M7 REAL ESTATE INVESTMENT PARTNERS III PROPCO LIMITED

DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

COMPANY NUMBER: 119564

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COMPANY INFORMATION

Directors	Claire Ann Cabot Richard Croft Sharland Robert Petch Harvey Austin-Vautier Barr Stevenson (appointed 11 February 2019)
Registered Number	119564
Registered office	3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD Channel Islands
Administrator	Alter Domus (Jersey) Limited 3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD Channel Islands
Company Secretary	Alter Domus Secretarial Services Limited 3rd Floor, 37 Esplanade St. Helier Jersey JE1 1AD Channel Islands

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Incorporation

M7 Real Estate Investment Partners III Propco Limited (the "Company") was incorporated in Jersey on 25 September 2015, registration number 119564.

The Company is a no par value company. The Company is authorised to issue an unlimited number of shares with no par value of one class, designated as ordinary shares.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and financial statements in accordance with applicable law and generally accepted accounting practice.

The Directors are required to prepare financial statements for each financial period under the Companies (Jersey) Law 1991 (the "Applicable Legislation"). As permitted by the Applicable Legislation, the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for the year.

In preparing the financial statements the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements of the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity of the Company is that of investment in UK commercial real estate.

Results

Results for the year are set out on page 4.

Directors

The Directors of the Company are shown on page 1.

Going concern

The Company meets its working capital requirements through the receipt of rental income, although its loan notes are due to mature in September 2020. For this reason, the Company has a net current liability position of £11,281,563 (2018: £164,563). The Company has received confirmation that the loan notes will be extended for a further 12 months to 30 September 2021. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future.

Going concern (continued)

The Directors have considered the impact of the COVID-19 global pandemic on the ability of the Company to continue as a going concern. The impact of the COVID-19 outbreak is far-reaching and there will be few businesses which are not negatively impacted in the short to medium term. As circumstances are changing rapidly, the actual impact on the Company will become clearer over time and might deviate from current expectations. This has been disclosed in more detail in note 17.

Principal risks and uncertainties

The risk management function is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises price risk, credit risk, liquidity risk and cashflow risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Company's investment properties are held at a fair value of £41,310,000 (2018: £34,770,000) and is exposed to price risk but this exposure is within the Company's risk appetite.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for another party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. Details of the Company's receivables are shown in Note 9 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets throughout the Company.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability such as future interest payments on a variable rate debt.

Future developments

The Company remains focused on providing investors with attractive returns from both the stable income from the portfolio as well as working through strategic asset management initiatives to unlock value within the portfolio.

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Company secretary

Alter Domus Secretarial Services Limited acted as company secretary during the year.

This report was approved by the Board of Directors on 30 September 2020 and signed on its behalf by:

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Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	31 December 2019 GBP	31 December 2018 GBP
Operating Income			
Rental income		3,415,215	3,041,934
Other income	4	636	913
		3,415,851	3,042,847
Property related expenses			
Property operating costs	5	(663,309)	(688,081)
Gross profit		**2,752,542**	**2,354,766**
Operating expenses			
Administrative expenses	6	(100,487)	(413,075)
Realised gain on disposal of investment property		311,948	2,432,972
Unrealised gain on investment property		2,680,506	1,591,694
Deferred tax		(772,350)	-
Operating profit		**4,872,159**	**5,966,357**
Finance costs	7	(2,169,175)	(2,245,205)
Total comprehensive income for the year		**2,702,984**	**3,721,152**

There were no recognised gains or losses for the year other than those included on the income statement.

The notes on pages 7 to 16 form part of these unaudited financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	31 December 2019 GBP	31 December 2018 GBP
Non-current assets			
Investment property	8	41,310,000	34,770,000
Current assets			
Receivables: amounts falling due in one year	9	519,248	207,339
Cash and cash equivalents	10	1,910,986	2,488,003
		2,430,234	2,695,342
Current liabilities			
Payables: amounts falling due within one year	11	(13,711,797)	(2,859,905)
Net current liabilities		(11,281,563)	(164,563)
Total assets less current liabilities		30,028,437	34,605,437
Non-current liabilities			
Payables: amounts falling due after more than one year	12	(21,321,873)	(28,241,857)
Net assets		**8,706,564**	**6,363,580**
Capital and reserves			
Share capital	14	2	2
Retained earnings	15	9,066,562	6,663,578
Dividends paid		(360,000)	(300,000)
Total capital and reserves		**8,706,564**	**6,363,580**

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 30 September 2020.

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Director

The notes on pages 7 to 16 form part of these unaudited financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital GBP	Retained earnings GBP	Total GBP
Balance as at 1 January 2018	**2**	**2,942,426**	**2,942,428**
Total comprehensive income for the year	-	3,721,152	3,721,152
Dividends paid	-	(300,000)	(300,000)
Balance as at 31 December 2018	2	6,363,578	6,363,580
Total comprehensive income for the year	-	2,702,984	2,702,984
Dividends paid	-	(360,000)	(360,000)
Balance as at 31 December 2019	**2**	**8,706,562**	**8,706,564**

The notes on pages 7 to 16 form part of these unaudited financial statements.

1. General information

M7 Real Estate Investments Partners III Propco Limited (the "Company") was incorporated in Jersey on 25 September 2015, under the Companies (Jersey) Law 1991 ("Company law"). The Company is in the business of property investment.

2. Significant accounting policies

2.1 Basis of preperation

The financial statements have been prepared under the historical cost convention except for investment properties and derivative financial instruments that have been measured at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies (Jersey) Law 1991.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see Note 2).

The Directors have considered and concluded that the Company qualifies as a small entity under Section 1A of FRS 102. FRS 102 allows a small entity certain disclosure exemptions. The Company has taken advantage of the exemption to prepare a statement of cashflows under Section 7.1B of FRS 102.

The following principal accounting policies have been applied:

2.2 Going concern

The Company meets its working capital requirements through the receipt of rental income, although its loan notes are due to mature in September 2020. For this reason, the Company has a net current liability position of £11,281,563 (2018: £164,563). The Company has received confirmation that the loan notes will be extended for a further 12 months to 30 September 2021. The Directors therefore believe that the Company will continue as a going concern for the foreseeable future.

2.3 Investment property

Investment property comprises property that is held for long-term rental yields, capital appreciation or both, and that is not occupied by the company. Investment property is measured initially at cost, including related transaction costs.

After initial recognition, investment property is carried at the fair value determined by directors' valuation as at that date net of transaction costs, including Stamp Duty Land Tax ("SDLT"). The 2019 valuations were made by the Directors, on an open market value for existing use basis.

The fair value of investment property has been derived from the current market rents and investment property yields for comparable real estate and adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in the fair value are recognised in the statement of comprehensive income.

2.4 Receivables

Short term receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Significant accounting policies (continued)

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company has chosen to adopt Section 11 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit and loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when:

(a) the contractual rights to the cash flows from the asset expire or are settled;

(b) substantially all the risks and rewards of the ownership of the asset are transferred to another party;

(c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalised as a pre payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis to realise the asset and settle the liability simultaneously.

2.7 Payables

Short term payables are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2. Significant accounting policies (continued)

2.11 Taxation

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the authorities. Following tax advice there is no tax liability and therefore no liability is provided for.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

2.13 Revenue recognition

Deferred income relates to rent billed in advance. Rental income is recognised or released in the statement of comprehensive income in the period in which the rental income becomes due. The cost of incentives to tenants is recognised over the lease term on a straight line basis as a reduction to rental income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of receivables

The Company makes an estimation of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables management considers factors including the current credit rating of the receivable, the ageing profile receivables and historical experience. See note 9 for the net carrying amount of the receivables and the associated impairment provision.

3. Judgments in applying accounting policies and key sources of estimation uncertainty (continued)

Operating lease commitments

The Company has entered into commercial property leases as a lessor on its investment property portfolio. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Taxation

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Valuation of investment property

The fair value of investment property is determined by directors' valuation, which has been derived from the current market rents and investment property yields for comparable real estate and adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in the fair value are recognised in the statement of comprehensive income.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as lettings, tenants profits, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and construction of the property) and discount rates applicable to those assets. Future revenue streams, inter alia, comprises contracted rent (passing rent) and estimated rental income (ERV) after the contract period. In estimating the ERV, the potential impact of future lease incentives to be granted to secure new contracts is taken into consideration. All these estimates are based on local market conditions existing at reporting date.

4. Other income

	31 December 2019 GBP	31 December 2018 GBP
Bank interest received	636	852
Sundry income	-	61
	636	913

5. Property related expenses

	31 December 2019 GBP	31 December 2018 GBP
Property costs	351,855	228,196
Vacant costs	67,971	225,742
Asset management fees	198,336	197,241
Property management fees	45,147	36,902
	663,309	688,081

6. Administration Expenses

	31 December 2019 GBP	31 December 2018 GBP
Legal and professional fees	85,662	350,000
Corporate administration fees	34,315	27,150
Bad debt provision	(26,614)	20,377
Corporate tax fees	1,250	1,200
Bank charges and interest	891	921
Travel expenses	4,983	-
Abortive costs	-	13,427
	100,487	413,075

During the year, no director received any emoluments (2018: Nil).

7. Finance costs

	31 December 2019 GBP	31 December 2018 GBP
Loan note interest	1,460,543	1,439,412
Bank interest payable	609,063	607,283
Amortisation of finance costs	93,178	187,788
Other finance costs	6,391	10,722
	2,169,175	2,245,205

8. Investment Property

	31 December 2019 GBP	31 December 2018 GBP
Opening balance	34,770,000	28,410,000
Additions	3,844,983	11,398,514
Disposals	(670)	(6,630,208)
Unrealised gain on investment properties	2,695,687	1,591,694
At 31 December	41,310,000	34,770,000

The property valuations were carried out by the directors, on an open market value for existing use basis.

The fair value measurement of the investment property is classified as a Level 3 valuation within the fair value hierarchy; that is the valuation uses significant unobservable inputs which are disclosed below. There were no transfers between levels during the year. The Company policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

The property is valued using the traditional (equivalent) yield valuation approach. This method involves the capitalisation of the rental income or forecast income at an appropriate capitalisation rate calculated with reference to investment transactions within the market. The present value of the reversionary income is then capitalised at the same capitalisation rate and added to the capitalised income stream.

9. Receivables: amounts falling due in one year

	31 December 2019 GBP	31 December 2018 GBP
Trade receivables	140,178	124,776
Impairment of trade receivables	(33,968)	(60,583)
Prepayments	187,504	102,416
Derivative instrument	-	12,365
Amount due from parent	38,831	26,896
Other receivables	42,249	1,469
VAT receivable	144,454	-
	519,248	207,339

10. Cash and cash equivalents

	31 December 2019 GBP	31 December 2018 GBP
Cash at bank and in hand	1,910,986	2,488,003
	1,910,986	2,488,003

11. Payables: Amounts falling due within one year

	31 December 2019 GBP	31 December 2018 GBP
Loan notes	10,750,000	-
Amount owed to parent	450,000	450,000
VAT payable	-	502,647
Senior debt repayment	-	350,000
Interest payable - loan note holders	147,238	183,473
Accruals	559,782	184,330
Deferred income	735,162	786,089
Trade payables	297,265	328,717
Deferred tax	772,350	-
Amortised finance charges	-	74,649
	13,711,797	2,859,905

The loan notes are repayable on 30 September 2020.

12. Payables: Amounts falling due after more than one year

	31 December 2019 GBP	31 December 2018 GBP
Secured bank loans	21,321,873	17,491,857
Loan notes	-	10,750,000
	21,321,873	28,241,857

12. Payables: Amounts falling due after more than one year (continued)

Secured loans

The Propco entered into a loan facility agreement ("the Agreement") with Lloyds Bank Plc on 23 December 2015. The Lloyds Bank senior debt facility was refinanced on 14 December 2017 by an increased facility from Coutts & Co. The rate of interest on the loan for each interest period is the percentage rate per annum which is aggregate of the applicable:

a) Margin 2.75%; and
b) Libor

The loan is secured on the Company's assets. As at 31 December 2019, the outstanding balance was £21,321,873 (2018: £17,491,857).

13. Financial instruments

	31 December 2019 GBP	31 December 2018 GBP
Financial assets		
Financial assets that are measured at amortised cost	2,430,234	2,695,342
Financial liabilities		
Financial liabilities measured at amortised cost	35,033,670	31,101,762

	31 December 2019 GBP	31 December 2018 GBP
Financial assets measured at amortised cost comprise:		
Cash at bank	1,910,986	2,488,003
Trade receivables	519,248	505,933
Financial liabilities measured at amortised cost comprise:		
Bank loans	21,321,873	17,491,857
Unsecured loan notes	10,750,000	10,750,000
Senior debt repayment	-	350,000
Trade payables	297,265	328,717
Accruals	559,782	184,330
Other payables	450,000	450,000
Interest payable	147,238	183,473
VAT payable	-	502,647

14. Share Capital

	31 December 2019 GBP	31 December 2018 GBP
Allotted, called up and fully paid		
Ordinary share capital	2	2
	2	2

15. Retained Earnings

Profit and loss account

This reserve represents the undistributed profit/(loss) since the incorporation of the Company.

16. Related party transactions

Mr R C Sharland is a Director and Shareholder of M7 Real Estate Limited. M7 Real Estate Limited is invested in 27.33% of the share capital of the Company.

M7 Real Estate Limited provide asset management services to the Company. During the year M7 Real Estate Limited has raised invoices amounting to £268,186 (2018: £742,438) for these services, £69,850 (2018: £545,200) relating to acquisition fees and £198,336 (2018: £197,238) relating to professional fees on asset management. At the statement of financial position date, the Company has an amount of £61,956 (2018: £40,120) owing to M7 Real Estate Limited.

Mrs C A Cabot, Mr H Austin-Vautier and Mr B Stevenson are employees of Alter Domus (Jersey) Limited. Alter Domus (Jersey) Limited provide administrative services to the Company. During the year Alter Domus (Jersey) Limited have raised invoices amounting to £18,967 (2018: £20,951) for these services. At the statement of financial position date, the Company had an amount of £4,625 (2018: £10,876) owing to Alter Domus (Jersey) Limited.

17. Events After the Reporting Period

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue and the following material events have occurred since year-end:

The impact of the COVID-19 outbreak is far-reaching and there will be few businesses which are not negatively impacted in the short to medium term.

Maintaining consistent rental income flows is of vital importance to the Company, as it is integral to the Company's overall performance and the collection of rental income is one of the key goals of all asset managers.

The Directors anticipate there will be a rise in payment difficulties from the Company's tenants in the short to medium term. The directors understand that maintaining strong and positive relationships with tenants is vital to the overall success of the Company as well as in meeting the Company's debt obligations over the short to medium term.

The following policy is being adopted by the Company in managing requests for support by tenants:

a) support is provided as lender of 'last resort' with tenants who can demonstrate that they have explored all other options i.e. business owners, banks other lenders and the State
b) support is fully justified as required through provision of supporting documentation
c) support is on a short-term basis and appropriately documented

Further, the Company's acquisition strategy has been defensive, including:

- buying a cash arbitrage between stabilised yields and costs of debt
- buying in markets where there are little or no new development which limits the amount of competing vacant space in an economic downturn; and
- acquiring properties that have a useful economic life

The above seeks to protect the Company's investment during a period of substantial economic uncertainty caused by the COVID-19 outbreak.

17. Events After the Reporting Period (continued)

At a macro level, Government in the United Kingdom and across the world are intervening at unprecedented levels to support the economies in every jurisdiction in which the Company operates. The measures include financial support to businesses and employees as well as tax breaks. Governments have reacted quickly to introduce new rounds of quantitative easing and other stimulus packages.

Bank and other lenders are providing additional support to borrowers in the form of interest holidays and deferring amortisation payments. The Directors are in regular contact with the Company's lenders, providing daily and weekly updates in terms of tenant payment performance. During this time it may be necessary to defer planned capital expenditure, the Company's lenders are fully supportive of these measures.

As the impact of the Covid-19 pandemic continues and is expected to last post lifting of the lock down, an estimate as to the medium to long term financial effect of the Covid-19 on the Company cannot be made.

The following properties were sold after the balance sheet date:

- Unit 7 Pavilion Business Park
- Units 3A 3B and 4 Old Mill Trade Park
- Upper Parliament Street

There have been no other material matters or circumstances that have arisen since the end of the financial period to date of approving these financial statements for issue.