

**THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED
TRADING AS LONDON CENTRAL APARTMENTS III
CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED
CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2024

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THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

DIRECTORY

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Independent Auditor

Grant Thornton Limited
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Asset Advisor

London Central Portfolio Limited
LCP House, Ogle Street
London, W1W 6HU

Administrator, Secretary and Registrar

CSC Fund Services (Guernsey) Limited
(Formerly Intertrust Fund Services (Guernsey) Limited)
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Elizabeth Avenue
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Guernsey, GY1 2HU

Banker in Guernsey

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Legal Advisor to the Fund in Guernsey

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Finance Provider

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Property Lawyers

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Burwood House
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50 Farringdon Road
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Investment Advisor

LCP Capital Investments Limited
LCP House, Ogle Street
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W1W 6HU

Banks' Valuers

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Enfield
EN2 7HT

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London
SW10 9PY

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS

SIX MONTHS ENDED 30 SEPTEMBER 2024

The Directors present their unaudited report and consolidated unaudited interim financial statements (the "consolidated unaudited interim financial statements" or "financial statements") of The London Portfolio Property Fund Limited (the "Company") and its subsidiaries (the "Group"/the "Fund") for the period ended 30 September 2024.

Status and activities

The Company is a closed-ended investment company established under the provisions of The Companies (Guernsey) Law, 2008. The Company is trading as London Central Apartments III and was listed on The International Stock Exchange on 3 August 2015 with a listing of Ordinary GBP0.01 shares.

The Company is an authorised closed-ended investment fund as defined in The Authorised Closed-Ended Investment Scheme Rules and Guidance, 2021.

The Company was incorporated on 25 October 2005 in Guernsey with registration number 43840 and commenced trading in August 2007. The Company has acquired a diversified portfolio of residential properties in the area known as Prime Central London in order to benefit from attractive rental yields as well as capital value growth.

The Group's financial statements consolidate the financial statements of London Central Portfolio Property Fund Limited and all its subsidiary undertakings (the "Group") (note 7(b)) drawn up to each reporting date.

Going concern

The Directors have prepared consolidated unaudited interim financial statements on Liquidation basis in view of the Group's positive net assets and having access to a financing facility with its finance provider, (note 13). The facility is secured by the Group's investment properties. The Directors believe that demand for repayment of the finance is not expected to occur before its expiration date or if repayment is demanded, the Group would be able to refinance accordingly.

The Group expects to meet its obligations from operating cash flows and upon realisation of investments in the foreseeable future.

The original Investment Period of five years from the Investment Date of 31 July 2015 was extended by the Shareholders at both the December 2019 and the December 2020 Annual General Meetings. The Shareholders voted in favour of the Ordinary Resolutions to extend the Investment Period. The extension to 31 July 2022 represented the final extension available to the Shareholders under the Investment Memorandum (the "IM"), which details that the Fund's portfolio will be sold following that date. The Directors of the Fund instructed London Central Portfolio Limited ('LCP') and LCP Capital Investments Limited ('LCPCI') to organise an orderly disposal of the Fund's portfolio which commenced on 1 August 2022. Under the terms of the IM, the Directors are obliged at the first annual general meeting ("AGM") after the end of the Investment Period to propose an ordinary resolution that the Fund should be voluntarily liquidated. There is no requirement to put forward a resolution each year to voluntarily liquidate the Fund.

In assessing the going concern assumption, the Directors are satisfied that the Group has access to adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these consolidated financial statements. The Directors believe that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Statement of Directors' responsibilities

The Directors are responsible for preparing the consolidated unaudited interim financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the profit and loss of the Group for that period and are in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102") and with applicable laws. In preparing those consolidated unaudited interim financial statements the Directors are required to:

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2024

Statement of Directors' responsibilities (continued)

- select suitable accounting policies and then 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
- prepare the consolidated unaudited interim financial statements on the going concern basis unless it is inappropriate the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the consolidated unaudited interim financial statements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the consolidated financial position of the Group and to enable them to ensure that the consolidated unaudited interim financial statements have been properly prepared in accordance with The Companies (Guernsey) Law, 2008 and The Protection of Investors (Bailiwick of Guernsey) Law, 2020. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The results for the period are shown in the Consolidated Interim Statement of Comprehensive Income on page 8.

The Company did not pay a dividend and the Directors did not recommend a dividend for the period.

Directors and their interests

The Directors who served on the Board during the period ended 30 September 2024 and to date are:

Martin Shires

Naomi Claire Helen Heaton

Philip Mudie Bodman

The Directors' interests in the Ordinary Shares of the Company were as follows:

	Period ended 30 September 2024 Ordinary Shares	Year ended 31 March 2024 Ordinary Shares	Period ended 30 September 2023 Ordinary Shares
Philip Mudie Bodman	nil	nil	nil
Naomi Claire Helen Heaton	342,986	342,986	342,986
Martin Shires	52,500	52,500	52,500

Directors' remuneration

The emoluments of the individual Directors for the period were as follows:

	Period ended 30 September 2024 £	Year ended 31 March 2024 £	Period ended 30 September 2023 £
Philip Mudie Bodman	6,250	12,500	6,250
Naomi Claire Helen Heaton	nil	nil	nil
Martin Shires	6,250	12,500	6,250

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

INTERIM REPORT OF THE DIRECTORS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2024

Directors and their interests (continued)

CSC Fund Services (Guernsey) Limited (formerly Intertrust Fund Services (Guernsey) Limited) is engaged as Administrator to the Group pursuant to the terms of an Administration Agreement and are part of the CSC Group.

Naomi Heaton is the Non-Executive Chair of London Central Portfolio Limited ("LCP") Group of Companies. LCP are engaged by the Group as Asset Advisor pursuant to the terms of the Search & Purchase Management Agreement, Letting & Rental Management Agreement and Refurbishment & Furnishing Agreement. LCPCI are engaged by the Group as Investment Advisors pursuant to an agreement concerning provision of investment advice.

Substantial shareholdings

At 30 September 2024 the issued share capital of the Company was 13,678,706 (31 March 2024: 13,678,706; 30 September 2023: 13,678,706) ordinary shares of £0.01 each. At 30 September 2024 the following Shareholders had an interest of 3% or more in the issued Ordinary Shares of the Company.

	Number of Ordinary Shares	% of issued Ordinary Share Capital
Azmeh Dawood	464,763	3.39%
Lutea (Anguilla) RBP for John Blanthorne	446,147	3.26%
Gately Custodian and Nominee Services Limited	1,205,101	8.81%

Financial instruments and risk management

Information on the use of financial instruments by the Group and its management of financial risk is disclosed in note 20 to the consolidated financial statements.

Auditors

Grant Thornton were re-appointed as auditors of the fund at the Annual General Meeting held on 4 December 2024.

APPROVED BY THE BOARD OF DIRECTORS

MARTIN SHIRES

.....

Martin Shires, Director

Date: 20 January 2025

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

INTERIM INVESTMENT MANAGER'S REPORT

SIX MONTHS ENDED 30 SEPTEMBER 2024

Market Update

August marked the first reduction in the base rate in four years, with a decrease from 5.25% to 5%. As inflation remained near the Bank of England's target of 2%, an additional base rate cut followed in November, lowering the rate to 4.75%. However, the Chancellor's Autumn Statement introduced substantial increases in public expenditure, borrowing, and taxation as part of a one-off fiscal policy "reset." This inflationary budget has led the Bank of England to reevaluate the trajectory of future base rate reductions. Consequently, mortgage rates are now expected to decline more gradually than initially anticipated in the new year.

The uncertainty and speculation surrounding the budget announcement had a further dampening effect on the Prime Central London (PCL) residential market. While some relief came from the inheritance tax threshold remaining unchanged, other measures, such as increased stamp duty on secondary homes and the abolition of 'non-dom' status, may prompt many to reassess their positions.

Third-party commentators of the PCL property market have revised their forecasts, predicting subdued property values throughout 2025, with recovery anticipated to begin later in 2025 and extend beyond. Over a five-year period, PCL is expected to experience average net growth of 19.9%¹.

Fund Update

At the December 2024 Annual General Meeting (AGM), two Ordinary Resolutions relating to the operational aspects of the Fund were presented to the Shareholders: to receive and consider the financial statements as of 31 March 2024 and to re-appoint Grant Thornton as the external auditors for the 31 March 2025 financial statements. Shareholders voted unanimously in favour of both resolutions, in line with the Directors' recommendations.

The Board received the mandate at the 2022 AGM to realise the assets in the Fund's portfolio at commercially viable levels, and substantial progress has been achieved. Of the 43 properties available a year ago:

- 20 properties have been successfully sold.
- 6 properties are presently under offer and progressing.
- 16 properties are currently listed on the market for sale.
- 1 property has been withdrawn to facilitate a relaunch in the New Year.

Assuming the successful completion of under-offer transactions, 49% of the portfolio by value will have been divested. To-date, properties sold have achieved 1.2% above book value before direct costs.

With the Fund well into its run-off stage and considering recent property sales occurring within 5% of the carrying book value, the Directors are reasonably confident that the portfolio is accurately marked-to-market. Further expenditure of shareholder funds on external valuations would not be beneficial at this point.

The latest net asset value per share ("NAV") of the Fund at September 30, 2024, is £0.71, down from £0.75 at March 31, 2024. The movement in the NAV is largely attributed to high operational expenses, driven by prior base rate increases and periodic rental income losses incurred during property marketing efforts aimed at advancing divestment. Financing expenses are expected to decrease as the bank facility is reduced through completed sales. The Fund's primary focus remains the repayment of the financing facility balance.

The Board has instructed LCP to keep shareholders updated on the sales progress.

Summary

The Fund has continued to make progress in the divestment of the portfolio. While projections are subject to a wide array of assumptions, some of which may not materialise, market commentators predict a subdued period in the PCL market in 2025 and a gradual recovery thereafter. The Board does not believe that it is in the best interests of shareholders to delay property sales in the hope of more favourable market conditions. The Board will continue its disposal programme in line with current policies.

¹Average of 5-year forecasts of capital value movements in PCL from Savills (Nov-24), Knight Frank (Nov-24), JLL (Nov-24) and CBRE (Nov-24).

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

CONSOLIDATED UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME SIX MONTHS ENDED 30 SEPTEMBER 2024

		(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
	Notes			
REVENUE				
Rental income		257,080	669,671	355,042
Sundry income		1,000	1,834	-
		<hr/>	<hr/>	<hr/>
Gross profit		258,080	671,505	355,042
EXPENSES				
Property expenses	9	158,687	393,032	194,755
Administrative expenses	10	185,947	407,702	213,815
		<hr/>	<hr/>	<hr/>
		344,634	800,734	408,570
		<hr/>	<hr/>	<hr/>
OPERATING LOSS		(86,554)	(129,229)	(53,528)
(Loss)/gain on disposal of investment properties		(90,854)	(101,041)	56,208
Cost of finance	13	(303,887)	(1,022,410)	(568,283)
		<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(481,295)	(1,252,680)	(565,603)
		<hr/>	<hr/>	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR ATTRIBUTABLE TO:				
Owners of the parent		(481,295)	(1,252,680)	(565,603)
		<hr/>	<hr/>	<hr/>
Loss per share (pounds per share)	16	(0.035)	(0.092)	(0.041)

The Group has no other comprehensive income or losses other than those shown above and therefore no additional disclosure has been made in respect of other comprehensive income or losses.

The results are all derived from continuing operations.

The notes on pages 11 to 25 form an integral part of these financial statements.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

CONSOLIDATED UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

	Notes	(Unaudited) 30 September 2024		(Audited) 31 March 2024		(Unaudited) 30 September 2023	
		£	£	£	£	£	£
FIXED ASSETS							
Investment properties	11		17,436,268		20,230,921		24,415,921
			17,436,268		20,230,921		24,415,921
CURRENT ASSETS							
Debtors	12	100,933		100,589		134,864	
Cash and cash equivalents		29,448		325,352		182,920	
		130,381		425,941		317,784	
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR							
Other creditors and accruals	14	617,788		521,236		615,564	
		617,788		521,236		615,564	
NET CURRENT LIABILITIES			(487,407)		(95,295)		(297,780)
TOTAL ASSETS LESS CURRENT LIABILITIES			16,948,861		20,135,626		24,118,141
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR							
Finance payable	13		7,180,867		9,886,337		13,181,775
NET ASSETS			9,767,994		10,249,289		10,936,366
CAPITAL AND RESERVES							
Share capital	15		136,787		136,787		136,787
Share premium			20,591,263		20,591,263		20,591,263
Accumulated loss			(10,960,056)		(10,478,761)		(9,791,684)
SHAREHOLDERS' FUNDS			9,767,994		10,249,289		10,936,366
Net asset value per share (pounds per share)	17		0.71		0.75		0.80

The Consolidated Interim Financial Statements were approved and authorised for issue by the board on 20 January 2025 and signed on its behalf by:

MARTIN SHIRES

.....
Martin Shires, Director

The notes on pages 11 to 25 form an integral part of these financial statements.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

CONSOLIDATED UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY SIX MONTHS ENDED 30 SEPTEMBER 2024

	Share Capital £	Share Premium £	Accumulated Loss £	Total £
Balance as at 1 April 2023	136,787	20,591,263	(9,226,081)	11,501,969
Loss for the period	-	-	(565,603)	(565,603)
Balance as at 30 September 2023	136,787	20,591,263	(9,791,684)	10,936,366
Loss for the period	-	-	(687,077)	(687,077)
Balance as at 31 March 2024	136,787	20,591,263	(10,478,761)	10,249,289
Loss for the period	-	-	(481,295)	(481,295)
Balance as at 30 September 2024	136,787	20,591,263	(10,960,056)	9,767,994

The notes on pages 11 to 25 form an integral part of these financial statements.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

CONSOLIDATED UNAUDITED INTERIM STATEMENT OF CASH FLOWS SIX MONTHS ENDED 30 SEPTEMBER 2024

	(Unaudited) Six months ended 30 September 2024	(Audited) Year ended 31 March 2024	(Unaudited) Six months ended 30 September 2023
Notes	£	£	£
Cash flows from operating activities			
Operating loss for the period/year	(86,554)	(129,229)	(53,528)
(Increase)/decrease in operating debtors	(344)	30,727	(3,548)
Increase in operating creditors	96,552	42,935	137,263
Cost of finance	(303,887)	(1,022,410)	(568,283)
Net cash used in operating activities	(294,233)	(1,077,977)	(488,096)
Cash flows from investing activities			
Sale of investment properties	2,704,146	6,684,382	2,656,631
Refurbishment of investment properties	(347)	(1,200)	(1,200)
Net cash generated from investing activities	2,703,799	6,683,182	2,655,431
Cash flows from financing activities			
Finance repaid	(2,705,470)	(5,904,225)	(2,608,787)
Net cash used in financing activities	(2,705,470)	(5,904,225)	(2,608,787)
Net cash outflow for the period/year	(295,904)	(299,020)	(441,452)
Cash and cash equivalents at beginning of period/year	325,352	624,372	624,372
Cash and cash equivalents at end of period/year	29,448	325,352	182,920

The notes on pages 11 to 25 form an integral part of these financial statements.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS

SIX MONTHS ENDED 30 SEPTEMBER 2024

1. COMPANY INFORMATION

The London Central Portfolio Property Fund Limited (the "Company") is a Limited Company, registered in Guernsey on 25 October 2005 and is an Authorised Closed-Ended Investment Fund. The Company was listed on The International Stock Exchange on 3 August 2015.

The objective of the Company is to carry on business as an investment company specialising in property.

2. STATEMENT OF COMPLIANCE

The consolidated unaudited interim financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102. 'The Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland ("FRS 102")'.

3. BASIS OF PREPARATION

These consolidated unaudited interim financial statements have been prepared in accordance with FRS 102, The Companies (Guernsey) Law, 2008 and with The Protection of Investors (Bailiwick of Guernsey) Law, 2020. The consolidated unaudited interim financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for investment properties as specified in the accounting policies below.

The Group's (as defined below) functional and presentation currency is Sterling (£).

The Group's financial statements consolidate the financial statements of The London Central Portfolio Property Fund Limited and all its subsidiary undertakings (note 7(b)) drawn up to each reporting date.

4. GOING CONCERN

The Directors have prepared the consolidated unaudited interim financial statements on the Liquidation basis in view of the Group's access to a financing facility with its bankers, (note 13). The facility is secured by the Group's investment properties. The Directors believe that demand for repayment of the finance facility is not expected to occur before its expiration date or if repayment is demanded, the Group would be able to refinance accordingly.

The Group expects to meet its obligations from operating cash flows and upon realisation of investments in the future.

The original Investment Period of five years from the Investment Date of 31 July 2015 was extended by the Shareholders at both the December 2019 and the December 2020 Annual General Meetings. The Shareholders voted in favour of the Ordinary Resolutions to extend the Investment Period. The extension to 31 July 2022 represented the final extension available to the Shareholders under the Investment Memorandum (the "IM"), which details that the Fund's portfolio will be sold following that date. The Directors of the Fund instructed London Central Portfolio Limited ('LCP') and LCP Capital Investments Limited ('LCPCI') to organise an orderly disposal of the Fund's portfolio which commenced on 1 August 2022. Under the terms of the IM, the Directors are obliged at the first annual general meeting ("AGM") after the end of the Investment Period to propose an ordinary resolution that the Fund should be voluntarily liquidated. There is no requirement to put forward a resolution each year to voluntarily liquidate the Fund.

In assessing the going concern assumption, the Directors are satisfied that the Group has access to adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these consolidated financial statements. The Directors believe that it is appropriate to prepare the consolidated financial statements on a going concern basis.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

5. SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the consolidated unaudited interim financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Fair value of investment properties

Accounting estimates included in the consolidated unaudited interim financial statements reflect management's judgements based on their knowledge and experience about past and current events and are also based on their assumptions about actions they expect to take. Significant assumptions used by management in making accounting estimates, including those measured at fair value, are reasonable. The methods and significant assumptions used result in a measure of fair value appropriate for consolidated financial statement measurement and disclosure purposes.

The Directors have relied on the valuations prepared by Bellevue Mortlakes and Strutt & Parker carried out in 2022 ("the valuers") for Al Rayan which provide the market value (note 11). The Directors do not consider that there have been any significant changes in factors affecting valuations since 2022 and have therefore relied on the valuations carried out by Bellevue Mortlakes and Strutt & Parker as at that date.

Sales will be realised in an organised manner, either as a whole or individually, whichever achieves the highest amount. Given the assumption that the properties would be sold as a whole, or individually, the valuers have not considered it appropriate to adjust the overall value for a block discount in the event that the portfolio was sold as a whole. Equally, the valuers have ascribed no additional value to the possibility that there may be a premium achievable on the sale of the entire portfolio.

The value stated is on the basis of vacant possession. It has been assumed that in the majority of cases, vacant possession could be obtained within six months if required and that would depend upon the terms of the tenancies as they are renewed from time to time.

It has been assumed that where tenanted, properties will be disposed of in a condition suitable for marketing with the tenant having complied with repairing and dilapidations covenants.

The market value is the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

The valuations have been based upon physical inspection of the premises and research of the market for sales evidence of similar properties in the immediate area. In some cases, this is based on knowledge of properties recently valued or surveyed by Bellevue Mortlakes, Strutt & Parker and in others, the opinions and evidence of local estate agents have been obtained.

6. ACCOUNTING POLICIES

6 (a) For the accounting periods presented in these consolidated unaudited interim financial statements comprised the financial information for the Company and entities controlled by the Company (its subsidiaries London Central Limited and London Central II Limited, and their investments). The Company controls 100% of the voting rights of its subsidiaries. Control is achieved where the Company has the power to govern, directly or indirectly, the financial and operating policies of an investee entity so as to obtain benefit from its activities.

London Central Limited and London Central II Limited are property holding companies, which were first registered in Jersey and subsequently migrated to Guernsey on 17 February 2016 with registration numbers 61645 and 61646 respectively and were acquired as part of a restructure on 31 July 2015.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

6. ACCOUNTING POLICIES (continued)

6 (b) INVESTMENT PROPERTY

Initial recognition:

Investment property is property held by the Group to earn rentals, rather than for:

- i. Use in the production or supply of goods or services or for administrative purposes; or
- ii. Sale in the ordinary course of business.

At initial recognition, Investment property is measured at its cost. The cost of a purchased investment property comprises its purchase price and any directly attributable expenditure such as legal and brokerage fees, property transfer taxes and other transaction costs.

Subsequent to initial recognition, investment property is stated at fair value.

Derecognition of investment property:

A property is transferred from investment property only when the property ceases to meet, the definition of investment property.

In accordance with FRS102, Section 16, Measurement After Recognition, Investment Property whose fair value can be measured reliably without undue cost or effort shall be measured at fair value at each reporting date with changes in fair value recognised in profit and loss.

6 (c) OPERATING LEASE

Operating leases relate to the investment properties owned by the Group with lease terms of between 1 to 3 years, with an option to extend as may be agreed. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

6 (d) RENTAL INCOME

All properties are rented out under operating leases with rental income being accounted for on a straight line basis over the term of the lease.

6 (e) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's Consolidated Interim Statement of Financial Position when the Group becomes party to the contractual provisions of the instruments. The Group shall off-set financial assets and financial liabilities if the Group has a legally enforceable right to off-set the recognised amounts and interest and intends to settle on a net basis.

Financial Assets

The Group's financial assets fall into the categories discussed below, with the allocation depending to an extent on the purpose for which the asset was acquired. The Group classifies its financial assets as basic and non basic. Unless otherwise indicated, the carrying amounts of the Group's financial assets are a reasonable approximation of their fair values.

Debtors

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through cash and cash equivalents, but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. The effect of discounting on these consolidated financial statements is not considered to be material.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

6. ACCOUNTING POLICIES (continued)

6 (e) FINANCIAL INSTRUMENTS (continued)

Debtors (continued)

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due. The amount of such a provision being the difference between the net carrying amount and present value of the future expected cash flows associated with the impaired receivable.

Cash and cash equivalents are carried at cost and consist of cash in hand and short-term deposits in banks with an original maturity of three months or less.

Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- when the group has transferred substantially all the risk and rewards of ownership; or
- when it has transferred nor retained substantially all the risk and rewards and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

Financial liabilities

The Group's financial liabilities comprise other credits and accruals and finance payable which are classified as financial liabilities measured at amortised cost. Unless otherwise indicated, the carrying amounts of the Group's financial liabilities are a reasonable approximation of their fair values.

Financial liabilities measured at amortised cost

Other creditors and accruals and finance payable are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

A financial liability (in whole or in part) is de-recognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Consolidated Statement of Comprehensive Income.

Share capital

Financial instruments issued by the Group are treated as equity only if they represent the residual interest in the net assets of the Group. The Group's Ordinary Shares are classified as equity instruments. The Group is not subject to any externally imposed capital requirement.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction cost and other premiums or discounts) through the expected life of the financial asset or liability, or, where appropriate, a shorter period. As a Sharia compliant fund, the Group does not receive or pay interest, however in accordance with FRS 102, calculations for costs as described above may be made.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

7 (a) BUSINESS COMBINATIONS

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the Consolidated Interim Statement of Financial Position immediately below goodwill.

7 (b) INVESTMENT IN SUBSIDIARIES

The consolidated unaudited interim financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries, London Central Limited and London Central II Limited (the "Group")). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The Company controls 100% of the voting rights of its subsidiaries.

The results of subsidiaries are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

8. TAXATION

Guernsey Tax

The Company has elected to pay an annual exempt company fee in Guernsey which was £1,200 per year and from 2024 has increased to £1,600 per year.

UK Tax on rental income

With effect from 6 April 2020, the Group is subject to UK Corporation Tax (19%) on its taxable rental profits. The rate of UK Corporation is 25% with effect from 1 April 2023.

Annual Tax on Enveloped Dwellings ("ATED")

ATED was introduced with effect from 1 April 2013 such that non-UK companies holding UK residential property may be subject to an annual charge based on the value of each single dwelling interest. However, relief from ATED applies where properties are let at arm's length commercial terms and this is the case in respect of this Group. The Group files annual Relief Declaration Returns to claim the relief.

UK Capital Gains Tax ("CGT")

With effect from 6 April 2015 the UK Capital Gains Tax (CGT) regime was extended to non-resident companies on certain UK property disposals. Relief from CGT applied for diversely held companies up to 5 April 2019 when the regime was again extended. With effect from 6 April 2019 the CGT regime was extended to include Collective Investments Vehicles ("CIV") unless it met certain requirements and made an exemption election. The Fund has made an exemption election such that no CGT or Corporation Tax ("CT") are chargeable on the disposal of UK property.

In order to maintain its exempt status the Company is required to send an annual report to HMRC detailing share disposals in the Fund during the reporting period. Investors should seek their own tax advice when making disposals of their shareholdings in the Fund.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

8. TAXATION (continued)

Inheritance Tax ("IHT")

With effect from 6 April 2017, the UK government introduced an extension to the scope of IHT for non-UK domiciled individuals to include all UK residential property, whether or not it is held through a company or directly by a non-UK domiciled individual. This measure does not apply to widely held companies and therefore should not impact the Group. Investors should seek their own tax advice when considering their domicile position and exposure to IHT.

9. PROPERTY EXPENSES

	(Unaudited) Six months ended 30 September 2024	(Audited) Year ended 31 March 2024	(Unaudited) Six months ended 30 September 2023
	£	£	£
Rates and insurance	5,262	17,098	2,180
Repairs and maintenance	53,604	147,646	68,836
Property management fees (Note 18)	49,900	120,844	66,539
Cleaning and service charges	49,921	107,444	57,200
	<u>158,687</u>	<u>393,032</u>	<u>194,755</u>

10. ADMINISTRATIVE EXPENSES

	(Unaudited) Six months ended 30 September 2024	(Audited) Year ended 31 March 2024	(Unaudited) Six months ended 30 September 2023
	£	£	£
Advisory fees (Note 18)	91,408	232,435	128,801
Insurance	10,602	16,613	5,593
Sundry expenses	-	733	-
Bank charges	474	491	414
Administration fees (Note 18)	33,075	47,500	23,750
Tax services	2,875	8,350	6,537
Directors' fees	12,500	25,000	12,500
Audit fees	12,768	28,730	12,621
Legal and professional fees	16,945	42,072	18,790
Listing fees	3,500	2,665	3,184
Annual registration fees	900	1,913	1,025
Exempt tax fees (note 8)	900	1,200	600
	<u>185,947</u>	<u>407,702</u>	<u>213,815</u>

11. INVESTMENT PROPERTIES

	Leasehold investment properties £	Freehold investment property £	Total £
Valuation as at 1 April 2024	10,154,955	10,075,966	20,230,921
Sale of properties	(1,725,000)	(1,070,000)	(2,795,000)
Refurbishment and enfranchisement	-	347	347
Valuation as at 30 September 2024	<u>8,429,955</u>	<u>9,006,313</u>	<u>17,436,268</u>

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

11. INVESTMENT PROPERTIES (continued)

	Leasehold investment properties	Freehold investment property	Total
	£	£	£
Valuation as at 1 April 2023	12,305,378	14,709,766	27,015,144
Sale of properties	(2,150,423)	(4,635,000)	(6,785,423)
Additions/Licence costs	-	1,200	1,200
Valuation as at 31 March 2024	10,154,955	10,075,966	20,230,921

	Leasehold investment properties	Freehold investment property	Total
	£	£	£
Valuation as at 1 April 2023	12,305,378	14,709,766	27,015,144
Sale of properties	(2,150,423)	(450,000)	(2,600,423)
Refurbishment and enfranchisement	-	1,200	1,200
Valuation as at 30 September 2023	10,154,955	14,260,966	24,415,921

At 30 September 2024 there was a legal charge registered over the Group's investment properties as security for the Group's bank finance (see note 14). The portfolio has not been revalued for the purposes of these financial statements as there have been no dramatic changes in market conditions since the 31 March 2022 year end to suggest that the valuations adopted at that time have materially changed (see note 5). Leasehold investment properties comprise 12 leasehold properties, all with remaining terms in excess of 20 years. The 5 remaining properties are long leaseholds where the Group also holds a share in the freehold owning company, and accordingly these have been classed by the Directors as freehold. The historical cost of the properties is £18,179,802 (31 March 2024: £20,974,454; 30 September 2023: £25,158,254).

The valuers have carried out their valuation based on usual research and enquiries and had discussions with leading local agents and analysed the existing market commentaries and data in determining their opinion as to the applicable market value of the properties. Information has also been sourced from their internal records. Secondary evidence has also been drawn from properties which are on the market and have not yet legally exchanged contracts. In arriving at their opinion they have taken into account the location, size, specification and condition of the properties and have had to make adjustments to account for fluctuations within the market and other material factors.

12. DEBTORS

	(Unaudited) Six months ended 30 September 2024	(Audited) Year ended 31 March 2024	(Unaudited) Six months ended 30 September 2023
	£	£	£
Cash held by Asset Advisor ⁽¹⁾	44,428	43,692	85,474
Prepayments	25,415	16,724	5,990
Amounts receivable from Asset Advisor	31,088	40,171	43,398
Unpaid share capital	2	2	2
	100,933	100,589	134,864

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2024

12. DEBTORS (continued)

⁽¹⁾This represents service charge deposits and cash-floats retained by the Asset Advisor to cover sundry costs for each property as they arise. In addition to these cash balances the Asset Advisor holds in escrow as at 30 September 2024, tenant rent deposits amounting to £96,132 (31 March 2024: £91,112; 30 September 2023: £96,132). These deposits are held as security for the tenants' performance under the tenancy agreements and have not been included in these financial statements as the Company has no right to these funds unless and until there is any default by any tenant under their tenancy agreement. There have been no defaults during the period (31 March 2024: nil; 30 September 2023: nil).

13. FINANCE PAYABLE

	(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
Al Rayan Bank	7,195,858	9,904,084	13,223,392
Unamortised finance cost	(14,991)	(17,747)	(41,617)
	<u>7,180,867</u>	<u>9,886,337</u>	<u>13,181,775</u>

Al Rayan granted a finance facility of £18,000,000 split between initial finance of £11,500,000 and additional finance of £6,500,000 effective from 29 July 2015. The initial finance of £11,500,000 was secured by 27 residential properties. A further £6,500,000 has been drawn down in respect of the purchase of 13 properties, with the additional finance being secured by these properties. The original maturity date was 31 July 2020.

On 31 July 2020, the facility was extended for a further 3 years to 31 July 2023 with an additional £2,000,000 increase in the facility. £1,212,000 was drawn down on 23 July 2021.

On 17 July 2023, the facility was extended for a further 12 months to 31 July 2024.

On 31 July 2024, the facility was extended for a further 12 months to 31 July 2025.

In respect of the finance facility profit payments are currently payable at 2.85% above the UK Base Rate. A further £17,990 arrangement fee was paid for the new facility. The total finance expense for the period was £303,887 (31 March 2024: £1,022,410; 30 September 2023: £568,283).

14. OTHER CREDITORS AND ACCRUALS

	(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
Advisory fees (note 18)	471,506	380,098	439,131
Deferred income	54,378	65,829	109,561
Audit fee	12,660	25,320	11,513
Administration fees (note 18)	35,625	11,875	23,750
Property expenses	14,418	18,088	7,270
Professional fees	26,500	-	19,500
Other creditors	2,701	20,026	4,839
	<u>617,788</u>	<u>521,236</u>	<u>615,564</u>

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

15. SHARE CAPITAL

	(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
Authorised			
100,000,000 ordinary shares of £0.01 each	1,000,000	1,000,000	1,000,000
Allotted and fully paid			
13,678,706 ordinary shares of £0.01 each	136,787	136,787	136,787

	(Unaudited) Six months ended 30 September 2024	(Audited) Year ended 31 March 2024	(Unaudited) Six months ended 30 September 2023
Ordinary shares			
At the beginning of the period/year	13,678,706	13,678,706	13,678,706
At the end of the period/year	13,678,706	13,678,706	13,678,706

Rights and obligations

There are no restrictions attached to the issued shares and each issued share is entitled to vote and to profit and losses.

15.1 RESERVES

Called-up share capital - represents the nominal value of shares that have been issued.

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Accumulated loss - includes all current and prior period retained profits and losses.

16. LOSS PER SHARE

The calculation of loss per share is based on the loss for the period of £481,295 (31 March 2024: loss of £1,252,680; 30 September 2023: loss of £565,603) divided by the weighted average number of Ordinary Shares in issue during the period of 13,678,706 (31 March 2024: 13,678,706; 30 September 2023: 13,678,706).

17. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of £9,767,994 (31 March 2024: £10,249,289; 30 September 2023 £10,936,366) and on the Ordinary Shares in issue of 13,678,706 (31 March 2024: 13,678,706; 30 September 2023: 13,678,706) at the Consolidated Interim Statement of Comprehensive Income.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

18. RELATED PARTY TRANSACTIONS

Administrator

CSC Fund Services (Guernsey) Limited is engaged by the Company as administrator pursuant to an Administrator Agreement. The Agreement provides that Intertrust Fund Services (Guernsey) Limited will receive an annual fixed fee of £47,500 per annum plus fees for any additional work performed, with respect to administration services. A total of £33,075 (31 March 2024: £47,500; 30 September 2023: £23,750) has been included in these financial statements in respect of fees charged in accordance with this Agreement and £35,625 (31 March 2024: £11,875; 30 September 2023: £23,750) was outstanding at the Consolidated Interim Statement of Financial Position date.

The Company has appointed LCP Capital Investments Limited ("LCPCI") and London Central Portfolio Limited ("LCP") as Investment Advisors and Asset Advisors, respectively. Naomi Heaton is the Non-Executive Chair of LCPCI and LCP. A brief summary of the relevant contracts are as follows. All fees are subject to UK VAT.

Asset Advisors

LCPCI receive Advisory Fees equal to 1% of the reducing portfolio value, paid quarterly in arrears in respect of their duties to the Shareholders of the Company. During the period £91,408 for Advisory Fees was charged (31 March 2024: £232,435 September 2023: £128,801) and £471,506 (31 March 2024: £380,098; 30 September 2023: £439,131) was outstanding at the Consolidated Interim Statement of Financial Position date.

At the end of the Investment Period LCP will be entitled to receive a performance fee of 20% of any return realised by the Fund in excess of the Performance Benchmark Objective IRR and return on equity invested.

No provision was made in these consolidated financial statements in respect of performance fees which may be payable in the future. We don't expect any amount to be payable in respect of performance fees.

LCP receives Acquisition Fees of 2% plus VAT of the price paid for each property acquired by the Company. During the period £nil (31 March 2024: £nil; 30 September 2023 £nil) for Acquisition Fees was charged.

Property Acquisition, Refurbishment and Furnishing

LCP will receive a fee of 10% of the refurbishment cost in respect of design specification and sourcing of contractor together with a fee of 15% of the furnishing and refurbishment cost for the project management of the works and interior design.

During the period property acquisition, refurbishment and furnishing expenditure amounted to £348 (inclusive of VAT) (31 March 2024: £1,200; 30 September 2023: £1,200) with £nil (31 March 2024: £nil; 30 September 2023: £nil) outstanding at the period end.

Property Management

LCP receives a fee of 15% of gross rent received for each property. LCP also receives sundry additional fees for administration services on a 10% of cost basis and £49,900 (inclusive of VAT) (31 March 2024: £120,844; 30 September 2023: £66,539) has been included in these accounts in relation to these fees. A more detailed summary of these contracts is included in the Company's Prospectus.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

19. CONTROLLING PARTY

The issued share capital of the Group is owned by numerous parties and, therefore, to the best knowledge of the Directors, there is no ultimate controlling party of the Group as defined by FRS102.

20. FINANCIAL RISK MANAGEMENT

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Categories of financial instruments and fair values

The following table details the categories of financial assets and financial liabilities held by the Group at the reporting date:

	Period ended 30 September 2024 Carrying amount £	Year ended 31 March 2024 Carrying amount £	Period ended 30 September 2023 Carrying amount £
Finance and receivables			
Cash and cash equivalents	29,448	325,352	182,920
Debtors	75,518	83,865	128,874
	<u>104,966</u>	<u>409,217</u>	<u>311,794</u>
Financial liabilities at amortised cost			
Other creditors and accruals	563,410	455,407	506,003
Finance payable	7,180,867	9,886,337	13,181,775
	<u>7,744,277</u>	<u>10,341,744</u>	<u>13,687,778</u>

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Whilst the Group's principal market risk is exposure to London residential property prices, market risk comprises of three types of risk: market prices (price risk), foreign exchange (currency risk) and market interest rates (interest rate risk).

The Group operates in the UK and its investments are denominated in pounds sterling therefore the Directors are satisfied that the Group's exposure to foreign exchange risk is relatively low.

The Group is indirectly exposed to interest rate risk where the rate of finance costs payable on finance received is derived from variable market rates, however it is not exposed to price risk except for other short-term investments, all other investments are non-financial assets. The Group's financial assets and liabilities which are subject to variable rates of profit receivable or payable expose it to risk associated with the effects of fluctuations in the prevailing levels of market rates on its financial position and cash flows.

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

20. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

The table below summarises the Group's exposure to such risks.

	Not subject to profit receivable/ payable	Variable profit receivable/ payable	Fixed profit receivable/ payable	Total
As at 30 September 2024	£	£	£	£
Assets				
Cash and cash equivalents	29,448	-	-	29,448
Debtors	75,518	-	-	75,518
Total financial assets	104,966	-	-	104,966
Liabilities				
Finance payable	-	7,180,867	-	7,180,867
Creditors and accruals	563,410	-	-	563,410
Total financial liabilities	563,410	7,180,867	-	7,744,277

	Not subject to profit receivable/ payable	Variable profit receivable/ payable	Fixed profit receivable/ payable	Total
As at 31 March 2024	£	£	£	£
Assets				
Cash and cash equivalents	325,352	-	-	325,352
Debtors	83,865	-	-	83,865
Total financial assets	409,217	-	-	409,217
Liabilities				
Finance payable	-	9,886,337	-	9,886,337
Creditors and accruals	455,407	-	-	455,407
Total financial liabilities	455,407	9,886,337	-	10,341,744

	Not subject to profit receivable/ payable	Variable profit receivable/ payable	Fixed profit receivable/ payable	Total
As at 30 September 2023	£	£	£	£
Assets				
Cash at bank	182,920	-	-	182,920
Debtors	128,874	-	-	128,874
Total financial assets	311,794	-	-	311,794
Liabilities				
Finance payable	-	13,181,775	-	13,181,775
Creditors and accruals	506,003	-	-	506,003
Total financial liabilities	506,003	13,181,775	-	13,687,778

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

20. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

Total finance cost on financial liabilities not at fair value through profit and loss

	(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
Finance cost	(303,887)	(1,022,410)	(568,283)
	<u>(303,887)</u>	<u>(1,022,410)</u>	<u>(568,283)</u>

The above finance costs arise on financial liabilities measured at amortised cost using the effective interest rate method.

For the Group, an increase in 100 basis points in finance costs, with all other variables remaining constant, would result in a loss of £71,514 (31 March 2024: loss of £95,610; 30 September 2023: loss of £129,989). A decrease in 100 basis points in finance costs, with all other variables remaining constant, would have an equal but opposite effect.

The sensitivity analyses above is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated - for example, change in profit rate and change in market values.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and ensuring the availability of funding through an adequate amount of committed finance facilities.

The Group's current policy concerning the payment of creditors is to:

- (a) agree the terms of payment with those suppliers when negotiating the terms of each transaction;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with the Group's contractual and other legal obligations.

The table below details the contractual, undiscounted cash flows of the Group's financial liabilities.

	Less than 3 months £	3 months to 1 year £	1 year to 5 years £
As at 30 September 2024			
Finance payable	145,716	7,535,862	-
Creditors and accruals	563,410	-	-
Total	<u>709,126</u>	<u>7,535,862</u>	<u>-</u>
As at 31 March 2024			
Finance payable	200,558	601,673	10,153,747
Creditors and accruals	455,407	-	-
Total	<u>655,965</u>	<u>601,673</u>	<u>10,153,747</u>

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued)

SIX MONTHS ENDED 30 SEPTEMBER 2024

20. FINANCIAL RISK MANAGEMENT (continued)

(b) Liquidity risk (continued)

As at 30 September 2023	Less than 3 months £	3 months to 1 year £	1 year to 5 years £
Finance payable	267,774	19,836,805	-
Creditors and accruals	506,003	-	-
Total	773,777	19,836,805	-

The Board of Directors manages the risk of breaches in finance covenants by regularly reviewing the level of finance in conjunction with property values. The review is carried out on a quarterly basis.

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The carrying amounts of financial assets best represents the maximum credit risk exposure at the Consolidated Interim Statement of Comprehensive Income.

Principal counterparties are LCP as Asset Advisory and Al Rayan as Bankers. The financial position of LCP and the credit rating of Al Rayan are considered by the Board annually or sooner in the event of any cause for concern.

The Asset Advisor holds in escrow as at 30 September 2024, tenant rent deposits amounting to £74,294.23 (31 March 2024: £91,112; 30 September 2023: £96,132). These deposits are held as security for the tenants' performance under the tenancy agreements and have not been included in these financials statements as the Company has no right to these funds unless and until there is any default by any tenant under their tenancy agreement. There have been no defaults during the period (31 March 2024: nil; 30 September 2023: nil).

Al Rayan bank is a reputable financial institution. While the Group has cash held by the bank, the credit risk is off-set by the fact that the Group owes the bank as disclosed in note 13.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

	(Unaudited) Six months ended 30 September 2024 £	(Audited) Year ended 31 March 2024 £	(Unaudited) Six months ended 30 September 2023 £
Cash and cash equivalents	29,448	325,352	182,920
Amounts receivable from Asset Advisor (note 12)	31,088	40,171	43,398
Cash held by Asset Advisor (note 12)	44,428	43,692	85,474
Service charge deposits	14,137	14,137	23,137
Total	119,101	423,352	334,929

THE LONDON CENTRAL PORTFOLIO PROPERTY FUND LIMITED

NOTES TO THE CONSOLIDATED UNAUDITED INTERIM FINANCIAL STATEMENTS (continued) SIX MONTHS ENDED 30 SEPTEMBER 2024

21. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group is not subject to any externally imposed capital requirement.

22. SUBSEQUENT EVENTS

Sale of properties

Flat 30, 25 Cheyne Place completed on 30 September for £600,000 and Flat 4, 30 Cleveland Square completed on 14 October 2024 for £600,000. 713 Balmoral Apartments, Flat 6, 62 Inverness Terrace, Flat 4, 64 Winchester Street, Flat 11, 27 St Stephen's Gardens and 46 Warwick Chambers are under offer progressing to exchange.

There are no other material events to be disclosed in these consolidated interim financial statements.