Schroder
Real Estate Investment Trust Limited

Interim Report as at 30 September 2014

Schroders

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Schroder Real Estate Investment Trust Limited aims to provide Shareholders with an attractive level of income together with the potential for income and capital growth from investing in UK commercial property.

Schroder Real Estate Investment Trust Limited (the 'Company') together with its subsidiaries (the 'Group') hold a diversified portfolio of UK commercial properties, which is mainly invested in three commercial property sectors: office, retail and industrial. The Group may also invest in other sectors from time to time. The Group will not invest in other listed investment companies. In pursuing the investment objective, the Investment Manager concentrates on assets with good fundamental characteristics, a diverse spread of occupational tenants and with opportunities to enhance value through active management.

Financial Summary

	30 September 2014	31 March 2014	% Change
Net Asset Value ('NAV')[1]	**£260.0m**	£190.4m	36.5
NAV per ordinary share[1] (pence)	**55.1**	48.6	13.4
Share price (pence)	**57.0**	51.5	10.7
Share price premium to NAV	**3.4%**	5.9%	
FTSE All Share Index	**3,533.9**	3,555.6	(0.6)
FTSE EPRA/NAREIT UK Real Estate Index	**1,629.0**	1,595.8	2.1
Total Group assets less current liabilities	**£387.5m**	£317.8m	21.9
Loan-to-value ratio, net of all cash[2]	**26.8%**	37.8%	

Earnings and Dividends

	Six months to 30 September 2014	Six months to 30 September 2013	Twelve months to 31 March 2014
NAV total return[4]	**16.2%**	4.1%	14.4%
Earnings per share (pence)	**7.7**	1.2	5.7
EPRA earnings per share (pence)[5]	**1.1**	1.0	2.1
Dividends paid per share (pence)	**1.2**	1.5	2.7

Sources: Schroder Property Investment Management Limited and Datastream based on returns during the period from 1 April 2014 to 30 September 2014.

[1] NAV is calculated using International Financial Reporting Standards.
[2] Loan-to-value ratio is total borrowings less total cash as a percentage of investment property including City Tower in Manchester and the Olympic Office Centre in Wembley.
[3] Percentage point change.
[4] NAV total return calculated by Schroder Property Investment Management Limited.
[5] European Public Real Estate Association ('EPRA') earnings per share reflects the underlying performance of the company. Profit/loss after taxation is adjusted to exclude investment property revaluations, gains and losses on disposals and swap mark to market movement to provide true underlying operational performance. The calculation is set out in Note 3.

Chairman's Statement

Overview

The Company continues to take advantage of a strengthening UK commercial property market whilst pursuing a disciplined and accretive growth strategy. This strategy has made a positive contribution to shareholder total returns and has resulted in a fully covered dividend, a further reduction in leverage and improved economies of scale.

The sustained property market recovery continues to be driven by the broader improvement in the UK economy which grew by approximately 1.5% over the period. GDP growth is being driven by household consumption as well as increasing business investment and falling unemployment. As expected, this is leading to increasing occupational demand and rental growth in both London and stronger regional centres where there remains a limited supply of new accommodation.

Whilst the outlook is positive, there are political and economic headwinds with slowing global growth leading to capital market volatility. Therefore, whilst growth in the UK could slow, a softening housing market and falling commodity prices should contain inflation expectations and delay an increase in interest rates.

Although this remains a favourable operating environment, the Board will remain vigilant and continuously monitor the strategy with the Investment Manager (the 'Manager'), with regards to changing market conditions and the pricing of acquisition opportunities.

Results

The Company's Net Asset Value ('NAV') as at 30 September 2014 was £260 million or 55.1 pence per share ('pps'), compared with £190.4 million or 48.6 pps as at 31 March 2014. This reflected an increase over the period, adjusted for new equity issuance, of 13.4%. Shareholders received total dividends over the period of £5.3 million or 1.24 pps, resulting in a total NAV return of 16.2%. Dividend cover over the period increased to 111%.

The increase in NAV was principally due to the underlying portfolio producing capital growth of 9%. This capital growth compared with the Company's Investment Property Databank ('IPD') Benchmark Index of 6.3%. The portfolio also benefited from a higher income return of 3.4% compared with the IPD Benchmark of 2.8%, resulting in a total return of 12.7% compared with the Benchmark of 9.2%. Since inception of the Company in 2004 the underlying portfolio has produced a total return of 6.5% per annum compared with the IPD Benchmark of 5.3% per annum.

Strategy

In April the Company completed a Placing and Offer for Subscription that raised gross proceeds of £40.2 million from the issuance of 80,000,000 new shares at an issue price of 50.25 pence per share, a premium of 4.7% to the prevailing NAV and reflecting an equity funding yield of 5%. This increased the Company's total number of shares to 471,513,409 as at 30 September 2014.

Over the six month period of these results the Company has invested the placing proceeds into three acquisitions consistent with the Company's investment criteria totalling £43.7 million at an average initial yield of 7.2%. Implementation of the growth strategy and reinvestment of disposal proceeds on completion of asset management has delivered the following key strategic benefits:

- The acquisition of larger properties offering good fundamentals and greater scope for higher rental growth and value enhancing asset management;
- Increased dividend cover to 111% compared with 75% over the year to 31 March 2014;
- A further reduction in the Company's loan to value ratio, net of cash, to 26.8% as at 30 September 2014, compared with 37.8% as at 31 March 2014; and
- Improved shareholder liquidity and economies of scale.

Chairman's Statement

In order to position the Company for further accretive growth, shareholder consent was secured in April 2014 to issue a further 120,000,000 shares under a placing programme during the 12 month period to 19 March 2015, as and when potential new acquisitions and significant capital expenditure projects within the existing portfolio are identified. Shares issued under the placing programme will be issued at a premium to the prevailing NAV at that point in time.

Debt

The Company has a single loan of £129.58 million from Canada Life at a fixed interest rate of 4.77% per annum incorporating sufficient flexibility to asset manage and implement the property strategy. 80% of the loan matures in April 2028 with the balance in April 2023, resulting in a weighted term of 12.6 years.

Dividend policy

As noted above, over the period the Company paid two dividends totalling 1.24 pps, resulting in dividend cover of 111% at the half year end, reducing to 101% after exceptional items, compared with 75% over the 12 months to 31 March 2014. The Board will continue to review dividend policy and the appropriate sustainable long term dividend level for the Company with due regard to continued execution of the strategy and market conditions. Over the long-term the Board expects to adopt a progressive dividend policy.

Governance and regulatory matters

The Company's Articles of Association provided shareholders with the opportunity to vote on continuation of the Company at the Annual General Meeting held in September. Shareholders voted for continuation which was in line with the Board's recommendation

In July the Manager, Schroder Property Investment Management Limited, was appointed to act as the Company's Alternative Investment Fund Manager under the Alternative Investment Fund Managers Directive ('AIFMD').

REIT conversion

The Board and its advisors are considering the potential advantages to the Company and its shareholders from converting to Real Estate Investment Trust ('REIT') status. The main advantage of the UK REIT regime is that net rental income derived from its rental property portfolio is exempt from UK income or corporation tax, as are capital gains on the disposal of the rental properties.

Outlook

Against the backdrop of a growing UK economy, lower inflation and low interest rates, the potential returns available from the UK commercial property market remain attractive. The placing programme enables the Company to behave opportunistically by selectively targeting property that meets its investment criteria whilst minimising cash drag.

Successful execution of this strategy and continued focus on proactively managing the existing portfolio should enable the Company to continue to deliver attractive shareholder returns in line with the Company's long term objective of providing an attractive income return with the potential for long term income and capital growth.

Lorraine Baldry
Chairman
Schroder Real Estate Investment Trust Limited

14 November 2014

Investment Manager's Report

The period to 30 September 2014 has seen a high level of activity with the Company actively implementing its growth strategy.

The £40.2 million of new equity raised through the placing programme has been invested in three acquisitions totalling £43.7 million at an average initial yield of 7.2%. The Company has also sold or unconditionally exchanged contracts to sell three properties in Wembley for £38.2 million, reflecting a 70% premium to the value at the start of the period. This combined activity has contributed positively to Net Asset Value ('NAV') total returns and resulted in strong growth in net income and the Company's dividend being fully covered by earnings, a key strategic aim.

Over the period to 30 September 2014 the Company's NAV increased to £260 million or 55.1 pence per share ('pps'), compared with £190.4 million or 48.6 pps as at 31 March 2014. This reflects a 13.4% increase in the Company's NAV and a NAV total return, including dividends, of 16.2%. The table below provides a detailed breakdown of the growth in NAV during the period:

	Pence*
NAV as at 31 March 2014	**48.6**
Unrealised change in valuation of direct investment property portfolio	3.3
Capital expenditure and acquisition costs during the period	(0.2)
Unrealised profit on joint ventures	0.2
Post tax net revenue	1.3
Dividends paid	(1.2)
Realised gains on disposals	3.2
Others	(0.1)
NAV as at 30 September 2014	**55.1**

* NAV pps analysis adjusted to reflect the 80 million shares issued on 17 April 2014.

An increase of 7.7% in the value of the underlying direct property portfolio, prior to capital expenditure, contributed 3.3 pps to the movement in NAV over the period. This excludes The Olympic Office Centre in Wembley where unconditional contracts were exchanged to sell the property prior to the period end, meaning that is treated as a realised gain on disposal in the above analysis.

Capital expenditure of £0.6 million was incurred during the period comprising refurbishment expenditure and planning fees, reducing the NAV by 0.1 pps. Transaction costs of £0.6 million relating to the three acquisitions were also incurred during the period, reducing the NAV by 0.1 pps.

Dividends of £5.3 million or 1.24 pps were paid during the period which, based on net earnings of £5.9 million or 1.3 pps, resulted in dividend cover of 111%. The net earnings included exceptional items comprising surrender and dilapidations payments from tenants totalling £0.6 million. Excluding these items from earnings, reduced dividend cover over the period, but still stood at 100% at the quarter end.

The disposal of the three properties at Olympic Office Centre in Wembley, referred above, resulted in a realised gain after disposals costs of £15.2 million or 3.2 pps.

Market overview

According to the IPD Monthly Index, average UK commercial property produced a total return of 10% over the six months to 30 September 2014, which comprised an income return of 3.1% and capital growth of 6.8%. Falling yields as a result of increased capital flows to the sector contributed 5.7% towards capital growth, supported by modest rental growth of 1.6%.

Averages continue to be misleading, as there was a wide divergence in returns between sectors and sub-sectors over the period. Offices were the best performing sector, producing a total return of 11.9%, marginally ahead of industrial at 11.8% with the retail sector lagging, but nonetheless delivering a relatively strong return at 8.1%. The performance of the office

Investment Manager's Report

sector continues to be driven by Central London which produced average rental value growth of 5.5%, whilst also benefiting from falling yields due to strong demand from international investors. Average yields in the West End and Mid-town markets are now 3.4%, with values 7% above the previous cycle high in 2007.

Performance in the retail sector continues to be negatively impacted by rents falling in the secondary shopping centre and high street sub-sectors due to changing shopping patterns and declining retailer demand. Retail warehousing has recovered more strongly with a greater share of sales led by the growth of the discount sector, as well as by accommodating multi-channel retail strategies such as 'click and collect'.

The market outside Central London benefited from increasing momentum over the period. For example, offices and industrial in the South East of England were the best performing sub-sectors over the quarter to September 2014, with capital values still 34% and 25% respectively below their previous cycle high in 2007. Stronger regional centres are also now benefiting from increasing investor demand driven by higher yields available and rental growth prospects. This is evident in markets such as Manchester where a historically low vacancy rate for new offices of 2% (Source: JLL) combined with a delayed supply response, is leading to rental growth for good quality existing property such as City Tower.

The UK commercial property market remains relatively well placed against the backdrop of positive GDP growth which should, in turn, support improved rental growth prospects. Furthermore, despite the strong capital growth over the period, the average initial yield of 5.7% remains approximately 3.7% above ten year Gilts which compares to a long-term average of approximately 2%. Whilst interest rates remain artificially low due to loose monetary policy, a more benign inflation outlook due to falling commodity prices and low wage growth enables the Bank of England to delay any increase until 2015. This should provide further support to capital values if GDP growth moderates as a result of the slowing global economy.

Strategy

The strategy we have been successfully implementing this year sought to take advantage of improving sentiment towards good quality secondary property due to the higher income yield available and improving occupational markets. Following the successful tap issuance in January 2014, the placing programme was approved by shareholders in April of this year to enable equity to be raised when accretive transactions were identified. This structure has enabled the Company to opportunistically acquire higher yielding assets earlier in the property cycle, with the resultant benefits in terms of NAV total returns and dividend cover.

The £40.2 million of equity raised under the placing programme has been invested into three acquisitions totalling £43.7 million. These acquisitions satisfy the Company's investment criteria by offering the following characteristics:

- An above average initial yield of 7.2%;
- A range of uses including offices, industrial, retail and alternatives;
- Good fundamentals in terms of location and specification;
- Affordable rents offering scope for growth;
- An above average lease term of nine years, assuming all tenants break at the earliest opportunity; and
- Larger lot sizes providing greater potential for value enhancing asset management.

The Company aims to continue to grow in size, supported by the placing programme where up to a further 120 million shares, totalling approximately £70 million, can be issued to fund acquisitions and investment within the existing portfolio. Shares under the placing programme can only be issued at a premium to the prevailing NAV and a disciplined approach will continue to be adopted.

Investment Manager's Report

New acquisitions will continue to target properties in the office, industrial, retail and alternatives sectors that offer good underlying fundamentals in terms of locations capable of supporting long term alternative uses, a specification capable of adapting to changing occupier requirements, affordable rents and sustainable tenant demand:

- Offices:
  - London sub-markets with robust demand and multiple alternative uses including commercial as well as residential occupiers; and
  - Cities and towns outside of London with a 'knowledge-based' economy offering creativity and innovation.
- Industrial:
  - Medium sized warehouses around big cities to support e-tailing; and
  - Higher yielding multi-let estates in areas with low supply and potential for change of use.
- Retail and retail warehousing:
  - Convenience retailing in affluent areas; and
  - 'Value' retailing where overall cost to retailer is low.
- Alternatives:
  - Targeting operators with the ability to pay higher rates because the can pass on rising costs to end users, and
  - Fixed or inflation-linked rental uplifts where underlying rents will keep pace.

Property portfolio

As at September 2014, the Company's direct property portfolio comprised 55 properties independently valued at £360.88 million, including the Olympic Office Centre in Wembley. At the same date, the direct portfolio produced rental income of £24 million, reflecting a net initial yield of 6.3%. The independent valuer has estimated that the current market rental value of the portfolio is £27.5 million per annum, reflecting a reversionary yield of 7.2%. The portfolio benefits from additional fixed annual rental uplifts of £1.5 million per annum due by September 2016. The tables below summarise the key portfolio information as at 30 September 2014:

	Weighting %	
Sector weightings by value	**SREIT**	**IPD**
Retail	29.9	40.7
Offices	41.3	30.4
Industrial	23.8	19.6
Other	5.0	9.3

	Weighting %	
Regional weightings by value	**SREIT**	**IPD**
Central London	0.0	15.7
South East excluding Central London	38.0	43.2
Rest of the South	11.0	6.7
Midlands and Wales	25.1	19.1
North and Scotland	25.9	15.3

Investment Manager's Report

The Company's top ten properties set out below comprise 50.3% of the portfolio value:

Top ten properties		Value (£)	(%)
1	Manchester, City Tower	35.1	9.7
2	Brighton, Victory House	28.8	8.0
3	Leeds, Headingley, The Arndale Centre	18.0	5.0
4	Uxbridge, 106 Oxford Road	17.5	4.8
5	Brentford, Reynards Business Park	16.0	4.4
6	Wembley, Olympic Office Centre	15.4	4.3
7	Salisbury, Churchill Way West	15.4	4.3
8	Basingstoke, Churchill Way	11.9	3.3
9	Norwich, Union Park	11.8	3.3
10	Luton, The Galaxy	11.7	3.2
	Total as at 30 September 2014	**181.6**	**50.3**

The table below sets out the Company's top ten tenants that generally comprise large businesses and represent 33.9% of the portfolio:

Top ten tenants		Rent p.a. (£)	% of portfolio
1	Wickes Building Supplies Limited	1,092,250	4.5
2	Norwich Union Life and Pensions Limited	1,039,191	4.3
3	The Buckinghamshire New University	1,018,267	4.2
4	BUPA Insurance Services Limited	960,755	4.0
5	Mott MacDonald Limited	790,000	3.3
6	Recticel SA	731,086	3.0
7	Lloyds TSB Bank PLC	710,000*	2.9
8	Sports Direct.com Retail Limited	657,177	2.7
9	Booker Limited	570,000	2.7
10	Irwin Mitchell LLP	555,000	2.3
	Total as at 30 September 2014	**8,123,726**	**33.9**

* Includes Lloyds contracted uplift from £175,000 to £350,000 per annum on expiry of the rent free in September 2015.

Improving occupational market conditions have enabled the Company to reduce the portfolio void rate which, as at 30 September 2014, stands at 10.8% as a percentage of rental value compared with 11.7% as at 31 March 2014. Tenant demand in stronger regional markets also means that higher income returns can be achieved by undertaking more comprehensive refurbishment and this, combined with some specific on-going asset management initiatives, means that capital expenditure is likely to increase.

Following activity over the half year and since the period end, the Company's average unexpired lease term, assuming all tenants break at the earliest opportunity, reduced from 7.7 years as at 31 March 2014 to 7.2 years. Over the same period the IPD Benchmark decreased from 8.2 years to 8.0 years. The table below shows the expiry profile of Company's portfolio as at 30 September 2014 in five year increments assuming all tenants leave at the earliest opportunity. This is compared against the IPD Benchmark and ignores the potential for future rental uplifts at rent review.

Investment Manager's Report

	% of rent passing	
	SREIT earliest termination / IPD Index earliest termination	SREIT assuming no tenant breaks / IPD Index assuming no tenant breaks
Up to five	44.8 / 42.5	33.8 / 31.1
Five to 10	36.9 / 29.7	36.6 / 36.2
10 to 15	8.6 / 16.0	15.7 / 18.7
15 to 20	5.8 / 5.9	7.8 / 6.5
Over 20	3.9 / 5.9	6.2 / 7.6

Property portfolio performance

The performance of the Company's underlying property portfolio compared with its IPD Benchmark to 30 September 2014 is shown below:

	SREIT total return p.a. (%)				IPD Index total return p.a. (%)				Relative p.a. (%)			
Period	Six Months	Twelve Months	Three years	Since inception	Six Months	Twelve Months	Three years	Since inception	Six Months	Twelve Months	Three years	Since inception
Total	12.7	21.8	10.4	6.5	9.2	17.9	8.5	5.3	3.2	3.3	1.8	1.2

In addition to producing a higher total return, over the same periods the underlying property portfolio has consistently produced a higher income return compared with the IPD Benchmark.

Acquisitions

The growth strategy has enabled the Company to acquire six properties since the end of 2013 for a total of £71 million with an average initial yield of 7.8%. These acquisitions are summarised in the table below:

Address	Acquisition date	Price (£m)	Rent (£m)	Average unexpired lease term (years)	Net initial yield (%)	30/09/14 value (£m)
Prior year						
Portsmouth, Commercial Road	09/12/13	7.18	0.63	6.25	8.25	7.65
Leeds, Arndale centre	15/01/14	16.23	1.57	7.30	9.14	17.95
Rugby, Morgan Sindall	06/02/14	3.95	0.34	15.0	8.0	4.37
During the period						
Manchester, City Tower	12/06/14	33.0	2.40	10.8	7.0	35.13
Portsmouth, Commercial Road (adjoining)	09/06/14	1.48	0.15	2.0	9.5	1.6
Milton Keynes, Stacey Bushes	21/08/14	9.2	0.76	4.5	7.8	9.2
Total		**71.0**	**5.84**	**8.6**	**7.8**	**75.9**

Investment Manager's Report

The two significant acquisitions completed during the period are detailed further below:

Manchester, Piccadilly Gardens, City Tower

On 12 June 2014 the Company acquired a 25% interest in City Tower in Manchester for £33 million, reflecting a headline net initial yield of 7%. The property was acquired alongside two funds managed by Schroders for a total price of £132 million. The property is held in a simple joint venture structure with each investor able to call for a disposal of the underlying property.

City Tower is in a prime location and provides 615,429 sq ft of office, retail, leisure and hotel accommodation on a three acre island site including 456 car parking spaces. The property provides significant diversification with 115 tenancies and a spread of lease expiries with an average unexpired lease term, to the earlier of lease expiry or break, of 10.5 years. A comprehensive asset management strategy has been agreed and the following activities have or are currently being undertaken:

- Architects appointed to design a new receptions and common parts of the offices prior to a re-branding which is scheduled for early 2015;
- Working up a strategy to re-position the retail to include more leisure and convenience uses. Letting completed in September at a rent 50% above the acquisition assumption;
- Office lettings progressing at values of up to 15% above the acquisition assumption; and
- Various discussions on-going with existing office tenants for lease extensions.

Milton Keynes, Stacey Bushes

On 21 August 2014 the Company acquired Stacey Bushes Industrial Estate in Milton Keynes for £9.2 million. The property produces a rent of £755,726 per annum which results in a net initial yield of 7.76% per annum, increasing to approximately 10% assuming the property is fully let.

The freehold property comprises a well located 213,536 sq ft multi-let industrial estate on the west side of Milton Keynes. The property has recently undergone an extensive refurbishment to provide modern accommodation with unit sizes ranging from 3,700 sq ft to 10,000 sq ft. The property is currently let to 14 tenants with an average unexpired lease term, assuming all tenant breaks are exercised, of 4.5 years. Good progress is being made letting the vacant units.

Disposals

Wembley, Olympic Office Centre

The Company acquired The Olympic Office Centre in Wembley for £8.25 million in 2004 as an income producing investment with the expectation of capital growth due to gentrification and infrastructure improvements in the immediately surrounding area. The asset management strategy for the property culminated with the Company securing outline planning consent for 400,000 sq ft of residential and student accommodation in 2013 on two acres of car parking servicing the office building. This facilitated the following disposals during the period:

- Disposal of a one acre site to The Unite Group Plc for £7.6 million completed on 1 August; and
- Disposal of the adjoining one acre site for £15.25 million to Barratt Developments PLC ('Barratt') completed on 23 September 2014.

On 9 September the Company also exchanged unconditional contracts to sell the Olympic Office Centre to Network Stadium Housing Association Limited ('Network'), a tenant in the building, for £15.4 million. Completion is due on 19 December 2014 to coincide with expiry of Network's lease.

Investment Manager's Report

The combined proceeds from these disposals total £38.2 million compared to the value as at 31 March 2014 of £22.5 million. Since acquisition of the property in July 2004 the property has produced a total return of 19.5% per annum, compared with the IPD Index of 4.1% per annum over the same period.

Brentford, Reynards Trading Estate

In September 2013 the Company exchanged conditional contracts to sell Reynards Trading Estate in Brentford to Notting Hill Home Ownership ('NHHO') for a base price of £20 million, with completion subject to NHHO securing planning permission at their own cost. This compares to value of £16 million as at 30 September 2014.

On 30 October 2014, NHHO secured resolution to grant detailed planning consent for 195 residential units subject to planning conditions, entering into a section 106 agreement and referral to the Greater London Authority ('GLA'). Heads of terms for the draft section 106 agreement have been agreed in principle between NHHO and the London Borough of Hounslow. GLA approval is a standard process, whereby the GLA confirms that their requirements relating to material issues such as affordable housing have been incorporated within the final application.

Assuming the section 106 agreement completes as planned and GLA approval is forthcoming, a planning permission should be issued which will be subject to a six week Judicial Review ('JR') period. Assuming there is no challenge during the JR period the disposal to NHHO should complete around the calendar year end.

Hinckley, Coventry Road site

On 29 July 2014 the Company exchanged contracts to sell its site at Coventry Road, Hinckley for £4.53 million, on a subject to planning basis, to Redrow Homes Limited ('Redrow'). The price compares with the independent valuation as at 30 September 2014 of £4.25 million.

The property comprises a 9.1 acre former industrial site close to Hinckley town centre and is currently vacant and non-income producing. The disposal of this asset is consistent with the Company's strategy to maximise value from low or non-income producing property. The site already benefits from an outline planning consent for 122 residential units. Completion of the disposal is expected in 2015.

Finance

The Company has a single loan in place with Canada Life totalling £129.58 million. As at 30 September 2014 the loan was secured against 51 properties with a combined value of £294.19 million. The loan has a weighted duration of 12.5 years with a fixed interest rate of 4.77%. Details of the loan and compliance with the principal covenants as at 30 September 2014 are set out below:

Canada Life loan	Maturity	Interest rate (%)	Loan to Value ('LTV') ratio* (%)*	LTV ratio covenant (%)*	Interest cover ratio (%)**	ICR ratio covenant (%)**	Forward looking ICR ratio (%)***	Forward looking ICR ratio covenant (%)***
103.7	16/04/2028	4.77	44.1	65	298	185	260	185
25.9	16/04/2023							

* Loan balance divided by property value as at 30 September 2014.

** For the quarter preceding the Interest Payment Date ('IPD'), ((rental income received – void rates, void service charge and void insurance) / interest paid).

*** For the quarter following the IPD, ((rental income received – void rates, void service charge and void insurance) / interest paid)

The Company has the ability to make a limited number of voluntary prepayments and fixed rate break costs are payable on any prepayment. No break costs are payable on maturity of the smaller tranche of debt in 2023.

Investment Manager's Report

As at 30 September 2014 the Company also held four unsecured properties with a combined value of £66.7 million and cash of £32.8 million. This results in a loan to value ratio, net of cash, of approximately 26.8%.

In order to take advantage of attractive future acquisition opportunities as they arise, the Company may consider tactical short-term debt facilities at a low loan to value ratio, to be repaid from subsequent equity issuance. The long-term target, assuming completion of the placing programme, is to maintain a net loan to value ratio in the region of 25% to 35%.

Outlook

The growth strategy has delivered benefits to shareholders in terms of NAV growth, increased dividend cover, reduced leverage and improved economies of scale. Having achieved full dividend cover over the period, recent and on-going activity within the existing portfolio means that Company is well positioned to increase net income further.

Although investor demand is increasing and the market is therefore more competitive, recent activity demonstrates that opportunities still exist which satisfy the Company's investment criteria. The placing programme provides a disciplined route to growth with equity only being raised when required, ensuring that the Company is not chasing prices in a rising market. Furthermore, in contrast with earlier in the year, achieving full dividend cover allows the Company to consider acquiring lower yielding assets offering enhanced growth prospects and defensive qualities.

Duncan Owen
Schroder Property Investment Management Limited

14 November 2014

Responsibility Statement of the Directors' in respect of the interim report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting*; and
- the interim management report (comprising the Chairman's and the Investment Managers report) includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, 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 year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

David Warr
Director

14 November 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the period from 1 April 2014 to 30 September 2014

	Note	Six months to 30 September 2014 £'000 (Unaudited)	Six months to 30 September 2013 £'000 (Unaudited)	Year to 31 March 2014 £'000 (Audited)
Rental income		**11,294**	9,762	20,194
Other income		**578**	538	563
Property operating expenses		**(1,460)**	(1,541)	(2,931)
Net rental and related income, excluding joint ventures		**10,412**	8,759	17,826
Share of net rental income in joint ventures		*813*	–	–
Net rental and related income, including joint ventures		*11,225*	–	–
Profit on disposal of investment property		**15,117**	–	–
Net valuation gain on investment property		**13,879**	3,190	15,691
Expenses				
Investment management fee	**2**	**(1,094)**	(851)	(1,781)
Valuers' and other professional fees		**(668)**	(579)	(1,181)
Administrators fee	**2**	**(60)**	(60)	(120)
Auditor's remuneration		**(62)**	(65)	(120)
Directors' fees		**(93)**	(85)	(176)
Other expenses		**(63)**	(133)	(428)
Total expenses		**(2,040)**	(1,773)	(3,806)
Net operating profit before net finance costs		**37,368**	10,176	29,711
Interest receivable		**–**	12	24
Finance costs payable		**(3,177)**	(4,009)	(7,188)
Swap break costs: portion of swap previously recognised in profit or loss		**–**	(12,967)	(12,967)
Swap break costs: portion of swap previously recognised in equity		**–**	(2,121)	(2,121)
Finance costs: Ineffective portion of changes in fair value of swap		**–**	13,039	13,041
Net finance costs		**(3,177)**	(6,046)	(9,211)
Share of net rental income in joint ventures	**6**	**813**	–	–
Share of capital profit in associates and joint ventures	**6**	**1,015**	92	397
Profit before tax		**36,019**	4,222	20,897
Taxation		**(62)**	–	(19)
Profit for the period/year attributable to the equity holders of the parent		**35,957**	4,222	20,878
Other comprehensive income				
Items that are or may be reclassified to profit or loss:				
Effective portion of changes in fair value of swap		**–**	57	57
Net change in fair value of swap reclassified to profit or loss		**–**	2,121	2,121
Total comprehensive income for the period/year attributable to the equity holders of the parent		**35,957**	6,400	23,056
Basic and diluted earnings per share	**3**	**7.7p**	1.2p	5.7p

All items in the above statement are derived from continuing operations.
The accompanying notes 1 to 9 form an integral part of the interim report.

Condensed Consolidated Statement of Financial Position

as at 30 September 2014

	Note	30 September 2014 £'000 (Unaudited)	30 September 2013 £'000 (Unaudited)	31 March 2014 £'000 (Audited)
Investment in associates and joint ventures	6	**35,840**	3,295	–
Loans to associates and joint ventures	6	**–**	1,500	1,800
Total investment and loans in associates and joint ventures		**35,840**	4,795	1,800
Investment property	5	**301,368**	255,678	298,074
Non-current assets		**337,208**	260,473	299,874
Trade and other receivables		**30,400**	10,252	10,230
Cash and cash equivalents	7	**33,984**	25,278	14,969
Current assets		**64,384**	35,530	25,199
Total assets		**401,592**	296,003	325,073
Issued capital and reserves		**259,967**	161,574	190,443
Equity		**259,967**	161,574	190,443
Interest-bearing loans and borrowings	8	**127,490**	127,317	127,406
Non-current liabilities		**127,490**	127,317	127,406
Trade and other payables		**14,020**	7,031	7,154
Taxation payable		**115**	81	70
Current liabilities		**14,135**	7,112	7,224
Total liabilities		**141,625**	134,429	134,630
Total equity and liabilities		**401,592**	296,003	325,073
Net Asset Value per Ordinary Share	9	**55.1p**	45.4p	48.6p

The financial statements were approved at a meeting of the Board of Directors held on 14 November 2014 and signed on its behalf by:

David Warr
Director

The accompanying notes 1 to 9 form an integral part of the interim report.

Condensed Consolidated Statement of Changes in Equity

For the period from 1 April 2013 to 30 September 2013 (unaudited)

	Note	Share premium £'000	Hedge reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2013		110,305	(2,178)	52,386	160,513
Profit for the period		–	–	4,222	4,222
Change of fair value of swap taken to equity		–	57	–	57
Net change in fair value of swap reclassified to profit or loss		–	2,121	–	2,121
Dividends paid	4	–	–	(5,339)	(5,339)
Balance as at 30 September 2013		110,305	–	51,269	161,574

For the year ended 31 March 2014 (audited) and for the period from 1 April 2014 to 30 September 2014 (unaudited)

	Note	Share premium £'000	Hedge reserve £'000	Revenue reserve £'000	Total £'000
Balance as at 31 March 2013		110,305	(2,178)	52,386	160,513
Profit for the year		–		20,878	20,878
Change of fair value of swap taken to equity		–	57	–	57
Net change in fair value of swap reclassified to profit or loss		–	2,121	–	2,121
New Equity Issuance (net of issue costs)		16,847			16,847
Dividends paid	4	–	–	(9,973)	(9,973)
Balance as at 31 March 2014		127,152	–	63,291	190,443
Profit for the period		–	–	35,957	35,957
New Equity Issuance (net of issue costs)		38,918	–	–	38,918
Dividends paid	4	–	–	(5,351)	(5,351)
Balance as at 30 September 2014		**166,070**	**–**	**93,897**	**259,967**

Total comprehensive income for the period was £35,957,000 (year ended 31 March 2014: £23,056,000).

The accompanying notes 1 to 9 form an integral part of the interim report.

Condensed Consolidated Statement of Cash Flows

for the period from 1 April 2014 to 30 September 2014

	Note	Six months to 30 September 2014 £'000 (Unaudited)	Six months to 30 September 2013 £'000 (Unaudited)	Year to 31 March 2014 £'000 (Audited)
Operating activities				
Profit for the period/year		**35,957**	4,222	20,878
Adjustments for:				
Profit on disposal of investment property		**(15,117)**	–	–
Net valuation gain on investment property		**(13,879)**	(3,190)	(15,691)
Share of profit in associates and joint ventures		**(1,015)**	(92)	(397)
Net finance cost		**3,177**	6,046	9,211
Taxation		**62**	–	19
Cash flows before changes in working capital and provisions		**9,185**	6,986	14,020
Increase in trade and other receivables		**(18,369)**	(1,613)	(1,555)
Increase in trade and other payables		**7,038**	247	360
Cash generated from operations		**(2,146)**	5,620	12,825
Finance costs paid		**(3,091)**	(3,395)	(6,474)
Swap break costs		**–**	(15,088)	(15,088)
Interest received		**–**	12	24
Tax (paid)/received		**(17)**	198	168
Net cash from operating activities		**(5,254)**	(12,653)	(8,545)
Investing Activities				
Proceeds from sale of investment property		**37,712**	–	3,265
Acquisition of investment property		**(12,010)**	–	(28,827)
Additions to investment in joint ventures		**(35,000)**	(1,182)	(2,250)
Net cash from investing activities		**(9,298)**	(1,182)	(27,812)
Financing Activities				
Repayment of loan		**–**	(125,700)	(125,700)
Drawdown of loan		**–**	129,585	129,585
Loan arrangement fees		**–**	(2,347)	(2,347)
Share issue net proceeds		**38,918**	–	16,847
Dividends paid	**4**	**(5,351)**	(5,339)	(9,973)
Net cash from financing activities		**33,567**	(3,801)	8,412
Net increase/(decrease) in cash and cash equivalents for the period/year		**19,015**	(17,636)	(27,945)
Opening cash and cash equivalents		**14,969**	42,914	42,914
Closing cash and cash equivalents		**33,984**	25,278	14,969

The accompanying notes 1 to 9 form an integral part of the interim report.

Notes to the Interim Report

1. Significant accounting policies

Schroder Real Estate Investment Trust Limited ("the Company") is a closed-ended investment company incorporated in Guernsey. The condensed interim financial statements of the Company for the period ended 30 September 2014 comprise the Company, its subsidiaries and its interests in associates and joint ventures (together referred to as the 'Group').

Statement of compliance

The condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 Interim Financial Reporting. They do not include all of the information required for the full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2014. The condensed interim financial statements have been prepared on the basis of the accounting policies set out in the Group's annual financial statements for the year ended 31 March 2014. The Group's annual financial statements refer to new Standards and Interpretations none of which had a material impact on the financial statements.

Going concern

The Directors have examined significant areas of possible financial risk including cash and cash requirements and the debt covenants, in particular the loan to value covenant and interest cover ratio on the newly refinanced loan with Canada Life that has 80% of the loan maturing in 15 years and 20% maturing in 10 years. They have not identified any material uncertainties which would cast significant doubt on the Group's ability to continue as a going concern for a period of not less than twelve months from the date of the approval of the financial statements. The Directors have satisfied themselves that the Group has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Board believes it is appropriate to adopt the going concern basis in preparing the condensed interim financial statements.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There have been no changes in the judgements and estimates used by management as disclosed in the last annual report and financial statements for the year ended 31 March 2014.

2. Material agreements

Schroder Property Investment Management Limited is the Investment Manager to the Company.

The Investment Manager is entitled to a fee together with reasonable expenses incurred in the performance of its duties. The fee is payable monthly in arrears and shall be an amount equal to one twelfth of the aggregate of 1.1% of the NAV of the Company. The Investment Management Agreement can be terminated by either party on not less than twelve months written notice or on immediate notice in the event of certain breaches of its terms or the insolvency of either party. The total charge to profit or loss during the period was £1,094,000 (year to 31 March 2014: £1,781,000) (6 months to 30 September 2013: £851,000). At the period end £667,000 (31 March 2014: £296,000) (30 September 2013: £296,000) was outstanding.

The Board appointed Northern Trust International Fund Administration Services (Guernsey) Limited as the Administrator to the Company with effect from 25 July 2007. The Administrator is entitled to an annual fee equal to £120,000 of which £30,000 (31 March 2014: £30,000) (30 September 2013: £30,000) was outstanding at the period end.

Notes to the Interim Report

3. Basic and Diluted Earnings per Share

The basic and diluted earnings per share for the Group is based on the net profit for the period of £35,957,000, (31 March 2014: £20,878,000), (30 September 2013: £4,222,000) and the weighted average number of Ordinary Shares in issue during the period/year of 465,799,123 (31 March 2014: 355,921,281 and 30 September 2013: 355,921,281).

EPRA earnings reconciliation

	Six months to 30 September 2014 £000	Six months to 30 September 2013 £000	Year to 31 March 2014 £000
Profit after tax	**35,957**	4,222	20,878
Adjustments to calculate EPRA Earnings exclude:			
Profit on disposal of investment property	**(15,117)**	–	–
Net valuation gain on investment property	**(13,879)**	(3,190)	(15,691)
Share of profit on associates and joint ventures	**(1,828)**	(92)	(397)
Movement in fair value of swaps	**–**	(13,039)	(13,041)
Swap break costs	**–**	15,088	15,088
Write-off of loan arrangement fees	**–**	658	658
EPRA earnings	**5,133**	3,647	7,495
Weighted average number of Ordinary shares	**465,799,123**	355,921,281	363,819,808
EPRA earnings per share (pence per share)	**1.1**	1.0	2.1

European Public Real Estate Association ('EPRA') earnings per share reflect the underlying performance of the company calculated in accordance with the EPRA guidelines.

4. Dividends paid

In respect of	Number of Ordinary Shares	Rate (pence)	**1 April 2014 to 30 September 2014 £000**
Quarter 31 March 2014 dividend paid 25 April 2014	391.51 million	0.62	**2,427**
Quarter 30 June 2014 dividend paid 15 August 2014	471.51 million	0.62	**2,923**
		1.24	**5,350**

In respect of	Number of Ordinary Shares	Rate (pence)	1 April 2013 to 30 September 2013 £000
Quarter 31 March 2013 dividend paid 24 May 2013	355.92 million	0.88	3,132
Quarter 30 June 2013 dividend paid 23 August 2013	355.92 million	0.62	2,207
		1.50	5,339

In respect of	Number of Ordinary Shares	Rate (pence)	1 April 2013 to 31 March 2014 £000
Quarter 31 March 2013 dividend paid 24 May 2013	355.92 million	0.88	3,132
Quarter 30 June 2013 dividend paid 23 August 2013	355.92 million	0.62	2,207
Quarter 30 September 2013 dividend paid 22 November 2013	355.92 million	0.62	2,207
Quarter 31 December 2013 dividend paid 21 February 2014	391.51 million	0.62	2,427
		2.74	9,973

A dividend for the quarter ended 30 September 2014 of 0.62p (£2,923,383.13) was declared on 14 November 2014 and will be paid on 28 November 2014.

Notes to the Interim Report

5. Investment property

For the period 1 April 2013 to 30 September 2013 (unaudited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 1 April 2013	39,393	211,913	251,306
Additions	2	1,180	1,182
Disposals	–	–	–
Net valuation (loss)/gain on investment property	(874)	4,064	3,190
Amounts recognised as investment property at 30 September 2013	38,521	217,157	255,678

For the year 1 April 2013 to 31 March 2014 (audited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 1 April 2013	39,393	211,913	251,306
Additions	23	31,054	31,077
Disposals	–	–	–
Net valuation (loss)/gain on investment property	(55)	15,746	15,691
Amounts recognised as investment property at 31 March 2014	39,361	258,713	298,074

For the period 1 April 2014 to 30 September 2014 (unaudited)

	Leasehold £000	Freehold £000	Total £000
Amounts recognised as investment property at 1 April 2014	39,361	258,713	298,074
Additions	215	11,795	12,010
Disposals	–	(22,595)	(22,595)
Net valuation gain on investment property	2,030	11,849	13,879
Amounts recognised as investment property at 30 September 2014	**41,606**	**259,762**	**301,368**

Fair value of investment property as determined by the valuer's totals £325,755,000 (31 March 2014: £306,480,000) (30 September 2013: £263,440,000). Of this amount £8,987,000 (31 March 2014: £8,206,000) (30 September 2013: £7,761,000) is included within trade and other receivables in connection with lease incentives. Also included within trade and other receivables is £15,400,000 in connection with the unconditional sale of investment property.

The fair value of investment property has been determined by Knight Frank LLP, a firm of independent chartered surveyors, who are registered independent appraisers. The valuation has been undertaken in accordance with the RICS Valuation – Professional Standards January 2014 Global and UK Edition, issued by the Royal Institution of Chartered Surveyors (the "Red Book") including the International Valuation Standards.

The properties have been valued on the basis of "Fair Value" in accordance with the RICS Valuation – Professional Standards VPS4(1.5) Fair Value and VPGA1 Valuations for Inclusion in Financial Statements which adopt the definition of Fair Value used by the International Accounting Standards Board.

The valuation has been undertaken using appropriate valuation methodology and the valuer's professional judgement. The valuer's opinion of Fair Value was primarily derived using recent comparable market transactions on arm's length terms, where available, and appropriate valuation techniques (The Investment Method).

The properties have been valued individually and not as part of a portfolio.

All investment properties are categorised as Level 3 fair values as they use significant unobservable inputs. There have not been any transfers between Levels during the period. Investment properties have been classed according to their real estate sector. Information on these significant unobservable inputs per class of investment property is disclosed below:

Notes to the Interim Report

Quantative information about fair value measurement using unobservable inputs (Level 3)

		Industrial[1]	Retail (incl. retail warehouse)	Office	Other (incl dev sites)[1]	Total
Fair value (£m)		81.76	102.53	125.52	15.95	325.76
Area ('000 sq ft)		1,383	457	731	145	2,716
Net passing rent psf per annum	Range	£0 - £8.82	£0 - £38.50	£0 - £25.72	£0 - £4.45	£0-£38.50
	Weighted average	£3.50	£13.58	£13.13	N/A	£7.96
Gross ERV psf per annum	Range	£3.65 - £8.90	£9.45-£49.50	£9.79 - £24.00	£0 - £8.75	£0-£49.50
	Weighted average	£4.08	£16.44	£13.95	N/A	£9.03
Net initial yield[2]	Range	0% - 12.32%	0% - 9.48%	2.19%-16.54%	8.03%	0% - 16.54%
	Weighted average	6.95%	5.73%	7.22%	N/A	6.69%
Equivalent yield	Range	5.76% - 8.87%	4.50%-10.25%	5.40%-11.70%	8.61%	4.50%-11.70%
	Weighted average	7.67%	6.51%	7.07%	N/A	7.07%

Notes:
(1) Yield profiles calculated excluding the Market Value of land held for development.
(2) Yields based on rents receivable after deduction of head rents, but gross of non-recoverables.

Sensitivity of measurement to variations in the significant unobservable inputs

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the Group's property portfolio, together with the impact of significant movements in these inputs on the fair value measurement, are shown below:

Unobservable input	Impact on fair value measurement of significant increase in input	Impact on fair value measurement of significant decrease in input
Passing rent	Increase	Decrease
Gross ERV	Increase	Decrease
Net initial yield	Decrease	Increase
Equivalent yield	Decrease	Increase

Notes to the Interim Report

6. Investment in associates and joint ventures

For the period 1 April 2013 to 30 September 2013 (unaudited)

	£000	£000
Opening balance as at 1 April 2013		4,703
Share of profits in period	(185)	
Write back of loans to associates and joint ventures previously impaired	277	
Total share of profits from associates and joint ventures		92
Amounts recognised as associates and joint ventures at 30 September 2013		4,795

For the year 1 April 2013 to 31 March 2014 (audited)

	£000
Opening balance as at 1 April 2013	4,703
Sale of associate	(3,300)
Share of profit in year	397
Amounts recognised as associates and joint ventures at 31 March 2014	1,800

For the period 1 April 2014 to 30 September 2014 (unaudited)

	£000
Opening balance as at 1 April 2014	1,800
Distributions received	(1,975)
Addition to investment in associates and joint ventures	35,000
Share of capital profit in period	1,015
Amounts recognised as associates and joint ventures at 30 September 2014	**35,840**

Total loans to associates and joint ventures as at 30 September 2014 were nil (31 March 2014: £1,800,000, 30 September 2013: £1,500,000).

7. Cash and cash equivalents

As at 30 September 2014 the group had £33.9 million in cash of which £14.8 million is proceeds from sales held within the Canada Life security pool. (31 March 2014: £15.0 million, 30 September 2013: £25.3 million).

8. Interest-bearing loans and borrowings

The Group entered into a £129.6 million loan facility with Canada Life on 16 April 2013 that has 80% of the loan maturing in 15 years and 20% maturing in 10 years. As at 30 September 2014 the group has a loan balance of £129.6 million and £2.1 million of unamortised arrangement fees. (31 March 2014: £129.6 million and £2.2 million of unamortised arrangement fees, September 2013: £129.6 million and £2.3 million of unamortised arrangement fees).

9. NAV per Ordinary Share

The NAV per Ordinary Share is based on the net assets of £259,967,000 (31 March 2014: £190,443,000) (30 September 2013: £161,574,000) and 471,513,409 Ordinary Shares in issue at the Statement of Financial Position reporting date (31 March 2014 and 30 September 2013: 355,921,281).

Independent review report to Schroder Real Estate Investment Trust Limited

Introduction

We have been engaged by the company to review the condensed set of consolidated financial statements in the interim financial report for the six months ended 30 September 2014 which comprises the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual consolidated financial statements of the Company are prepared in accordance with IFRSs. The condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting*.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of consolidated financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the interim report for the six months ended 30 September 2014 is not prepared, in all material respects, in accordance with IAS 34 and the DTR of the UK FCA.

Deborah J Smith
For and on behalf of

KPMG Channel Islands Limited
Chartered Accountants
14 November 2014

Corporate information

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Keith Goulborn
John Frederiksen
Harry Dick-Cleland
David Warr
Alison Ozanne
(All Non-Executive Directors)

Investment Manager and Accounting Agent
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ISA/PEP status
The Company's shares are eligible for individual Savings Accounts (ISAs) and PEP transfers and can continue to be held in existing PEPs

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