

Alina

Holdings PLC



The Anxiety of “Modern Times, 1936” ... still with us

Annual Report
For the Year Ended 31 December 2023

DIRECTORS, SECRETARY AND ADVISERS

Directors C Duncan Soukup, Chairman
T Donell
M Porter

Registered Office Eastleigh Court
Bishopstrow
Warminster
BA12 9HW

Company Secretary Alasdair Johnston

Solicitors to the Company Locke Lord (UK) LLP
201 Bishopsgate
London
EC2M 3AB

Eversheds Sutherland
One Wood Street
London
EC2V 7WS

Auditors RPG Crouch Chapman LLP
40 Gracechurch Street
London, EC3V 0BT

Registrars Equiniti Limited
Aspect House
Spencer Street
Lancing
BN99 6QQ

Company website www.alina-holdings.com

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HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP RESULTS 2023 VERSUS 2022

• Group Net Profit / (Loss) for the period - £000	(£1,123) vs (£136)
• Group Earnings / (Loss) Per Share (both basic and diluted)*1	(4.95p) vs (0.60p)
• Reported Book value per share*2	21.9p vs 26.9p
• Cash - £000	£1,117 vs £1,721
• Financial Holdings - £000	£2,013 vs £1,749
• Property Holdings - £000*3	£2,501 vs £3,304

*1 based on weighted average number of shares in issue of 22,697,000 (2022: 22,697,000)

*2 based on actual number of shares in issue as at 31 December 2023 of 22,697,000 (2022: 22,697,000)

*3 Property Holdings, as shown above, reflect ownership of Stafford (as at December 2023) & Oldham (as at 31 December 2022). The current valuation of the Company's remaining Property Assets is £2.4m (2023) & £2.5m (2022).

REPORT FOR THE YEAR TO 31 DECEMBER 2023

Alina Holdings PLC (“Alina” or the “Company”) is a company registered on the Main Market of the London Stock Exchange. The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”).

CHAIRMAN’S STATEMENT

Writing one’s own report card is always a time for self-reflection, particularly when the conclusion is “could have done better”.

In 2023 we...read I...definitely could have done better. Following the Q3 correction, the NASDAQ 100 (NDX) staged a remarkable recovery and, from 27 October to 29 December, surged 27.6%. Driven by the Magnificent 7, which contributed nearly half of the broader market’s 2023 performance, and its poster child Nvidia (NVDA), which rose 239%, the NDX registered a 54.9% for the year when many, including ourselves, had anticipated a recession due to higher interest rates and sticky inflation. The irony is not lost on us as we have since been proven right and the anticipated Fed Pivot has not yet happened, as inflation has proven stickier than most had predicted.

Alina’s portfolio of assets is a mixture of Operating, financial (including cash) assets, and a limited number of hedge positions. Clearly hedging doesn’t always work, and on occasion it backfires and increases risk. In 2023, our hedging activities were a small drag on our results but, as with any insurance policy, there is always a price for protection. I am pleased to report that since the end of the year, our largest short position in Tesla (TSLA) generated a realised gain of \$731k (£587K at £/\$ 1.2437) or a return on average capital employed (ROACE) of 258%. The TSLA short position was closed out on 23 April 2024, the morning before TSLA reported Q1 earnings.

Property Assets

Brislington, Bristol: Currently underperforming our expectations due to tenant problems, partially caused by scaffolding erected for work on the Landlord’s adjacent building that are currently moribund.

Castle Court, Hastings: Former Argos unit has now been refurbished and asbestos removed. Claim for expenditure plus costs will now be submitted to Sainsbury’s, the new owner’s of Argos per the ‘full repairing lease’ that they have ignored.

Former Italian Way (restaurant) unit has now been recovered from illegal tenant that had taken occupation without even bothering to apply for a lease. Refurbishment will be undertaken and application to expand the unit will be sought from Hastings Council, the Freehold owner.

Shaw, Suffolk: Small unit, in the process of being sold.

Outlook

Sadly, I do not believe that Geo-political risk is properly reflected in current US share prices. Therefore, the likelihood of the correction we anticipated last year, but which turned into an enormous AI infused rally, still exists. Whilst we will always be substantially skewed to the long side, we will continue to try and protect downside risk.

Duncan Soukup

Chairman

Alina Holdings plc

29 April 2024

REPORT FOR THE YEAR TO 31 DECEMBER 2023 CONTINUED

With reference to the photo on the front-cover...

Taken from Charlie Chaplin's film, Modern Times (1936) to highlight TSLA. Apart from being a brilliant piece of cinematography, it goes some way to illustrating my view of TESLA (TSLA). Too much, too quickly, without an obvious Plan B.

Mr Musk has single-handedly forced the automotive industry to adopt alternative energy solutions, whilst at the same time promising "the development of some of the most revolutionary technologies in auto, energy and artificial intelligence". Unfortunately for TSLA shareholders, they are paying an extreme price for as yet unproven technologies, whilst the company's core business is under attack on all sides.

When valuing TSLA, one can only assign a market multiple to the company's automotive business...if that. So, assigning a multiple of 8x EV/EBITDA to TSLA TTM EBITDA of \$13,588 would result in an Enterprise Value of about \$100bn. I should point out that 8x is more than generous for a company that's EBITDA is declining. I would also point out that Mercedes-Benz and BMW are currently selling at 2x TTM EBITDA.

In any event, whether an * multiple is correct or not, faithful TSLA shareholders are paying \$400bn for hope and glory...with zero visibility and multiple broken promises. Can Mr Musk and TSLA pull a rabbit out the proverbial hat...of course they could, but in the meantime TSLA's car business has some very serious credibility problems, not least of which is Mr Musk, or is he, Howard Hughes reincarnated?

With reference to the photo on the back-cover...

Taken from another of Charlie Chaplin's films, the Great Dictator (1940) to highlight the Geo-political risks that I currently see in the World, which I do not believe are factored into current market multiples. Clearly, I have an opinion on what is transpiring, but this is not the right forum for a political debate, but rather absolutely the right forum for me to express my 'risk' concerns. Using the dictionary, and Mr Buffett's preferred definition of risk as the possibility for loss or injury, the current situation with quasi-dictators in China, Russia, Iran and, yes, even in the US, does not bode well. Whether, as investors, we like it or not the risks that an external event could deflate the current AI induced market bubble, is very real...the US market valuation, based on the Case-Schiller Index is currently on a 34X multiple, in the top 1% of all valuations whilst earnings are probably at or close to a peak...difficult to see how the market continues to rise in these circumstances.

FINANCIAL REVIEW

The financial statements contained in this report have been prepared in accordance with UK Adopted International Accounting Standards.

Result

The Group recorded an IFRS loss for the year to 31 December 2023 of £1,123,000, or 4.95p/shr (2022: loss £136,000, or 0.60p/shr). The majority of the losses were associated with the decline in value of the Company's HEIQ investment, and losses on hedges, partially offset by the increase in value (on a mark to market basis) of Dolphin Capital Advisors (DCI).

Operating income is still substantially below Group target due to continued vacancy of the former Argos unit in the Company's Hastings property. Further clouding the picture was the ongoing problem that we encountered in Hastings with an illegal occupant who had taken occupancy illegally. The offending party had the temerity to blame us for not extending them a lease, notwithstanding the fact that they had moved in without ever applying for a lease. We are pleased to report that they have since departed.

Refurbishment of the former Argos unit is now complete, and we will now seek to relet both the Argos unit, and once extended, the end restaurant unit at prevailing rates, whilst also commencing the refurbishment and conversion of the first floor from office to residential. Unfortunately, building costs are currently in Lala-land, such that finding a builder to work at a reasonable price is somewhat akin to finding a needle in a haystack.

Key Performance Indicators ("KPI's")

Throughout the reporting period the Group had no borrowings and held cash reserves at 31 December 2023 of £1.117 million (31 December 2022: £1.721 million). The KPI's relating to Interest Cover, Loan to Value and Gearing, shown in previous reports, are therefore no longer applicable. The Net Asset Value per Share at 31 December 2023 was 21.9p (31 December 2022: 26.9p).

Property Operating Expenses

Property operating expenses for the year to 31 December 2023 were £298,000 (2022: £300,000). This was predominantly caused by the property rates increases and the vacancy of a larger floorspace in Hastings. There was a release of bad debt provision in the comparable period which increases the variance.

Administrative Expenses

Administrative expenses were £743,000 during the year to 31 December 2023 (2022: £604,000).

Net Asset Value ("NAV")

The NAV at 31 December 2023 was £4.97 million or 21.9p per share, based on 22.7 million shares in issue, excluding those held in treasury (31 December 2022: £6.10 million, 26.9p per share, based on 22.7 million shares in issues).

At 31 December 2023 the Group held £1.117 million of cash (31 December 2022: £1.721 million). At 31 December 2023 the Group had no banking debt (31 December 2022: £nil).

At 31 December 2023, investment properties were held at an assessed fair value of £2,371,000 (2022: £2,504,000). The fair value has been assessed with reference to a third party valuation performed in 2020. The Board's assessment of the carrying value remains unchanged, pending finding new tenants for vacant units.

One residential property in Stafford is considered to be held for sale at 31 December 2023, valued in the Company's accounts at that date at its anticipated sale price.

The 2020 external valuation was undertaken in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards on the basis of market value. Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

FINANCIAL REVIEW CONTINUED

Financing

The Group had no borrowings during the year and the Group's operations were financed from its property income. During the reporting period the Group held some of its cash in foreign currencies. These holdings generated a small unrealised loss at the end of the period, principally from the reduction in USD value against GBP across the period. The risk associated with foreign currency holdings is described in Note 16 to the financial statements.

Dividend

In line with the Group's current dividend distribution policy no dividend will be paid in respect of the reporting period. The directors will continue to review the dividend policy in line with progress with the Group's investment strategy.

Risk Management & Operational Controls

The directors recognize that commercial activities invariably involve an element of risk. A number of the risks to which the business is exposed, such as the condition of the UK domestic economy and sentiment in the UK property market, are beyond the Company's influence. However, such risk areas are monitored and appropriate mitigating action, such as reviewing the substance and timing of the Company's operational plans, is taken wherever practicable in response to significant changes. The directors consider the risk areas the Company is exposed to in the light of prevailing economic conditions and the risk areas set out in this section are subject to review.

In relation to asset management, the Company's approach to risk reflects the Company's granular business model and position in the market and involves the expertise of its directors, management and third-party advisers. Operational progress and key investment and disposal decisions are considered in regular management team meetings as well as being subject to informal peer review.

Higher level risks and financial exposures are subject to constant monitoring. Major investment and disposal decisions are subject to review by the directors in accordance with a protocol set by the Board.

The Board's approach in this area is further explained in the Governance section, under Risk & Internal Control.

Principal Risks and Uncertainties

Rank	Potential Risk	Impact	Mitigation
Property and Investment Portfolio Performance			
1.	Effect of downturn in macroeconomic environment	<ul style="list-style-type: none"> • Tenant defaults • Reduced rental income • Increased void costs • Reduction in Net Asset Value and realisation value of assets 	<ul style="list-style-type: none"> • Actual and prospective voids and rental arrears continually monitored. • Early identification of / discussions with tenants in difficulties • Regular review of all properties for lease terminations and tenant risk, with early action to take control of units as appropriate • Limited requirement for tenant incentives within sub-sector • Close liaison with local agents enables swift decisions on individual properties • Tendency of small traders to take early action in response to economic conditions • Diverse tenant base • Sustainable location and property use • Ensuring positions are sufficiently hedged to ensure long and short positions are in place to take advantage of the market movements
2.	Higher than anticipated property maintenance or improvement / refurbishment costs	<ul style="list-style-type: none"> • Income insufficient to cover costs • Decline in property value 	<ul style="list-style-type: none"> • All material expenditure subject to authorisation regime • Capital expenditure subject to regular review
3.	Changes to legal environment, planning law or local planning policy	<ul style="list-style-type: none"> • Adverse impact on portfolio • Loss of development opportunity • Reduction in realisation value of assets 	<ul style="list-style-type: none"> • Monitoring of UK property environment and regulatory proposals • Close liaison with agents and advisers • Membership of and dialogue with relevant industry bodies
4.	Failure to comply with regulatory requirements in connection with property portfolio, including health, safety and environmental	<ul style="list-style-type: none"> • Tenant and third-party claims resulting in financial loss • Reputational damage 	<ul style="list-style-type: none"> • Guidance on regulatory requirements provided by managing agents and professional advisers • Individual properties monitored by asset managers and agents • Managing agents operate formal regulatory certification process for residential accommodation • Ongoing programme of risk assessments for key multi-tenanted sites • Key risks covered by insurance policies
Corporate Governance & Management			
5.	Non-availability of information technology systems or failure of data security	<ul style="list-style-type: none"> • Impact on operations and reporting ability • Financial claims arising from • Leak of confidential information 	<ul style="list-style-type: none"> • Provision of effective security regime with automatic off-site data and systems back-up
6.	Financial and property market conditions	<ul style="list-style-type: none"> • Insufficient finance available at acceptable rates to fulfil business plans • Inability to execute investment property disposal strategy owing to fall in property market values • Financial impact of debt interest • Breach of banking covenants 	<ul style="list-style-type: none"> • The Group is debt-free and debt finance has not been required. • Finance risks reduced with provision of cash reserve • Impact of interest rates on property yields monitored

FINANCIAL REVIEW CONTINUED

Operational Controls

During the year, the directors continued to recognize that the Company's ability to operate successfully is largely dependent on the maintenance of its straightforward approach to doing business and its reputation for integrity. All those who act on the Company's behalf are required to behave and transact business in accordance with the highest professional standards. As well as compliance with all relevant regulatory requirements, this extends to customer care and external complaint guidelines. The Company has adopted a Code, Policy and Procedures under the Market Abuse Regulation. The majority of the operations were contracted to Eddisons Property Management. Eddisons have looked after the property management for previous years and include the provision of all applicable compliance procedures. The directors were satisfied that the governance procedures adopted by Eddisons in relation to its clients were appropriate and protected the Company's interests. The Company's corporate governance regime is underpinned by a whistle-blowing procedure, enabling perceived irregularities to be notified to members of the Board, principally the senior independent non-executive director.

The Board has overall responsibility for the Company's internal control systems and for monitoring its effectiveness. The Board's approach is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable assurance against material misstatements or loss. The directors have not considered it appropriate to establish a separate internal audit function, having regard to the Company's size. The Board's approach to internal controls covers all companies within the Group and there are no associate or joint venture entities which it does not cover.

The principal foundations of the Company's internal control framework during the reporting period were:

- statements of areas of responsibility reserved to the directors, with prescribed limits to executive authority to commit to expenditure and borrowing;
- effective committee structure with terms of reference and reporting arrangements to the Board;
- clear remits for the delegation of executive direction and internal operational management functions;
- framework for independent directors to provide advice and support to executive directors on an individual basis;
- top-level risk identification, evaluation and management framework;
- effective systems for recognized capital expenditure and significant revenue items and monitoring actual cost incurred;
- ongoing reporting to the Board of operational activity and results;
- regular review of operational forecasts and consideration by the directors;
- ongoing reporting to the directors on health, safety and environmental matters.

The Board reviews the effectiveness of the Company's risk management systems against the principal risks facing the business and their associated mitigating factors, taking account of the findings and recommendations of the auditors at the Company's half-year and year-end. Following its review of the auditors' findings during the reporting period, the Board considers that the Company's approach remains effective and appropriate for a business of the Company's size and complexity.

Key Contracts

There are currently no contracts which require third party approval for any change to the nature, constitution, management or ownership of the business. The appointment agreements of directors do not contain any provisions specifically relating to a change of control.

Charitable and Political Donations

During the reporting period the Group made £650 donations for charitable purposes and no donations for political purposes (2022: nil).

Section 172 Companies Act 2006

The Directors acknowledge their duty under s.172 of the Companies Act 2006 and consider that they have, both individually and together, acted in the way that, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, they have had regard (amongst other matters) to:

- the likely consequences of any decision in the long term. The Group's long-term investment strategy is shown in the Chairman's Report, with associated risks highlighted in the Strategic report.
- the impact of the Group's operations on the community and the environment. The Group operates honestly and transparently. We consider the impact on the environment on our day-to-day operations and how we can recognize this.
- the desirability of the Group maintaining a reputation for high standards of business conduct. Our intention is to behave in a responsible manner, operating within the high standard of business conduct and good corporate governance, as highlighted in the Corporate Governance Statement on page 12.
- the need to act fairly as between members of the Group. Our intention is to behave responsibly towards our shareholders and treat them fairly and equally so that they may benefit from the successful delivery of our strategic objectives.

This Financial Review was approved by the directors on 26 April 2024.

Duncan Soukup, Chairman

29 April 2024

CORPORATE RESPONSIBILITY STATEMENT

During the year we continued to focus on the three principal contributors to the success of our business:

- the talent and commitment of our executives;
- our relationships with national and local advisers, partners and clients; and
- the well-being of the businesses that occupy our properties and the communities in which they operate.

The directors remain conscious that the Group's ability to operate effectively rests on our reputation for fairness and a straightforward and honest approach to conducting business. We therefore strive to transact business in accordance with the highest professional standards and all those who act on our behalf are expected to do the same. Besides complying with all relevant legislation and professional guidelines, this includes customer care and external complaint procedures.

We have again considered whether it is appropriate to report on relevant human rights issues. In the context of our business and the reduced size of our investment portfolio, we do not believe that the provision of detailed information in this area would provide any meaningful enhancement to the understanding of the performance of our business. However, we are confident that our approach to doing business does not contravene any human rights principles or applicable legislation.

Our approach to corporate responsibility matters is underpinned by a whistle-blowing procedure, enabling perceived irregularities to be notified to directors, principally the independent non-executive directors.

DIVERSITY

The Group has a formal diversity and equal opportunities policy in place and is committed to a culture of equal opportunities for all regardless of age, race or gender. The Board currently comprises three male directors.

HEALTH, SAFETY AND WELFARE

The directors were responsible for ensuring that the Group discharged its obligations for health, safety and welfare during the reporting period, including matters delegated to the Group's managing agents and other contractors. No material health, safety and welfare incidents were notified during the period. Our property managers and contractors continued to be required to ensure that property management, maintenance and construction activities conform to all relevant regulations, with due consideration being given to the welfare of occupants and neighbours.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Company has in place an Anti-Bribery and Anti-Corruption Policy which the directors consider fulfils UK Government guidelines for compliance with UK Bribery Act 2010.

GOVERNANCE

REGULATORY COMPLIANCE

The Company is subject to, and seeks to comply with, the Financial Conduct Authority's ("FCA") Listing Rules ("Listing Rules"), the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority. The Company is also subject to the UK City Code on Takeovers and Mergers.

In the prior period the Company adopted the Corporate Governance Code of the Quoted Companies Alliance (the "QCA Code"). The directors consider that the QCA Code provides a corporate governance framework proportionate to the risks inherent to the size and complexity of the Company's operations. The directors apply the QCA Code in the ways set out below.

BOARD LEVEL RESPONSIBILITY

The Company's directors are ultimately responsible for the effective stewardship of the business, with the Chairman holding specific responsibility for corporate governance and effective leadership of the Board. In discharging this obligation, the Chairman regularly consults the Company's Independent Non-Executive Directors (who are qualified by background and experience to assist in this sphere), as well as the Company's legal advisers and the Company Secretary.

CONFLICTS OF INTEREST

The Company's Articles of Association provide a framework for directors to report actual or potential situational conflicts, enabling the Board to give such situational conflicts appropriate and early consideration. All directors are aware of the importance of consulting the Company Secretary regarding possible situational conflicts.

BOARD LEADERSHIP

The Company is led by its Board, which is responsible for determining the strategy of the business and its effective stewardship. All major strategic and investment decisions are taken by the Board as a whole, which monitors the resources available to the Company, to ensure that they are sufficient to enable its goals to be achieved. The Board meets regularly to review the Company's operations and progress with its strategy. The directors are in regular liaison outside formal meetings. Risk management and controls are reviewed in the light of advice from the external auditors, who have access to all the directors.

The Board comprises an executive Chairman and two independent non-executive directors, as set out below.

Duncan Soukup

Executive Chairman, aged 69

Duncan Soukup is the founder and Executive Chairman of Thalassa Holdings Ltd ("Thalassa"), a company listed on the London Stock Exchange, and has over 35 years of investment experience. Prior to establishing Thalassa, Mr Soukup worked in investment banking for 10 years, including as managing director in charge of the non-US equity business of Bear Sterns. Thereafter, he established the AIM-listed investment management business Acquisitor plc.

As the executive chairman with a beneficial interest in the Company's shares, Mr Soukup is not considered to be independent.

GOVERNANCE CONTINUED

Martyn Porter (Appointed May 2022)

Non-Executive Director, aged 53

Martyn has over 25 years' experience in international banking and financial services with the HSBC Group. He has held senior leadership positions in the UK, Malta, the Philippines, Hong Kong, Vietnam, Luxembourg and latterly Monaco, where he served as Chief Executive Officer of the HSBC Private Bank and Asset Management companies. As a board director and regulated officer of HSBC companies in Ireland, Luxembourg and Monaco, Mr. Porter has significant knowledge and understanding of corporate governance and regulatory compliance. He also has a highly successful track record in the leadership of businesses undergoing complex strategic change and transformation. During his career, Mr. Porter has built a wide and diverse network of business relationships, as well as demonstrating strong values and business ethics.

Tim Donell (Appointed February 2022)

Non-Executive Director, aged 42

A certified chartered accountant, Tim has over 15 years' experience in finance, accounting and management roles within growth companies across travel, e-commerce and web technology and has a demonstrated track record of developing and improving financial processes to drive business performance.

DIVISION OF RESPONSIBILITIES

The responsibilities of each director are set out clearly in the director's letter of appointment, which is available for inspection by members of the Company at its registered office during normal office hours. All directors ensure that they provide sufficient time to fulfil their obligations. All directors have access to the advice and services of the Company Secretary and to independent legal advice at the Company's expense.

During the reporting period the directors monitored the Company's operational progress and the activities of the executive management. The Chairman is responsible for ensuring that due consideration is given to key items of business both at formal meetings of the directors and liaison outside these. The independent non-executive directors provide a separate communication channel for shareholders and other interested parties and has a remit under the Company's "whistle-blowing" arrangements.

Nomination, Audit and Remuneration Committees were in place throughout the reporting period, with responsibility for specific areas within the Company's overall corporate governance structure. During the reporting period there was no requirement for either of the Remuneration Committee or the Nomination Committee to meet.

The Board met and held discussions throughout the year. The frequency of the meetings fluctuated as required. The meetings consisted of discussion to agree strategy and the handling of the assets. The majority of the meetings were on an informal and operational basis with the conclusions appropriately documented.

Aside from the meetings described above each director's attendance record at Board and Committee meetings during the reporting period is set out in the table below:

Director	Board	Audit	Remuneration	Nomination
Duncan Soukup	2	1	n/a	n/a
Tim Donell	2	1	n/a	n/a
Martyn Porter	2	n/a	n/a	n/a

Under the Company's Articles one-third of the directors are subject to retirement at each Annual General Meeting. Additionally, the Articles require that director appointments made by the Board directors are ratified at the subsequent General Meeting of the Company.

Arrangements are made to provide new directors with an induction programme into the Company's activities. Non-executive directors also meet with management on an informal basis. Arrangements are made for directors to inspect investment properties.

RISK & INTERNAL CONTROL

In addressing its responsibilities in this area, the Board pays particular attention to:

- monitoring the integrity of the Company's financial statements and formal announcements relating to its financial performance and reviewing significant financial reporting judgements contained in them;
- reviewing the adequacy and effectiveness of the Company's internal financial controls, internal control and risk management systems, fraud detection, regulatory compliance and whistle-blowing arrangements;
- making recommendations for the approval of shareholders on the appointment, re- engagement or removal of the external Auditors and approving the Auditors' terms of engagement and remuneration;
- overseeing the Company's relationship with the external Auditors, reviewing and monitoring the Auditors' independence and objectivity and effectiveness;
- approving the annual audit plan and reviewing the Auditors' findings and the effectiveness of the audit programme.

The Company's approach to risk management is set out on pages 9 and 10.

DIRECTORS' REMUNERATION POLICY AND REMUNERATION IMPLEMENTATION REPORT

There was no requirement for the Remuneration Committee to meet during the reporting period. The Company had no employee directors during the year and no share-related incentive schemes were in operation. Although it is not currently required, the remuneration policy for employee directors recognized below was approved by shareholders at the annual general meeting held in March 2020:

- within a competitive market, enabling the recruitment and retention of individuals whose talent matches the entrepreneurial and leadership needs of the business, enabling the Company to fulfil its investment objectives for its shareholders; and
- placing emphasis on performance-related rewards and focusing on incentive targets that are closely aligned with the interests of shareholders.

Base Salary	To be pitched at market median for the role, with advice taken from independent consultants.
Termination	Service contracts to be capable of termination at not more than one year's notice
Annual Bonus Scheme	Future scheme to be based on the achievement of profitability and cash generation targets based on the Company's annual budget. Individual awards to be capped at 100% of base salary.
Share Based Performance Scheme	Scheme to be based on the award of shares or cash equivalent. Awards to vest on the achievement of medium-term and long-term targets derived from the Company's investment strategy.
Pension	Company contribution to individuals' pension plans of up to 10% of base salary.
Health Plan	Individuals may participate in private healthcare arrangements supplied by the Company.

GOVERNANCE CONTINUED

In applying the remuneration policy, the Board will use its discretion to provide a tailored mix of benefits that encourages individuals to maximise their efforts in the best interests of shareholders. In particular, the remuneration policy would be subject to any special considerations that may arise in relation to the execution of any revised investment policy approved by the Company's shareholders.

NON-EXECUTIVE PAY

The Company's policy has been to provide remuneration to its non-executive directors commensurate with the need to attract and retain individuals with levels of skill and experience appropriate to the Company's needs. No non-executive directors have participated in any bonus or share-based arrangements of the Company.

DIRECTORS' REMUNERATION

The below table highlighted total directors' remuneration in the period.

Director	Salary	Short term incentives	Long term incentives	Pension contributions	Benefits in kind	Total
Duncan Soukup	144,213	-	-	-	-	144,213
Tim Donell	12,000					12,000
Martyn Porter	20,503					20,503
Total	176,716	-	-	-	-	176,716

The aggregate directors' remuneration during the reporting period was £176,716 (2022: £142,391). Of Martyn Porter's 2023 remuneration, £7,032 related to 2022 and was under-accrued at 2022 year-end.

DIRECTORS' SERVICE CONTRACTS

Non-executive directors	Date of initial appointment	Date of current appointment letter
Duncan Soukup	4 October 2019	27 February 2021
Tim Donell	7 February 2022	21 October 2022
Martyn Porter	20 May 2022	20 May 2022

DIRECTORS' INTERESTS IN THE COMPANY'S SHARES (AUDITED)

The interests during the reporting period of the directors who held office during the reporting period in the issued share capital of the Company as at the date of this report are set out below:

Ordinary 1p Shares*		
Director	2023	2022
Duncan Soukup	5,418,857	5,418,857
Tim Donell	-	-
Martyn Porter	-	-

In addition to the direct interest shown above, Duncan Soukup has an indirect interest in 4,618,001 and 1,734 Ordinary Shares arising from his interests in entities of Thalassa Discretionary Trust, and Thalassa Holdings Ltd.

DIRECTORS' INDEMNITIES AND INSURANCE COVER

To the extent permitted by law, the Company indemnifies its directors and officers against claims arising from their acts and omissions related to their office. The Company also maintains an insurance policy in respect of claims against directors.

AUDIT COMMITTEE REPORT

The Audit Committee, consisted of the independent non-executive directors. The key functions of the audit committee are for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Committee has formal terms of reference.

The financial statements attached to this report have been prepared on the Going Concern basis. In deciding that the Going Concern basis is appropriate, the directors reviewed projections of future activity over the 12 months following the date of this report. The Directors concluded that there were no identifiable material uncertainties, and present cash reserves were sufficient to meet all liabilities as they fall due, up to and beyond that date.

The Committee considered the following items:

- ensuring that the format of the financial statements and the information supplied meets the standards set by the International Accounting Standards Board;
- reviewing the accounting treatment of receivables and ensuring effective co-ordination between the Company's records and those of its managing agents;
- ensuring that the audit scope properly reflected the risk profile of the business;
- ensuring that the Committee's terms of reference continued to accord with regulatory requirements.

The Committee considered the independence of external auditors, seeking to ensure that any non-audit services provided, by external auditors do not impair the auditors' objectivity or independence. The Company's auditors, RPG Crouch Chapman, did not supply any non-audit services to the Company during the period.

Having assessed the performance, objectivity and independence of the auditors, as well as the audit process and approach taken, the Committee recommended the re-appointment RPG Crouch Chapman at the Company's annual general meeting in 2024.

Duncan Soukup
Chairman 29 April 2024

DIRECTORS' REPORT

The directors of Alina Holdings Plc (“the Company”) present their report and the audited financial statements of the Company together with its subsidiaries and associated undertakings (“the Group”) for the year ended 31 December 2023.

The following directors held office during the reporting period:

Duncan Soukup (appointed 4 October 2019)

Tim Donell (appointed 7 February 2022)

Martyn Porter (appointed 20 May 2022)

The Directors' Report also includes the information set out on pages 5 to 22, together with the description of the Company's investment policy and business model described on page 5.

GROUP RESULT AND DIVIDEND

The loss for the Group attributable to shareholders for the period was £1,123,000 (2022: loss £136,000). In accordance with the investment policy, no dividend has been or will be distributed in respect of the financial year. The directors continue to keep the dividend distribution policy under review.

POST BALANCE SHEET EVENTS

- Sale of Stafford property classified as an asset held for sale at the year-end (see note 10);
- Settlement of legal action against The Italian Way, a tenant in Hastings, for breach of lease covenants.

GOING CONCERN BASIS

The financial statements attached to this report have been prepared on the Going Concern basis. In deciding that the Going Concern basis is appropriate, the directors reviewed projections of future activity over the 12 months following the date of this report. The Directors concluded that there were no identifiable material uncertainties, and present cash reserves were sufficient to meet all liabilities as they fall due, up to and beyond that date.

SHARE CAPITAL

Details of the Company's issued share capital are set out in note 17 to the financial statements. All of the Company's issued shares are listed on the London Stock Exchange. The Company's share capital comprises one class of Ordinary Shares of 1p each. All issued shares are fully paid up and rank equally and there are no restrictions on the transfer of shares or the size of holdings. The directors are not aware of any agreements between shareholders in relation to the Company's shares.

SUBSTANTIAL INTERESTS

As at 24 April 2023, the last practicable reporting date before the production of this document, the Company's share register showed the following major interests (of 3% or more, excluding shares held in treasury) in its issued share capital:

Shareholder	Ordinary Shares	%
Vidacos Nominees Limited*	10,036,857	44.22
HSBC Global Custody Nominee (UK) Limited**	6,718,785	29.60
Ferlim Nominees Limited	1,200,000	5.29

* Included within Vidacos Nominees Limited are shares of 5,418,857 owned by C D Soukup and 4,618,001 held by Thalassa Discretionary Trust.

** The Company has also been notified that 6,391,223 (28.16%) shares are beneficially owned by Peter Gyllenhammar AB.

INVESTOR RELATIONS

Subject to regulatory constraints, the directors are keen to engage with the Company's shareholders, placing considerable emphasis on effective communications with the Company's investors. Directors are happy to comply with shareholder requests for meetings as soon as practicable, subject to regulatory constraints. The Board is provided with feedback on such meetings, as well as regular commentary from investors and the Company's bankers and advisers. The Board provides reports and other announcements via the regulatory news service in accordance with regulatory requirements. Regulatory announcements and key publications can also be accessed via the Company's website. The Company's Annual General Meeting provides a further forum for investors to discuss the Company's progress. The Company complies with relevant regulatory requirements in relation to convening the meeting, its conduct and the announcement of voting on resolutions. The Annual Report and Notice of the Annual General Meeting are made available to shareholders at least 21 working days prior to the meeting and are available on the Company's website. The results of resolutions considered at the Annual General Meeting are announced to the Stock Exchange and are also published on the website and lodged with the National Storage Mechanism. Investors may elect to receive communications from the Company in electronic form and be advised by email that communications may be accessed via the Company's website.

WHISTLEBLOWING POLICY

The Group has in place a whistleblowing policy which sets out the formal process by which an employee of the Group may in confidence raise concerns about possible improprieties in the Group's affairs, including financial reporting.

ESG

The Group has not complied with the recommendations of the Taskforce for Climate-related Financial Disclosures ("TCFD") in the current year, as required by LR14.3.27R issued by the Financial Conduct Authority. The Board recognises the importance of climate-related matters and, as a relatively small development stage property business, intends to develop a plan to adopt the TCFD recommendations in full over the next few years. With reference to the four pillars of the TCFD recommendations, matters of governance, risk assessment, and strategy are covered in this report, and the further development of metrics and targets is under consideration.

We have always believed that our local asset model is by its nature supportive of reducing the carbon impact of retail shopping. Our past development activity has been aimed at returning to profitable use redundant space that would otherwise remain vacant, potentially relieving development pressure on greenfield sites elsewhere. Any development activity undertaken is carried out in accordance with applicable energy and resource saving standards, noise impact reduction requirements, and, where relevant, the need to preserve the character of buildings, including listed properties. Our contractors are required to dispose of waste in accordance with best practice. We continue to take action to upgrade the energy performance of our letting units wherever required.

It is our policy to seek to deal constructively with all stakeholders in relation to any community issues that arise in relation to our properties. Our policy is to prefer to use local advisers, agents and contractors whenever appropriate to do so.

It is our intention to review our response to environmental, social and governance factors in line with the development of our investment policy to ensure that our policies are appropriate to the revised strategy and operational profile. This review will take account of related issues, such as modern slavery.

DIRECTORS' REPORT CONTINUED

EMISSIONS AND ENERGY CONSUMPTION REPORTING

The directors believe that the Company's outsourced business model, which focusses on the employment of agents, advisers and contractors who are local to our property assets, is inherently environmentally friendly. However, the collection of consumption data from such businesses is not practicable. It is also not possible for our national agents and advisers to separately identify such data in relation to the proportion of their work devoted to the Company's activities, particularly given the increase in staff working from home during the COVID-19 lockdown. It is not possible to measure the energy consumed by the Company's tenants (nor is this consumption within the Company's control). The consumption of water, waste output and greenhouse gases other than CO₂ within the Company's control is negligible.

For previous reporting periods the Company has supplied environmental reporting information focused on energy consumed by the Company and its wholly owned subsidiaries through the activities of its office base, shared facilities provided by the Company within its property portfolio and activities within vacant properties within the Company's control.

In relation to Scope 1 Carbon Emissions (consumption of gas and fuel), since the termination of the Company's third-party investment advisory agreement and the relocation of its registered office it has not been possible to separately identify the energy consumed on the Company's activities. An element of the Company's administration activity is carried out at its registered office. However, this is a de minimis element of the overall activity and energy consumption at that site. Other activity is undertaken by the Company's directors and management working at home. In both cases, it has not been possible to separately identify the energy consumed on the Company's activities at those locations. In previous years, data has been supplied relating to fuel consumed on journeys on Company activities. As the Company does not operate company cars, all such journeys are made in employees' private vehicles or on public transport. The reduction in the Company's property portfolio has significantly reduced the requirement for such journeys, which were then further restricted during the reporting period by the COVID-19 lockdown regime. Accordingly, the directors do not consider that any meaningful Scope 1 data can be supplied.

Similar limitations apply to Scope 2 data, which in previous reports comprised an estimate of consumption for vacant property units for which the Company is responsible. The number of these and the related energy consumption has been de minimis throughout the reporting period. Similarly, it has not been practicable to measure Scope 3 emissions.

The Company's direct usage and emissions of water is also minimal. Although a small element of utility supply charges within vacant premises relate to water and to gas, this largely relates to standing charges and consumption is negligible.

In relation to The Companies (Directors' Report) and LLP Partnerships (Energy and Carbon Report) Regulations 2018, the Company consumes less than 40,000 kWh of energy per annum and therefore qualifies as a low energy user and therefore does not come within the scope of those regulations.

STATEMENT OF DISCLOSURE TO AUDITORS

The directors who were in office at the date of the approval of the financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all necessary steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that this has been communicated with the auditors.

This report was approved by the directors on 29 April 2024

Alasdair Johnston
Company Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK Adopted International Accounting Standards and applicable law and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of their profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK Adopted International Accounting Standards;
- for the parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Responsibility Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF DIRECTORS' RESPONSIBILITIES CONTINUED

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report/directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

The foregoing reports were approved by the directors on 26 April 2024

Duncan Soukup

Chairman

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALINA HOLDINGS PLC

OPINION

We have audited the financial statements of Alina Holdings Plc (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2023 which comprise the Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, Company Balance Sheet, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted in the United Kingdom (IFRS) for the Group and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK (UK GAAP).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRS for the Group, and UK GAAP for the Company; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included review of the expected cashflows for a period of 18 months from the balance sheet date compared with the liquid assets held by the Group.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are recognized for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALINA HOLDINGS PLC CONTINUED

OUR APPROACH TO THE AUDIT

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

We performed the audits of the Company and its subsidiaries.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement we identified (whether or not due to fraud), including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. The matter identified was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our work addressed this matter
<p>Carrying value of property</p> <p>The Group held £2.5m (2022: £3.3m) of properties, including £0.1m (2022: £0.8m) of properties held for sale.</p> <p>Investment properties are held at fair value, which represents a significant area of management judgement. Properties held for sale are held at net recognised value.</p> <p>Given the subjectivity of estimates involved, we consider the carrying value of property to be a key audit matter.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> • Reviewing the recognition and fair value measurement of investment properties in accordance with IAS 40 Investment Property and IFRS13 Fair Value Measurement; • Agreeing assumed rates of rent per square foot to actual rates achieved in adjacent units; • Reviewing management estimates for occupancy and timing of renovation works; • Reviewing management's assessment of the range of values for property held for development; and • Reviewing sales and associated costs subsequent to the balance sheet date.
<p>Carrying value of investment in subsidiaries</p> <p>The Company held £3.0m (2022: £3.1m) of investments in subsidiaries.</p> <p>The directors are required to review the carrying value of investments for impairment annually.</p> <p>Given the subjective nature of the related estimates and judgements, we consider the carrying value of available for sale investments to be a key audit matter.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> • Reviewing the underlying valuation of assets held by subsidiaries; and • Reviewing rental yields calculated by management.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider gross assets to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 1.5% of gross assets for each of the operating components. Overall materiality for the Group was therefore set at £0.1m. For each component, the materiality set was lower than the overall group materiality.

We agreed with the Audit Committee that we would report on all differences in excess of 5% of materiality relating to the Group financial statements. We also report to the Audit Committee on financial statement disclosure matters identified when assessing the overall consistency and presentation of the consolidated financial statements.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALINA HOLDINGS PLC CONTINUED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 25 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks within which the Group operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.
- We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

OTHER MATTERS THAT WE ARE REQUIRED TO ADDRESS

We were appointed on 12 April 2023 and this is the second year of our engagement as auditors for the Group.

We confirm that we are independent of the Group and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council.

Our audit report is consistent with our additional report to the Audit Committee explaining the results of our audit.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Randal FCA

(Senior Statutory Auditor)

For and on behalf of

RPG Crouch Chapman LLP

Chartered Accountants

Registered Auditor

40 Gracechurch Street

London

EC3V 0BT

29 April 2024

CONSOLIDATED STATEMENT OF INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Gross rental income		305	351
Property operating expenses	4	(298)	(300)
Net rental income		7	51
Profit/Loss on disposal of investment properties	5	(73)	4
Gain from change in fair value of investment properties	10	-	563
Administrative expenses including non-recurring items	6	(743)	(604)
Operating loss before net financing costs		(809)	14
Depreciation	7	(3)	(3)
Financing income	7	21	318
Financing expenses	7	(344)	(470)
Share of profits of associated entities	22	12	5
Loss before tax		(1,123)	(136)
Taxation		-	-
Loss for the period from continuing operations		(1,123)	(136)
Loss for the year		(1,123)	(136)
Attributable to:			
Equity shareholders of the parent		(1,123)	(136)
Non-controlling interest		-	-
		(1,123)	(136)
Earnings per share – GBP pence (using weighted average number of shares)			
Basic and Diluted – GBP pence	9	(4.95)	(0.60)

The notes on pages 33 to 49 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Loss for the financial year	(1,123)	(136)
Other comprehensive income:	-	-
Total comprehensive income	(1,123)	(136)
Attributable to:		
Equity shareholders of the parent	(1,123)	(136)
Non-Controlling interest	-	-
Total Comprehensive income	(1,123)	(136)

The notes on pages 33 to 49 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023 £000	As at 31 December 2022 £000
Assets			
Non-current assets			
Investment properties	10	2,371	2,504
Investments in associated entities	22	17	5
Total non-current assets		2,388	2,509
Current assets			
Investment property held for sale	10	130	800
Available for sale financial assets	11	2,013	1,749
Trade and other receivables	12	367	233
Cash and cash equivalents	13	1,117	1,721
Total current assets		3,627	4,503
Liabilities			
Current liabilities			
Trade and other payables	14	718	591
Total current liabilities		718	591
Net current assets		2,909	3,912
Non-current liabilities			
Finance lease liabilities		323	324
Total non-current liabilities		323	324
Net assets		4,974	6,097
Shareholders' Equity			
Share capital	20	319	319
Capital redemption reserve	20	598	598
Retained earnings		4,057	5,180
Total shareholders' equity		4,974	6,097

The notes on pages 33 to 49 form an integral part of this consolidated interim financial information.

These financial statements were approved by the board on 29 April 2024.

Signed on behalf of the board by:

Duncan Soukup

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Cash flows from operating activities			
Operating Profit/(Loss) for the year before financing			
Gain from change in fair value of investment properties	10	-	(563)
(Profit)/Loss from change in fair value of head leases		(3)	(3)
(Profit)/Loss on disposal of investment properties		73	(4)
Decrease/(Increase) in trade and other receivables	12	(134)	22
(Decrease)/Increase in trade and other payables	14	126	164
Loss on foreign exchange		(18)	126
Lease liability interest		(23)	(23)
Interest received		18	1
Interest paid		(5)	(19)
Profit from change in fair value of investments held for sale		3	191
Cash generated by operations		(772)	(94)
Taxation		-	-
Net cash flow from operating activities		(772)	(94)
Purchase of investments held for sale		(562)	(358)
Net Proceeds from sale of investment properties		727	403
Net cash flow in investing activities		165	45
Cash flows from financing activities			
(Increase)/reduction on head lease liabilities	15	3	3
Net cash flow from financing activities – continuing operations		3	3
Net increase in cash and cash equivalents		(604)	(46)
Cash and cash equivalents at the start of the year		1,721	1,767
Cash and cash equivalents at the end of the year		1,117	1,721

Prior year comparatives have been reclassified to conform to the current year presentation.

The notes on pages 33 to 49 form an integral part of this consolidated interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share Capital £000	Reserves £000	Capital Redemption Reserves £000	Retained Earnings £000	Total £000
Balance as at 31 December 2021	319	-	598	5,316	6,233
Total comprehensive income for the year	-	-	-	(136)	(136)
Balance as at 31 December 2022	319	-	598	5,180	6,097
Total comprehensive income for the year	-	-	-	(1,123)	(1,123)
Balance as at 31 December 2023	319	-	598	4,057	4,974

The notes on pages 33 to 49 form an integral part of this consolidated interim financial information.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Alina Holdings PLC (“Alina” or the “Company”) is a company registered on the Main Market of the London Stock Exchange. It is incorporated, domiciled and registered in England. The Company’s registered number is 05304743 and the address of its registered office is Eastleigh Court, Bishopstrow, Warminster, BA12 9HW

2 SIGNIFICANT ACCOUNTING POLICIES

The Group prepares its accounts in accordance with applicable UK Adopted International Accounting Standards.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The parent company financial statements present information about the Company as a separate entity and not about its group.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed later in this note under the heading “Use of Estimates and Judgements”.

The financial statements are prepared in pounds sterling. They have been prepared under the historical cost convention except for the following assets which are measured on the basis of fair value: investment properties, investment properties held for sale and available for sale financial assets.

2.1 SEGMENTAL REPORTING

IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reported to the chief operating decision maker to allocate resources to the segments and to assess their performance. Since the strategy review in July 2013 the Group has identified one operation and one reporting segment, being rental income in the UK, which is reported to the Board of directors on a quarterly basis. The Board of directors is considered to be the chief operating decision maker.

2.2 BASIS OF PREPARATION

The consolidated financial statements include the financial statements of the Company and all its subsidiary undertakings up to 31 December 2023. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of subsidiaries are prepared using consistent accounting policies. Inter-company transactions and balances are eliminated in full on consolidation.

2.3 GOING CONCERN

The financial information has been prepared on the going concern basis as management consider that the Group has sufficient cash to fund its current commitments for the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2.4 INVESTMENT PROPERTIES

Investment properties are those properties owned by the Group that are held to earn rental income or for capital appreciation or both and are not occupied by the Company or any of its subsidiaries.

During 2023 the Company sold a property for £727k net of fees (book value £800k). Since the Balance Sheet date, one property in Stafford has been sold.

A full external valuation of the Group's property portfolio was performed in 2020 in accordance with the the Royal Institute of Chartered Surveyors Appraisal and Valuation Standards on the basis of market value. For the year ended 31 December 2023 the fair value has been assessed with reference to a third party valuation performed in 2020. The Board's assessment of the carrying value remains unchanged, pending finding new tenants for vacant units.

The Company's objective is still to liquidate the current portfolio of property assets, which currently show a Gross Initial Yield of 15%, but as and when a sale can achieve a sensible return to shareholders.

The Directors obtained pricing and yields of similar transactions made within the accounting period and compared them to the Gross Initial Yield stated above. In all cases the transactions that were measured came in at a lower value than that currently being achieved. As stated, although the data is below the Yield being achieved it was felt prudent to leave the valuations as they stand.

Investment properties are treated as acquired at the point the Group assumes the significant risks and returns of ownership. Subsequent expenditure is charged to the asset's carrying value only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of each item can be reliably measured. All other repairs and maintenance costs are charged to the Income Statement during the period in which they are incurred.

Rental income from investment properties is accounted for as described below.

2.5 INVESTMENT PROPERTIES HELD FOR SALE

Investment properties held for sale are included in the Balance Sheet at their fair value less estimated sales costs. In determining whether assets no longer meet the investment criteria of the Group, consideration has been given to the conditions required under IFRS 5.

An investment property is classified as an asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable as at the year end.

2.6 HEAD LEASES

Where a property is held under a head lease and is classified as an investment property, it is initially recognized as an asset based on the sum of the premium paid on acquisition and if the remaining life of the lease at the date of acquisition is considered to be material, the net present value of the minimum ground rent payments. The corresponding rent liability to the leaseholder was included in the Balance Sheet as a finance obligation in current and non-current liabilities.

The payment of head rents has been expensed through the Income Statement.

2.7 TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognized at fair value and subsequently held at amortised cost less impairment. Impairment is made where it is established that there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. The impairment is recorded in the Income Statement.

2.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and deposits held on call. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

2.9 FINANCIAL ASSETS

Financial assets are impaired when there is objective evidence that the cash flows from the financial asset are reduced.

2.10 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are initially classified as measured at amortised cost, fair value through other comprehensive income, or fair value through profit and loss when the Company becomes a party to the contractual provisions of the instrument. Financial assets are recognized when the contractual rights to the cash flows expire, or the Company no longer retains the significant risks or rewards of ownership of the financial asset. Financial liabilities are recognized when the obligation is discharged, cancelled or expires.

Financial assets are classified dependent on the Company's business model for managing the financial and the cash flow characteristics of the asset. Financial liabilities are classified and measured at amortised cost except for trading liabilities, or where designated at original recognition to achieve more relevant presentation. The Company classifies its financial assets and liabilities into the following categories:

Financial assets at amortised cost

The Company's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognized at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Impairment of trade and other receivables

In accordance with IFRS 9 an expected loss provisioning model is used to calculate an impairment provision. We have implemented the IFRS 9 simplified approach to measuring expected credit losses arising from trade and other receivables, being a lifetime expected credit loss. This is calculated based on an evaluation of our historic experience plus an adjustment based on our judgement of whether this historic experience is likely reflective of our view of the future at the balance sheet date. In the previous year the incurred loss model is used to calculate the impairment provision.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise loan liabilities, including convertible loan note liability elements, and trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method. All convertible loan notes are held at amortised cost and no election has been made to hold them as fair value through profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Financial assets at fair value through profit and loss

Financial assets at fair value are recognized and measured at fair value using the most recent available market price with gains and losses recognized immediately in the profit and loss.

The fair value measurement of the Company's financial and non-financial assets and liabilities recognize market observable inputs and data as far as possible. Inputs used in determining fair value measurements are recognized into different levels based on how observable the inputs used in the valuation technique are (the 'fair value hierarchy').

Level 1 – Quoted prices in active markets

Level 2 – Observable direct or indirect inputs other than Level 1 inputs

Level 3 – Inputs that are not based on observable market data

2.11 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognized at fair value and subsequently held at amortised cost.

2.12 ORDINARY SHARE CAPITAL

External costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Shares which have been repurchased are classified as treasury shares and shown in retained earnings. They are recognized at the trade date for the amount of consideration paid, together with directly attributable costs. This is presented as a deduction from total equity. Shares held by the Employee Benefit Trust are treated as being those of the Group until such time as they are distributed to employees, when they are expensed in the profit and loss account.

The nominal value of shares cancelled has been taken to a capital redemption reserve.

2.13 RENTAL INCOME

Rental income from investment properties leased out under operating leases is recognized in the Income Statement on a straight-line basis over the term of the lease. When the Group provides lease incentives to its tenants the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction to income.

2.14 TAXATION

Corporation tax on the profit or loss for the year comprises current and deferred tax. Corporation tax is recognized in the Income Statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the balance sheet liability method. Provision is made for temporary differences between the carrying amounts of assets and liabilities in the financial statements for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is calculated after taking account of any indexation allowances and capital losses on an undiscounted basis. The amount of deferred tax provided is based on the expected manner of recognized or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that it is probable that future profits will be available against which the asset can be recognized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be recognized. Deferred tax assets and liabilities are only offset if there is a legally enforceable right of set-off.

2.15 PENSIONS

The Company has contribution only pension arrangements in operation for certain employees.

2.16 USE OF ESTIMATES AND JUDGEMENTS

To be able to prepare accounts according to generally accepted accounting principles, management must make estimates and assumptions that affect the asset and liability items and revenue and expense amounts recorded in the financial statements. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances. The results of these considerations form the basis for making judgements about the carrying value of assets and liabilities that are not readily available from other sources.

The areas requiring the use of estimates and judgements that may significantly impact the Group's earnings and financial position include the estimation of the fair value of investment properties.

The valuation basis of the Group's investment properties is set out above.

2.17 ADOPTION OF NEW AND REVISED STANDARDS

Standards issued but not yet effective:

There were a number of standards and interpretations which were in issue during the current period but were not effective at that date and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Group and will be incorporated in the preparation of the Group Financial Statements from the effective dates noted below.

The new standards include:

IFRS 17	Insurance contracts ¹
IAS 1	Presentation of financial statements and IFRS Practice Statement 2 ¹
IAS 8	Accounting policies, changes in accounting estimates and errors ¹
IAS 12	Income Taxes ¹
IFRS 16	Leases ²
IAS 1	Presentation of financial statements (Amendment – Classification of Liabilities as Current or Non-Current) ²
IAS 1	Presentation of financial statements (Amendment – Non-current Liabilities with Covenants) ²
IAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after 1 January 2023

² Effective for annual periods beginning on or after 1 January 2024

³ Effective for annual periods beginning on or after 1 January 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 OPERATING SEGMENTS

As described in note 2.1, the Group's reportable segments under IFRS8 are:

- A portfolio of UK property; and
- Other investment assets.

The disclosures by segment required by IFRS8 are as follows:

	Year ended 31 December 2023		Year ended 31 December 2022	
	UK Property £000	Other £000	UK Property £000	Other £000
Revenue	305	-	351	-
Net rental income	7	-	51	-
Finance income	-	3	-	191
Other gains and losses	(73)	-	567	-
Finance costs	(23)	(298)	(22)	(428)
Depreciation	(3)	-	(3)	-
Segment assets	2,501	2,013	3,304	2,597

The remaining overheads and assets are not directly attributable to either of the operating segments.

4 PROPERTY OPERATING EXPENSES

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Bad debt charge	(27)	(22)
Repairs	(46)	(43)
Business rates and council tax	(49)	(40)
Irrecoverable service charge	(36)	(61)
Utilities	(15)	(4)
Insurance	-	23
Managing agent fees	(58)	(65)
Legal & professional	(43)	(63)
EPC amortisation, Abortives, and Misc	(24)	(25)
Total property operating expenses	(298)	(300)

5 PROPERTY DISPOSALS

	Year ended 31 December 2023 Number	Year ended 31 December 2022 Number
Number of Sales	1	2
	£000	£000
Average Value Sales	750	201
Total sales	750	403
Carrying value	(800)	(370)
Profit/(Loss) on disposals before transaction costs	(50)	33
Transaction costs		
Legal fees	(13)	(23)
Agent fees, marketing and brochure costs	(10)	(6)
Total Transaction Costs	(23)	(29)
Profit/(Loss) on disposals after transaction costs	(73)	4
Transaction costs as percentage of sales value	3%	7%

6 ADMINISTRATIVE EXPENSES

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Legal and professional	(95)	(59)
Tax and audit	(33)	(35)
Remuneration Costs*	(397)	(351)
Other	(206)	(150)
Irrecoverable VAT on Administration expenses **	(12)	(9)
Total administrative expenses	(743)	(604)

*Within the tax and audit figure are £33k (2022: £30k) accrued for auditors remuneration.

**During the period remuneration consisted of contractors within which £177k related to directors' remuneration (2022: £153k). From the end of the year ended 31 December 2023, there were no employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

7 NET FINANCING (LOSS)/INCOME

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Interest receivable	18	1
Gain on foreign exchange	-	127
Realised Gain or (Loss) on Investment	3	191
Financing income	21	319
Interest paid	(5)	(20)
Loss on foreign exchange	(19)	-
Unrealised Gain or (Loss) on Investment	(298)	(428)
Finance lease depreciation	(3)	(4)
Head rents treated as finance leases (note 2)	(22)	(22)
Financing expenses	(347)	(474)
Net financing (loss)/income	(326)	(155)

8 TAXATION

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Loss before tax	(1,123)	(136)
Corporation tax in the UK of 19%-25% (2022: 19%)	(213)	(26)
Effects of:		
Revaluation deficit and other non-deductible items	-	-
Deferred tax asset not recognised	28	28
Total tax	-	-

Following the Company's adoption of its new investment policy in September 2020, the Group is considered by HM Customs & Revenue to have exited the REIT tax regime with effect from 1 October 2018 and, from that date, is fully subject to corporation tax.

However, the Board believes that the Group's activities since then and the availability of tax losses means that the Company's activities are unlikely to have generated any material corporation tax liability for periods since 1 October 2018. Accordingly, no provision for corporation tax has been made in these accounts. The deferred tax asset not recognised relating to these losses can be carried forward indefinitely. It is not anticipated that sufficient profits from the residual business will be generated in the foreseeable future to utilise the losses carried forward and therefore no deferred tax asset has been recognised in these accounts.

9 EARNINGS PER SHARE

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding.

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
The calculation of earnings per share is based on the loss and number of shares:		
Profit/(loss) for the period (£'000)	(1,123)	(136)
Weighted average number of shares of the Company ('000)	22,697	22,697
Earnings per share:		
Basic and Diluted (GBP – pence)	(4.95)	(0.60)

10 INVESTMENT PROPERTIES

	Freehold Investment Properties £000	Leasehold Investment Properties £000	Investment Properties Held for sale £000	Total £000
At 31 December 2021	40	2,744	330	3,114
Depreciation – head leases	-	(3)	-	(3)
Fair value adjustment – property	-	563	-	563
Reclassification of property held for sale	-	(800)	800	-
Sale of property	(40)	-	(330)	(370)
At 31 December 2022	-	2,504	800	3,304
Depreciation – head leases	-	(3)	-	(3)
Reclassification of property held for sale	-	(130)	130	-
Sale of property	-	-	(800)	(800)
At 31 December 2023	-	2,371	130	2,501

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

A reconciliation of the portfolio valuation at 31 December 2023 to the total value for investment properties given in the Consolidated Balance Sheet is as follows:

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Portfolio valuation		
Head leases treated as investment properties per IFRS 16	333	336
Total property portfolio	2,501	3,304
Investment Properties held for sale	(130)	(800)
Investment properties held for development and ongoing rental	2,371	2,504

The basis for determining fair value is described in note 2.4.

11 AVAILABLE FOR SALE FINANCIAL ASSETS

The Group classifies the following financial assets at fair value through profit or loss (FVPL):-

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Available for sale investments		
At the beginning of the period	1,749	1,783
Additions	2,311	5,532
Unrealised gain/(losses)	(288)	(211)
Disposals	(1,759)	(5,355)
At 31 December	2,013	1,749

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Current assets		
Available for sale financial assets	2,013	1,749
At 31 December	2,013	1,749

*These assets are formed of equity instruments held on quoted markets globally, they comprise both long and short positions as per the disclosures in the Strategic Report.

**These holdings comprise foreign currency balances held for short periods from the sale and purchase of financial assets through the broker

AFS investments have been valued incorporating Level 1 inputs in accordance with IFRS7. They are a combination of cash and securities held with the listed broker.

Financial instruments require classification of fair value as determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 — inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

12 TRADE AND OTHER RECEIVABLES

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Trade receivables	54	88
Other receivables	210	35
Prepayments	103	110
Total trade and other receivables	367	233

13 CASH AND CASH EQUIVALENTS

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Cash in the Statement of Cash Flows	1,117	1,721

14 TRADE AND OTHER PAYABLES

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Trade payables	146	144
Other payables	281	245
Accruals and deferred income	268	179
Head lease liabilities	23	23
Total trade and other payables	718	591

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

15 LEASE LIABILITIES

Finance lease liabilities on head rents are payable as follows:

	Minimum Lease Payment £000	Interest £000	Principal £000
At 31 December 2021	3,029	(2,682)	346
Movement in value	(23)	22	-
At 31 December 2022	3,006	(2,660)	346
Movement in value	(23)	23	-
At 31 December 2022	2,983	(2,637)	346

In the above table, interest represents the difference between the carrying amount and the contractual liability/cash flow. All leases expire in more than five years.

16 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

As described in the Corporate Governance report, this responsibility has been assigned to the executive directors with support and feedback from the Audit Committee. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group has identified exposure to the following financial risks from its use of financial instruments: capital management risk, market risk, credit risk and liquidity risk.

Capital Management Risk

The Group's capital consists of cash and equity attributable to the shareholders. The Board do not consider there is any material capital management risk exposure.

Market Risk

Market risk is the risk that changes in market conditions, such as interest rates, foreign exchange rates and equity prices, will affect the Group's profit or loss and cash flows.

Equity risk is mitigated using a combination of long and short positions to ensure that fluctuations in the market are hedged against.

	As at 31 Dec 23 £000	As at 31 Dec 22 £000
Market Risk on Available for Sale Investments		
Increase by 1%	20	17
Decrease by 1%	(20)	(17)
Increase by 5%	101	87
Decrease by 5%	(101)	(87)

Sensitivity Analysis

IFRS 7 requires an illustration of the impact on the Group's financial performance of changes in interest rates. The following sensitivity analysis has been prepared in accordance with the Group's existing accounting policies and considers the impact on the Income Statement and on equity of an increase of 100 basis points (1%) in interest rates. Any consequential tax impact is excluded.

Actual results in the future may differ materially from these assumptions and, as such, these tables should not be considered as a projection of likely future gains and losses.

	As at 31 Dec 23 £000	As at 31 Dec 22 £000
Interest Rate Risk		
Increase by 1%	10	13
Decrease by 1%	(10)	(13)
Increase by 5%	50	66
Decrease by 5%	(50)	(66)

Fair value measurements recognised in the statement of financial position

Investment properties and Investment properties held for sale are measured subsequent to initial recognition at fair value and have been group as Level 3 (2022: level 3) based on the degree to which fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Investment properties have been valued using the investment method which involves applying a yield to rental income streams.

Inputs include equivalent yield, tenancy information, and leasing assumptions. Valuation reports are based on both information provided by the Company e.g. tenancy information including current rents, which are derived from the Company's financial and property management systems and are subject to the Company's overall control environment, and assumptions applied by the valuers e.g. ERVs, and yields. These assumptions are based on market observation and the valuers' professional judgement.

An increase/decrease in equivalent yields will decrease/increase valuations, and an increase or decrease in rental values will increase or decrease valuations. Other inputs include ERVs, and likely void and rent-free periods. There are interrelationships between these inputs as they are determined by market conditions. The valuation movement in a period depends on the balance of those inputs.

Below is a sensitivity analysis of the impact of a 1% increase or decrease in equivalent yields on income and equity. Actual results may differ materially from these assumptions and, as such, these tables should not be considered as a projection of likely future gains and losses.

	As at 31 Dec 23 £000	As at 31 Dec 22 £000
Interest Rate Risk		
Increase by 1%	25	33
Decrease by 1%	(25)	(33)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

Below is a sensitivity analysis of the impact of a 1% increase or decrease in foreign exchange rates on income and equity. Actual results may differ materially from these assumptions and, as such, these tables should not be considered as a projection of likely future gains and losses.

	As at 31 Dec 23 £000	As at 31 Dec 22 £000
Foreign Exchange Risk		
Increase by 1%	13	(0)
Decrease by 1%	(27)	(8)

Credit Risk

Credit risk is the risk of financial loss to the Group if a tenant, bank or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from tenants, cash and cash equivalents held by the Group's bankers and derivative financial instruments entered into with the Group's bankers.

Trade and Other Receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. At 31 December 2023 the Group had over 30 letting units in three properties. There is no significant concentration of credit risk due to the large number of small balances owed by a wide range of tenants who operate across all retail sectors. There is no concentration of credit risk in any one geographic area of the UK. The level of arrears is monitored monthly by the Group on a tenant by tenant basis.

Cash, Cash Equivalents and Derivative Financial Instruments

The banking services used by the Group are split between a major UK bank and a Swiss private banking corporation for deposit purposes.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have adequate resources to meet its liabilities when they fall due for both the operational needs of the business and to meet planned future investments. This position is formally reviewed on a quarterly basis or more frequently should events require it.

The Group's financial liabilities are classified and are shown with their fair value as follows:

31 December 2023

	At Amortised Cost	Total Carrying Amount	At Fair Value
	-	-	-
Finance lease liabilities	346	346	346
Trade payables	146	146	146
Other payables	281	281	281
Accruals	260	260	260
	1,032	1,032	1,032

31 December 2022

	At Amortised Cost	Total Carrying Amount	At Fair Value
	-	-	-
Finance lease liabilities	346	346	346
Trade payables	144	144	144
Other payables	246	246	246
Accruals	179	179	179
	914	914	914

For all classes of financial liabilities, the carrying amount is a reasonable approximation of fair value.

The maturity profiles of the Group's financial liabilities are as follows:

31 December 2023

	Contractual Carrying Value £000	Contractual Cash Flows £000	Within One Year £000	One to Two Years £000	Two to Three Years £000	Three to Four Years £000	Four to Five Years £000	Over Five Years £000
Finance lease liabilities	346	2,983	23	23	23	23	23	2,871
Trade payables	146	146	146					
Other payables	281	281	281					
Accruals	260	260	260					
	1,032	3,670	709	23	23	23	23	2,871

31 December 2022

	Contractual Carrying Value £000	Contractual Cash Flows £000	Within One Year £000	One to Two Years £000	Two to Three Years £000	Three to Four Years £000	Four to Five Years £000	Over Five Years £000
Finance lease liabilities	346	3,006	23	23	23	23	23	2,893
Trade payables	144	144	144					
Other payables	246	246	246					
Accruals	179	179	179					
	914	3,574	591	23	23	23	23	2,893

Contractual cash flows include the undiscounted committed interest cash flows and, where the amount payable is not fixed, the amount disclosed is determined by reference to the conditions existing at the year end

17 OPERATING LEASE AS LESSOR

	Year ended 31 December 2023 £000	Year ended 31 December 2022 £000
Within one year	204	273
After one year but not more than five years	471	759
More than five years	443	513
	1,118	1,545

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

18 CAPITAL COMMITMENTS

No capital expenditure was planned at the balance sheet date.

19 RELATED PARTY BALANCES AND TRANSACTIONS

Transactions with Key Management Personnel

The only transactions with key management personnel relate to remuneration which is set out in the Remuneration Report.

The key management personnel of the Group for the purposes of related party disclosures under IAS 24 comprise all executive and non-executive directors.

As at the year end the Group owed £18,505 (2022: £17,073) to Thalassa Holdings Limited (“Thalassa”), a company under common directorship. During the year services amounting to £74,166.39 (2022: £91,490) were charges from Thalassa.

The bulk of this sum related to administration fees settled by Thalassa but payable by the Group. The remained related to accounting and registered office services supplied to the Group by Thalassa at cost.

The company was accrued £144,213 (2022: £155,000), to Fleur De Lys Ltd, a company owned and controlled by the Chairman Duncan Soukup, for consultancy and administration services.

Athenium Consultancy Ltd, a company in which the Group owns shares invoiced the group for financial and corporate administration services totaling £181,500 for the period (Dec 2022: £165,000).

20 SHARE CAPITAL

	As at 31 Dec 23 £	As at 31 Dec 22 £
Allotted, issued and fully paid:		
22,697,000 ordinary shares of £0.01 each	226,970	226,970
9,164,017 treasury shares of £0.01 each	91,640	91,640
Total Share Capital	318,610	318,610

During the year to 30 September 2019, the Company underwent a Court approved restructure of capital and buy back of shares. Under this action the issued 20p shares were converted to 1p; capital reserves were transferred to distributable reserves; 59,808,456 shares were repurchased, and a new Capital Redemption Reserve of £0.598m was established.

Investment in Own Shares

At the year-end, 9,164,017 shares were held in treasury (December 2022: 9,164,017).

21 GROUP ENTITIES

All the below companies are incorporated in the United Kingdom: -

Name of subsidiary	Place of incorporation	Effective Share holding	
		2023	2022
NOS 4 Limited**	United Kingdom	100%	100%
NOS 5 Limited**	United Kingdom	100%	100%
NOS 6 Limited**	United Kingdom	100%	100%
Gilfin Property Holding Limited*** (Dissolved on 19 Mar 2023)	United Kingdom	100%	100%
NOS Holdings Limited**	United Kingdom	100%	100%

** Registered office: Eastleigh Court, Bishopstrow, Warminster, Wiltshire BA12 9HW

*** Registered office: 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Subsidiaries NOS 4 Ltd (Registered number: 05707123), NOS 5 Ltd (Registered number: 05707124) and NOS 6 Ltd (Registered number: 06188983) are exempt from the requirements relating to the audit of accounts under section 479A of the Companies Act 2006

22 ASSOCIATED ENTITIES

Athenium Consultancy Ltd in which the Group owns 30% shares was incorporated on 12 October 2021. Movement on interests in associates can be summarised as follows:

	2023 £000	2022 £000
Carrying value as at 1 January	5	-
Share of profits	12	5
Carrying value as at 31 December	17	5

23 CONTINGENT LIABILITIES

There are currently two potential repair obligations at two separate Company properties currently under investigation, including the extent to which the relevant group company may be required to underwrite such costs as may arise and the extent to which the tenants or former tenants of the properties are liable to contribute to such costs under the terms of their tenancy agreements.

24 SUBSEQUENT EVENTS

- Sale of Stafford property classified as an asset held for sale at the year-end (see note 10);
- Settlement of legal action against The Italian Way, a tenant in Hastings, for breach of lease covenants.
- Closed out our largest short position with a realised gain of \$731k (£587K at £/\$ 1.2437) in 2024 year-to-date.

25 CONTROLLING PARTY AND COPIES OF THE FINANCIAL STATEMENTS

As at 31 December 2023 the Company had no ultimate controlling party.

The consolidated financial statements of Alina Holdings PLC are available to the public and may be obtained from the Company's website: www.alina-holdings.com.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2023

	Note	31 December 2023 £000	31 December 2022 £000
Assets			
Non-current assets			
Investments	C2	3,002	3,105
Investments in associated entities		17	5
Total non-current assets		3,019	3,110
Current assets			
Trade and other receivables	C3	2,492	2,639
Cash and cash equivalents		381	524
Total current assets		2,873	3,163
Liabilities			
Current liabilities			
Trade and other payables	C4	300	199
Total current liabilities		300	199
Net current assets		2,573	2,964
Net assets		5,592	6,074
Shareholders' Equity			
Share capital	C5	319	319
Capital redemption reserve	C5	598	598
Retained earnings	C5	4,675	5,157
Total shareholders' equity		5,592	6,074

The Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The Company's loss for the period was £0.48m (31 December 2022: £0.06m).

These financial statements were approved by the Board of directors on 29 April 2024 and were signed on its behalf by:

C D Soukup

Director

The registered number of the Company is 05304743.

NOTES TO THE FINANCIAL STATEMENTS

C1. ACCOUNTING POLICIES

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK (“FRS 102”) as issued in March 2018. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The consolidated financial statements of Alina Holdings PLC are prepared in accordance with UK Adopted Accounting Standards (IFRS) and are available to the public. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There were no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements, with a significant risk of material adjustment in the next year.

Measurement convention

The financial statements are prepared on the historical cost basis.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company’s own equity instruments or is a derivative that will be settled by the company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

Where the instrument so classified takes the legal form of the company’s own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

Basic financial instruments

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Judgements and Estimates

In testing for impairment, management assesses the recoverable amount of investments and inter-company debtors by reference to the subsidiaries' net assets and their ability to recover these assets.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognized in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognized in the profit and loss account.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

C2. FIXED ASSETS INVESTMENTS

	Shares in Group Undertakings £000	Total £000
Cost		
At 31 December 2022	108,605	108,605
Disposals	(11,355)	(11,355)
At 31 December 2023	97,250	97,250
Provisions		
At 31 December 2022	105,500	105,500
Impairment charge period	(25)	(25)
Disposals	(11,227)	(11,227)
At 31 December 2023	94,248	94,248
Net book value		
At 31 December 2023	3,002	3,002
At 31 December 2022	3,105	3,105

An impairment review of the carrying value of the Company's investments in its subsidiary undertakings has been performed. In carrying out this review, the directors had due regard to the nature of the property investments held, which is commensurate with the funding arrangements in place. On the basis of this review which included a review of the underlying assets of the individual subsidiaries the directors have written down the value of investments in subsidiary undertakings to their estimated realisable value.

The companies in which the Company's interests at the period end were more than 20% are as follows:

Name of subsidiary	Place of incorporation	2023	2022
NOS 4 Limited**	United Kingdom	100%	100%
NOS 5 Limited**	United Kingdom	100%	100%
NOS 6 Limited**	United Kingdom	100%	100%
Gilfin Property Holding Limited*** (Dissolved on 19 Mar 2023)	United Kingdom	100%	100%
NOS Holdings Limited**	United Kingdom	100%	100%

** Registered office: Eastleigh Court, Bishopstrow, Warminster, Wiltshire BA12 9HW

*** Registered office: 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

C3. TRADE AND OTHER RECEIVABLES

	31 December 2023 £000	31 December 2022 £000
Amounts owed by Group undertakings	2,411	2,551
Other debtors	14	15
Prepayments	67	73
	2,492	2,639

Amounts owed by group undertakings are interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

CONTINUED

C4. TRADE AND OTHER PAYABLES

	31 December 2023 £000	31 December 2022 £000
Trade creditors	112	117
Accruals	188	82
	300	199

Amounts owed to group undertakings are interest free and repayable on demand.

C5. RECONCILIATION OF SHAREHOLDERS' FUNDS

Share Capital

	31 December 2023		31 December 2022	
	Number 000	Amount £000	Number 000	Amount £000
Allotted, called up and fully paid	31,861	319	31,861	319
	31,861	319	31,861	319

Investment in Own Shares

At the year-end, 9,164,017 shares were held in treasury (2022: 9,164,017), and at the date of this report 9,164,017 were held in treasury.

Statement of Changes in Equity for the 12 months ended 31 December 2023

	Share Capital £000	Reserves £000	Capital Redemption Reserves £000	Retained Earnings £000	Total £000
Balance as at 31 December 2021	319	-	598	5,213	6,130
Total comprehensive income for the year	-	-	-	(56)	(56)
Balance as at 31 December 2022	319	-	598	5,157	6,074
Total comprehensive income for the year	-	-	-	(482)	(482)
Balance as at 31 December 2023	319	-	598	4,675	5,592

C6. CONTROLLING PARTY

Please refer to note 25 in the Group Financial Statements

GLOSSARY

Earnings Per Share (“EPS”)

EPS is calculated as profit attributable to shareholders divided by the weighted average number of shares in issue in the year.

Equivalent Yield

Equivalent yield is a weighted average of the initial yield and reversionary yield and represents the return a property will produce based upon the timing of the income received. In accordance with usual practice, the equivalent yields (as determined by the Group’s external valuers) assume rent received annually in arrears and on gross values including prospective purchasers’ costs (including stamp duty, and agents’ and legal fees).

Head Lease

A head lease is a lease under which the Group holds an investment property.

Initial Yield

Initial yield is the annualised net rent generated by a property expressed as a percentage of the property valuation. In accordance with usual practice the property value is grossed up to include prospective purchasers’ costs.

Like-for-like Market Rent

This is the Market Rent for the Group’s investment properties at the end of the financial year compared with the Market Rent for the same properties at the end of the prior year, i.e. excluding the Market Rent of those properties disposed of during the interim period.

Like-for-like rental income

This is the rental income for the Group’s investment properties at the end of the financial year compared with the rental income for the same properties at the end of the prior year, i.e. excluding rental income of those properties disposed of during the interim period.

Market Value

Market value is the estimated amount for which a property should exchange on the date of valuation between a willing buyer and willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Rent

Market rent is the estimated amount for which a property should lease on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms, in an arm’s length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Net Asset Value (“NAV”) per share

NAV per share is calculated as shareholders’ funds divided by the number of shares in issue at the year-end excluding treasury shares.

Real Estate Investment Trust (“REIT”)

A REIT is a listed property company which qualifies for and has elected to join the UK REIT tax regime, which exempts qualifying UK property rental income and gains on investment property disposals from corporation tax. The Group converted to REIT status on 11 May 2007 and left the REIT tax regime on 1 October 2018

Reversionary Yield

Reversionary yield is the annualised net rent that would be generated by a property if it were fully let at market rent expressed as a percentage of the property valuation. In accordance with usual practice the property value is grossed up to include prospective purchasers’ costs.



Charlie Chaplin, The Great Dictator, 1940