

# M&G Property Portfolio

**Interim report and unaudited financial statements  
for the six months ended 31 March 2025**

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# Authorised Corporate Director's Report

The Authorised Corporate Director (ACD) of M&G Property Portfolio presents its interim report and unaudited financial statements for the six months ended 31 March 2025.

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

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

## Company information

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

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

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

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

## Fund manager

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

## ACD

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

## Directors of the ACD

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

\* Appointed 13 January 2025.

\*\* Appointed 12 March 2025.

\*\*\* Resigned 13 January 2025.

## Investment manager

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

## Registrar

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

## Depositary

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

## Independent auditor

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

## Property manager

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

# Authorised Corporate Director's Report

## Standing independent valuer

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

## Annual value assessment

An annual assessment report is available which shows the value provided to investors in each of M&G's UK-based funds. The assessment report evaluates whether M&G's charges are justified in the context of the overall service delivered to its investors. The latest report to 31 March 2024 can be found on our website at [mandg.com/investments/valueassessment](https://mandg.com/investments/valueassessment)

## Climate-related Financial Disclosures (TCFD)

The fund was closed in December 2023, and is in the process of liquidating its assets and winding up. As a result, TCFD report is not required per ESG 2.3.4.

## Important information

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

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

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

From January 2025 the operating charge figure will not include the underlying charges for closed-ended-funds, such as investment trusts and real estate investment trusts. There is no change to what you are currently being charged, this is a presentational change to align with the latest industry guidance issued by the Investment Association.

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

## Investor information

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

## Customer services and administration for UK clients:

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

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

Telephone: 0800 390 390 (UK only)

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

# Authorised Corporate Director's Report

## Authorised Corporate Director's Responsibilities

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

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

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

## Directors' statement

This report has been prepared in accordance with the requirements of the Collective Investment Schemes sourcebook, as issued and amended by the FCA, except the non-compliance in relation to the COLL 7.3.6 R (2) (b) & (c) for capital repayments made prior to 9 April 2025 at which point the FCA granted a rule modification expiring March 2026.

M&G Securities Limited  
22 May 2025

# Financial statements and notes

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

## Notes to the financial statements

### Accounting policies

The interim financial statements have been prepared on the same basis as the audited financial statements for the year ended 30 September 2024. They are prepared under the historical cost convention as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice (SORP) for Authorised Funds issued by the Investment Association in May 2014 and amended in June 2017.

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

# Authorised Corporate Director's Report

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

## Investment objective

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

## Investment policy

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

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

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

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

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

## Investment approach

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

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

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

## Benchmark

IA UK Direct Property sector

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

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

## Risk profile

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

## Investment review

For the six months ended 31 March 2025

### Important Information

On 19 October 2023, M&G announced the suspension of dealing in the M&G Property Portfolio (the fund) and the feeder fund, the M&G Feeder of Property Portfolio.

# Authorised Corporate Director's Report

Following the approval from the Financial Conduct Authority (FCA), the wind up of the fund and the feeder fund began on 29 December 2023.

In recent years, open-ended property funds have seen a decline in popularity among investors, leading to significant redemptions. Consequently, both the fund and the feeder fund have contracted in size. We anticipated that these withdrawals were likely to persist, with the potential for an acceleration in the future. As the fund's size diminished, it would have become necessary to sell properties to meet ongoing redemption requests. Such actions would have incurred transaction costs with the potential of achieving unfavourable pricing, ultimately this would have had an adverse effect on the fund's overall performance.

Given the expectation of a continued reduction in fund size resulting from redemptions, and after thorough consideration of alternative strategies, it was concluded that the most appropriate course of action would be to wind up both the fund and feeder fund. This decision was taken to facilitate an orderly disposal of the fund's assets in the best interests of all investors.

With effect from the commencement of the fund's closure, the requirement to meet the Investment objective and policy of the fund and the return to the comparator benchmarks fell away.

## Investment activities

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

During the review period, the fund sold six properties valued at £62 million. We completed on two industrial estate sales in November 2024 located in Dartford and Leatherhead. In December, we completed on the sale of an industrial unit in Bedford. In January 2025 we completed on the sale of a leisure sector property in Harrogate and there were two sales in March, an industrial unit in Aberdeen and an office property in Bristol.

As at 10 April 2025 (the latest date for which data is available at the time of writing), two further properties have been sold in April and a further three properties are under offer.

Since the announcement to close the fund, until the end of March 2025, the fund has sold 14 properties valued at a total of £155 million and shares in Real Estate Investment Trusts for £38 million.

So far, we have returned £247 million to customers in capital repayments.

On 9 April 2025, a fifth capital repayment of £44 million was approved, which represented approximately 21% of the value of customer holdings, as of 7 April 2025.

## Fund performance

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

## Michael Wood

Fund manager

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

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



# Portfolio statement

## Investments

Location	as at 31.03.25 £'000	as at 31.03.25 %	as at 30.09.24 %
<b>Retail properties</b>	<b>0</b>	<b>0.00</b>	<b>1.31</b>
<b>Values between £0 million and £10 million</b>	<b>0</b>	<b>0.00</b>	<b>1.31</b>
<b>Office properties</b>	<b>36,136</b>	<b>17.49</b>	<b>32.88</b>
<b>Values between £20 million and £30 million</b>	<b>0</b>	<b>0.00</b>	<b>18.71</b>
<b>Values between £10 million and £20 million</b>	<b>27,186</b>	<b>13.16</b>	<b>10.77</b>
London, E14 8 Greenwich View Place			
Aberdeen The Capitol, 431 Union Street			
<b>Values between £0 million and £10 million</b>	<b>8,950</b>	<b>4.33</b>	<b>3.40</b>
Aberdeen City View, Craigshaw Drive			
London, N1 Units 1-4 The Yard, 122 East Road			
<b>Industrial properties</b>	<b>16,000</b>	<b>7.75</b>	<b>19.47</b>
<b>Values between £10 million and £20 million</b>	<b>16,000</b>	<b>7.75</b>	<b>15.79</b>
Aberdeen Sites A1-A25, Altens Industrial Estate			
<b>Values between £0 million and £10 million</b>	<b>0</b>	<b>0.00</b>	<b>3.68</b>
<b>Leisure properties</b>	<b>52,626</b>	<b>25.48</b>	<b>19.80</b>
<b>Values between £20 million and £30 million</b>	<b>23,781</b>	<b>11.51</b>	<b>8.68</b>
Rochester Medway Valley Leisure Park			
<b>Values between £10 million and £20 million</b>	<b>10,796</b>	<b>5.23</b>	<b>7.65</b>
Telford Southwater Square			
<b>Values between £0 million and £10 million</b>	<b>18,049</b>	<b>8.74</b>	<b>3.47</b>
Salisbury Premier Inn & McDonald's			
Swansea Premier Inn Hotel, The Waterfront Development			
<b>Other properties</b>	<b>20,000</b>	<b>9.68</b>	<b>7.31</b>
<b>Values between £10 million and £20 million</b>	<b>20,000</b>	<b>9.68</b>	<b>7.31</b>
Birmingham Selly Oak Student Quarter			
<b>Total direct properties before estimated disposal costs<sup>a</sup></b>	<b>124,762</b>	<b>60.40</b>	<b>80.77</b>
Estimated disposal costs <sup>b</sup>	(2,112)	(1.02)	(1.35)
<b>Total direct properties after estimated disposal costs</b>	<b>122,650</b>	<b>59.38</b>	<b>79.42</b>

# Portfolio statement

## Investments (continued)

Location		as at 31.03.25 £'000	as at 31.03.25 %	as at 30.09.24 %
Holding	Real estate investment trusts	1,292	0.62	0.47
9,100,000	Home <sup>c</sup>	1,292	0.62	
Total portfolio		123,942	60.00	79.89
Net other assets/(liabilities)		82,623	40.00	20.11
Net assets attributable to shareholders		206,565	100.00	100.00

<sup>a</sup> The fair value of investment property is shown net of a lease incentive balance of £3,688,000 (2024: £4,489,000) which has been deducted from the valuation.

<sup>b</sup> The estimated disposal costs include, but are not limited to, agents fees, legal fees and survey fees.

<sup>c</sup> Suspended/delisted.

# Portfolio statement

## Portfolio transactions for the six months to 31 March 2025

for the six months to 31 March	2025 £'000	2024 £'000
Total purchases	0	0
Total sales	87,982	63,662

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

# Financial highlights

## Fund performance

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

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

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

## Long-term performance by share class

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

Share class	Six months % <sup>a</sup>	Three years % pa	Five years % pa	Ten years % pa
<b>Sterling</b>				
Class 'A' Income	-8.1	-11.5	-6.7	-3.6
Class 'A' Accumulation	-8.1	-11.5	-6.7	-3.6
Class 'D' Income	-8.0	-11.1	-6.3	-3.1
Class 'D' Accumulation	-8.0	-11.2	-6.3	-3.1
Class 'F' Income	-7.9	-10.8	-5.9	-2.8
Class 'I' Income	-8.0	-11.3	-6.5	-3.2
Class 'I' Accumulation	-8.1	-11.3	-6.5	-3.2
Class 'R' Income	-8.1	-11.4	-6.6	-3.4
Class 'R' Accumulation	-8.1	-11.5	-6.6	-3.4
<b>Benchmark</b>	<b>-1.0</b>	<b>-3.6</b>	<b>-0.6</b>	<b>+0.7</b>

<sup>a</sup> Not annualised.

## Capital repayments

A first capital repayment was made on various dates in February 2024, depending on what investors have opted to do with their holding. This represented £91 million, approximately 17% of the value of holdings calculated as of 2 February 2024.

A second capital repayment to customers was announced on 2 May 2024. In May, we returned £50 million, representing approximately 12.5% of customer holdings as of 1 May 2024.

A third capital repayment to customers was announced on 6 September 2024. In September, we returned £46 million, representing approximately 13.5% of customer holdings as of 4 September 2024.

A fourth capital repayment to customers was announced on 5 December 2024. In December, we returned £60 million, representing approximately 21% of customer holdings as of 2 December 2024.

A fifth capital repayment to customers was announced on 9 April 2025. In April, we returned £44 million, representing approximately 21% of customer holdings as of 7 April 2025.

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

## Comparative tables

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

# Financial highlights

## Sterling Class 'A' Income shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	6,170	8,218	16,838
Number of shares	10,896,031	13,813,427	22,233,261
Closing NAV per share (UK p)	56.63	59.49	75.73
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.57	0.85	1.41

## Sterling Class 'D' Income shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	452	601	1,225
Number of shares	76,349	96,792	155,774
Closing NAV per share (UK p)	591.41	620.52	786.52
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.27	0.43	0.76

## Sterling Class 'F' Income shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	165,573	219,965	455,370
Number of shares	270,142,639	342,472,920	561,582,018
Closing NAV per share (UK p)	61.29	64.23	81.09
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.00	0.05	0.15

## Sterling Class 'I' Income shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	2,959	3,938	17,967
Number of shares	506,807	642,504	2,309,049
Closing NAV per share (UK p)	583.87	612.90	778.13
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.39	0.59	1.01

## Sterling Class 'A' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	6,832	8,870	17,331
Number of shares	7,778,108	9,860,685	15,981,211
Closing NAV per share (UK p)	87.84	89.95	108.44
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.57	0.85	1.41

## Sterling Class 'D' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	31	41	79
Number of shares	3,317	4,205	6,781
Closing NAV per share (UK p)	944.20	965.82	1,160.19
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.27	0.43	0.76

## Sterling Class 'I' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	23,779	30,848	60,103
Number of shares	2,561,748	3,247,652	5,259,983
Closing NAV per share (UK p)	928.22	949.86	1,142.65
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.39	0.59	1.01

# Financial highlights

## Sterling Class 'R' Income shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	246	328	675
Number of shares	428,540	543,281	878,276
Closing NAV per share (UK p)	57.52	60.41	76.82
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.50	0.75	1.26

## Sterling Class 'R' Accumulation shares

The share class was launched on 18 January 2013.

	31.03.25	30.09.24	30.09.23
Closing NAV (£'000)	523	678	1,346
Number of shares	575,764	729,924	1,202,577
Closing NAV per share (UK p)	90.79	92.94	111.95
Property expenses (%)	2.13	1.64	1.71
Other operating charges (%)	0.50	0.75	1.26

# Financial statements and notes

## Financial statements

### Statement of total return

for the six months to 31 March	2025		2024	
	£'000	£'000	£'000	£'000
<b>Income</b>				
Net capital gains/(losses)		(7,679)		(64,370)
Revenue	12,038		19,453	
Expenses	(4,550)		(4,211)	
Interest payable and similar charges	0		(198)	
Net revenue/(expense) before taxation	7,488		15,044	
Taxation	0		0	
Net revenue/(expense) after taxation		7,488		15,044
<b>Total return before distributions</b>		<b>(191)</b>		<b>(49,326)</b>
Distributions		(7,519)		(15,133)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,710)</b>		<b>(64,459)</b>

### Statement of change in net assets attributable to shareholders

for the six months to 31 March	2025		2024	
	£'000	£'000	£'000	£'000
<b>Opening net assets attributable to shareholders</b>		<b>273,487</b>		<b>570,934</b>
Amounts received on issue of shares	0		252	
Amounts paid on cancellation of shares	0		(20,311)	
Capital repayments	(60,002)		(91,329)	
		(60,002)		(111,388)
Dilution adjustments		0		830
Change in net assets attributable to shareholders from investment activities (see above)		(7,710)		(64,459)
Retained distributions on Accumulation shares		789		1,604
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>206,565</b>		<b>397,522</b>

The opening net assets attributable to shareholders for 2025 differs to the closing position in 2024 by the change in net assets attributable to shareholders for the second half of the comparative financial year.

# Financial statements and notes

## Financial statements

### Balance sheet

as at	31 March 2025 £'000	30 September 2024 £'000
<b>Assets</b>		
<b>Current assets</b>		
Tangible assets		
Land and buildings	122,650	217,202
Investments	1,292	1,292
Debtors	36,459	11,930
Cash and bank balances	11,268	13,987
Cash equivalents	43,867	44,697
<b>Total assets</b>	<b>215,536</b>	<b>289,108</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distribution payable	(3,376)	(4,991)
Other creditors	(5,595)	(10,630)
<b>Total liabilities</b>	<b>(8,971)</b>	<b>(15,621)</b>
<b>Net assets attributable to shareholders</b>	<b>206,565</b>	<b>273,487</b>



# Financial statements and notes

## Financial statements

### Cashflow statement

for the six months to 31 March	2025		2024	
	£'000	£'000	£'000	£'000
<b>Operating activities</b>				
Net revenue/(expense) before taxation	7,488		15,044	
Adjustments for:				
Interest payable and similar charges	0		198	
Movement in property debtors	(24,537)		(29,781)	
Movement in non-property debtors	9		65	
Movement in property creditors	(5,004)		(5,104)	
Movement in non-property creditors	(31)		(44)	
Net cash outflow from operating activities		(22,075)		(19,622)
<b>Investing activities</b>				
Capital expenditure	(219)		(1,612)	
Investment sales	0		2,650	
Tangible assets: disposals	87,091		57,204	
Net cash from investing activities		86,872		58,242
<b>Financing activities</b>				
Amounts received on issue of shares	0		284	
Amounts paid on cancellation of shares	(750)		(22,379)	
Capital repayments	(60,002)		(91,329)	
Dilution adjustments	0		830	
Distributions paid	(6,116)		(9,685)	
Interest paid	0		(1)	
Taxation	(1,479)		(1,942)	
Unclaimed distributions received	1		1	
Net cash used in financing activities		(68,346)		(124,221)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(3,549)</b>		<b>(85,601)</b>
Cash and cash equivalents at the beginning of the period		58,684		120,040
Net increase/(decrease) in cash for the period		(3,549)		(85,601)
<b>Cash and cash equivalents at end of the period</b>		<b>55,135</b>		<b>34,439</b>

# Financial statements and notes

## Notes to the financial statements

### Accounting policies

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

### Distribution policy

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

