaudited financial statements and notes of the fund are presented in their individual sections of this report as set out in the contents page.

Please note that an explanation of key investment terminology is available on our website at mandg.com/private-investor/glossary. A printed copy of the glossary is available upon request by calling customer services and administration as shown within the 'Investor information' section of this report.

Company information

M&G Property Portfolio is an Open-Ended Investment Company which is structured as a Property Authorised Investment Fund (PAIF). The Company is a non-UCITS Retail Scheme (NURS) under the COLL Sourcebook and is an alternative investment fund (AIF) for the purposes of the Alternative Investment Fund Managers Directive (AIFMD). This OEIC is an Investment Company with Variable Capital (ICVC) incorporated under the Open-Ended Investment Companies Regulations 2001. It is authorised and regulated by the Financial Conduct Authority (FCA) under the Financial Services and Markets Act 2000.

The Company was authorised on 16 October 2012 and was launched on 18 January 2013.

The Company's principal activity is to carry out business as an OEIC.

A shareholder is not liable for the debts of the Company and will never be liable to make any further payment to the Company after paying the purchase price of the shares.

Fund manager

Michael Wood is employed by M&G FA Limited, which is an associate of M&G Securities Limited

ACD

M&G Securities Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
Telephone: 0800 390 390 (UK only)
(Authorised and regulated by the Financial Conduct Authority. M&G Securities Limited is a member of the Investment Association and of The Investing and Saving Alliance).

Directors of the ACD

N J Brooks, C Dobson (non executive director),
S A Fitzgerald, P R Jelfs,
M McGrade (non executive director), L J Mumford

Investment manager

M&G Investment Management Limited,
10 Fenchurch Avenue, London EC3M 5AG, UK
(Authorised and regulated by the Financial Conduct Authority)

Registrar

SS&C Financial Services Europe Ltd,
SS&C House, St. Nicholas Lane, Basildon, Essex
SS15 5FS, UK
(Authorised and regulated by the Financial Conduct Authority)

Depository

NatWest Trustee & Depository Services Limited,
House A, Floor 0, 175 Glasgow Road, Gogarburn,
Edinburgh EH12 1HQ, UK
(Authorised and regulated by the Financial Conduct Authority)

Independent auditor

Ernst & Young LLP
Atria One, 144 Morrison Street, Edinburgh EH3 8EX, UK

Property manager

M&G Real Estate Limited
10 Fenchurch Avenue, London EC3M 5AG, UK

Standing independent valuer

Knight Frank LLP, 55 Baker Street, London W1U 8AN, UK

Authorised Corporate Director's Report

Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 2023 can be found on our website at mandg.com/investments/valueassessment

Climate-related Financial Disclosures (TCFD)

We have produced TCFD reports in compliance with the FCA's rules on climate-related financial disclosures. The TCFD fund reports are designed to help you understand the impact this fund has on the climate and equally how climate change could influence the performance of the fund. The reports will also give you the ability to compare a range of climate metrics with other funds. To understand the governance, strategy and risk management that M&G has in place to manage the risks and opportunities related to climate change, please refer to the M&G Investments Management TCFD report.

These reports are available via the Sustainability Disclosures page on our website at mandg.com/footer/sustainability-disclosures

Important information

The events in Ukraine continue to bring uncertainty. The ACD continues to monitor the associated risks that are posed to the Company.

The ACD and the Manager decided to close the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio. FCA approval for the M&G Property Portfolio closure was obtained on 17 November 2023. Since the ACD and the Manager announced their intention, dealings in both funds were suspended on Thursday 19 October 2023. We commenced the closure of the M&G Property Portfolio and its feeder M&G Feeder of Property Portfolio on Friday 29 December 2023.

In recognition of this inability for customers to access their investment, M&G is waiving 30% of its annual charge until the funds close. In addition, effective from the date of the suspension, no charges will be applied to any cash that is held within the funds' portfolios. This supersedes the previous waiver, where M&G continued to waive its annual charge on cash held above 20% of the M&G Property Portfolio's net asset value.

Please refer to the 'Investment review' section for further details on significant events during the period. Investment reviews may become quickly outdated in relation to ongoing economic and geopolitical events.

Investor information

The Prospectus, Instrument of Incorporation, Key Investor Information Documents, costs and charges illustration, the latest annual or interim investment report and financial statements as well as a list of purchases and sales are available free of charge on request from the following address. The Instrument of Incorporation can also be inspected at our offices or at the office of the Depositary.

Customer services and administration for UK clients:

M&G Securities Limited,
PO Box 9039, Chelmsford CM99 2XG, UK

Please remember to quote your name and M&G client reference and sign any written communication to M&G. Failure to provide this will affect your ability to transact with us.

Telephone: 0800 390 390 (UK only)

For security purposes and to improve the quality of our service, we may record and monitor telephone calls. You will require your M&G client reference. Failure to provide this will affect your ability to transact with us.

Authorised Corporate Director's Report

Authorised Corporate Director's Responsibilities

The Authorised Corporate Director (ACD) is required to prepare annual and interim reports for the Company. The ACD must ensure that the financial statements, contained in this report, for the fund are prepared in accordance with the Investment Association Statement of Recommended Practice for Financial Statements of UK Authorised Funds (SORP) and UK Financial Reporting Standards, and give a true and fair view of the net revenue or expenses and net capital gains or losses for the accounting period, and the financial position at the end of that period.

The ACD is required to keep proper accounting records, and to manage the Company in accordance with the Collective Investment Schemes sourcebook, as issued (and amended) by the FCA, the Instrument of Incorporation and the Prospectus, and to take reasonable steps for the prevention and detection of fraud or other irregularities. Additionally, the ACD is responsible for preparing the financial statements on a going concern basis unless it is appropriate to presume that the Company will not continue in operation.

For the reasons stated in the ACD's Report and the Accounting policies, the financial statements of the M&G Property Portfolio have not been prepared on a going concern basis.

Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued and amended by the Financial Conduct Authority.

M&G Securities Limited
24 May 2024

Financial statements and notes

The financial statements for M&G Property Portfolio comprise the financial statements for the fund and the notes below.

Notes to the financial statements

Accounting policies

The interim financial statements have been prepared on the same basis as the audited annual financial statements for the year ended 30 September 2023.

They are prepared in compliance with UK Financial Reporting Standard 102 (FRS 102) and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

The financial statements of the M&G Property Portfolio are prepared on a basis other than going concern due to the decision to wind up the Company as described in the ACD Report. Under this basis, assets are recorded at fair value less estimated disposal costs and liabilities are recorded at their expected settlement value. Any additional costs in respect of the termination of the fund will be borne by the ACD. Assets and liabilities have been classified as current.

Authorised Corporate Director's Report

M&G Property Portfolio is in the process of winding up and is no longer open to investment. For the purposes of these financial statements, the Prospectus dated 29 December 2023 has been used.

Investment objective

The investment objective of the fund is to carry on property investment business and to manage cash raised from investors for investment in the property investment business. In doing so, the fund aims to provide a higher total return (capital growth plus income), net of the ongoing charge figure and property expense ratio, than the average return of the IA UK Direct Property Sector over any five-year period.

Investment policy

At least 70% of the fund is invested directly in a diversified portfolio of commercial property in the UK. This may be reduced to 60%, if it is considered prudent for liquidity management.

The fund may also invest in other property related assets such as:

- other types of property, including residential property;
- property of any type outside the UK;
- funds (including funds managed by M&G); and
- transferable securities (such as shares and bonds); and money market instruments.

For liquidity management, the fund may invest in cash; near cash; money market instruments; and government bonds, directly, or via funds (including funds managed by M&G).

Derivatives may be used for investment purposes, efficient portfolio management and hedging.

Investment approach

The fund is actively managed, while controlling for risk factors, through diversified real estate exposure

primarily in direct property sectors (such as retail, offices and industrial). The fund's investment and disposals align the fund positioning toward those sectors forecast to outperform with regard for structural trends and property specific risk such as lease expiries and voids, tenant covenant strength and physical and environmental factors.

The investment process is structured to deliver the fund's objective however, as a responsible property manager, M&G's Responsible Property Investment capabilities are drawn on to initiate projects that address ESG themes and risk factors relevant to the fund, such as building suitability in light of regulation and addressing energy efficiency, water use and waste. Performance will take precedence over any ESG goals referenced within the Responsible Property Investment policy.

M&G's Responsible Property Investment policy is available on the M&G website: mandg.com/dam/investments/common/gb/en/documents/funds-literature/fund-specific-files/rpi-policy-mg-uk-property-portfolio.pdf

Benchmark

IA UK Direct Property sector.

The benchmark is a target which the fund seeks to outperform. The sector has been chosen as the fund's benchmark as the fund is a constituent of the sector. The benchmark is used solely to measure the fund's performance and does not constrain the fund's portfolio construction.

The fund is actively managed. The fund manager has complete freedom in choosing which investments to buy, hold and sell in the fund.

Risk profile

For details of the risks associated with this fund, please refer to the Prospectus.

Authorised Corporate Director's Report

Investment review

For the six months ended 31 March 2024

Important Information

On 19 October 2023, M&G announced the suspension of dealing in the M&G Property Portfolio (the fund) and its feeder fund, the M&G Feeder of Property Portfolio, with a view to closing the funds.

Open-ended property funds have been less popular with investors over the last few years. Investors have sold their holdings, and the fund and its feeder fund are smaller. We believed withdrawals from the funds were likely to continue, and there was a risk that may have accelerated in the future. As the fund reduced in size, it would become necessary to sell some of the fund's larger properties and buy smaller ones. Doing this would have incurred high transaction costs which would have negatively impacted the performance of the fund.

As we believed that the fund would continue to reduce in size, after considering a number of options, we decided that it was in the best interests of investors to close the fund and its feeder fund to allow for an orderly disposal of the fund's assets and to return the proceeds to investors.

The closure of the M&G Property Portfolio and its feeder fund began on 29 December 2023. As cash becomes available from the sales programme, it will be returned to customers.

In recognition of this outcome, M&G has reduced the annual charge by 30% as of 19 October 2023 and abolished it entirely on cash. Income distributions will continue to be paid as normal.

With effect from 29 December 2023, when the fund commenced wind-up, the requirement to meet the investment objective and policy of the fund and its returns to the comparator benchmarks fell away.

Investment activities

An orderly sales programme is under way with the objective of ensuring that fair market prices are achieved. In the current market conditions, M&G expects it will take until approximately mid-2025 for the majority of the M&G Property Portfolio's holdings to be sold.

Whilst investment volumes have been muted we expect to see more transaction activity (buying and selling of property) in the next few months, as asset valuations stabilise across most sectors. While there has been evidence in early 2024 of a small degree of further real estate yield correction (property yields rising) in some sectors, notably offices, the prevailing market view is that interest rates have peaked. Combined with the significant degree of repricing already recorded in the UK, this has increased our confidence that values are close to their bottom.

Since the announcement of M&G's intention to close the fund we have sold five properties. In November 2023, we completed on the sale of The Gracechurch Centre, a shopping centre in Sutton Coldfield and in January 2024, we sold three hotels, occupied by Travelodge. These properties were located in the Greater London area. In March 2024, we sold Parc Trostre, a retail warehouse park in Llanelli, South Wales. We have received the bulk of the proceeds of this sale, which represented around 95% of the total consideration. As part of the sale, there were two small retentions, which had to be resolved before the remainder of the sale proceeds were released by the buyer. One relates to the regear of a lease with one of Parc Trostre's tenants and the other is the transfer of a small parcel of long leasehold land, where the park 'totem' signage is located. We have now completed the sale of the leasehold land, where the park 'totem' signage is located and have received the proceeds. Completion took place before the publication of the report.

The sales early in the review period, in conjunction with the fund's cash balance at the time of suspension in trading, enabled us to make our first distribution to customers. This took place in February and totalled

Authorised Corporate Director's Report

£91 million, representing approximately 17% of the value of customer holdings as at 8 February 2024.

We announced a second distribution to customers on 2 May 2024. In May, we are returning £50 million, representing approximately 12.5% of customer holdings, as of 1 May 2024.

Fund performance

As the fund is now in the process of an orderly wind-up and returning capital to investors, fund performance has not been analysed.

For the performance of each share class, please refer to the 'Long-term performance by share class' table in the 'Financial highlights' section of this report.

Michael Wood

Fund manager

An employee of M&G FA Limited which is an associate of M&G Securities Limited.

Please note that the views expressed in this Report should not be taken as a recommendation or advice on how the fund or any holding mentioned in the Report is likely to perform. If you wish to obtain financial advice as to whether an investment is suitable for your needs, you should consult a Financial Adviser.

Portfolio statement

Investments

Location	as at 31.03.24 £'000	as at 31.03.24 %	as at 30.09.23 %
Retail properties	22,169	5.58	15.83
Values between £40 million and £60 million	0	0.00	10.17
Values between £20 million and £40 million	0	0.00	5.28
Values between £0 million and £20 million	22,169	5.58	0.38
Maidstone 19-21 Fremlin Walk			
Harrogate Harrogate House			
Llanelli Parc Trostre Retail Park			
Office properties	107,817	27.12	23.60
Values between £40 million and £60 million	0	0.00	7.58
Values between £20 million and £40 million	62,212	15.65	12.81
Bristol 3 Temple Quay			
London, W1 Portland & Riding Estate			
Values between £0 million and £20 million	45,605	11.47	3.21
London, E14 8 Greenwich View Place			
Aberdeen City View, Craigshaw Drive			
Aberdeen The Capitol, 431 Union Street			
London, N1 Units 1-4 The Yard, 122 East Road			
Industrial properties	59,610	14.99	11.06
Values between £0 million and £20 million	59,610	14.99	11.06
Leatherhead Leatherhead Trade Park			
Dartford Orbital One Trading Estate, Green Road			
Aberdeen Sites A1-A25, Altens Industrial Estate			
Bedford Unit 5, Apex Park, Cambridge Road			
Aberdeen Units 1-4 Howe Moss Drive, Kirkhill Industrial Estate			
Leisure properties	67,008	16.86	14.28
Values between £20 million and £40 million	26,332	6.63	4.79
Rochester Medway Valley Leisure Park			
Values between £0 million and £20 million	40,676	10.23	9.49
Salisbury Premier Inn & McDonald's			
Swansea Premier Inn Hotel, The Waterfront Development			
Telford Southwater Square			
Borehamwood Travelodge - Studio Way			

Portfolio statement

Investments (continued)

Location	as at 31.03.24 £'000	as at 31.03.24 %	as at 30.09.23 %
Other properties	20,000	5.03	5.22
Values between £20 million and £40 million	20,000	5.03	5.22
Birmingham Selly Oak Student Quarter			
Total direct properties before estimated disposal costs^a	276,604	69.58	69.99
Estimated disposal costs ^b	(2,935)	(0.74)	(0.71)
Total direct properties after estimated disposal costs	273,669	68.84	69.28
Indirect properties	0	0.00	0.00
Kames Target Healthcare I LP ^c	0	0.00	
Holding Real estate investment trusts^d	36,911	9.29	6.59
227,428 Derwent London	4,853	1.22	
9,100,000 Home	1,292	0.33	
424,418 Land Securities	2,770	0.70	
582,072 LondonMetric	1,179	0.30	
946,903 Segro	8,445	2.12	
7,386,998 Supermarket Income	5,644	1.42	
2,200,000 Tritax Big Box	3,441	0.87	
841,130 Unite	8,146	2.05	
500,000 Urban Logistics	574	0.14	
700,000 Warehouse	567	0.14	
Total portfolio	310,580	78.13	75.87
Net other assets/(liabilities)	86,942	21.87	24.13
Net assets attributable to shareholders	397,522	100.00	100.00

^a The fair value of investment property is shown net of a lease incentive balance of £8,571,000 (2023: £8,806,000) which has been deducted from the valuation.

^b The estimated disposal costs include, but are not limited to, agents fees, legal fees and survey fees.

^c Residual holding with a fair value of less than £500 has been rounded to nil.

^d Listed on an official stock exchange.

Portfolio statement

Portfolio transactions for the six months to 31 March 2024

for the six months to 31 March	2024 £'000	2023 £'000
Total purchases	0	4,197
Total sales	63,662	16,312

Purchases and sales exclude the cost and proceeds of 'AAA' rated money market funds.

Financial highlights

Fund performance

Please note past performance is not a guide to future performance and the value of investments, and the income from them, will fluctuate. This will cause the fund price to fall as well as rise and you may not get back the original amount you invested.

As different share classes have different attributes, for example charging structures and minimum investments, please be aware that their performance may be different.

For additional information, including monthly fund commentaries, fund facts, historic prices, distribution rates, performance information (including a range of performance graphs) and other documents, please visit our website at mandg.com/investments

Long-term performance by share class

To give an indication of the performance of the fund, the following table shows the compound rate of return, per annum, over the period. Calculated on a price to price basis with income reinvested. Please refer to 'Comparative tables' for the share class launch dates.

Share class	Six months % ^a	Three years % pa	Five years % pa	Ten years % pa
Sterling				
Class 'A' Income	-10.2	-5.8	-6.5	-1.5
Class 'A' Accumulation	-10.2	-5.8	-6.6	-1.5
Class 'D' Income	-10.1	-5.3	-6.1	-0.9
Class 'D' Accumulation	-10.1	-5.3	-6.1	-0.9
Class 'F' Income	-9.9	-4.9	-5.7	-0.5
Class 'I' Income	-10.1	-5.5	-6.3	-1.1
Class 'I' Accumulation	-10.1	-5.5	-6.3	-1.1
Class 'R' Income	-10.2	-5.7	-6.4	-1.3
Class 'R' Accumulation	-10.2	-5.7	-6.4	-1.3
Benchmark	-1.3	-0.9	-1.5	+1.7

^a Not annualised.

Capital repayments

A first capital repayment was made on various dates in February 2024, depending on what investors have opted to do with their holding. This represented approximately 17% of the value of holdings, calculated as of 2 February 2024.

We announced a second distribution to customers on 2 May 2024. In May, we are returning £50 million, representing approximately 12.5% of customer holdings, as of 1 May 2024.

We'll continue to keep customers updated with the progress on the fund's closure and future payments on the M&G website.

Comparative tables

'Operating charges' and 'Property expenses' are calculated as a percentage of average net asset value and represent an annual rate. Where there is a change in the charging structure, you may see variances in the 'operating charges' between the comparative and current period figures.

Financial highlights

Sterling Class 'A' Income shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	12,035	16,838	23,227
Number of shares	18,332,812	22,233,261	25,239,159
Closing NAV per share (UK p)	65.65	75.73	92.03
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	1.04	1.41	1.32

Sterling Class 'D' Income shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	877	1,225	1,845
Number of shares	128,460	155,774	194,280
Closing NAV per share (UK p)	683.17	786.52	949.46
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.63	0.76	0.66

Sterling Class 'F' Income shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	320,730	455,370	654,386
Number of shares	454,520,917	561,582,018	672,568,416
Closing NAV per share (UK p)	70.56	81.09	97.30
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.25	0.15	0.09

Sterling Class 'I' Income shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	5,759	17,967	27,543
Number of shares	852,714	2,309,049	2,924,504
Closing NAV per share (UK p)	675.36	778.13	941.80
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.78	1.01	0.91

Sterling Class 'A' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	12,655	17,331	23,938
Number of shares	13,086,839	15,981,211	18,998,928
Closing NAV per share (UK p)	96.70	108.44	126.00
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	1.04	1.41	1.32

Sterling Class 'D' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	58	79	76
Number of shares	5,581	6,781	5,641
Closing NAV per share (UK p)	1,036.25	1,160.19	1,340.58
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.63	0.76	0.67

Sterling Class 'I' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	43,961	60,103	82,206
Number of shares	4,310,197	5,259,983	6,212,463
Closing NAV per share (UK p)	1,019.93	1,142.65	1,323.25
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.78	1.01	0.91

Financial highlights

Sterling Class 'R' Income shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	480	675	839
Number of shares	721,028	878,276	899,714
Closing NAV per share (UK p)	66.62	76.82	93.21
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.94	1.26	1.17

Sterling Class 'R' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.24	30.09.23	30.09.22
Closing NAV (£'000)	967	1,346	2,198
Number of shares	968,735	1,202,577	1,692,064
Closing NAV per share (UK p)	99.87	111.95	129.91
Property expenses (%)	1.46	1.71	0.95
Other operating charges (%)	0.94	1.26	1.17

Financial statements and notes

Financial statements

Statement of total return

for the six months to 31 March	2024		2023	
	£'000	£'000	£'000	£'000
Income				
Net capital gains/(losses)		(64,370)		(114,840)
Revenue	19,453		24,037	
Expenses	(4,211)		(7,428)	
Interest payable and similar charges	(198)		(246)	
Net revenue/(expense) before taxation	15,044		16,363	
Taxation	0		0	
Net revenue/(expense) after taxation		15,044		16,363
Total return before distributions		(49,326)		(98,477)
Distributions		(15,133)		(16,598)
Change in net assets attributable to shareholders from investment activities		(64,459)		(115,075)

Statement of change in net assets attributable to shareholders

for the six months to 31 March	2024		2023	
	£'000	£'000	£'000	£'000
Opening net assets attributable to shareholders		570,934		816,258
Amounts received on issue of shares	252		16,525	
Amounts paid on cancellation of shares	(20,311)		(88,597)	
Capital repayments	(91,329)		0	
		(111,388)		(72,072)
Dilution adjustments		830		1,344
Change in net assets attributable to shareholders from investment activities (see above)		(64,459)		(115,075)
Retained distributions on Accumulation shares		1,604		1,528
Unclaimed distributions		1		1
Closing net assets attributable to shareholders		397,522		631,984

The opening net assets attributable to shareholders for 2024 differs to the closing position in 2023 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

Financial statements and notes

Financial statements

Balance sheet

as at	31 March 2024 £'000	30 September 2023 £'000
Assets		
Current assets		
Tangible assets		
Land and buildings	273,669	395,557
Investments	36,911	37,635
Debtors	72,533	43,054
Cash and bank balances	19,393	77,698
Cash equivalents	15,046	42,342
Total assets	417,552	596,286
Liabilities		
Creditors		
Distribution payable	(8,508)	(7,002)
Other creditors	(11,522)	(18,350)
Total liabilities	(20,030)	(25,352)
Net assets attributable to shareholders	397,522	570,934

Financial statements and notes

Financial statements

Cashflow statement

for the six months to 31 March	2024		2023	
	£'000	£'000	£'000	£'000
Operating activities				
Net revenue/(expense) before taxation	15,044		16,363	
Adjustments for:				
Interest payable and similar charges	198		246	
Movement in property debtors	(29,781)		7	
Movement in non-property debtors	65		(212)	
Movement in property creditors	(5,104)		680	
Movement in non-property creditors	(44)		114	
Net cash generated from operating activities		(19,622)		17,198
Investing activities				
Capital expenditure	(1,612)		(838)	
Investment purchases	0		(4,178)	
Investment sales	2,650		4,149	
Tangible assets: acquisitions	0		(16)	
Tangible assets: disposals	57,204		11,540	
Net cash from investing activities		58,242		10,657
Financing activities				
Amounts received on issue of shares	284		16,342	
Amounts paid on cancellation of shares	(113,708)		(109,282)	
Dilution adjustments	830		1,344	
Distributions paid	(9,685)		(13,159)	
Interest paid	(1)		(11)	
Taxation	(1,942)		(3,934)	
Unclaimed distributions received	1		1	
Net cash used in financing activities		(124,221)		(108,699)
Net increase/(decrease) in cash and cash equivalents		(85,601)		(80,844)
Cash and cash equivalents at the beginning of the period		120,040		184,349
Net increase/(decrease) in cash for the period		(85,601)		(80,844)
Cash and cash equivalents at end of the period		34,439		103,505

Financial statements and notes

Notes to the financial statements

Accounting policies

The financial statements have been prepared in accordance with the 'Accounting policies' set out on page 4.

Distribution policy

In determining the amount available for distribution to Income shares, the annual charge is offset against capital, increasing the amount available for distribution whilst restraining capital performance to an equivalent extent.

