

WORSLEY INVESTORS LIMITED
(formerly AXA Property Trust Limited)

Half Year Report and Condensed Unaudited Consolidated Financial Statements
for the six months ended
31 December 2019

WORSLEY INVESTORS LIMITED
(formerly AXA Property Trust Limited)

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WORSLEY INVESTORS LIMITED

(formerly AXA Property Trust Limited)

Performance Summary

	31 December 2019	30 June 2019	% change
Net Asset Value (“NAV”) per share	43.69p*#	46.14p	(5.31)%
Share price ¹	31.47p	31.85p	(1.19)%
Share price discount to NAV	28.0%	31.2%	n.a.

* Refer to Note 15 for reconciliation to previous NAV announcement.

Adjusted NAV for impact of recent capital raise: 37.64p.

Total return	Six months ended 31 December 2019	Year ended 30 June 2019
NAV Total Return ²	(5.31)%	2.42%
Share price Total Return		
- Worsley Investors Limited	(1.19)%	(19.57)%
- FTSE All Share Index	5.48%	0.57%
- FTSE Real Estate Investment Trust Index	19.24%	(5.2)%

Worsley Associates LLP was appointed on 31 May 2019 as Investment Advisor (the “Investment Advisor”) to Worsley Investors Limited (the “Company”). At an EGM held on 28 June 2019, an ordinary resolution was passed to adopt the new Investment Objective and Policy. Prior to that time, the Company had been in managed wind-down. The new Investment Objective and Policy are set out on page 19 and 20.

Past performance is not a guide to future performance.

¹ Mid-market share price (source: Shore Capital and Corporate Limited).

² On a *pro forma* basis, which includes adjustments to add back any prior NAV reductions from share redemptions.

Source: Worsley Associates LLP and Shore Capital and Corporate Limited.

Foreign exchange rates:

Date	GBP/EUR
31 December 2019	1.1825
30 June 2019	1.1166

WORSLEY INVESTORS LIMITED

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Chairman's Statement

The six months to 31 December 2019 saw substantial progress towards re-launching the Company as an influential investor in smaller British quoted companies. Readers will recall that just before the start of the period, on 28 June 2019, shareholders overwhelmingly supported our proposals to change the investment objective and policy of the Company. Rather curiously, although a substantial majority voted also to change the name of the Company, it was insufficient to meet the threshold required in law to change the Company's name by special resolution and so we laboured on for most of the period with the former name. This anomaly was finally corrected at the AGM held on 11 December 2019 and so the Company is now, "Worsley Investors Limited".

Results

The Company's performance is summarised on page 2 of this half-year report. In brief, the NAV total return for the period was a £507,000 diminution, of which by far the largest contribution was owing to foreign exchange translation, given that the GBP/EUR exchange rate moved from 1.1166 to 1.1825 and our principal asset, the Curno cinema, is denominated in Euros and accounted for some 89% of NAV as at 31 December 2019. Excluding exchange rate movements, the Group essentially broke even over the half year. This is broadly in line with the Board's expectations given where we are in the development of the Company.

The effect of changes to the Company's service providers and the simplification of the group structure reduced our cost base progressively through the half year, although this was partly masked in these financial statements by one-off costs related to the name change and transaction costs for the recent capital raise, which was consummated after the period end. Given these factors are now behind us, we expect the Company to be profitable going forwards. The Company's financial strength was then augmented by a net £3.63million injection of additional cash via the equity raise after the period end. This is discussed further later in this statement.

The adverse foreign exchange translation during the reporting period has reversed subsequently, and moved further in the Company's favour given that the GBP/EUR exchange rate has moved from 1.1825 at the end of December to 1.0759 as at 24 March 2020, being the latest practicable date prior to writing this report. The local currency valuation of the property may well change as at the end of the current quarter, but on a *pro forma* basis, this exchange rate movement would add £882,000 to the sterling value of the company or 2.61p per share, taking into account the increase in the number of shares in issue during the current quarter.

Curno

Our largest exposure remains our legacy asset from the former investment strategy, being the UCI cinema in Curno in northern Italy. Further details are given in the Investment Advisor's report on pages 5 to 7. Trading during the period and into January and February was much improved on prior periods and we felt that it was likely to generate a useful additional amount of volume-related rental in the remainder of the year and thereby demonstrate the value potential inherent in the asset. Be that as it may, as a result of the coronavirus outbreak in Italy, the Italian government closed cinemas (and many other types of venue) on 3 March 2020. As at the time of writing, this closure remains in place and it is not at all clear when it will be lifted. Our disposal of this asset is therefore currently on hold until the situation is clarified. The base rental on the property is fixed and benefits from a substantial parental guarantee, as described in the Investment Advisor's report.

Capital Raise

The Investment Advisor during the period continued discussions with existing and prospective shareholders with a view to expanding the Company's equity capital base. The procedural aspects took longer than anticipated with the consequence that the formal announcement was not made until after the year end, the prospectus publication on 10 February 2020, and the completion of an open offer and a placement (the "Initial Issue") (together the "Capital Raise") was on 17 March 2020. The open offer was made pre-emptively to all shareholders on the register at the time of announcement, with those shares not taken up by qualifying shareholders then being offered to other investors under the Initial Issue. The new shares were issued at 30 pence per share, a discount to the 31 December NAV of 43.69p per share. Those shareholders who chose not to take up their entitlement will have been marginally diluted as a consequence, but they will also benefit from the reduction in corporate running costs per share and from the ability of the Company to proceed with the new investment objective and policy. Our capital raise took place against a difficult and worsening market background and in that light, to issue 12,982,488 new ordinary shares raising gross proceeds of £3.9 million (£3.63 million net of expenses) is a creditable result. On behalf of the Board, I would like to thank all shareholders who subscribed.

By the end of December 2019, from the limited funds available for investment, the Investment Advisor had made two initial "preliminary" investments and in the short time since the Capital Raise, a further two such holdings have been added. While the results so far are modestly profitable, the more important point is that implementation of the new investment policy and objective has been initiated.

WORSLEY INVESTORS LIMITED

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Chairman's Statement (continued)

Future prospects

The dominant market theme for the moment is the economic impact of the world-wide coronavirus pandemic. Quite rightly, from a public policy and humanitarian perspective, governments have focused on containing or at least slowing the spread of the disease in the hope of ensuring that the peak infection can be brought within the capacity of their health services to cope. Decisive action by China, where the virus appears to have first emerged, has borne fruit albeit after five months or so. Whether or not more liberal countries with greater regard for individual freedoms will be as effective so quickly remains to be seen. What is clear is that, in closing down large swathes of the economy, there will be significant economic damage and recession in most countries this year at least.

Some sectors are more obviously exposed than others – air transport, hotels and eateries are obvious candidates -- and we have already seen failures by some of the weaker participants. Notwithstanding pledges of U.K. government support, there will no doubt be others. In constructing business plans and funding structures, very few businesses will have contemplated scenarios where their turnover would fall to zero in the space of weeks and then stay there for an indeterminate number of months.

The unsurprising effect has been enormous turmoil in equity markets with a wide dispersion in share price performances, most pertinently in those in Britain where we plan to invest further. It is usually the outcome that smaller companies' share prices are hit at least as badly as larger companies (and often more) and they take longer to recover as and when confidence returns to the market. The other side of that coin is that exaggerated price movements in the market create a rich pool of opportunities for a skilled and experienced investor such as Worsley Associates LLP, and Mr. Nixon in particular. Having the cash to deploy in such circumstances is an exciting combination.

Taking into account the net cash raised and exchange movements since period end, the Company's Net Asset Value on a *pro forma* basis is now approximately £13.6 million, or 40.2 pence per share. As the Company executes on its portfolio strategy and in due course disposes of the Curno asset, the Board hopes that the combination of organic returns and increasing size will make the Company attractive to a growing universe of potential investors and consequently, as circumstances permit, we shall look to raise additional capital, the effects of which will include spreading the operational costs of the company over a larger asset base and increasing the size and number of potential investees where the Company can bring influence to bear to improve shareholder outcomes.

W. Scott
Chairman
25 March 2020

WORSLEY INVESTORS LIMITED

(formerly AXA Property Trust Limited)

Investment Advisor's Report

Investment Advisor

The Investment Advisor is regulated by the FCA and is authorised to provide investment management and advisory services.

During the period, the Investment Advisor's focus has been the extensive preparatory work involved around the capital raising launched in February 2020 and continuing to address remaining legacy issues.

Curno Cinema Complex

The Group's Italian multiplex cinema complex, located in Curno, on the outskirts of Bergamo, is let in its entirety to UCI Italia S.p.A. ("UCI").

The key rental terms of the lease are as follows:

Base Rent

Calendar 2020 – €830,000

Thereafter to be indexed to 100% of the Italian ISTAT Consumer Index on an upwards-only basis.

Variable Rent

There will be an incremental rent of €1.50 per ticket sold above a minimum threshold of 350,000 tickets per year up to 450,000 tickets per year, rising in 50,000 ticket stages above this level up to €2.50 per extra ticket.

Tenant Guarantee

The lease benefits from a rental guarantee of €13m, reducing over 15 years to €4.5m, given by a U.K. domiciled European holding company for the UCI group, United Cinemas International Acquisitions Limited, which as at 31 December 2018 had shareholders' funds of £291.3m.

Trading

Paid ticket sales (i.e. excluding complimentary) for calendar 2019 came in at 353,503, which is estimated to be up some 14% on calendar 2018, and with the final quarter being particularly strong.

The ticket overage produced supplementary rent for 2019 of €5,255.

Calendar 2020 started well, with January sales up on 2019, following the release on 1 January of an Italian blockbuster movie, *Tolo Tolo*.

Valuation

As at 31 December 2019, the Group's independent asset valuer, Knight Frank LLP, fair valued the Curno cinema at €9.9 million (£8.388 million), and this has been adopted in these accounts.

In executing a new 15 year lease, UCI has made a substantial commitment to the Bergamo cinema market. Given the excellent cash flow generated by the asset, and the clear evidence of a major turnaround in underlying trading, it remains the board's view that it ought to be possible to realise a sum in excess of its current carrying value.

In November CBRE commenced updating interested investors in respect of the cinema's significantly improved trading profile. The outbreak of coronavirus in Italy has inevitably led to a pause in these discussions.

The Group will retain the Curno cinema until a disposal can be effected at a price which the board believes properly reflects its medium term prospects.

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Investment Advisor's Report (continued)

Investment Strategy

The Investment Advisor's strategy allies the taking of holdings in British quoted securities priced at a deep discount to their intrinsic value, as determined by a comprehensive and robust research process. Most of these companies will have smaller to mid-sized equity market capitalisations, which will in general not exceed £600 million. It is intended to secure influential positions in such British quoted securities, with the employment of activism as necessary to drive highly favourable outcomes.

During the period, the Group took advantage of distressed prices in two companies to buy its maiden "preliminary" (less than 2% of Net Assets) holdings. Total cost of these was £124,000 and as at 31 December 2019, the combined market value was £127,000.

Two further positions have been initiated since 31 December 2019.

Name Change

At the 2019 Annual General Meeting held on 13 December 2019 the shareholders voted by special resolution to change the name of the Company to Worsley Investors Limited.

Results for the period

Cash revenue for the six months period to 31 December 2019 from Curno was €409,000 (£360,000) (31 December 2018: €423,000 (£376,000)), which after allowance for the €5,255 ticket overage (which is not budgeted), was in line with expectations.

Property expenses, mainly local Curno property taxes, of some €77,000 (£68,000) (31 December 2018: €78,000 (£70,000)), were incurred.

General and administrative expenses of £350,000 included expenses which are not strictly first half trading items and fall into three elements:

- Items which were incurred before 30 June 2019 (£33,000);
- Amortisation of the property disposal warranty insurance entered into in May 2017 (£38,000), albeit a similar sum will be amortised in the second half of the year; and
- One-off charges, such as in connection with the Name Change and the capital raising (£22,000).

The adjusted expense figure of £258,000 is reflective of the very substantial reduction in the Group's ongoing Guernsey and Luxembourg operating costs resulting from the changes in the Group's service providers.

Taxation is payable on Italian income and in Luxembourg, and for the period an amount of £42,000 was expensed. This was an increase from 31 December 2018 (£12,000), the comparative having benefited significantly from the tax advantages associated with the rental incentives provided in the 2018 period to UCI in connection with it entering the new lease.

The Group expects, excluding the costs of the capital raising, to be profitable on a cash basis over the remainder of the financial year.

Net Assets at 31 December 2019 were £9.07m, which compares with the £9.58m contained in the 30 June 2019 audited accounts. The decrease is almost entirely owing to a foreign exchange translation loss over the period of £500,000 which reflects the substantial impact of the strengthening of Pounds sterling on the Group's predominantly Euro denominated asset base.

Financial Position

The Group's Statement of Financial Position as at 31 December 2019 was strong with £701,000 held in cash and no debt. Allied to the current profitable trading, the financial position remains secure.

Since 31 December 2019 this has been augmented with the approximately £3.63m (net) secured in the Capital Raise, which closed on 17 March 2020.

In due course these resources are expected to be supplemented by funds produced by the sale of the Curno cinema.

WORSLEY INVESTORS LIMITED

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Investment Advisor's Report (continued)

Euro

After allowance for receipt of the Capital Raise moneys and exchange movements since period end, approximately 72% of the Group's *pro forma* 31 December 2019 Total Assets are denominated in Euros, of which the Curno property was some 64%.

The Pounds sterling Euro cross rate will remain a substantial influence on Group Net Assets until Curno's disposal.

Outlook

The coronavirus, which as widely reported has led to government closures of cinemas in Italy, including the Group's, has little direct impact on the Group – revenue from ticket overage was less than 1% of 2019 rental revenue, with the remainder fixed and guaranteed by a company of substantial net worth. Nonetheless, it will, of necessity, delay the ultimate disposal of the Curno cinema.

In the meantime, as noted previously, the Company's ongoing strategy targets special situations. Equity markets have been significantly impacted as a result of uncertainty created by the coronavirus outbreaks, and within the British smaller capitalisation stocks targeted by the Company share price falls in some cases have been very substantial. This has thrown up numerous situations worthy of consideration.

With a significant proportion of its assets held in cash as a result of the capital raising, the Company is very well placed to capitalise.

Worsley Associates LLP

25 March 2020

WORSLEY INVESTORS LIMITED
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Condensed Unaudited Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2019

	Notes	For the six month period to 31 December 2019 (Unaudited) £000s	For the six month period to 31 December 2018 (Unaudited) £000s
Gross property income	3 & 6	363	376
Property operating expenses	6	(68)	(70)
Net property income		295	306
Valuation gain on investment property	6	87	240
Valuation gain on investments at fair value through profit or loss	7	3	-
Loss on liquidation of subsidiary		-	(43)
General and administrative expenses	4	(350)	(463)
Operating profit		35	40
Net foreign exchange gain on liquidation			
Foreign exchange loss		-	4
Share in loss of joint venture		-	(14)
Net finance costs		-	(2)
Profit before tax		35	28
Income tax expense		(42)	(12)
(Loss)/profit for the period		(7)	16
Other comprehensive (loss)/income			
Foreign exchange translation (loss)/gain		(500)	135
Total items that are or may be reclassified to profit or loss		(500)	135
Total comprehensive (loss)/income for the period		(507)	151
Basic and diluted (loss)/earnings per ordinary share (pence)	5	(0.03)	0.07

The accompanying notes on pages 12 to 18 form an integral part of these Financial Statements

WORSLEY INVESTORS LIMITED
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Condensed Unaudited Consolidated Statement of Changes in Equity
For the six months ended 31 December 2019

	Revenue reserve (Unaudited) £000s	Distributable reserve (Unaudited) £000s	Foreign currency reserve (Unaudited) £000s	Total equity (Unaudited) £000s
Balance at 1 July 2019	(46,210)	43,653	12,134	9,577
Loss for the period	(7)	-	-	(7)
Other comprehensive loss	-	-	(500)	(500)
Balance at 31 December 2019	(46,217)	43,653	11,634	9,070

For the six months ended 31 December 2018

	Revenue reserve (Unaudited) £000s	Distributable reserve (Unaudited) £000s	Foreign currency reserve (Unaudited) £000s	Total equity (Unaudited) £000s
Balance at 1 July 2018	(46,315)	44,853	12,093	10,631
Profit for the period	16	-	-	16
Other comprehensive income	-	-	135	135
Balance at 31 December 2018	(46,299)	44,853	12,228	10,782

The accompanying notes on pages 12 to 18 form an integral part of these Financial statements

WORSLEY INVESTORS LIMITED

(formerly AXA Property Trust Limited)

Condensed Unaudited Consolidated Statement of Financial Position

As at 31 December 2019

		31 December 2019 (Unaudited) £000s	30 June 2019 (Audited) £000s
	Notes		
Non-current assets			
Investment property	6	8,087	8,476
Current assets			
Investments at fair value through profit or loss	7	127	-
Cash and cash equivalents		701	793
Trade and other receivables	8	43	162
Lease incentive	6	287	301
Tax receivable		115	96
Total assets		9,360	9,828
Non-current liabilities			
Provisions		43	45
Current liabilities			
Trade and other payables	9	152	172
Tax payable		95	34
Total liabilities		290	251
Total net assets		9,070	9,577
Equity			
Revenue reserve		(46,217)	(46,210)
Distributable reserve		43,653	43,653
Foreign currency reserve		11,634	12,134
Total equity		9,070	9,577
Number of ordinary shares		20,758,441	20,758,441
Net asset value per ordinary share (pence)	11	43.69	46.14

The Financial statements on pages 8 to 18 were approved by the Board of Directors and authorised for issue on 25 March 2020. They were signed on its behalf by:

W. Scott
Director

The accompanying notes on pages 12 to 18 form an integral part of these Financial statements

WORSLEY INVESTORS LIMITED
(formerly AXA Property Trust Limited)

Condensed Unaudited Consolidated Statement of Cash Flows
For the sixth months ended 31 December 2019

		31 December 2019 (Unaudited) £000s	31 December 2018 (Unaudited) £000s
	Notes		
Operating activities			
Profit before tax		35	28
Adjustments for:			
Valuation gain on investment property	6	(87)	(341)
Gains on investments at fair value through profit or loss	7	(3)	-
Gain on financial instruments		-	(4)
Foreign exchange loss on investment property	6	476	-
Share in loss of joint venture		-	14
Decrease/(increase) in trade and other receivables		75	(415)
Decrease in provisions		(2)	(56)
(Increase)/decrease in trade and other payables		(20)	25
Purchase of investments at fair value through profit or loss		(124)	-
Net finance cost		-	2
Net cash generated/(used in) from operations		350	(747)
Interest paid		-	(2)
Tax paid		58	(12)
Net cash inflow/(outflow) from operating activities		408	(761)
Investing activities			
Return of capital from joint ventures		-	151
Net cash inflow from investing activities		-	151
Effects of exchange rate fluctuations		(500)	120
Decrease in cash and cash equivalents		(92)	(490)
Cash and cash equivalents at start of the period		793	3,298
Cash and cash equivalents at the period end		701	2,808

The accompanying notes on pages 12 to 18 form an integral part of these Financial statements

WORSLEY INVESTORS LIMITED
(formerly AXA Property Trust Limited)
Notes to the Condensed Unaudited Consolidated Financial Statements
For the six months ended 31 December 2019

1. Operations

Worsley Investors Limited (formerly AXA Property Trust Limited) (the "Company") is a limited liability, closed-ended investment company incorporated in Guernsey. The Company historically invested in commercial property in Europe which was held through Subsidiaries. The Condensed Unaudited Consolidated Financial Statements (the "Financial Statements") of the Company for the period ended 31 December 2019 comprise the Financial Statements of the Company and its Subsidiaries (together referred to as the "Group").

Worsley Associates LLP was appointed on 31 May 2019 as Investment Advisor to the Company.

At an EGM held on 28 June 2019, an ordinary resolution was passed to adopt a new Investment Objective and Policy. Please refer to the Investment Policy on page 19 and 20 for further details.

2. Significant accounting policies

Basis of preparation

These Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as required by DTR 4.2.4R, the Listing Rules of the London Stock Exchange and applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company's last Annual Report and Audited Consolidated Financial Statements for the year ended 30 June 2019.

The same accounting policies and methods of computation are followed in the Interim Financial Report as compared with the most recent Annual Financial Statements (30 June 2019).

Going concern

Following the adoption of a new Investment Objective and Policy, the Financial Statements have been prepared on a going concern basis reflecting the current transition stage of the Company. The Directors, at the time of approving the Financial Statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the next 12 months. The lease income generates enough cash flows to pay on-going expenses. The Directors have considered the cash position and performance of the current invested capital made by the Group and concluded that it is appropriate to adopt the going concern basis in the preparation of these Financial Statements. Since 31 December 2019, this has been augmented with the approximately £3.63m (net) secured in the Capital Raise, which closed on 17 March 2020.

WORSLEY INVESTORS LIMITED
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Notes to the Condensed Unaudited Consolidated Financial Statements
For the six months ended 31 December 2019, Continued

3. Gross property income

Gross property income for the period ended 31 December 2019 amounted to £0.363 million ((31 December 2018: £0.376 million). The Group leases out its investment property under an operating lease which is structured in accordance with local practices in Italy.

As a result of the ongoing discussions with the tenant at the Curno property, the previous investment manager entered into negotiations in early 2018 with the aim of negotiating overall terms which would improve liquidity and maximise potential pricing. As a result, a new lease was signed in December 2018 summarised as follows:

- *Term*
15 years fixed, from 1 January 2019 until 31 December 2033, with an automatic nine-year extension unless cancelled by the tenant with a minimum 12-month notice period.
- *Base Rent*
Year 1 – €800,000
Year 2 (i.e. from January 2020) – €830,000, and thereafter to be indexed to 100% of the ISTAT Consumer Index on an upwards-only basis.
As part of the overall negotiation package an amount of €330,329 lease incentive was paid in December 2018 to the tenant. The new lease has been treated as backdated with an effective commencement date of 1 July 2018. A further amount of €330,329 was granted to the tenant as a discount on rent which adjusted the rental income received from 1 July 2018 to 31 December 2018 to be in line with that receivable under the new lease agreement. Please refer to note 6 for further details.
- *Variable Rent*
There will be an incremental rent of between €1.50 and €2.50 per ticket sold above a minimum threshold of 350,000 tickets per year. Variable rent earned in the period ended 31 December 2019 was €5,255 (31 December 2018: Nil).

4. General and administrative expenses

	31 December 2019 (Unaudited) £000s	31 December 2018 (Unaudited) £000s
Administration fees	55	132
General expenses	41	16
Audit fees	30	91
Legal and professional fees	38	96
Directors' fees (note 13)	26	29
Insurance fees	61	31
Corporate Broker fees	23	13
Investment management fees	-	55
Investment advisor fees (note 13)	76	-
Total	350	463

5. Basic and diluted loss/profit per Share

The basic and diluted gain or loss per share for the Group is based on the net loss for the period of £0.007 million (31 December 2018: net profit of £0.016 million) and the weighted average number of Ordinary Shares in issue during the period of 20,758,441 (31 December 2018: 23,402,881). There are no instruments in issue which could potentially dilute earnings or loss per Ordinary Share

WORSLEY INVESTORS LIMITED
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Notes to the Condensed Unaudited Consolidated Financial Statements
For the six months ended 31 December 2019, Continued

6. Investment property

	31 December 2019 (Unaudited) £000s	30 June 2019 (Audited) £000s
Value of investment property before lease incentive adjustment at beginning of period/year	8,777	7,871
Fair value adjustment	87	799
Foreign exchange translation	(476)	107
Independent external valuation	8,388	8,777
Adjusted for: Lease incentive (note 3) *	(287)	(301)
Foreign exchange translation	(14)	-
Fair value of investment property at the end of the period/year	8,087	8,476

Investment property is carried at fair value. The fair value adjustment has been adjusted with carrying amount of the lease incentive.

The property has been valued on the basis of fair value, being the price which would be received if the asset were sold in an orderly transaction between market participants at the measurement date. Quarterly valuations are carried out at 31 March, 30 June, 30 September and 31 December by Knight Frank LLP, external independent valuers.

* The Lease incentive is classified as a separate item within the Consolidated Statement of Financial Position and hence to avoid double counting has been deducted from the Independent property valuation to arrive at fair value for accounting purposes.

The resultant fair value of investment property is analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 which are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

The investment property (Curno) is classified as Level 3.

The significant assumptions made relating to its independent valuation are set out below:

Significant assumptions	31 December 2019 (Unaudited)	30 June 2019 (Audited)
Gross estimated rental value per square metre p.a.	125.00€	125.00€
True equivalent yield	8.39%	8.61%

WORSLEY INVESTORS LIMITED
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Notes to the Condensed Unaudited Consolidated Financial Statements
For the six months ended 31 December 2019, Continued

6. Investment property, continued

An increase/decrease in ERV (Estimated Rental Value) will increase/decrease valuations, while an increase/decrease to yield decreases/increases valuations. The table below sets out the sensitivity of the independent property valuation to changes of 50 basis points in Fair Value.

The external valuer has carried out its valuation using the comparative and investment methods. The external valuer has made the assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions. The market analysis has been undertaken using market knowledge, enquiries of other agents, searches of property databases, as appropriate and any information provided to them. The external valuer has adhered to the RICS Valuation – Professional Standards.

Movement		31 December 2019 (Unaudited)	30 June 2019 (Audited)
Increase of 50 basis points	Property valuation	Decrease of €0.6 million	Decrease of €0.6 million
Decrease of 50 basis points	Property valuation	Increase of €0.6 million	Increase of €0.6 million

Property assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that estimates resulting from the valuation process will reflect the actual sales price even where a sale occurs shortly after the valuation date. Rental income and the market value for properties are generally affected by overall conditions in the local economy, such as growth in Gross Domestic Product (“GDP”), employment trends, inflation and changes in interest rates. Changes in GDP may also impact employment levels, which in turn may impact the demand for premises. Furthermore, movements in interest rates may affect the cost of financing for real estate companies.

Both rental income and property values may be affected by other factors specific to the real estate market, such as competition from other property owners, the perceptions of prospective tenants of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or the insolvency of tenants, the periodic need to renovate, repair and release space and the costs thereof, the costs of maintenance and insurance, and increased operating costs. The Investment Advisor addresses market risk through a selective investment process, credit evaluations of tenants, ongoing monitoring of tenants and through effective management of the property.

The amounts recognised in the Statement of Comprehensive Income of the Group in relation to the investment property are as follows:

Property income

	31 December 2019 £000s (Unaudited)	31 December 2018 £000s (Unaudited)
Property income received (net of lease incentives)	360	376
Straight-lining of lease incentives	3	-
Property income	363	376

Expense from services to tenants, other property operating and administrative expenses

	31 December 2019 £000s (Unaudited)	31 December 2018 £000s (Unaudited)
Property expenses arising from investment property which generates income	68	70
Total property operating expenses	68	70

There were no property expenses arising from investment property which did not generate income.

WORSLEY INVESTORS LIMITED
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7. Investments at fair value through profit or loss (“FVTPL”)

	31 December 2019 £000s (Unaudited)	30 June 2019 £000s (Audited)
Fair value of investments at FVTPL at beginning of period/year	-	-
Purchases	124	-
Unrealised gains	3	-
Total investments at FVTPL	127	-

The fair value of investments at FVTPL are analysed below by valuation method, according to the levels of the fair value hierarchy. The different levels have been defined as follows:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 which are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability which are not based on observable market data (unobservable inputs).

As at 31 December 2019, the investments at FVTPL are classified as Level 1.

8. Trade and other receivables

	31 December 2019 £000s (Unaudited)	30 June 2019 £000s (Audited)
Other receivables	3	21
VAT receivable	8	65
Prepayments	32	69
Subsidiary company liquidation proceeds	-	7
Total	43	162

The carrying values of trade and other receivables are considered to be approximately equal to their fair value.

Rent receivable is non-interest bearing and typically due within 30 days.

9. Trade and other payables

	31 December 2019 £000s (Unaudited)	30 June 2019 £000s (Audited)
Investment Advisor fee (note 13)	11	13
Administration fees	22	10
Legal and professional fees	-	10
Audit fee	23	40
Director fees payable (note 13)	-	5
Broker fees	19	6
Other	77	88
Total	152	172

Trade and other payables are non-interest bearing and are normally settled on 30-day terms.

The carrying values of trade and other payables are considered to be approximately equal to their fair value.

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10. Share capital

	31 December 2019	30 June 2019
	Number of shares	Number of shares
	(Unaudited)	(Audited)
Shares of no par values issued and fully paid		
Balance at the start of the period/year	20,758,441	23,402,881
Share redemptions	-	(2,644,440)
Balance at the end of the period/year	20,758,441	20,758,441

11. Net asset value per ordinary share

The Net Asset Value per Ordinary Share at 31 December 2019 is based on the net assets attributable to the ordinary shareholders of £9.070 million (30 June 2019: £9.577 million) and on 20,758,441 (30 June 2019: 20,758,441) ordinary shares in issue at the Consolidated Statement of Financial Position date.

12. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's Audited Annual Financial Statements for the year ended 30 June 2019.

13. Related party transactions

The Directors are responsible for the determination of the Company's investment objective and policy and have overall responsibility for the Group's activities including the review of investment activity and performance.

Mr Nixon, a Director of the Company, is also Founding Partner and a Designated Member of Worsley Associates LLP ("Worsley"). The total charge to the Consolidated Income Statement during the period in respect of Investment Advisor fees to Worsley was £76,464 (31 December 2018: £nil) of which £10,768 (30 June 2019: £12,500) remained payable at the period end.

Upon appointment of Worsley as Investment Advisor (31 May 2019), Mr Nixon waived his future Director fee as he is a member of the Investment Advisor.

As at 31 December 2019, Mr Nixon held 29.81% of the shares in the Company (30 June 2019: 29.81%).

All the above transactions were undertaken at arm's-length.

The aggregate remuneration and benefits in kind of the Directors (and directors of the Subsidiaries) in respect of the Company's period ended 31 December 2019 amounted to £25,965 (31 December 2018: £29,250) of which £nil (30 June 2019: £4,610) remained payable at the period end.

For details on Director dealing please refer to Note 16.

14. Commitments and contingent liability

As at 31 December 2019 the Company has no commitments (30 June 2019: no commitments).

Disposal of the Curno property may, depending on the terms, incur Italian taxes which would be material in the context of shareholders' Funds. As at the 31 December 2019 and up to the date of approval, no disposal was in discussion. As a result, no provision has been included in these Financial Statements.

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15. NAV reconciliation

The following is a reconciliation of the NAV per share attributable to ordinary shareholders as presented in these Financial Statements to the unaudited NAV per share reported to the London Stock Exchange.

31 December 2019	NAV £000s	NAV per Ordinary Share £
NAV reported to London Stock Exchange (unaudited)	9,084	43.76p
Adjustment to lease incentive	(14)	(0.07)p
NAV to shareholders per Financial Statements (unaudited)	9,070	43.69p

16. Subsequent events

On 10 February 2020, the Company published a new prospectus with the intention to raise up to £6.2 million through an offer of 20,758,441 new ordinary shares at an issue price of 30 pence per new ordinary share (the Capital Raise). The Company received valid applications from qualifying shareholders and other investors for a total of 12,982,488 Ordinary Shares at the price of 30 pence per share, raising gross proceeds of some £3.9 million.

On 11 February 2020, Mr Scott purchased 50,000 shares of the Company for £15,500.

On 24 February 2020, Mr Scott purchased 100,000 shares of the Company for £29,500.

On 17 March 2020, under the Capital Raise Mr Scott purchased 250,000 shares of the Company for £75,000 and Mr Nixon purchased 3,894,746 shares of the Company for £1,168,424.

The Directors' total interest in issued share capital following admission of new Ordinary Shares is as follows:

Name of Director	Ordinary Shares to be held following Admission of New Ordinary Shares	Total interest in issued share capital following Admission of New Ordinary Shares
Mr Nixon	10,083,126	29.88%
Mr Scott	400,000	1.19%

As a result of the coronavirus outbreak in Italy, the Italian government closed cinemas (and many other types of venue) on 3 March 2020. As at the time of writing, this closure remains in place and it is not clear when it will be lifted. The disposal of this asset is therefore unlikely before the situation is clarified. The base rental on the property is fixed and benefits from a parental guarantee, as described in the Investment Advisor's report.

The Board will work closely with the Investment Advisor to consider and to manage the position as events unfold.

There were no other post period end events which require disclosure in these Financial Statements.

WORSLEY INVESTORS LIMITED

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Investment Policy

Investment Objective and Policy Change

At an EGM held on 28 June 2019, an ordinary resolution was passed to adopt a new Investment Objective and Policy.

Investment Objective

The Company's investment objective is to provide shareholders with an attractive level of absolute long-term return, principally through the capital appreciation and exit of undervalued securities. The existing real estate asset of the Company will be realised in an orderly manner, that is with a view to optimising the disposal value of such asset.

Investment Policy

The Company aims to meet its objectives through investment primarily, although not exclusively, in a diversified portfolio of securities and related instruments of companies listed or admitted to trading on a stock market in the British Isles (defined as (i) the United Kingdom of Great Britain and Northern Ireland; (ii) the Republic of Ireland; (iii) the Bailiwicks of Guernsey and Jersey; and (iv) the Isle of Man). The majority of such companies will also be domiciled in the British Isles. Most of these companies will have smaller to mid-sized equity market capitalisations (the definition of which may vary from market to market, but will in general not exceed £600 million). It is intended to secure influential positions in such British quoted securities with the deployment of activism as required to achieve the desired results.

The Company, Property Trust Luxembourg 2 SARL and Multiplex 1 SRL ("the Group") may make investments in listed and unlisted equity and equity-related securities such as convertible bonds, options and warrants. The Group may also use derivatives, which may be exchange traded or over-the-counter.

The Group may also invest in cash or other instruments including but not limited to: short, medium or long term bank deposits in Pound sterling and other currencies, certificates of deposit and the full range of money market instruments; fixed and floating rate debt securities issued by any corporate entity, national government, government agency, central bank, supranational entity or mutual society; futures and forward contracts in relation to any other security or instrument in which the Group may invest; put and call options (however, the Group will not write uncovered call options); covered short sales of securities and other contracts which have the effect of giving the Group exposure to a covered short position in a security; and securities on a when-issued basis or a forward commitment basis.

The Group pursues a policy of diversifying its risk. Save for the Curno Asset until such time as it is realised, the Group intends to adhere to the following investment restrictions:

- not more than 30 per cent. of the Gross Asset Value at the time of investment will be invested in the securities of a single issuer (such restriction does not, however, apply to investment of cash held for working capital purposes and pending investment or distribution in near cash equivalent instruments including securities issued or guaranteed by a government, government agency or instrumentality of any EU or OECD Member State or by any supranational authority of which one or more EU or OECD Member States are members);
- the value of the four largest investments at the time of investment will not constitute more than 75 per cent of Gross Asset Value;
- the value of the Group's exposure to securities not listed or admitted to trading on any stock market will not exceed in aggregate 35 per cent. of the Net Asset Value;
- the Group may make further direct investments in real estate but only to the extent such investments will preserve and/or enhance the disposal value of its existing real estate asset. Such investments are not expected to be material in relation to the portfolio as a whole but in any event will be less than 25 per cent. of the Gross Asset Value at the time of investment. This shall not preclude Property Trust Luxembourg 2 SARL and Multiplex 1 SRL (the "Subsidiaries") from making such investments for operational purposes;
- the Company will not invest directly in physical commodities, but this shall not preclude its Subsidiaries from making such investments for operational purposes;

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Investment Policy (continued)

Investment Policy (continued)

- investment in the securities, units and/or interests of other collective investment vehicles will be permitted up to 40 per cent. of the Gross Asset Value, including collective investment schemes managed or advised by the Investment Advisor or any company within the Group; and
- the Company must not invest more than 10 per cent. of its Gross Asset Value in other listed investment companies or listed investment trusts, save where such investment companies or investment trusts have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed investment companies or listed investment trusts.

The percentage limits above apply to an investment at the time it is made. Where, owing to appreciation or depreciation, changes in exchange rates or by reason of the receipt of rights, bonuses, benefits in the nature of capital or by reason of any other action affecting every holder of that investment, any limit is breached by more than 10 per cent., the Investment Advisor will, unless otherwise directed by the Board, ensure that corrective action is taken as soon as practicable.

Borrowing and Leverage

The Group may engage in borrowing (including stock borrowing), use of financial derivative instruments or other forms of leverage provided that the aggregate principal amount of all borrowings shall at no point exceed 50 per cent. of Net Asset Value. Where the Group borrows, it may, in order to secure such borrowing, provide collateral or security over its assets, or pledge or charge such assets.

WORSLEY INVESTORS LIMITED

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Corporate Information

Directors (All non-executive)

W. Scott (Chairman)
R. H. Burke
B. A. Nixon

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