INTERIM REPORT & UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 NOVEMBER 2020 TO 30 APRIL 2021

CIPF | CHANNEL ISLANDS PROPERTY FUND

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For the period from 1 November 2020 to 30 April 2021

GENERAL INFORMATION

DIRECTORS:	Shelagh Mason Steve Le Page Paul Le Marquand Paul Turner
REGISTERED OFFICE:	East Wing Trafalgar Court Les Banques St Peter Port Guernsey Channel Islands GY1 3PP
INVESTMENT MANAGER:	Ravenscroft Specialist Fund Management Limited PO Box 222 20 New Street St Peter Port Guernsey Channel Islands GY1 4JG
ADMINISTRATOR AND SECRETARY:	Aztec Financial Services (Guernsey) Limited PO Box 656 East Wing Trafalgar Court Les Banques St Peter Port Guernsey Channel Islands GY1 3PP
REGISTRAR:	Link Market Services (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey Channel Islands GY2 4LH

GENERAL INFORMATION (CONTINUED)

PRINCIPAL BANKERS:	Royal Bank of Scotland International Limited PO Box 62 Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey Channel Islands GY1 4BQ
INDEPENDENT AUDITOR:	PricewaterhouseCoopers CI LLP PO Box 321 Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey Channel Islands GY1 4ND
PROPERTY ASSET MANAGER:	D2 Real Estate (Jersey) Limited Fourth Floor Conway House 7-9 Conway Street St Helier Jersey Channel Islands JE2 3NT
INDEPENDENT VALUER:	Montagu Evans LLP 70 St Mary Axe London EC3A 8BE

COMPANY SUMMARY

Channel Islands Property Fund Limited (the "Company" or "CIPF" and together with its subsidiaries the "Group") was registered as an Authorised Closed-Ended Collective Investment Scheme by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, and the Authorised Closed-Ended Investment Scheme Rules 2008, on 26 October 2010. A total of 159,892,798 (2020: 159,892,798) ordinary shares were admitted to the Official List of The International Stock Exchange ("TISE") as at the period end.

Date Admitted	Shares Issued	Total Shares in Issue
17 November 2010	26,225,000	26,225,000
19 July 2013	8,000,000	34,225,000
8 August 2014	41,775,000	76,000,000
12 May 2015	14,000,000	90,000,000
16 September 2016	45,000,000	135,000,000
11 August 2017	13,500,000	148,500,000
19 December 2017	11,392,798	159,892,798

A Special Resolution was passed by the members of the Company at an EGM held on 28 September 2018, that the term of the Company be extended indefinitely, subject to the ability for shareholders who together hold at least 15% in number of the shares in the Company, to place a continuation vote on the agenda of the 2023 Annual General Meeting ("AGM") and each AGM falling on every fifth anniversary thereafter, to be voted on as an Ordinary Resolution.

INVESTMENT OBJECTIVE & POLICY

The Company has been established with the objective of providing an investment opportunity that aims to provide shareholders with a total return from a combination of capital growth and an appropriate dividend policy through the acquisition and active asset management of commercial property predominantly in the Channel Islands. Target properties are intended to be fully or partially let and provide a core income which may offer opportunities to add value through active asset management across all sectors of the property market.

Subject to (and to the restrictions described in paragraph 4 below) there are no geographical or other limitation or restrictions to which investment by the Company is subject.

No material change to the above investment objectives and policies may be made within a period of 3 years from Admission without Shareholder approval. The Company may invest in derivatives and investments and funds and companies owning property and financial indices which are property related including, but not limited to, property development.

Pending investment, the Placing Proceeds will be held in cash or near cash investments, with any interest earned for the benefit of the Company.

CHAIRMAN'S STATEMENT

It was a real pleasure to see so many of our investors attend the AGM in May and to be able to hear personally from the Board and both the Investment Manager and Property Manager with an update on our portfolio. A full update is below for the half year ended 30 April 2021 and I will not repeat its content but simply provide thanks to our managers and shareholders for their work and faith in CIPF during a difficult period for us all.

INVESTMENT MANAGER'S REPORT
For the period from 1 November 2020 to 30 April 2021

Since the year end Channel Islands Property Fund Limited (the "Company" or "CIPF") has continued to follow its strategy and continues to operate very much on a business as usual footing, despite the ongoing pandemic.

At the time of writing this update report, the jurisdictions within which CIPF operates, Guernsey, Jersey and the Isle of Man, are moving toward a re-opening of borders where rules for testing and isolation vary between each island with the common theme of allowing individuals who have received both doses of the COVID-19 vaccine to enter without the need to isolate or test (with Jersey being the exception, requiring an arrival test). For those who are not double vaccinated, country and region classifications remain in place and dictate the period of self-isolation depending on travel history.

The islands were subject to further lockdowns earlier in 2021, however, in the main, these have now been lifted with limited restrictions remaining in place in Jersey.

Office based businesses have recently been able to operate from premises and, in the majority of cases are doing so, with flexible working being offered to staff. Where occupiers have off-island parent entities, guidance on return to work has been partly driven by the approach in the parent jurisdiction. In Guernsey, tenants operating from CIPF owned offices are generally working with the vast majority of staff in the office, with a similar situation in the Isle of Man. Some of the Jersey based businesses continue to operate at reduced capacity at the present time.

For the types of businesses which occupy CIPF space, linked in one way or another to the financial services sector, having staff back in the office is important to company owners and managers, as noted in a major survey undertaken by D2 Real Estate. 85% of all companies surveyed scored the importance of the office to efficiency, collaboration and training at 4 out of 5.

There is much debate over the future of offices as a result of employee ability to work from home and it is straightforward to see both sides of the discourse. It is the Investment Manager's ("IM") view that the pandemic has dramatically increased the speed of a change which was already evident in the pre-pandemic days, with technology providing a great deal of optionality in methods of communication and an increasing recognition of the requirement for some staff to have flexibility in the place and time of working. Transitioning staff to work from home as a result of national lockdowns across the world has demonstrated to company bosses that this is possible and as a result it has become more culturally acceptable for many businesses but without consensus across or within business sectors.

It is very likely that the way in which businesses utilise the office space from which they operate will change, with a move away from rows upon rows of desks to a more flexible environment with breakout spaces, pods for online calls, and a focus on staff wellbeing becoming a major area from differentiation in staff recruitment and retention. The office of the future will also be impacted by an increasing focus on Environmental, Social and Governance ("ESG") policies, and the IM has already seen evidence of this in action as local occupiers with multi-jurisdictional operations seek to harmonise and implement ESG policies across occupational portfolios.

These changes will necessarily make some current office space redundant, or too expensive to retrofit in order to comply with new standards as they evolve. As a consequence, it is likely that a two tier market will evolve, both from an occupational and investment perspective.

CIPF has been selective in the assembly of its portfolio, focusing on the 'best in class' buildings in each of St Peter Port, St Helier and Douglas, which are let on long leases to good credit covenants. The board of the Company and the IM are increasingly focused on ESG policies which are now a critical part of the investment process, from disposals or acquisitions to asset management initiatives, and a key ingredient in the protection and enhancement of shareholder value.

INVESTMENT MANAGER'S REPORT (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

At this time 12 months ago a significant number of UK property funds had gated investors and suspended redemptions as a result of material uncertainty in valuations of their underlying real estate assets. Only recently has the final fund opened again for business as usual. CIPF shareholders were able to buy and sell shares uninterrupted throughout the whole of this period and the company has collected 100% of its office rents every quarter with no arrears. This is a reflection of both location and of the strength of the occupiers, whose business was largely economically unaffected by the various lockdowns.

Investor sentiment has shifted away from certain sub-sectors of the market, most notably high street retail, and has increasingly focused on properties producing long term sustainable rental income let to good covenants. As was seen in the aftermath of the financial crisis of 2008/9, the demand for this profile of investment has increased. With interest rates at historical lows, prices for long-let investments have risen, particularly in the sub-sectors of online distribution warehouses as a result of the systemic shift to online retail, and well-let offices.

The CIPF portfolio has been constructed with this in mind and a key metric is the weighted average unexpired lease term, a measure of how the length of the leases over the portfolio as a whole. At the end of April this was 12.89 years.

CIPF owns 12 properties, totalling 517,436 sq.ft. Five are located in Guernsey, four in Jersey and three in the Isle of Man. These buildings are let to 23 tenants; legal, accountancy, trust and administration, banking, insurance, private equity, shipping and regulation. The total rent roll following settlement of recent rent reviews is £17.7m.

Over the course of the next three years only two occupiers have lease breaks or expiries which account for 6.5% of total rents. The IM is already engaged with these parties and in discussion over new terms.

Currently there is 25,426 sq.ft. of space vacant in two buildings, most of this space has been refurbished and is available for let. This is 4.9% of the total portfolio floor area.

Whilst almost all occupational requirements were put on hold as a result of the initial lockdowns in the spring of 2020, the IM is pleased to note the recent increased level of enquiries from companies.

The IM has also been monitoring the increasing level of competition in the debt markets as institutional money competes to find a return secured by quality real estate assets at a time where underlying lending rates are ticking upwards from historic lows. As always, whether through acquisitions, disposals or debt restructuring, CIPF will take advantage of opportunities that present themselves whilst falling within the scope of the investment criteria and with a view to optimising shareholder risk and return.

Activity in the investment markets across the three islands has been low. St Julian's Court in Guernsey was sold during the second lockdown and in the Isle of Man the Douglas Bay Complex, the island's largest office building, was sold in the autumn of 2020. Trafalgar Court, Guernsey's largest building has recently been put up for sale by owner's Stenprop and it will be interesting to see what investor appetite is for this building. The IM expects the number of properties available for sale will increase in the second half of 2021 as tenant demand increases and will be monitoring the market closely.

The focus of the IM over the next six months is to continue the various asset management opportunities available within the portfolio, to let the vacant floors at Royal Bank Place and Regency Court, and to seek to deliver further opportunities to the Company in line with the investment guidelines to maintain and enhance the dividend.

Ravenscroft Specialist Fund Management Limited
12 August 2021

DIRECTORS' REPORT

For the period from 1 November 2020 to 30 April 2021

The Directors submit their Interim Report and Unaudited Condensed Consolidated Financial Statements (the "Consolidated Financial Statements") of Channel Islands Property Fund Limited (the "Company") and its subsidiaries (together the "Group") for the period from 1 November 2020 to 30 April 2021, which have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("IAS 34"). The Consolidated Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 October 2020 (the "Annual Financial Statements"). These Consolidated Financial Statements have been prepared in accordance with relevant enactments for the time being in force; and are in agreement with the accounting records, which have been properly kept in accordance with section 244 of the Companies (Guernsey) Law, 2008.

CORPORATE GOVERNANCE

The Board has undertaken a detailed review of the effectiveness of its corporate governance practices for the Group. In the context of the nature, scale and complexity of the Group the Directors are satisfied with the level of their governance oversight for the Group and their compliance with the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "GFSC") on 30 September 2011 as amended on 18 February 2016 (the "Guernsey Code").

The Company joined the Association of Investment Companies (the "AIC") on 9 July 2018, and so the Board of the Company has applied the principles and recommendations of the updated AIC Code of Corporate Governance issued in 2019 (the "AIC Code") for Investment Companies in the preparation of these Consolidated Financial Statements. The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting in accordance with the principles and recommendations of the AIC Code provides the best information to shareholders. The Board will ensure that the AIC Code is complied with on an ongoing basis and will thereby also ensure compliance with the Guernsey Code.

ACTIVITY

The Group's principal activity is that of investment in commercial properties located in Guernsey, Jersey and the Isle of Man. Three residential properties, held as part of the Glategny Holdings Limited portfolio, were sold during the period.

DIVIDENDS

Dividend period	Date paid	Dividend per share	Total dividend
30 April 2020	25 June 2020	£0.0165	£2,638,231
31 July 2020	30 September 2020	£0.0165	£2,638,231
31 October 2020	31 December 2020	£0.0165	£2,638,231
31 January 2021	31 March 2021	£0.0165	£2,638,231
30 April 2021	30 June 2021	£0.0165	£2,638,231

DIRECTORS' REPORT (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

DIRECTORS

The Directors during the period and to the date of this report are as stated within General Information. During the period the Directors received remuneration in the form of fees as stated in note 18.

DIRECTORS' INTERESTS

At the period end, the Directors held the following number of shares in the Company:

	30 April 2021	30 April 2020
Mrs S. Mason	100,000	63,500
Mr S. Le Page	100,000	100,000
Mr P. Le Marquand	-	-
Mr P. Turner	-	-

At no point during the period, or any prior period, did any of the Directors hold an interest in any contract or contract for provision of services to which the Company, or any subsidiary undertaking, is a party.

GOING CONCERN

The Board have examined significant areas of possible financial risk, in particular cash requirements and the on-going obligations of the banking covenants.

Cash flow projections, which take into account the possible impact of the COVID-19 pandemic on rent collections and expenses, are reviewed on a regular basis and the risk of the covenants being breached is considered to be low.

After due consideration, the Directors believe that the Group has adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements, and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

Approved by the Board of Directors on 12 August 2021 and signed on its behalf by:

Steve Le Page

CIPF | CHANNEL ISLANDS PROPERTY FUND

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period from 1 November 2020 to 30 April 2021

	Note	1 November 2020 to 30 April 2021	1 November 2019 to 30 April 2020
INCOME		**£**	**£**
Rental income		8,211,141	7,796,438
Service charge income		2,549,277	1,622,291
Other income		25,160	-
Total income		**10,785,578**	**9,418,729**
GAINS AND LOSSES ON INVESTMENTS			
Unrealised movement on revaluation of investment properties	6	(35,078)	(361,162)
Unrealised movement on revaluation of investment property classified as held for sale	6	(24,500)	-
Realised (loss) / gain on disposal of investment properties	6	(9,815)	1,200,000
Total gains and losses on investments		**(69,393)**	**838,838**
EXPENSES			
Service charge expenses	8	(2,758,757)	(2,030,630)
Property operating expenses	8	(52,632)	(83,705)
Management expenses	17	(842,598)	(950,557)
Other operating expenses	12	(509,327)	(563,924)
Total expenses		**(4,163,314**	**(3,628,816)**
PROFIT BEFORE FINANCE COSTS AND TAX		**6,552,871**	**6,628,751**
FINANCING COSTS			
Interest income		1,734	163,437
Interest expense	4	(1,421,905)	(1,528,753)
Loan setup expense		(67,613)	(82,324)
Loss on interest rate swap at fair value	15	(42,060)	-
Total finance costs (net)		**(1,529,844)**	**(1,447,640)**
PROFIT BEFORE TAX		**5,023,027**	**5,181,111**
Current tax	5	(450,833)	(499,339)
PROFIT FOR THE PERIOD		**4,572,194**	**4,681,772**
OTHER COMPREHENSIVE INCOME			
Effective portion of changes in fair value of interest rate swap	15	91,322	(165,372)
TOTAL COMPREHENSIVE INCOME		**4,663,516**	**4,516,400**
Total Comprehensive Income attributable to equity holders		4,663,516	4,516,400
Total Comprehensive Income attributable to non-controlling interests	19	-	-
		4,663,516	**4,516,400**
Basic and diluted earnings per share	**9**	**0.03**	**0.03**

The accompanying notes form an integral part of these Consolidated Financial Statements.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Note	30 April 2021	31 October 2020
NON-CURRENT ASSETS		**£**	**£**
Investment properties	6	250,760,746	251,230,618
Receivable on rental incentives	6	7,161,535	6,695,970
Total non-current assets		**257,922,281**	**257,926,588**
CURRENT ASSETS			
Investment property classified as held for sale	6	420,000	1,778,000
Trade and other receivables	10	993,470	834,345
Receivable on rental incentives	6	522,250	250,412
Cash and cash equivalents	13	5,941,533	6,029,329
Total current assets		**7,877,253**	**8,892,086**
TOTAL ASSETS		**265,799,534**	**266,818,674**
EQUITY			
Share capital	16	154,064,292	154,064,292
Hedging reserve	15	-	(91,322)
Accumulated deficit		(12,953,667)	(12,249,399)
TOTAL EQUITY		**141,110,625**	**141,723,571**
NON-CURRENT LIABILITIES			
Loans and borrowings	14	119,665,454	119,625,669
Interest rate swap	15	-	91,322
Total non-current liabilities		**119,665,454**	**119,716,991**
CURRENT LIABILITES			
Rent received in advance		2,397,329	2,451,485
Other payables	11	2,626,126	2,926,627
Total current liabilities		**5,023,455**	**5,378,112**
TOTAL LIABILITIES		**124,688,909**	**125,095,103**
TOTAL EQUITY AND LIABILITES		**265,799,534**	**266,818,674**
Capital and reserves attributable to equity holders		265,799,533	266,818,673
Capital and reserves attributable to non-controlling interests	19	1	1
		265,799,534	**266,818,674**
Net Asset Value per share		**0.883**	**0.886**

The Consolidated Financial Statements were approved by the Board of Directors on 12 August 2021 and are signed on its behalf by:

Steve Le Page

The accompanying notes form an integral part of these Consolidated Financial Statements.

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 1 November 2020 to 30 April 2021

	Note	1 November 2020 to 30 April 2021 £	1 November 2019 to 30 April 2020 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		5,023,027	5,181,111
Adjusted for:			
Interest income		(1,734)	(163,437)
Interest expense		1,421,905	1,528,753
Unrealised loss on investment properties	6	35,078	361,162
Unrealised loss on investment property classified as held for sale	6	24,500	-
Realised gain on investment properties	6	-	(1,200,000)
Movement in trade and other receivables	10	(159,125)	88,131
Movement in rental incentives		(737,403)	(153,984)
Movement in rent received in advance		(54,156)	(322,493)
Movement in other payables	11	(300,501)	(656,384)
Taxation paid	5	(450,833)	(499,339)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**4,800,758**	**4,163,520**
INVESTING ACTIVITIES			
Property disposals	6	1,333,500	17,100,000
Capitalised expenses	6	(267,531)	(1,340,321)
Adjustment to lease incentives	6	702,325	-
Movement in incentives due to disposal of properties		-	(207,178)
NET CASH INFLOW FROM INVESTING ACTIVITES		**1,768,294**	**15,552,501**
FINANCING ACTIVITIES			
Net loans received	14	-	3,000,000
Interest received		1,734	163,437
Interest paid	4	(1,421,905)	(1,528,753)
Dividends paid		(5,276,462)	(5,276,462)
Amortisation of set up costs	14	39,785	19,511
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(6,656,848)**	**(3,622,267)**
NET CASH (OUTFLOW)/INFLOW FOR THE PERIOD		**(87,796)**	**16,093,754**
CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD		6,029,329	4,371,911
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**13**	**5,941,533**	**20,465,665**

The accompanying notes form an integral part of these Consolidated Financial Statements.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 November 2020 to 30 April 2021

	Note	Share Capital £	Hedging Reserve £	Accumulated Deficit £	Total £
Balance at 1 November 2019		**154,064,292**	**100,101**	**(13,665,802)**	**140,498,591**
Profit for the period		-	-	4,681,772	4,681,772
Total other comprehensive income		-	(165,372)	-	(165,372)
Total comprehensive income for the period		-	**(165,372)**	**4,681,772**	**4,516,400**
Dividend paid		-	-	(5,276,462)	(5,276,462)
Balance at 30 April 2020		**154,064,292**	**(65,271)**	**(14,260,492)**	**139,738,529**
Profit for the period		-	-	7,287,555	7,287,555
Total other comprehensive income		-	(26,051)	-	(26,051)
Total comprehensive income for the year		-	**(26,051)**	**7,287,555**	**7,264,504**
Dividend paid		-	-	(5,276,462)	(5,276,462)
Balance at 31 October 2020		**154,064,292**	**(91,322)**	**(12,249,399)**	**141,723,571**
Profit for the period		-	-	4,572,194	4,572,194
Total other comprehensive income	15	-	91,322	-	91,322
Total comprehensive income for the period		-	**91,322**	**4,572,194**	**4,663,516**
Dividend paid		**-**	**-**	(5,276,462)	(5,276,462)
Balance at 30 April 2021		**154,064,292**	**-**	**(12,953,667)**	**141,110,625**

The accompanying notes form an integral part of these Consolidated Financial Statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the period from 1 November 2020 to 30 April 2021

1 REPORTING ENTITY

Channel Islands Property Fund Limited (the "Company" and together with its subsidiaries the "Group") was incorporated on 25 August 2010 and registered on 26 October 2010 as an Authorised Closed-Ended Investment Scheme in Guernsey pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Authorised Closed-Ended Investment Scheme Rules 2008. The Group's financial statements as at and for the period ended 30 April 2021, (the "Consolidated Financial Statements"), comprise the Company and its subsidiaries as listed in note 19. The Group's principal activity is that of investment in commercial properties in Guernsey, Jersey and the Isle of Man.

2 PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's Consolidated Financial Statements.

Basis of preparation
The Group's Consolidated Financial Statements for the six months to 30 April 2021 have been prepared in accordance with International Accounting Standard 34 - *Interim Financial Reporting* ("IAS 34"), and on a going concern basis. The Consolidated Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 October 2020 (the "Annual Financial Statements") which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and comply with the Companies (Guernsey) Law, 2008.

Accounting policies
The preparation of financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Group's accounting policies. The accounting policies applied are consistent with those of the Annual Financial Statements.

Financial Risk Management
The Group's activities expose it to a variety of financial risks. The main risks arising from the Group's financial instruments are market price risk, liquidity risk, credit risk and interest rate risk, which have not changed since 31 October 2020. These Consolidated Financial Statements do not include all financial risk management information and disclosures required in the Annual Financial Statements and, accordingly, should be read in conjunction with the Group's Annual Financial Statements.

3 SEGMENTAL INFORMATION

The Board is of the opinion that the Group is organised into one main business segment, focusing on achieving long-term total returns through acquisition and holding of commercial property interests and for which information is provided based on IFRS accounting policies. The Group's secondary segment is the geographical segment, based on the location of the investments within Guernsey, Jersey and the Isle of Man. The Directors consider the portfolio to be a single geographic segment and therefore no separate information is provided for each Crown Dependency.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

4 INTEREST EXPENSE

	1 November 2020 to 30 April 2021 £	1 November 2019 to 30 April 2020 £
Interest paid at amortised cost	**1,421,905**	**1,528,753**

The payments to the Royal Bank of Scotland International ("RBSI") (30 April 2020: RBSI) are in relation to the interest charged on the Facility Agreement and Swap Agreement for the year (see note 14 and note 15).

5 TAXATION

The Company is exempt from Income Tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. The Company pays an annual fee to the States of Guernsey Income Tax Office, presently set at £1,200.

Regency Court Property Limited, Glategny Holdings Limited, Esplanade Properties (Guernsey) Limited, Guernsey Property No 4. Limited and 2G Limited are subject to Guernsey income tax on rental income arising after the deduction of allowable debt financing costs and allowable expenses. St Helier Investments Limited, Liberty Wharf 4 Limited and Specular Limited are subject to Jersey income tax on rental income arising after the deduction of allowable debt financing costs and allowable expenses. Fort Anne Holdings Limited, Vicarage House Limited and FN House Limited are subject to Isle of Man income tax on rental income arising after the deduction of allowable debt financing costs and other allowable expenses.

An amount of £450,833 (30 April 2020: £499,339) has been charged to the Unaudited Condensed Consolidated Statement of Comprehensive Income for the period to 30 April 2021. The actual amount of income tax payable for the year will be assessed at 30 September 2021. As at 30 April 2021, tax payable amounted to £624,102 (31 October 2020: £541,176) of which £173,269 (31 October 2020: £541,176) relates to outstanding tax due as at 31 October 2020.

With effect from September 2016, dividends paid by the Company carry an associated tax credit equivalent to the actual rate of tax suffered by the Company, including the subsidiaries in respect of their Guernsey and Jersey rental income. Shareholders should therefore note that the effective rate of tax may be less than 20% and they should report the net dividends received accordingly. Interim dividends paid by the Company will carry estimated tax credits and the actual effective rate will be adjusted on the final dividend annually.

There were no amounts recognised as deferred taxation in the Consolidated Financial Statements at 30 April 2021 (31 October 2020: £nil.)

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

6 INVESTMENT PROPERTIES

The investment portfolio, in line with the investment summary detailed within the Investment Manager's Report, consists of commercial property in the Crown Dependencies.

Lease incentives have previously been granted to the tenants of certain properties, in the form of payments and rent-free periods. The value of these lease incentives is being recognised in the Unaudited Condensed Consolidated Statement of Comprehensive Income over the period of the leases.

The property valuations have incorporated the future cash flows of these leases in arriving at the market value and as such an accounting adjustment, being an adjustment to the value of the investment property, has to be made to take into consideration the lease incentives.

In periods prior to 31 October 2017, the valuations had been prepared using the special assumption that no transaction taxes would be payable on a property disposal (as the entity holding the property will be sold as opposed to the property itself) and purchase costs being 1.5% on a share transfer would be incurred. This special assumption is still used for the calculation of the Company's published quarterly Net Asset Value ("NAV"). The present valuation basis included herein has been amended to factor in such transaction tax estimates.

LEVEL 3 RECONCILIATION	**30 April 2021**	**31 October 2020**
	£	**£**
Fair value at beginning of period	253,008,618	237,741,991
Disposals at previously held fair value	(1,323,685)	(17,892,822)
Additions at cost	-	27,093,998
Capitalised costs	267,531	1,060,635
Unrealised (loss)/gain on revaluation of investment properties	(35,078)	3,046,350
Unrealised (loss)/gain on revaluation of investment property classified as held for sale	(24,500)	578,000
Realised (loss) gain on disposal of investment property	(9,815)	1,380,466
Adjustment to lease incentive not previously recorded	(702,325)	-
Fair value at end of the period	**251,180,746**	**253,008,618**

The carrying value of investment properties reconcile to the Appraised Value as follows:

Appraised Values	258,864,531	259,955,000
Lease incentives held as debtors	(7,683,785)	(6,946,382)
Carrying value at the end of the period	**251,180,746**	**253,008,618**

Included in the Appraised Values above is 1 asset held for sale at 30 April 2021

Investment property classified as held for sale	**420,000**	**1,778,000**

Please refer to the Company Report and Annual Financial Statements for the year ended 31 October 2020, note 3 and note 7 where full details of the changes applied are disclosed.

6 INVESTMENT PROPERTIES (CONTINUED)

All investment properties are valued as at 31 October 2020 by Montagu Evans LLP, London, who is a member of the Royal Institution of Chartered Surveyors. Fees for the valuer are fixed, and agreed on an annual basis. Valuations are reviewed and approved by the Directors. There have been no formal valuations for the properties for the period ended 30 April 2021.

All investment properties are categorised as level 3 in the International Financial Reporting Standard – *Fair Value Measurement* ("IFRS 13") fair value hierarchy. Transfers between levels are deemed to occur at the end of the reporting period. There have been no transfers of properties between levels 1, 2 or 3 during the period (31 October 2020: none).

There are interrelationships between all the unobservable inputs as they are determined by market conditions. The existence of an increase in more than one unobservable input would be to magnify the impact on the valuation. The impact on the valuation may be mitigated by the interrelationship of unobservable inputs moving in the same direction, e.g. an increase in rent may be offset by an increase in rental yield, resulting in no net impact on the valuation.

The entire share capital of the companies listed in note 19 are the subject of a guarantee and indemnity between these parties in favour of RBSI. The property holding subsidiaries detailed in note 19 are also subject to individual bonds in favour of RBSI in respect of the properties held. Further details of the loan are provided in note 14.

During the period, three residential properties held as part of the Glategny Holdings Limited portfolio and classified as held for sale as at 31 October 2020, were sold. The sale of 2 Don Street took place on 29 December 2020, 4 Don Street on 7 January 2021 and 1 Don Street on 27 April 2021.

7 OPERATING LEASES

The below table details the minimum lease receipts of the operating leases of the Group:

	30 April 2021	**31 October 2020**
	£	**£**
Within 1 Year	17,486,144	17,627,933
1 to 5 Years	223,744,997	227,034,993
After 5 Years	76,166,538	130,656,922
Total	**317,397,679**	**375,319,848**

Agreements
There have been no material changes to the terms of any agreements during the period to 30 April 2021. For further details of the agreements in place, please refer to the Annual Financial Statements.

7 OPERATING LEASES (CONTINUED)

Agreements (continued)
All tenants undergo rent reviews every three years. Increases are agreed in line with market rates at the time of the review. As at the period end, a number of reviews remained in progress.

During the period, no one tenant contributed greater than 15% of the rental income of the Group.

8 PROPERTY OPERATING EXPENSES

Tabled below are the amounts of property operating expenses arising from investment properties that generated rental during the period:

Income generating expenses	1 November 2020 to 30 April 2021 £	1 November 2019 to 30 April 2020 £
Agents fees	52,632	83,705

Service charge costs
Certain subsidiaries invoice tenants for service charges quarterly in advance based upon a budgeted amount for each year.

If one of the tenants was to vacate the property at the end of its lease term an amount of these expenses would become the responsibility of the subsidiaries in proportion to the rental income received. No such event took place during the period.

These monies are held in a client account with the Property Manager and are used to settle electricity, water, rates, maintenance, etc. During the period to 30 April 2021 an amount of £2,758,757 (30 April 2020: £2,030,630) had been incurred in relation to these services.

9 BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the Group is based on the profit for the period of £4,572,149 (period to 30 April 2020: £4,681,772) and the weighted average number of Ordinary Shares in issue during the period of 159,892,798 (31 October 2020: 159,892,798).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

10 TRADE AND OTHER RECEIVABLES

Trade and other receivables are made up as follows:

	30 April 2021	31 October 2020
	£	£
Sundry debtors	86,244	77,935
Amounts receivable from tenants	464,542	515,339
Amounts receivable from Property Manager	624	169,753
Prepayments	-	71,318
Amounts receivable from sale of investment property	442,060	-
	993,470	**834,345**

The sale of 1 Don Street took place on 27 April 2021, however the proceeds were received after the period end. The net proceeds of £442,060 were receivable at 30 April 2021.

11 OTHER PAYABLES

Other payables are made up as follows:

	30 April 2021	31 October 2020
	£	£
Administration fees	24,300	31,292
Audit fees	35,252	34,670
Investment Manager fees	423,581	417,973
Directors' fees	10,125	10,125
Other creditors	517,359	828,416
Loan interest payable to RBSI	236,454	120,697
GST / VAT payable	16,588	35,639
Taxation payable	624,102	541,176
Dividend payable	6,210	6,639
Lease surrender settlement	732,155	900,000
	2,626,126	**2,926,627**

12 OTHER OPERATING EXPENSES

Other operating expenses are made up as follows:

	1 November 2020 to 30 April 2021 £	1 November 2019 to 30 April 2020 £
Administration fees	213,744	171,184
Audit fees	42,502	64,769
Directors' fees and expenses	87,250	82,267
Insurance costs	41,917	2,914
Legal and professional fees	85,548	217,345
Regulatory fees	13,449	16,865
Sundry expenses	24,917	8,580
	509,327	**563,924**

13 CASH AND CASH EQUIVALENTS

Included in the cash and cash equivalents of £5,941,533 (31 October 2020: £6,029,329) is £1,014,237 (31 October 2020: £1,012,506) of cash held under the security terms of the loan facility with RBSI (31 October 2020: RBSI). Under the terms of the agreement, RBSI release income into the general accounts of each entity in order to fund the ongoing activities of the underlying subsidiary. Further details of the loan facility are disclosed in note 14.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

14 LOANS AND BORROWINGS

	30 April 2021	31 October 2020
Due after 1 year:	£	£
RBSI:		
Net loan liability at beginning of period	119,625,669	104,584,015
Loan principal drawdown	-	120,000,000
Loan principal repayment	-	(105,000,000)
Revolving credit facility drawdown	-	3,000,000
Revolving credit facility repayment	-	(3,000,000)
Loan set up costs	-	(387,080)
Amortisation of loan set up costs	39,785	428,734
TOTAL NET LOAN LIABILITY DUE AFTER 1 YEAR	**119,665,454**	**119,625,669**
Unamortised RBSI loan set up costs	(334,546)	(374,331)
RBSI Loan principal liability	120,000,000	120,000,000
	119,665,454	**119,625,669**

There is no loan liability due before 1 year.

Security has been provided by the way of a charge over the Group's investment properties under the facility agreement. Interest is charged at the aggregate of the margin and LIBOR and is payable quarterly in arrears.

The loan facility was drawn to assist with financing the purchase of the properties. In accordance with the loan facility agreement the Group has various non-financial and financial covenants that are required to be met. These are reviewed and confirmed to RBSI on a quarterly basis. In addition, the covenants are frequently monitored by the Investment Manager and sensitivity analysis is performed on at least a quarterly basis. The four financial covenants are detailed in the following table.

Covenants	Requirement	30 April 2021	31 October 2020
Loan to Market Value Ratio (including lease incentives)	Must not exceed 55%	43.72%	46.16%
Loan to Market Value Ratio (excluding lease incentives)	Must not exceed 55%	47.77%	47.43%
Projected Interest Cover Ratio	Must be in excess of 225%	648.95%	616.66%
Historic Interest Cover Ratio	Must be in excess of 225%	793.27%	513.60%
Projected Debt to Rent Cover	Must not exceed 900%	660.25%	706.75%

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

15 INTEREST RATE SWAP

An interest rate swap was entered into on 15 July 2016 between the Company and RBSI. The Group hedged the interest rate risk via a £40,000,000 interest rate swap with RBSI, fixed at 0.54% per annum with a margin of 2.12%. This facility was terminated on 28 March 2021.

Interest on the swaps was receivable at a variable rate calculated on the same LIBOR basis as for the bank loan (as detailed in note 14) and payable quarterly.

The fair value of the liability in respect of the interest rate swap contract was based on the marked to market value. The interest rate swaps is classified as level 2 under the hierarchy of fair value measurements required by IFRS 13.

Derivatives primarily held for risk management purposes

	Assets / (Liabilities)	Notional Amount
	£	£
RBSI:		
Net swap asset at beginning of year	100,101	40,000,000
Movement during the year	(191,423)	-
As at 31 October 2020	**(91,322)**	**40,000,000**
Net swap asset at beginning of period	(91,322)	40,000,000
Movement during the period	91,322	(40,000,000)
As at 30 April 2021	**-**	**-**
TOTAL SWAP POSITION AT 30 APRIL 2021	**-**	**-**

The movement in the hedging reserves was as follows:

	1 November 2020 to 30 April 2021	1 November 2019 to 30 April 2020
	£	£
Balance at start of period	(91,322)	100,101
Movement during the period	91,322	(165,372)
Balance at end of period	**-**	**(65,271)**

Movements relating to the interest rate swap arrangements accounted for as a cash flow hedge are recognised in this reserve.

16 SHARE CAPITAL AND RESERVES

Authorised
The Company has an unlimited number of Ordinary shares of no par value.

Issued and Fully Paid

	No. of Shares	£
Ordinary Shares		
Balance as at 1 November 2019	**159,892,798**	**154,064,292**
Issued during the year	-	-
Issue costs	-	-
Balance as at 31 October 2020	**159,892,798**	**154,064,292**
Issued during the period	-	-
Issue costs	-	-
Balance as at 30 April 2021	**159,892,798**	**154,064,292**

The Company has an unlimited number of Ordinary Shares of no par value. The rights attaching to the Ordinary Shares are as follows:-

- As to income — the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions attributable to the Ordinary Shares and available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income or right to participate therein.
- As to capital — the holders of Ordinary Shares shall be entitled on a winding up, to participate in the distribution of capital.
- As to voting — the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company.

17 MATERIAL AGREEMENTS

Expenses incurred in relation to the Investment Manager are shown as Management Expenses within the Condensed Statement of Comprehensive Income, whereas the expenses in relation to the Property Manager are shown as Other Operating Expenses. Please refer to Note 12 for a breakdown of these.

Fees Payable to the Administrator
The Administrator of the Company is Aztec Financial Services (Guernsey) Limited ("Aztec"). Aztec, Peregrine Corporate Services Limited and Parish Group Limited provide administration services to certain subsidiaries. These companies are collectively known as the "Administrators". Total fees charged by the Administrators during the period were £213,744 (period ended 30 April 2020: £171,184), of which £24,300 remained payable as at 30 April 2021 (31 October 2020: £31,292).

The Administrators have the right to be reimbursed from the Company for any reasonable out of pocket expenses incurred in carrying out their responsibilities.

17 MATERIAL AGREEMENTS (CONTINUED)

Fees Payable to the Property Asset Manager

The Property Asset Manager is entitled to receive a fee for each property it manages. Where this property is multi-let, the full amount of the fee is recoverable via the service charge. Should any tenant from a multi-let property vacate their lease, the Group would be responsible for their share of the management fee. Total property management fees during the period ended 30 April 2021 were £34,776 (period ended 30 April 2020: £12,526), of which £nil remained payable at 30 April 2021 (31 October 2020: £1,715).

Fees payable to the Investment Manager

Management fee

Pursuant to the Investment Management Agreement, the Company pays the Investment Manager an annual fee equal to 0.6% per annum of the Gross Asset Value of the Company (which shall include assets that were purchased with leverage) calculated by reference to the Gross Asset Value at the end of each quarter and payable quarterly in arrears. To the extent that there is a capital raising during a quarter, an adjustment shall be made to Gross Asset Value on a time apportioned basis.

Where the completion date of the acquisition of an investment is made part way through a quarter, the portion of the fee paid relating to that investment shall be apportioned pro rata in accordance with the period from the completion date to the end of that quarter.

Fees charged by the Investment Manager during the period were £822,745 (30 April 2020: £950,557) of which £403,728 remains unpaid as at 30 April 2021 (31 October 2020: £417,973).

Acquisition fee

Pursuant to the Investment Management Agreement the Company pays the Investment Manager an acquisition fee which will not exceed 1.5 per cent of the purchase price of each Investment upon completion of such purchase. No acquisition fees were incurred for the period ended 30 April 2021 (30 April 2020: £nil).

Disposal fee

Pursuant to the Investment Management Agreement the Company pays the Investment Manager a disposal fee of 1.5 per cent of the sale price of the property sold. During the period, the Company sold three residential properties which were part of the Glategny Holdings Limited portfolio and incurred fees of £19,853 (30 April 2020: £nil), of which all remains outstanding at the period end.

Other fees

During the period, the Company paid fees of £5,000 to Ravenscroft Limited during the period ended 30 April 2021 (30 April 2020: £5,000), in relation to market making (management of the Huntress (CI) Nominees Limited account).

No fees were paid to Ravenscroft Capital Limited during the period (30 April 2020: £5,500).

17 MATERIAL AGREEMENTS (CONTINUED)

Fees payable to the Project Manager
During the period, the Company paid fees of £2,500 (30 April 2020: £nil) to Ravenscroft Project Management Limited in relation to due diligence.

18 RELATED PARTY TRANSACTIONS

The following transactions have been entered into with parties deemed to be related to the Company. The terms of these transactions are disclosed below and are equivalent to those that would prevail in an arm's length transaction.

Directors
Shelagh Mason received a fee of £27,500 (30 April 2020: £27,500) for the period and is due to receive £55,000 per annum (31 October 2020: £55,000 per annum). She is also due to receive additional fees on a time spent basis of which £nil (30 April 2020: £3,188) was charged for the period ended 30 April 2021.

Steve Le Page received a fee of £20,250 (30 April 2020: £20,250) for the period, of which £10,125 remained outstanding at the period end (31 October 2020: £10,125). He is due to receive £40,500 per annum (31 October 2020: £40,500 per annum).

Paul Le Marquand received a fee of £17,250 (30 April 2020: £17,250), and is due to receive £34,500 per annum (31 October 2020: £34,500 per annum).

Paul Turner received a fee of £17,250 (30 April 2020: £17,250), and is due to receive £34,500 per annum (31 October 2020: £34,500 per annum).

Directors' fees are subject to annual review by the Board of Directors.

Mrs. Shelagh Mason holds 100,000 shares (31 October 2020: 63,500) in the Company.

Mr. Steve le Page holds 100,000 shares indirectly (31 October 2020: 100,000) in the Company.

Mr. Jon Ravenscroft holds 500,000 shares (31 October 2020: 500,000) in the Company indirectly and is a director of the Investment Manager.

Mr. Brian O'Mahoney holds 100,000 shares (31 October 2020: 100,000) in the Company and is a director of the Investment Manager.

Mr. Stephen Lansdown holds 15,000,000 shares (31 October 2020: 15,000,000) in the Company and is a non-executive director of the Investment Manager.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

18 RELATED PARTY TRANSACTIONS (CONTINUED)

Mr. Dominic Jones holds 5,000 shares (31 October 2020: 5,000) in the Company and is the non-executive Chairman of the Investment Manager.

19 INVESTMENT IN SUBSIDIARIES

Subsidiary	Date of incorporation/ acquisition	Domicile
CIPF Holdings (Guernsey) Limited	**19 March 2015**	**Guernsey**
- Regency Court Property Limited	30 November 2010	Guernsey
- Glategny Holdings Limited	8 August 2014	Guernsey
- Guernsey Property No.4 Limited	1 July 2016	Guernsey
- Jubilee Management Limited	2 January 2019	Guernsey
- Esplanade Holdings Limited (in liquidation)	12 October 2017	Guernsey
- Esplanade Properties (Guernsey) Limited	12 October 2017	Guernsey
- Jubilee Management Limited	2 January 2019	Guernsey
- 2G Limited	30 July 2020	Guernsey
CIPF Holdings Jersey Limited	**7 January 2016**	**Guernsey**
- St Helier Investments Limited	19 July 2013	Jersey
- Liberty Wharf 4 Limited	16 September 2016	Jersey
- Specular Limited	4 September 2020	Jersey
CIPF Holdings (IOM) Limited	**17 May 2017**	**Isle of Man**
- Vicarage House Limited	15 December 2015	Isle of Man
- Fort Anne Holdings Limited	1 July 2016	Isle of Man
- FN House Limited	18 May 2017	Isle of Man

All companies listed above are 100% owned and were originally setup to acquire properties, with the exception of Jubilee Management Limited. Guernsey Property No 4 Limited and Esplanade Properties (Guernsey) Limited own 34.67% and 20.79% of the shares of Jubilee Management Limited respectively.

The Group owns, indirectly through two subsidiaries, a total of 55% of the Ordinary Class A shares in Jubilee Management Limited. On 18 August 2020, the “golden” share owned by the Property Manager was executed and the Company took control of the entity. The results of Jubilee Management Limited are consolidated into these financial statements from the date control was obtained.

There were no property acquisitions (30 April 2020: none). During the period, three residential properties, held as part of the Glategny Holdings Limited portfolio, were sold with total cash proceeds of £1,333,500.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
For the period from 1 November 2020 to 30 April 2021

20 NET ASSET VALUE PER SHARE

The below table reconciles the difference between the published NAV as at 30 April 2021 and the NAV calculated as part of these condensed consolidated interim financial statements. The variances detailed have resulted from disparities between the valuation assumptions used for the purposes of the published NAV and those required under IFRS. The Directors do not believe that they will incur Document Duty on the disposal of the SPVs which hold the individual properties.

There are also sometimes variances in the accruals recorded between the valuation and the Consolidated Financial Statements. These tend to arise as a result of the differing time frames between the preparation of each report. Should additional information become available after the publication of the quarterly valuation, these changes would be reflected in the condensed consolidated interim financial statements but not the published valuation at the appropriate date.

Variances could also arise due to classification of line items for NAV purposes and for financial reporting purposes.

	30 April 2021	**31 October 2020**
	£	**£**
Net asset value attributable to Ordinary Shares per consolidated financial statements	**141,110,625**	**141,723,571**
Adjustments:		
Adjustments to tax payable	-	(621,069)
Adjustments to fair value of investment property	11,150,000	11,150,000
Adjustments to capital expenditure	-	-
Adjustments to other current assets and liabilities	19,852	(393,480)
Published net assets value per RNS	**152,280,477**	**151,859,022**
Shares in issue	159,892,798	159,892,798
Published Net Asset Value per Share	0.952	0.950
IFRS Net Asset Value per share	0.883	0.886

21 EVENTS AFTER THE REPORTING DATE

On 4 May 2021, the Company sold 3 Don Street, the final residential property held as part of the Glategny Holdings Limited portfolio, for £420,000.

On 4 June 2021, an interim dividend of £2,638,231 (£0.0165 per share) was declared and was paid on 30 June 2021.

On 5 July 2021, Paul Turner purchased 20,000 shares in the Company.