TOC PROPERTY BACKED
LENDING TRUST

INTERIM REPORT & FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDING 31 MAY 2021

Contents

Chairman's Statement

John Newlands, Chairman

Highlights

- Net Asset Value increase from 83.93 pence per share to 84.68 pence per share
- Net Asset Value total return of 2.1%
- Dividend distributions totalling 1.0p (2020: 1.5p) for the period
- Ordinary share mid-price equivalent to a premium of 1.5%, as at 31 May 2021
- Gearing facility with Shawbrook Bank Limited renewed to May 2022

Background

At the beginning of the period covered by this report, the Company entered the fifth year of trading since being listed on the main market of the London Stock Exchange in January 2017.

Headlines have continued to be dominated by the Covid-19 pandemic throughout the period, paradoxically boosting certain areas of the economy, notably digital commerce, e-learning and virtual business systems but adversely affecting sectors including travel, hospitality and high street retail outlets. Housebuilding, on the other hand, has remained resilient, aided by the extension of the UK Stamp Duty holiday scheme and underpinned by a fresh surge in demand for home loans.

Net Asset Value

The Company's Net Asset Value per share increased from 83.93p to 84.68p over the six months ended 31 May 2021. Taking the effects of dividend distributions into account, this was equivalent to a NAV Total Return of 2.1%. This figure may be placed into context by the total return figures over the same period of the Association of Investment Companies' (AIC's) "Property-Debt" sector, of which PBLT is a component member, of 3.4% and of the AIC's "Debt - Direct Lending" sector of 2.3%. Meanwhile in a much broader context the FTSE 100 and FTSE All-Share Indices returned 14.1% and 15.2%, respectively, on a total return basis over the same interval.

Dividends

A first quarterly dividend of 1 penny per share was paid on 30 June 2021. As set out in the Annual Report, the Company expects to pay dividends at a rate of 1 penny per share per quarter, equivalent to 4 pence per share per year in aggregate. Depending on market conditions and the performance of the investment portfolio, a final balancing payment may be made at the end of the current financial year so as to at least fulfil the investment trust qualification requirements.*

Investment Portfolio

The total value of the Company's portfolio now stands at £19.7 million, from 17 live projects, following a reduction of £3.2 million in the gross value of loans and receivables. This is the result of repayment of loans by a number of borrowers and has increased the Company's cash available for redeployment.

New Investments – the Company agreed three new facilities during the period:

- Horizon Cremation, Scotland - £3.8m 36-month facility - funding to construct a modern, environmentally friendly crematorium in East Renfrewshire, Glasgow, Scotland.
- Bridge Street, Scotland - £1.05m 27-month facility - mezzanine facility to support the development of 31 residential apartments and three commercial

* see Glossary (page 26) for explanation

units working with experienced developers in Paisley, Scotland.

- Finnieston, Scotland - £320,000 12-month facility - a bridging facility for a piece of land in the city of Glasgow which is currently going through the planning process.

Additionally, since the period end, a new £4.5 million, 30 month facility, has been agreed with Calmont (Oak Meadows) Ltd to support the construction of 61 new homes at Middleton St George, Darlington.

Exits – successful redemptions were concluded with Gateshead Town Hall, Rare Earth Medburn and Chilton Moor, with the three projects now fully exited with full loan and interest repayment. These were repaid in December 2020, January 2021 and April 2021, respectively and generated an Internal Rate of Return ('IRR') of 8.23%, 8.24% and 12.77%, respectively.

Impairments – as discussed in the 2020 Annual Report, two legacy projects (Gatsby Homes and West Auckland) continued to be unable to meet their interest obligations as the borrowers work towards finalising the projects. Under IFRS 9 we are required to recognise the interest income, and the offsetting impairment in the Statement of Comprehensive Income. The Board and Investment adviser were aware the interest was unlikely to be received in this period, and liquidity has been planned accordingly. The underlying loans have not been impaired during the period from the recoverable value recorded in the Statement of Financial Position.

The loan portfolio is discussed more fully in the Investment Adviser's reveiw.

Gearing

The Company continued to benefit from a Gearing facility with Shawbrook Bank Limited, the facility having been renewed for a further year in May 2021. None was drawn at the period end. The facility was renewed for a further year until May 2022. The facility provides the company with the capacity to invest in a wider range of loans, thus diversifying exposure and providing operating leverage with respect to the cost base of the Company. The period has been characterised by the winter Covid lockdown, which has to some degree inhibited the ability to deploy the capital available. However, as discussed more fully herein, the Company continues to see a number of good quality lending opportunities and anticipates putting more capital to work in the coming months.

Change of Auditor

Since the end of the reporting period, following a competitive audit tender process, the Company has agreed to appoint MHA MacIntyre Hudson as its auditor.

Outlook

Implementation of the Company's Strategic Review, as described in the 2020 Annual Report, is now underway. A key component of this strategy is the placing the Company's investment portfolio on a less volatile, more stable basis, reducing the risk of its loans by (typically) requiring a higher equity component from its borrowers. This will have the effect of lowering interest earnings from the loans – though still, in the current environment of extremely low interest rates, particularly on savings products, potentially generating an attractive dividend yield. The Company should therefore be well positioned as the UK economy gradually recovers and moves forward in the wake of the Covid crisis.

John Newlands, Chairman

29 July 2021

Investment Adviser's Review

ABOUT THE ADVISER

Tier One Capital Ltd is a Newcastle upon Tyne based wealth management and property lending specialist providing financial advice services and bespoke tailored lending to the residential and commercial property development market.

INVESTMENT ADVISER'S REPORT
REVIEW OF THE 6 MONTHS TO 31 MAY 2021

This Interim Report and Accounts covers the end of the fourth and the beginning of the fifth year of performance of the Company, since its Listing in January 2017.

The Company's primary purpose is to provide debt finance to the property development sector. The Company also benefits from a number of equity positions attained at nil cost in a number of the borrowing entities which it supports.

Investment Adviser's highlights:

The trading period covered by this report has been historically unprecedented due to the ongoing impact of the Covid-19 pandemic which has decimated certain sectors of the economy, most notably travel and hospitality, and brought about what appear to be seismic shifts in how people work and live. A second lockdown was entered into at the beginning of 2021 and this slowed investment decisions until the vaccine roll out gained real momentum towards the end of Q1 2021. In addition to the pandemic, there remain uncertainties following the UK formally exiting the European Union in December 2020. While positive features are seen, such as the improved UK housing market, construction supply chain activity is disrupted and subject to escalating cost pressures.

Measures introduced by the government, most notably the stamp duty holiday, together with an increase in household discretionary cash and a lack of supply saw the residential housing market accelerate to new highs and forecasts expect these increases to be consolidated over the remainder of the year and into 2022.

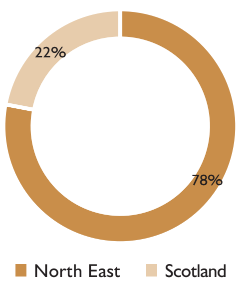
The Company used the first six months to protect shareholder value, rebalance the portfolio to more conservative loans and reset the Company's investment policy to ensure it is fit for purpose as we enter the years ahead. We are pleased to report the investment highlights below:

- NAV Total Return of 2.1%.
- Continued focus on liquidity, creating fund headroom of £9.7m at the period end.
- Profitable exits of three significant portfolio projects, bringing the number of exits since inception to ten.
- Refreshed investment strategy allowing greater flexibility to deploy in sectors forecasted to grow.
- Redeployment of funds across the North East and Scotland, meaning the Company is now focussed on regions and market economies to which it is closest.
- The collection of 78.12% of contractual Net Interest Income due, despite exposure to non-performing sectors and assets. This figure increases to 94.55% when impaired assets are excluded.
- Payment of a dividend of 1p for the first quarter, equivalent to an annualised dividend yield of 4.76%.

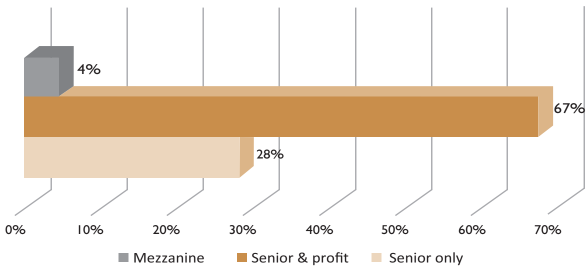
DEPLOYMENT

Having addressed the Company's portfolio to deliver those investment highlights, the geographic focus and lending type is as follows:

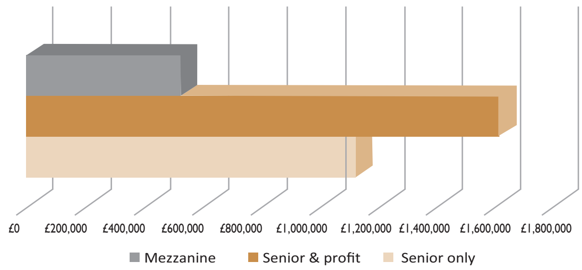
Deployment by Region



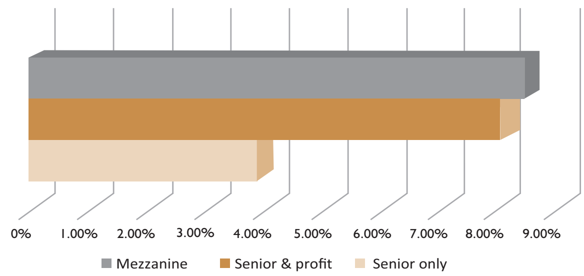
Lending type



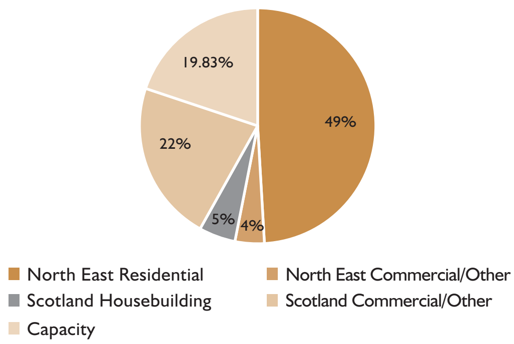
Average loan size



Average returns by loan type



Exposure by sector



Source: Tier One Capital Ltd

Despite the ongoing uncertainties faced, we are pleased to report an active period for new transactions, deployments to existing projects together with full and partial exits:

The Company agreed three new facilities during the period:

- Horizon Cremation, Scotland - £3.8m 36-month facility
- Bridge Street, Scotland - £1.05m 27-month facility
- Finnieston, Scotland - £320,000 12-month facility

Further capital was also deployed to each of these projects in accordance with agreed milestones.

There were further deployments of capital as follows:

Deployments of Capital Update

Project	£'000
Horizon Cremation	1,085
Bridge Street	481
Bill Quay	350
Finnieston	320
Coalsnaughton	217
IHL	194
Springs	50

Post period end, we were delighted to announce a £4.5m facility with Calmont (Oak Meadows) Ltd. The 30 month facility will facilitate the building of 61 new modern homes at Middleton St George, Darlington. The borrower is backed by private equity firm Maven Capital Partners LLP, and demonstrates the Company's ongoing commitment to supporting both residential and commercial developments.

Portfolio Exits

In December 2020, the eighth exit within the loan book occurred with the repayment of the Gateshead Town Hall project. All capital and interest was paid in full in December 2020 generating a positive internal rate of return ('IRR') of 8.23% since June 2018.

The ninth exit occurred in January 2021. Rare Earth Medburn, which has been in the portfolio since listing, repaid all of its capital and interest, generating an IRR of 8.24%.

The tenth exit occurred in April 2021. Chilton Moor, which has been in the portfolio since August 2019, repaid all of its capital and interest, generating an IRR of 12.77%.

Partial Redemptions Update

During the period there were a number of partial redemptions including:

Project	£'000
Bill Quay	600
Springs	419
Whitefield Farm	310
Gatsby Homes	172
IHL	170
Newgate Street	164
Newlands	50

Impairments

The Company, in accordance with IFRS 9, recognises the gross interest receivable on all its loans, and then recognises an impairment charge when that interest is not paid by the borrower, and there is not a clear expectation that this can be recovered subsequently. During the period to 31 May 2021,and as anticipated in the 2020 financial statements, the two projects unable to meet their interest requirements were Gatsby Homes and West Auckland.

We note that Gatsby Homes has repaid capital of £172,000 during the period, with further such repayments subsequent to year end. We anticipate that the remainder of the properties in this project will be sold during 2021, with a return of the residual loan balance held on the balance sheet. As such, we anticipate that the residual interest on this loan will be subject to impairment in 2021.

Post period end, West Auckland repaid £911,000 of capital and we anticipate that the remainder of the residual loan balance recognised on the balance sheet will be repaid before the end of the financial year. Pleasingly, this includes a write back of £243,000 to the loan in this reporting period as the recovery strategy that was implemented has delivered.

Accordingly, no provision has been made for loan impairment to the recoverable amount recorded in the Statement of Financial Position.

IFRS 9 also requires the Company to consider various credit loss scenarios and assign a risk weighting to these. This calculation generates a provision which is taken as a further impairment for the year. In this period the Company has increased the provision to £448,000 from the £261,000 that was in place at 30 November 2020. This provision is based on look-forward statements to withstand market-related shocks including those caused by the ongoing Covid-19 pandemic.

Gearing

In May 2021, the Company refreshed a committed revolving credit facility with Shawbrook Bank for a further year. Again the key driver was headroom and liquidity and its renewal for a fourth year demonstrates the support that the Company has from its lender, and the growing confidence in future deployment given the current strength of pipeline.

DEPLOYMENT

PROFIT SHARE PROJECTS

There are currently ten Profit Share projects in the portfolio (Nov 2020: ten).

Since the listing of the Company we have recognised an uplift in the equity value of seven projects (Nov 2020: five), The remaining Profit Share holdings are recognised as nil value, given where we are in the lifecycle of each project. We monitor and review this on an ongoing basis.

REFRESHED INVESTMENT STRATEGY

In March 2021 the Company's shareholders voted overwhelmingly to support a refreshed investment strategy for the Company. The key changes are as follows:

- Reposition the Company as a stretch senior lender which has the benefit of reducing the risk of default. (as borrowers are typically required to contribute equity).
- Reduce sector constraints to give the Company greater flexibility for deployment across residential and commercial.

OUTLOOK

Economic Outlook

Residential

As at 31 May 2021, 77.3% of deployed funds were invested across 12 projects with a residential focus.

The housing market has seen considerable growth, with Nationwide House Price Index reporting 13.4% increase in the twelve months to June 2021 across the UK. Within the North East and Scotland, these figures were a more modest 11.2% and 7.1% respectively. In Scotland the Stamp Duty holiday ended on 31 March 2021 which partially explains the smaller increase.

The outlook amongst analysts for the rest of 2021 and 2022 continues to be positive. The Stamp Duty holiday has accelerated transactions for the first half of the new year but underlying demand is likely to remain in the near term as the economy unlocks. The biggest driver of pricing for the rest of 2021 will be the continued shortage of supply with the Royal Institute of Chartered Surveyors (RICS) June 2021 report showing the number of properties being listed falling for the third successive month. The report goes on to say that "the latest feedback continues to signal a clear excess of demand over supply". The report comments that there is a strong belief that house prices "will increase further over the next twelve months".

Turning to cost pressures, the past twelve months has seen considerable price inflation on both materials and labour. According to ISH Markit/CIPS UK Construction PMI, "construction activity expanded at the fastest pace since June 1997…severe shortages of construction products and materials resulted in a survey record rise in purchasing prices in June". Specifically in house building construction, the index increased at its fastest pace since November 2003.

The Builders Merchants Federation and Construction Products Association have warned that availability issues are expected to worsen before they improve. The ongoing impact of the Covid-19 pandemic is a significant factor behind the shortages and price increases. There are other factors including the imbalance between global demand and supply for timber which is not likely to be resolved quickly. Therefore cost pressures are here for the rest of 2021.

The Company's residential exposure is predominantly in the North East (93.3%). This will continue to be a key focus as this region continues to offer affordability for house buyers, despite the recent increase in prices. Projects are appraised using the views of market experts for sales values and build cost and delivery, with all assumptions stress tested.

Commercial

As at 31 May 2021, 23.7% of deployed funds were invested across five projects with a commercial focus.

The new investment strategy allows the Company to be more selective in the level of exposure to commercial developments. We believe that a selective approach to the Company's deployment in the commercial property sector will continue to create shareholder value. The sectors within the commercial property space that the Company currently has exposure to are:

- bereavement (crematorium);
- strategic land; and
- shared office space.

Each of the above sub-sectors offer downside protection in the current uncertain economic times with the latter two also giving flexibility for the borrowers as and when trends change. We will continue to identify and support professional, experienced and reliable management teams who have a clear vision and robust plan.

PIPELINE

In addition to the £4.5m project that was supported in June 2021, there is £10.7m at various stages of deployment across three residential projects with 100% in the North East.

The quality and experience of each management team that we are in discussions with will continue to enhance the Company's portfolio and strengthen its reputation in the market. This should lead to the creation of shareholder value that is sustainable in the longer term.

IAN MCELROY,
TIER ONE CAPITAL LTD
29 JULY 2021

THE INVESTMENT PORTFOLIO AS AT 31 MAY 2021

Project	Sector	Maturity Date	Profit Share	Security	% Portfolio	LTV* (May 21) %	Loan Value (May 21) £'000s	Loan Value (Nov 20) £'000s
Bill Quay	Residential	Feb 2022	Yes – 25.1%	Senior	13.7	63.2	3,046	3,236
Springs	Residential	Nov 2021	Yes – 25.1%	Senior	11.5	78.9	2,559	2,952
West Auckland	Residential	Jun 2022	No	Senior	8.5	102.4	1,892	1,649
Coalsnaughton	Commercial	Jul 2021	Yes – 25.1%	Senior	8.4	123.9	1,867	1,688
Newgate Street	Residential	Aug 2020	Yes – 25.1%	Senior	8.0	100.0	1,771	1,941
Gatsby Homes	Residential	Nov 2021	Yes – 25.1%	Senior	5.2	101.5	1,161	1,333
Pendower Hall	Commercial	Mar 2023	No	Senior	5.2	88.3	1,150	1,150
Whitefield Farm	Residential	Jan 2020	Exit fee	Senior	5.1	75.1	1,140	1,450
Horizon Cremation	Commercial	Dec 2023	Exit fee	Senior	4.9	43.6	1,085	–
IHL	Residential	Sep 2021	No	Subordinate	3.6	67.6	800	776
Charlton's Bonds	Residential	Nov 2021	No	Senior	2.8	100.0	628	628
Fernhill	Residential	Jul 2020	No	Subordinate	2.7	38.1	598	598
Bridge Street	Residential	Aug 2023	Exit fee	Subordinate	2.2	32.0	481	–
Oswald Street	Commercial	Feb 2022	Yes – 25.1%	Senior	1.7	64.9	382	382
Finnieston	Residential	May 2022	No	Senior	1.4	30.5	320	–
Newlands	Commercial	Mar 2022	Exit fee	Senior	1.3	56.6	300	330
Glenfarg	Residential	Oct 2020	No	Subordinate	1.3	25.0	300	300
Chilton Moor **	Residential	Exited	Exit fee	Senior	0.2	N/a	49	2,459
Marley Hill***	Residential	Exited	Yes – 25.1%	Senior	0.0	N/a	3	60
Exits							–	1,622
General Impairment					(2.0)		(448)	(261)
Cash					14.3		3,174	1,002
Total/Weighted Average					**100.0**	**80.9**	**22,258**	**23,295**

*LTV has been calculated using the carrying value of the loans as at the balance sheet date

** Completed in January 2021; plot fees held on the balance sheet.

*** Completed in December 2019; equity shares held on the balance sheet.

Interim Management Report

The principal and emerging risks and uncertainties that could have a material impact on the Company's performance have not changed from those set out on pages 19 to 21 of the Company's Annual Report for the year ended 30 November 2020.

The Directors consider that the Chairman's Statement and the Investment Adviser's Review on pages 4 to 15 of this Interim Report, the above disclosure on related party transactions and the Statement of Directors' Responsibilities below, together constitute the Interim Management Report of the Company for the six months ended 31 May 2021 and satisfy the requirements of the Disclosure Guidance and Transparency Rules 4.2.3 to 4.2.11 of the Financial Conduct Authority.

The Interim Report has not been reviewed or audited by the Company's Auditor.

The Directors believe, having considered the Company's investment objectives, risk management policies, capital management policies and procedures, the nature of the portfolio and expenditure projections, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future and, more specifically, that these are no material uncertainties pertaining to the Company that would prevent its ability to continue in such operational existence for at least twelve months from the date of the approval of this Interim Report. For these reasons they consider that there is sufficient evidence to continue to adopt the going concern basis in preparing the accounts.

Directors' Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with FRS 104 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Company, as at 31 May 2021, as required by the Disclosure Guidance and Transparency Rule 4.2.4R;
- The Interim Management Report includes a fair review of the information required by the Disclosure and Transparency Rule 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- The Interim Management Report includes a fair review of the information concerning related party transactions as required by Disclosure Guidance and Transparency Rule 4.2.8R.

On Behalf of the Board

John Newlands, Chairman

29 July 2021

Condensed Statement of Comprehensive Income

	Note	Revenue £'000	Capital £'000	Six months ended 31 May 2021 (unaudited) Total £'000	Six months ended 31 May 2020 (unaudited) Total £'000	Year ended 30 November 2020 (audited) Total £'000
Revenue						
Investment interest		879	-	879	1,290	2,346
Total revenue		879	-	879	1,290	2,346
Losses on investments held at fair value through profit of loss		(79)	40	(39)	-	(452)
Total income		800	40	840	1,290	1,894
Expenditure						
Investment adviser fee		(34)	-	(34)	(24)	(57)
Impairments on investments held at amortised cost		(58)	57	(1)	(611)	(237)
Other expenses		(198)	-	(198)	(256)	(513)
Total expenditure		(290)	57	(233)	(891)	(807)
Profit before finance costs and taxation		510	97	607	399	1,087
Finance costs						
Interest payable		(1)	-	(1)	(134)	(231)
Profit before taxation		509	97	606	265	856
Taxation		-	-	-	-	-
Profit and total comprehensive profit for the period/year		509	97	606	265	856
Basic earnings per share	3	1.89p	0.36p	2.25p	0.98p	3.18p

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations.

There is no other comprehensive income as all income is recorded in the statement above.

Condensed Statement of Financial Position

	Notes	As at 31 May 2021 (unaudited) £'000	As at 31 May 2020 (unaudited) £'000	As at 30 November 2020 (audited) £'000
Non-current assets				
Investments held at fair value	5	1,580	4,388	3,948
Loans at amortised cost	6	3,099	6,771	2,799
		4,679	11,159	6,747
Current assets				
Investments held at fair value	5	12,688	10,776	12,861
Loans at amortised cost	6	2,326	4,523	3,247
Other receivables and repayments		7	26	21
Cash and cash equivalents		3,174	1,672	1,002
		18,195	16,997	17,131
Total assets		22,874	28,156	23,878
Current liabilities				
Loan facility		-	(6,000)	(1,150)
Other payables and accrued expenses		(75)	(150)	(131)
Total liabilities		(75)	(6,150)	(1,281)
Net assets		22,799	22,006	22,597
Share capital and reserves				
Share capital	7	269	269	269
Share premium		9,094	9,094	9,094
Special distributable reserve		13,093	16,455	13,497
Revenue reserve		509	(711)	-
Capital reserve		(166)	(3,101)	(263)
Equity shareholders' funds		22,799	22,006	22,597
Net asset value per ordinary share	8	84.68p	81.73p	83.93p

The notes on pages 19 to 24 form an integral part of the financial statements.

The financial statements on pages 14 to 18 were approved by the Board of Directors of TOC Property Backed Lending Trust plc (a public limited company incorporated in England and Wales with company number 10395804) and authorised for issue on 29 July 2021.

They were signed on its behalf by:

John Newlands
Chairman

Condensed Statement of Changes in Equity

For the six months ending 31 May 2021 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD	269	9,094	13,497	(263)	-	22,597
Total comprehensive profit for the period:						
Profit for the period	-	-	-	97	509	606
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (note 4)	-	-	(404)	-	-	(404)
At 31 May 2021	269	9,094	13,093	(166)	509	22,799

For the six months ending 31 May 2020 (unaudited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
AT BEGINNING OF THE PERIOD	269	9,094	16,455	(2,978)	(291)	22,549
Total comprehensive profit for the period:						
Profit for the period	-	-	-	(123)	388	265
TRANSACTIONS WITH OWNERS RECOGNISED DIRECTLY IN EQUITY:						
Dividends paid (note 4)	-	-	-	-	(808)	(808)
At 31 May 2020	269	9,094	16,455	(3,101)	(711)	22,006

Condensed Statement of Changes in Equity

For the year ending 30 November 2020 (audited)	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At beginning of the year	269	9,094	16,455	(2,978)	(291)	22,549
Total comprehensive profit for the year:						
Profit for the year	-	-	-	(170)	1,026	856
Transfer of realised loss on loans	-	-	(2,885)	2,885	-	-
Transactions with owners recognised directly in equity:						
Dividends paid (note 4)	-	-	(73)	-	(735)	(808)
At 30 November 2020	269	9,094	13,497	(263)	-	22,597

Condensed Cash Flow Statement

	Notes	Six months to 31 May 2021 (unaudited) £'000	Six months to 31 May 2020 (unaudited) £'000	Year ending 30 November 2020 (audited) £'000
Operating activities				
Profit after taxation		606	265	856
Impairments		254	61	121
Fair value uplifts		(351)	-	(14)
(Increase)/decrease in loan interest receivable		(46)	61	14
Decrease in other receivables		14	15	21
(Decrease)/increase in other payables		(56)	52	33
Interest paid		-	134	227
Net cash inflow from operating activities before interest and after taxation		421	588	1,258
Investing activities				
Loans given		(2,697)	(3,933)	(8,455)
Loans repaid		6,002	3,186	11,311
Net cash inflow/(outflow) from investing activities		3,305	(747)	2,856
Financing				
Equity dividends paid		(404)	(808)	(808)
Bank loan drawn down		-	2,250	3,050
Repayment of bank loan		(1,150)	-	(5,650)
Interest paid		-	(134)	(227)
Net cash (outflow)/inflow from financing		(1,554)	1,308	(3,635)
Increase in cash and cash equivalents		2,172	1,149	479
Cash and cash equivalents at the start of the period / year		1,002	523	523
Cash and cash equivalents at the end of the period/year		3,174	1,672	1,002

Notes to the Condensed Financial Statements (unaudited)

Bill Quay - street scene

1. INTERIM RESULTS

The condensed financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and the accounting policies set out in the statutory accounts of the Company for the year ended 30 November 2020. The condensed financial statements do not include all of the information required for a complete set of financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 November 2020, which were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. There have been no significant changes to management judgements and estimates.

The condensed financial statements have been prepared on the going concern basis. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing these financial statements.

2. INVESTMENT ADVISER

In its role as the Investment Adviser, Tier One Capital Ltd is entitled to receive from the Company an investment adviser fee which is calculated and paid quarterly in arrears at an annual rate of 0.25 per cent. per annum of the prevailing Net Asset Value if less than £100m; or 0.50 per cent. per annum of the prevailing Net Asset Value if £100m or more.

There is no balance accrued for the Investment Adviser for the period ended 31 May 2021 (31 May 2020: £nil; 30 November 2020: £nil).

There are no performance fees payable.

ALTERNATIVE INVESTMENT FUND MANAGER'S DIRECTIVE ('AIFMD')

During the year it has been decided that the Company should become a Small Registered UK Alternative Investment Fund Manager AIFM ('AIFM') replacing R & H Fund Services (Jersey) Ltd. In the course of reviewing the arrangements, it came to the Company's attention that, although the Company has been operating in effect as an internally managed AIFM an application to apply to become an AIFM still needed to be made. An AIFM application has now been made to the FCA.

3. EARNINGS PER SHARE

The revenue, capital and total return per ordinary share is based on each of the profit after tax and on 26,924,063 ordinary shares, being the weighted average number of ordinary shares in issue throughout the period.

	Six months ended 31 May 2021 £'000	Six months ended 31 May 2021 Pence per share	Six months ended 31 May 2020 £'000	Six months ended 31 May 2020 Pence per share	Year ended 30 November 2020 £'000	Year ended 30 November 2020 Pence per share
Revenue earnings	509	1.89	388	1.44	1,026	3.81
Capital earnings	97	0.36	(123)	(0.46)	(170)	(0.63)
Total earnings	606	2.25	265	0.98	856	3.18
Average number of shares in issue		26,924,063		26,924,063		26,924,063

Earnings for the period to 31 May 2021 should not be taken as a guide to the results for the year to 30 November 2021.

4. DIVIDENDS

	Six months ended 31 May 2021 £'000	Six months ended 31 May 2020 £'000	Year ended 30 November 2020 £'000
In respect of the prior year:			
Fourth interim dividend	404	404	404
In respect of the current year:			
First interim dividend	-	404	404
Second interim dividend	-	-	-
Third interim dividend	-	-	-
Total	404	808	808

A first interim dividend for the year ending 30 November 2021, of 1.00 pence per share, was paid on 30 June 2021 to shareholders on the register on 11 June 2021.

5. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

The Company's investment held at fair value through profit or loss represents its profit share arrangements whereby the Company owns 25.1% or has an exit fee mechanism for ten companies.

	31 May 2021 £'000	31 May 2020 £'000	30 November 2020 £'000
Opening Balance	16,809	14,499	14,219
Loans deployed	2,183	3,833	7,805
Principal repayments	(4,760)	(3,106)	(5,516)
Prior year interest repayments	(428)	(280)	-
Interest receivable	503	320	753
Unrealised losses on investments held at fair value through profit or loss	(39)	(102)	(452)
Total Loans at fair value through profit and loss	14,268	15,164	16,809
Split:			
Non-current assets: Investments held at fair value through profit and loss due for repayment after one year	1,580	4,388	3,948
Current assets: Investments held at fair value through profit and loss due for repayment under one year	12,688	10,776	12,861

6. LOANS AT AMORTISED COST

	31 May 2021 £'000	31 May 2020 £'000	30 November 2020 £'000
Opening Balance	6,046	11,333	11,037
Loans deployed	514	100	670
Principal repayments	(1,242)	(80)	(5,795)
Prior year interest repayments	(134)	(296)	-
Interest receivable	242	196	371
Movement in impairments	(1)	41	(237)
Total Loans at amortised cost	5,425	11,294	6,046
Split:			
Non-current assets: Loans at amortised cost due for repayment after one year	3,099	6,771	2,799
Current assets: Loans at amortised cost due for repayment under one year	2,326	4,523	3,247

The Company's loans held at amortised cost are accounted for using the effective interest method. The carrying value of each loan is determined after taking into consideration any requirement for impairment provisions during the year, allowances for impairment losses amounted to £1,000 (May 2020: gains of £41,000; November 2020: losses of £237,000).

Continued

7. SHARE CAPITAL

	Nominal value £'000	Number of Ordinary shares of 1p
Issued and fully paid as at 30 November 2020	269	26,924,063
Issued and fully paid as at 31 May 2021	269	26,924,063

The ordinary shares are eligible to vote and have the right to participate in either an interest distribution or participate in a capital distribution (on a winding up).

8. NET ASSET VALUE PER ORDINARY SHARE

The net asset value per ordinary share is based on net assets of £22,798,683 (31 May 2020: £22,005,858; 30 November 2020: £22,597,279) and on 26,924,063 ordinary shares (31 May 2020: 26,924,063; 30 November 2020: 26,924,063), being the number of ordinary shares in issue at the period/year end.

9. RELATED PARTIES

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 37 to 38 of the Annual Report. The balance of fees due to Directors at the year end was £nil (31 May 2020 £nil; 30 November 2020 £nil).

The Company has an agreement with Tier One Capital Ltd for the provision of investment advisory services and details of that agreement are set out in the Directors' Report on pages 26 and 27 of the Annual Report.

Ian McElroy is Chief Executive of Tier One Capital Ltd and is a founding shareholder and director of the firm.

Tier One Capital Ltd received £28,000 (excluding VAT) investment adviser's fee during the period (31 May 2020: £20,000 (excluding VAT); 30 November 2020: £47,000 (excluding VAT)) and £nil was payable at the period end (31 May 2020: £20,000 (excluding VAT); 30 November 2020: £nil). Tier One Capital Ltd receives up to a 20% margin and arrangement fee for all loans it facilitates.

There are various related party relationships in place with the borrowers as below:

Thursby Homes (Charlton's Bonds)

Tier One Capital Ltd sold 25.1% of Thursby Homes Ltd on 20 March 2019. The loan amount outstanding as at 31 May 2021 was £628,000 (31 May 2020: £697,000; 30 November 2020: £628,000). Transactions in relation to loans repaid during the period amounted to £nil (31 May 2020: £nil; 30 November 2020: £68,000). Interest due to be received as at 31 May 2021 was £21,000 (31 May 2020: £9,000; 30 November 2020: £8,000). Interest received during the period amounted to £25,000 (31 May 2020: £28,000; 30 November 2020: £54,000).

The following related parties arise due to the opportunity taken to advance the 25.1% profit share contracts:

- **Gatsby Homes**

  The Company owns 25.1% of the borrower Gatsby Homes Ltd. The loan amount outstanding as at 31 May 2021 was £1.2m (31 May 2020: £1.6m; 30 November 2020: £1.3m). Transactions in relation to loans (repaid)/made during the year amounted to

£(172,000) (31 May 2020: £225,000; 30 November 2020: £(474,000)). Interest due to be received as at 31 May 2021 was £nil (31 May 2020: £nil; 30 November 2020: £nil). Interest received during the year amounted to £nil (31 May 2020: £nil; 30 November 2020: £nil).

- **Bede and Cuthbert Developments**

  The Company owns 25.1% of the borrower Bede and Cuthbert Developments Ltd. The loan amount outstanding as at 31 May 2021 was £3.0m (31 May 2020: £921,000; 30 November 2020: £3.2m). Transactions in relation to loans (repaid)/made during the period amounted to £(250,000) (31 May 2020: £nil; 30 November 2020: £2.5m). Interest due to be received as at 31 May 2021 was £41,000 (31 May 2020 £10,000; 30 November 2020: £36,000). Interest received during the year amounted to £127,000 (31 May 2020: £23,000; 30 November 2020: £100,000).

- **Thursby Homes (Springs)**

  The Company owns 25.1% of the borrower Thursby Homes (Springs) Ltd. The loan amount outstanding as at 31 May 2021 was £2.56m (31 May 2020: £3.74m; 30 November 2020: £2.95m). Transactions in relation to loans (repaid)/made during the period amounted to £(369,000) (31 May 2020: £175,000; 30 November 2020: £(58,000)). Interest due to be received as at 31 May 2021 was £185,000 (31 May 2020: £138,000; 30 November 2020: £168,000). Interest received during the period amounted to £131,000 (31 May 2020: £189,000; 30 November 2020: £365,000).

- **Whitefield Farm**

  TOC Property Backed Lending Trust plc owns 25.1% of the borrower Northumberland Ltd. The loan amount outstanding as at 31 May 2021 was £1.77m (31 May 2020: £3.16m; 30 November 2020: £1.94m). Transactions in relation to loans (repaid)/made during the period amounted to £(164,000) (31 May 2020: £25,000; 30 November 2020: £(910,000)). Interest due to be received as at 31 May 2021 was £26,000 (31 May 2020: £62,000; 30 November 2020: £27,000). Interest received during the period amounted to £78,000 (31 May 2020: £111,000; 30 November 2020: £209,000).

- **Dinosauria**

  TOC Property Backed Lending Trust plc owns 25.1% of the borrower Dinosauria Ltd. The loan amount outstanding as at 31 May 2021 was £nil (31 May 2020: £550,000; 30 November 2020: £550,000). Transactions in relation to loans repaid during the period amounted to £550,000 (31 May 2020: £nil; 30 November 2020: £nil). Interest due to be received as at 31 May 2021 was £nil (31 May 2020: £7,000; 30 November 2020: £18,000). Interest received during the period amounted to £2,000 (31 May 2020: £22,000; 30 November 2020: £44,000).

- **Coalsnaughton**

  TOC Property Backed Lending Trust plc owns 25.1% of the borrower Kudos Partnership. The loan amount outstanding as at 31 May 2021 was £1.87m (31 May 2020: £1.8m; 30 November 2020: £1.69m). Transactions in relation to loans made during the period amounted to £217,000 (31 May 2020: £1.8m; 30 November 2020: £1.69m). Interest due to be received as at 31 May 2021 was £128,000 (31 May 2020: £57,000; 30 November 2020: £88,000). Interest received during the period amounted to £110,000 (31 May 2020: £95,000; 30 November 2020: £194,000).

- **Oswald Street**

  TOC Property Backed Lending Trust plc owns 25.1% of the Riverfront Property Limited Partnership. The loan amount outstanding as at 31 May 2021 was £382,000 (31 May 2020: £nil; 30 November 2020: £382,000). Transactions in relation to loans made during the period amounted to £nil (31 May 2020: £nil; 30 November 2020: £382,000). Interest due to be received as at 31 May 2021 was £5,000 (31 May 2020: £nil; 30 November 2020: £5,000). Interest received during the period amounted to £15,000 (31 May 2020: £nil; 30 November 2020: £9,000).

Continued

10. OPERATING SEGMENTS

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single unified business, being the investment of the Company's capital in financial assets comprising loans and joint venture equity contracts and in one geographical area, the United Kingdom, and that therefore the Company has no segments. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Company. The key measure of performance used by the Board to assess the Company's performance is the total return on the Company's net asset value. As the total return on the Company's net asset value is calculated based on the IFRS net asset value per share as shown at the foot of the Consolidated Statement of Financial Position, the key performance measure is that prepared under IFRS. Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

11. FAIR VALUE HIERARCHY

Accounting standards recognise a hierarchy of fair value measurements for financial instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The classification of financial instruments depends on the lowest significant applicable input, as follows:

- Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Examples of such instruments would be investments listed or quoted on any recognised stock exchange.
- Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be forward exchange contracts and certain other derivative instruments.
- Level 3 – External inputs are unobservable. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instrument.

  All loans are considered Level 3.

12. POST BALANCE SHEET EVENTS

- The loan facility with Shawbrook Bank was extended for a further year to May 2022 on 5 June 2021.
- On 30 June 2021, a new facility of £4.5m was entered into with Calmont Homes (Oak Meadows) Ltd with an initial drawdown of £300,000.

13. INTERIM REPORT STATEMENT

These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the year ended 30 November 2020, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts in respect of any period after 30 November 2020 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

Shareholder Information

Share Register Enquiries

For shareholder enquiries, please contact the registrar, Computershare +44 (0) 370 702 0000.

Share Capital and General Information

Ordinary £0.01 Shares	26,924,063
SEDOL Number	BD0ND66
ISIN Number	GB00BD0ND667
Ticker	PBLT

Share Prices

The Company's shares are listed on the London Stock Exchange.

Annual and Interim Reports

Copies of the Annual and Interim Reports are available from the Company Secretary on telephone number 01245 398950 and are also available on the Company's website www.tocpropertybackedlendingtrust.co.uk.

Provisional Financial Calendar

July 2021	Interim period end results announced
September 2021	Payment of interim dividend
30 November 2021	Year end
January 2022	Payment of interim dividend
April 2022	Payment of interim dividend
April 2022	Annual General Meeting
31 May 2022	Interim period end
July 2022	Payment of interim dividend

GLOSSARY

AIC Association of Investment Companies
This is the trade body for Closed-end Investment Companies (www.theaic.co.uk).

AIFMD Alternative Investment Fund Managers Directive
Issued by the European Parliament in 2012 and 2013, the Directive requires the Company to appoint an Alternative Investment Fund Manager (AIFM). The Board of Directors of a Closed-ended Investment Company, nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.

AIFM Alternative Investment Fund Manager
The entity that provides portfolio management and risk management services to the Company and which ensures the Company complies with the AIFMD.

Basic Total Earnings per Share Total profit after taxation divided by the weighted average number of Ordinary Shares in issue during the period.

C share This is a class of share issued by investment trusts. It allows the increase in number of shares in issue and funds under management without reducing the value of the existing ordinary shares. 'C' shares are quoted separately from the ordinary shares until the money raised from their issue has been fully invested. After that, they are converted to ordinary shares at a value based on the trust's net asset value.

Closed-end Investment Company
A company with a fixed issued ordinary share capital which is traded on a stock exchange at a price not necessarily related to the Net Asset Value of the company and where shares can only be issued or bought back by the company in certain circumstances.

Discount (or Premium) of Share Price to NAV
If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium. The discount (or premium) is calculated by reporting the difference between the Net Asset Value per share and the Share Price as a percentage of the Net Asset Value per share.

Dividend Yield
Calculated using the annual dividend as a percentage of the share price at the year end.

Dividends per Share
Dividends declared for the year.

Increase/decrease in NAV
The movement in NAV in the period, shown in total and as a movement per share. Expressed in whole numbers and as a percentage.

Investment Trust Qualification
The Investment Trusts (Approved Company) (Tax) Regulations 2011 (SI 2011/2999) set out requirements for investment trust approval, amongst which is that an investment trust must not retain in respect of an accounting period an amount which is greater than 15% of its income for the accounting period.

Loan to Value
Debt outstanding and drawn at the period end, net of any cash held in the Lender deposit account, expressed as a percentage of the market value of all property assets.

Net Assets (or Shareholders' Funds)
This is calculated as the value of the investments and other assets of an Investment Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Company at a point in time.

Net Asset Value (NAV) per Ordinary Share
This is calculated as the net assets of the Company calculated under its accounting policies as set out in the year end report and financial statements divided by the number of shares in issue. This is the number disclosed at the foot of the Statement of Financial Position on page 15.

NAV Total Return
The growth in NAV plus dividends reinvested, and this can be expressed as a percentage of NAV per share at the start of the year.

Ongoing Charges
All operating costs incurred by the Company, expressed as a proportion of its average Net Assets over the reporting year.

Share Price Total Return
The percentage change in the Share Price assuming dividends are reinvested to purchase additional Ordinary Shares at the prevailing share price.

SORP
Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the AIC.

Total Assets
This is calculated as the value of the investments and other assets of the Company, plus cash and debtors.

Total Return
The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

UK Corporate Governance Code
A code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts.

Alternative Performance Measures (APMs)
The Company uses the following APMs (as described in the glossary) to present a measure of profitability which is aligned with the requirements of our investors and potential investors, to draw out meaningful data around revenues and earnings to provide additional information not required for disclosure under accounting standards. All APMs relate to past performance.

- Dividend yield
- Increase / decrease in NAV
- Loan to value
- NAV total return
- Ongoing charges
- Share price total return

Corporate Information

DIRECTORS

John Newlands
Chairman

Matthew Harris
Chairman of the Audit Committee

Ian McElroy

Douglas Noble
Chairman of the Remuneration Committee

REGISTERED OFFICE

Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

INVESTMENT ADVISER

Tier One Capital Ltd
16 Brenkley Way
Seaton Burn
Newcastle-upon-Tyne NE13 6DS

BROKER AND FINANCIAL ADVISER

finnCap Ltd
60 New Broad Street
London EC2M 1JJ

SOLICITOR

Gowling WLG (UK) LLP
4 More London
Riverside
London SE1 2AU

ADMINISTRATOR AND SECRETARY

Maitland Administration Services Limited
Hamilton Centre
Rodney Way
Chelmsford
Essex CM1 3BY

AUDITORS

BDO LLP
55 Baker Street
London
W1U 7EU

REGISTRAR

Computershare Investor Services PLC
The Pavillions
Bridgwater Road
Bristol
BS99 6ZZ

WEBSITE

www.tocpropertybackedlendingtrust.co.uk

Notes

Notes

TOC PROPERTY BACKED
LENDING TRUST