HOME REIT PLC

Audited financial statements — For the Period Ended 28 February 2021

Notice to reader

In April 2021, Home REIT plc (the “Company”) published its half-yearly financial report covering the period from incorporation on 19 August 2020 to 28 February 2021, containing unaudited financial statements of the Company and its subsidiaries (the “Group”) for that period (the "2021 Half Year Report and Accounts").

The 2021 Half Year Report and Accounts included the following information on the pages specified below:

Nature of information	***2021 Half Year Report and Accounts (page number)***
Operational highlights	2
Social impact highlights	3
Chairman's statement	4-8
Investment Adviser's report	9-19
Key performance indicators	22
EPRA performance measures	23

The Company has subsequently prepared audited financial statements for the Group for the same period for the purposes of a potential equity issue and this document contains those audited financial statements.

Directors’ responsibilities statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

The directors are responsible for maintaining adequate accounting records and an appropriate system of internal control. The directors are responsible for preparing and approving the non-statutory financial statements which give a true and fair in accordance with IFRS and applicable law and regulations.

In preparing the non-statutory financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that:
- show and explain the company’s transactions; and
- disclose with reasonable accuracy at any time the company’s financial position.

The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps to prevent and detect fraud and other irregularities. The directors are also responsible for ensuring that the group complies with laws and regulations that apply to its activities, and for preventing non-compliance and detecting any that occurs.

The directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

Approval
This Directors’ responsibilities statement was approved by the Board of Directors and signed on its behalf by:

Marlene Wood
Director
18 August 2021

Independent Auditor's Report to the directors of Home REIT PLC

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 28 February 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

We have audited the non-statutory financial statements (the "financial statements") of Home REIT Plc ("the Parent Company") and its subsidiaries ("the Group") for the period from 19 August 2020 to 28 February 2021 which comprises the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in shareholder's equity, the Consolidated statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 10 December 2020 to audit the financial statements for the period ending 31 December 2020 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is one year, covering the period ended 28 February 2021. We remain independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included the following considerations.

We have reviewed and challenged the Directors over the forecasts that support the going concern assumption. Our work included:

- agreeing the Group's available borrowing facilities and the related covenants to supporting financing documentation and calculations to check future compliance;
- assessing the forecasted cash flows with reference to historic performance against that budgeted and agreeing the inputs to the forecasted cash flows to supporting documentation;
- challenging management's assumptions, including valuation yields and rental income collection and comparing them to historical and current performance; and
- considering the covenant compliance headroom for sensitivity to both future changes in property valuations and the Group's forecast financial performance.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	100% (2020: 100%) of Group profit before tax 100% (2020: 100%) of Group revenue 100% (2020: 100%) of Group total assets
Key audit matters	Investment Property Valuations
Materiality	We determined materiality for the Group financial statements as a whole to be £3,700,000, which was set at 1% of Group total assets.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group operates solely in the United Kingdom and operates through one segment, investment property, structured through a number of subsidiary special purpose vehicle ("SPV") companies. The Group audit team performed all the work necessary to issue the Group audit opinion. The parent company and its subsidiaries operate under common management with the same accounting system and policies and accordingly our audit was carried out as if the group were one entity during which we have performed audit procedures on all key risk areas.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Investment property valuations Refer to note 2 in relation to significant estimates and	The valuation of Investment property requires significant judgement and estimates by the Directors and the independent valuer appointed by management and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation.	**Experience of valuer and relevance of their work** • We obtained the valuation report prepared by the independent valuer and discussed the basis of the valuations with them. We determined whether the basis of the valuations was in accordance with the requirements of accounting standards.

<table>
<tr>
<td>accounting policies.

Refer to note 7 in relation investment property</td>
<td>Any input inaccuracies or unreasonable bases used in the valuation judgements (such as in respect of estimated rental value and yield profile applied) could result in a material misstatement in the consolidated statement of comprehensive income and consolidated statement of financial position.

There is also a risk of fraud in relation to the valuation of the property portfolio where the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets.</td>
<td>• We assessed the external valuer's qualifications and independence.
• We obtained a copy of the instructions provided to the independent valuer and reviewed for any limitations in scope or for evidence of Management bias.

Data provided to the valuer
• We validated the underlying data provided to the valuer by the Investment Manager. This data included inputs such as current rent and lease term, which we agreed to the executed lease agreements as part of our audit work.

Assumptions and estimates used by the valuer
• We developed yield expectations on each property using available independent industry data and reports and comparable transactions in the market around the period end.
• We discussed the assumptions used and the valuation movement in the period with both the Manager and the independent valuer. Where the valuation was outside of our expected range we challenged the independent valuer on specific assumptions and reasoning for the yields applied and corroborated their explanations where relevant, including agreeing to third party documentation. We also challenged the valuer regarding their views on the impact of Covid-19 on the valuation of these assets considering independent industry data and reports. Further, we challenged the appropriateness of the discount rates applied to the valuations with the valuer and where possible obtained evidence of comparable market transactions through independent sources.

Key observations
• Based on our work we have not noted any material instance which may indicate that the assumptions adopted by the Directors in the valuation were not reasonable or that the methodology applied was inappropriate.</td>
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Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements
Materiality	£3.7m
Basis for determining materiality	Materiality for the Group's financial statements was set at 1% of total assets. This provides a basis for determining the nature and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature and extent of further audit procedures.
Rationale for the benchmark applied	We determined that total assets would be the most appropriate basis for determining overall materiality as we consider it to be the principal considerations for the users of the financial statements in assessing the financial performance of the Group.
Performance materiality	£2.4m
Basis for determining performance materiality	On the basis of our risk assessment, together with our assessment of the Group's overall control environment and history of adjustments, our judgement was that overall performance materiality for the Group should be 65% of materiality.

Specific materiality

We also determined that for other account balances, classes of transactions and disclosures not related to investment properties, a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. As a result, we determined that specific materiality for the measurement of these areas should be £287,000. This was set at 9.4% of revenue during the period. We consider revenue to be an appropriate benchmark in this first reporting period. We further applied a performance materiality level of 65% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £150,000 for items audited to financial statement materiality, and £11,500 for items audited to specific materiality. We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the audited financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statementst themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Directors

As explained more fully in the Directors' responsibility statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Through inspection of board minutes and enquiry with management, we gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group that were contrary to the applicable laws and regulations, including fraud. We considered the significant laws and regulations to be the accounting framework and The UK Real Estate Investment Trust ("REIT") regime.
- In order to address the risk of non-compliance with the REIT regime, we considered a report from the Group's external adviser, detailing the actions that the Group has undertaken to ensure compliance. This paper was reviewed, and the assumptions challenged, by our own internal expert.
- Other procedures to address non-compliance with laws and regulations included agreeing the financial statement disclosures to underlying supporting documentation where relevant, review of Board and Committee meeting minutes, enquiries with management and the Directors as to the risks of non-compliance and any instances thereof.
- We assessed the susceptibility of the financial statemetns to material misstatement, including fraud and considered the fraud risk areas to be management override in control and risk of fraud in relation to the valuation of the property portfolio where the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets.

- We addressed the risk of management override of internal controls by the testing of unusual journals and evaluating whether there was evidence of bias by management and the Directors that represented a risk of material misstatement due to fraud. We also considered any management bias within the valuation of investment property, as described in the key audit matters section.

  We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's Directors, as a body, in accordance with the terms of our engagement letter dated 23 July 2021. Our audit work has been undertaken so that we might state to the Company's Directors those matters we are required to state to them in an auditor's 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 and the Company's Directors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP
Chartered Accountants
London, UK
18 August 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated financial statements

Consolidated statement of comprehensive income

	Note	19 August 2020 to 28 February 2021 £'000
Income		
Rental income	3	3,060
Total income		**3,060**
Operating expenses		
General and administrative expenses	4	1,443
Total expenses		**1,443**
Change in fair value of investment property	7	10,052
Operating profit for the period		**11,669**
Finance costs	5	235
Profit before taxation		11,434
Taxation	6	–
Comprehensive income for the period		**11,434**
Earnings per share – basic and diluted (pence per share)*	20	**6.60**
Earnings per share – adjusted (pence per share)**	20	**4.75**

*Based on the weighted average number of ordinary shares in issue in the period from incorporation of the Company on 19 August 2020 to 28 February 2021.

**Based on the weighted average number of ordinary shares in issue in the period from the commencement of the Company's operations on 12 October 2020 to 28 February 2021.

All items in the above statement derive from continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

Consolidated statement of financial position

	Note	As at 28 February 2021 £'000
Non-current assets		
Investment property	7	242,995
Total non-current assets		**242,995**
Current assets		
Trade and other receivables	9	1,520
Restricted cash	10	120,000
Cash and cash equivalents	10	12,451
Total current assets		**133,971**
Total assets		**376,966**
Non-current liabilities		
Bank borrowings	8	118,693
Total non-current liabilities		**118,693**
Current liabilities		
Trade and other payables	11	11,080
Total current liabilities		**11,080**
Total liabilities		**129,773**
Net assets		**247,193**
Capital and reserves		
Share capital	14	2,406
Special distributable reserve	16	233,353
Retained earnings		11,434
Total capital and reserves attributable to equity holders of the company		**247,193**

The notes on pages 13 to 28 form part of these financial statements.

The consolidated financial statements were approved and authorised for issue by the Board of directors on 18 August 2021 and signed on its behalf by:

Marlene Wood

Director

Consolidated statement of changes in shareholders' equity

For the period from 19 August 2020 to 28 February 2021	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to owners of the company £'000
Profit and total comprehensive income attributable to shareholders		–	–	–	11,434	11,434
Transaction with owners:						
Share capital issued	14	2,406	238,164	–	–	240,570
Share issue costs	15	–	(4,811)	–	–	(4,811)
Cancellation of share premium	16	–	(233,353)	233,353	–	–
Balance at 28 February 2021		**2,406**	**–**	**233,353**	**11,434**	**247,193**

The notes on pages 13 to 28 form part of these financial statements.

Consolidated statement of cash flow

	Note	For the period from 19 August 2020 to 28 February 2021 £'000
Cash flows from operating activities		
Profit before tax		11,434
Less: Change in fair value of investment property	7	(10,052)
Operating result before working capital changes		**1,382**
(Increase) in trade and other receivables	9	(1,520)
Increase in trade and other payables	11	1,030
Net cash flow from operating activities		**892**
Cash flows from investing activities		
Purchase of investment properties	7	(222,893)
Net cash used in investing activities		**(222,893)**
Cash flows from financing activities		
Proceeds from issue of share capital	14	2,406
Proceeds from issue of share premium	15	238,164
Share issue costs	15	(4,811)
Unamortised loan arrangement fee		(1,307)
Net cash generated from financing activities		**234,452**
Net increase in cash and cash equivalents		12,451
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of the period	10	**12,451**

The notes on pages 13 to 28 form part of these financial statements.

Notes to the consolidated financial statements

1. General information

Home REIT PLC (the “Company”) is a closed-ended investment company, incorporated in England and Wales on 19 August 2020 and is registered as a public company limited by shares under the Companies Act 2006 with registered number 12822709. The company commenced operations on 12 October 2020 when its shares commenced trading on the London Stock Exchange.

The Company intends to carry on business as a REIT with an investment objective to deliver inflation-protected income and capital growth over the medium-term for Shareholders through funding the acquisition and creation of high quality homeless accommodation across the UK let on long-term index-linked leases.

2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the period.

2.1 Basis of preparation of financial statements
This consolidated set of financial statements has been prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The consolidated financial statements for the period from 19 August 2020 to 28 February 2021 have been audited by the Company’s Independent Auditor, BDO LLP. The consolidated financial statements do not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006.

As this is the Company’s first accounting period, annual statutory financial statements have not yet been filed with the Registrar of Companies. The Company will prepare its first statutory financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The comparative presentation is not required in the current period of commencement of operations.

The consolidated financial statements for the period ended 28 February 2021 have been prepared on a historical cost basis, as modified for the Group’s investment properties which are carried at fair value with changes presented in the statement of comprehensive income.

The consolidated financial statements are presented in Sterling, which is the Company’s presentation and functional currency, and values are rounded to the nearest thousand pounds, except where indicated otherwise.

Changes to accounting standards and interpretations
At the date of authorisation of the financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The Company has assessed the impact of these amendments and has determined that the application of these amendments and interpretations in current and future periods will not have a significant impact on its financial statements.

Description	Effective Date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to IFRSs (2018-2020 Cycle) – IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, IAS 41	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

Going Concern
The Directors of the Company have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Groups has the resources to continue in business for at least a period of 12 months from the date when the financial statements are authorised for issue. Furthermore, as the Group has a robust Statement of Financial Position and lets properties on long-term index-linked leases which give rise to strong current and projected future cash flows, the Directors consider that any negative impact on the Group's financial position as a result of Covid 19 will be minimal.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about its future trading performance including the impact of Covid-19. Various forms of sensitivity analysis have been performed having a particular regard to the financial performance of its tenants, taking into account any discussions held with tenants surrounding operating performance and the current and ongoing rent collection levels achieved by the Group.

The Group's financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.2 Significant accounting judgements and estimates
The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Valuation of investment properties
The investment properties have been independently valued at fair value by Knight Frank LLP, the Independent Valuer, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment properties being valued. The valuations are the ultimate responsibility of the Board; please see note 7 for further information.

2.3 Summary of significant accounting policies
The principal accounting policies applied in the presentation of these financial statements are set out below.

a Presentation and functional currency
The primary objective of the Company is to generate returns in Sterling, its capital-raising currency. The Company and the Group's performance is evaluated in Sterling. Therefore, the Directors consider Sterling as the currency that appropriately represents the economic effects of the underlying transactions, events, and conditions and the Company has therefore adopted it as the presentation and functional currency for its consolidated financial statements.

b Cash and cash equivalents
Cash and short-term deposits in the balance sheet comprise cash at bank, cash held by lawyers and short-term deposits with an original maturity of three months or less.

c Restricted cash
Restricted cash represents cash withheld by the lender on drawdown borrowings, as referred to in note 10, until certain security is provided to release the funds and, in consequence, does not form an integral part of the Group's cash as at the reporting date.

d Capital management
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure. The Company aims to ensure that sufficient capital is available for a programme of investment in a pipeline of assets and that these investments generate sufficient forecasted income such that dividends may be maintained to shareholders at the appropriate rate to ensure REIT status is preserved.

e Other payables and accrued expenses
Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

f Taxation
Taxation on the profit or loss for the period not exempt under UK REIT regulations would comprise of current and deferred tax. Tax would be recognised in the statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity in which case it would be recognised as a direct movement in equity.

Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

g Dividend payable to shareholders
Final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

h Share issue costs
The costs of issuing or reacquiring equity instruments of the Company are accounted for as a deduction from equity.

i Leases – the Company as lessor
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has determined that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases. Properties leased out under operating leases are included in investment property in the statement of financial position. Rental income from operating leases is recognised on a straight line basis over the expected term of the relevant leases.

j Business combinations
The Company adopted the amendments to IFRS 3 (effective 1 January 2020) in the current period. Under the amendments of IFRS 3, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business has been added. The Company opted to apply the concentration test in the period to all of its corporate acquisitions, concluding these to be treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses.

k Rental income
Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term after the spreading of index-based rental increases on such leases and is included in rental income in the statement of comprehensive income due to its operating nature. The Group's main source of revenue is rental income earned from its investment properties, which is excluded from the scope of IFRS 15.

2.4 Financial instruments
a Financial assets
The Company classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. There are no financial assets held at fair value through profit or loss. The Company's accounting policy for financial assets classified as amortised cost is as follows:

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. rent receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables (rental income) are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables.

Impairment provisions for other receivables are recognised based on the general approach within IFRS 9 and a loss allowance for lifetime expected credit losses is recognised if there has been a significant increase in credit risk since initial recognition of the financial asset.

The Company's financial assets measured at amortised cost comprise rent receivable, restricted cash and cash and cash equivalents in the statement of financial position. Cash and cash equivalents comprise cash in hand and deposits held at call with banks, it also includes cash held by lawyers for subsequent completions.

b Financial liabilities
The Company's accounting policy for financial liabilities is as follows:

Trade and other payables that are financial liabilities are initially recognised at fair value. Where a financing component is identified in respect of long term payables the fair value is calculated with reference to an imputed interest rate and subsequently amortised using the effective interest rate method. Short term financial liabilities are carried at their expected settlement value.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

The Company's financial liabilities comprise of trade and other payables and borrowings.

c Write-off policy
The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

d Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. For the interim accounts, the assessment of the probability of default and loss given default has been based on current and forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Expected credit losses are recognised in other expenses in the statement of comprehensive income.

2.5 Investment property
Investment property, which is property held to earn rentals and/or for capital appreciation, is initially held at cost and then subsequently held at fair value. This valuation includes reference to the initial consideration given, including expenditure that is directly attributable to the acquisition of the investment property, and independent expert guidance. At mid-year and year-end, investment property is valued by an independent valuer and is stated at its fair value as at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the statement of comprehensive income.

Investment property additions in the period include £10.0 million relating to the acquisition of four properties that had unconditionally exchanged at the balance sheet date but that did not complete until March 2021. The Group's accounting policy is to recognise acquisitions on the date of unconditional exchange, as the directors consider this to be the point where substantially all the risks and rewards of ownership of the properties have transferred and the outstanding amount payable to the seller at completion is included on the consolidated statement of financial position as a liability in trade and other payables.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is incurred in profit or loss in the period in which the property is derecognised.

2.6 Fair Value hierarchy
In accordance with IFRS 13, the Company recognises investment properties at fair value at each balance sheet date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. Please see note 7.

3. Rental income

	19 August 2020 to 28 February 2021 £'000
Rental income from investment property	2,780
Accretion effect of straight-lining rent	280
Total	**3,060**

Includes amounts receivable in respect of property rental income and is measured at the fair value of the consideration received or receivable. The future minimum rents receivable under non-cancellable operating leases are:

	£'000
Future minimum rents receivable in the period:	
Year 1	13,011
Year 2	13,141
Year 3	13,273
Year 4	13,405
Year 5	13,539
> 5 years	220,123
Total	**286,492**

20 year leases (with an option to renew for a further 5 years) were granted on the date of acquisition of the properties, with an annual CPI-linked rent review scheduled on the annual anniversary of the lease being granted. A collar of 1% and a cap of 4% is applicable to these reviews. Rental income is recognised on a straight line basis over the expected term of the relevant lease.

4. General and administrative expenses

	19 August 2020 to 28 February 2021 £'000
Investment adviser fee	778
Auditor's fee	139
Board and Directors fee	66
Other administrative expenses	460
Total general and administrative expenses	**1,443**

Fees payable to the auditor of the Company relate to the Initial Accounts audit fees of £42,000 (including VAT) and an accrual for fees payable for the interim review at the mid-year and audit procedures at the mid-year and the year-end of £97,000 (including VAT). The Company also incurred additional non-audit fees of £75,000 from the auditor related to the admission on the London Stock Exchange which have been treated as a reduction in Equity as share issue costs (see note 15).

In addition to the above, the auditor's fee in respect of the audit of these consolidated financial statements is £108,000 (including VAT).

5. Finance costs

	19 August 2020 to 28 February 2021 £'000
Loan interest	20
Non-utilisation fees	190
Amortisation of loan arrangement fees	25
Total finance costs	**235**

6. Taxation

The Group is a real estate investment trust ("REIT") and as a result the profit and gains arising from the Group's property rental business are exempt from UK corporation tax provided it meets certain conditions as set out in the UK REIT regulations. Profits arising from any residual activities (e.g. trading activities and interest income), after the utilisation of any available residual tax losses, are subject to corporation tax at the main rate of 19% for the year.

	19 August 2020 to 28 February 2021 £'000
Current tax	–
Origination and reversal of temporary differences	–
Total deferred tax	–
Tax charge	**–**

Reconciliation of the total tax charge

The reconciliation of profit before tax multiplied by the standard rate of corporation tax for the half-year of 19% to the total tax charge in the statement of comprehensive income is as follows:

	19 August 2020 to 28 February 2021 £'000
Profit before tax	11,434
Tax at the standard rate of UK corporation tax of 19%	2,172
Effect of:	
REIT exempt income and gains	(262)
Revaluation of investment properties	(1,910)
Tax charge	**–**

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of the Corporation Tax Act 2010.

7. Investment property

	Freehold Investment Property £'000
Property acquisitions in the period	232,943
Change in fair value of investment property	10,052
Fair value at 28 February 2021	**242,995**

The properties are held at fair value as determined by the independent valuer as at 28 February 2021. All corporate acquisitions during the period have been treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses (see note 2(j)).

The Company's investment policy targets inflation-protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on long-term and index-linked leases. The Company will neither undertake any direct development activity nor assume direct development risk.

The Company will focus on delivering capital growth by holding assets over the long term and therefore it is unlikely that the Company will dispose of any part of its portfolio. In the unlikely event that a part of the portfolio is disposed of, the Directors intend to reinvest proceeds from such disposals in assets in accordance with the Company's investment policy.

The following descriptions and definitions relating to valuation techniques and key observable inputs may also be used in determining fair values:

Valuation techniques: market value method
Under the market value method the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Observable input: passing rent
The rent at which space could be let in the market conditions prevailing at the date of valuation. Passing rents are dependent upon a number of variables in relation to the Company's property. These include; size, location, tenant covenant strength and terms of the lease.

Unobservable input: rental growth
The estimated average increase in rent based on both market estimations and contractual arrangements. A reduction of the estimated future rental growth in the valuation model would lead to a decrease in the fair value of the investment property and an inflation of the estimated future rental growth would lead to an increase in the fair value. No quantitative sensitivity analysis has been provided for estimated rental growth as a reasonable range would not result in a significant movement in fair value.

The Company classifies all assets measured at fair value as below:

Fair value hierarchy

As at 28 February 2021	Total £'000	Quoted prices in active markets (level 1) £'000	Significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
Assets measured at fair value:				
Investment property	242,995	–	–	242,995

Passing rent and yield range

Sector	Passing rent pa 28 February 2021 £'000	Passing rent pa range £'000	Valuation 28 February 2021 £'000	Valuation yield range %
Residential	13,544	3-311	242,995	4.94-5.56

The table below shows the sensitivities of measurement of the Group's investment property to certain inputs:

As at 28 February 2021	-5% in passing rent £'000	+5% in passing rent £'000	+25bps in net initial yield £'000	-25bps in net initial yield £'000
Investment property	(12,150)	12,150	(10,431)	11,411

Unobservable input: net initial yield
The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

Sensitivities of measurement of significant unobservable inputs
As set out within significant accounting estimates and judgements above, the Company's property portfolio valuation is open to judgements and is inherently subjective by nature.

8. Financial instruments

Set out below is a comparison of the book value and fair value of the Group's financial instruments where a difference exists. The fair value of financial instruments not included in the comparison is equal to book value.

Bank borrowings	Book value £'000	Fair value £'000
Term loan	120,000	111,130
Unamortised loan arrangement fees	(1,307)	–
Bank borrowings	**118,693**	**111,130**

The following table sets out the fair value of those financial liabilities measured at amortised cost where there is a difference between book value and fair value.

Borrowings	Date of valuation	Total £'000	Quoted prices in active markets Level 1 £'000	Significant observable inputs Level 2 £'000	Significant unobservable inputs Level 3 £'000
Borrowings	28 February 2021	111,130	-	111,130	-

The Group's borrowings comprise a £120 million fixed term loan facility with Scottish Widows Limited. The facility has an all-in rate of 2.07% per annum for the duration of the loan term and is due for repayment in December 2032. The fair value of the loan is determined by comparing the discounted future cashflows using the mid-market swap rate on 26 February 2021 of 0.9263% plus the implied margin that is unchanged since the date of fixing. The loan is considered to be a level 2 fair value measurement.

9. Trade and other receivables

	As at 28 February 2021 £'000
Tenant receivables	1,470
Prepaid expenses	50
Trade and other receivables	**1,520**

All trade and other receivable amounts are due within one year. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Directors analysed the expected credit loss and concluded there was no material exposure for the period ended 28 February 2021.

The following table sets out the maturity profile of trade and other receivables that are financial assets:

	As at 28 February 2021 £'000
30 days or fewer	961
31 to 60 days	509
61 to 90 days	-
91 days or more	-
Over one year	-
	1,470

10. Cash reserves

	As at 28 February 2021 £'000
Cash at bank	12,451
Cash and cash equivalents	12,451
Restricted cash	120,000
Total cash at bank	**132,451**

Restricted cash is money held in accounts to which the Group does not have immediate access and as such does not form part of the Group's short-term cash management. These amounts arise both when initially drawing on term-loans prior to the bank taking adequate security and where a securitised asset is disposed prior to the bank replacing the asset with adequate security. Security over owned properties is required to be provided before access to restricted cash is given. The purpose of the restricted cash is for further investment in the portfolio.

11. Trade and other payables

	As at 28 February 2021 £'000
Accrued expenses	1,030
Property purchases exchanged unconditionally at the reporting date	10,050
Total other payables and accrued expenses	**11,080**

All trade and other payables are due within one year. The Directors consider that the carrying amount of trade and other payables matches their fair value.

12. Bank borrowings

On 11 December 2020 the Group entered into a 12-year fixed-rate loan facility for £120 million with Scottish Widows; the Company acts as a guarantor to the loan facility. The Group considers and accounts for all guarantees as insurance contracts. A financial guarantee is recognised where a contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due. The loan was fully drawn on 26 February 2021 and was held in a restricted cash account at 28 February 2021.

13. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

The AIFM and the Investment Adviser have risk management procedures and processes in place which enable them to monitor the risks of the Company. The objective in managing risk is the creation and protection of shareholder income and value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, impact assessment, and monitoring and subject to risk limits and other controls.

The principal financial risks facing the Company in the management of its portfolio are as follows:

Credit risk
Credit risk is the risk that a tenant or other counterparty will cause financial loss to the Company by failing to meet a commitment it has entered into with the Company.

It is the Company's policy to enter into banking arrangements with reputable financial institutions. The AIFM monitors the credit worthiness of banks used by the Company by review of credit ratings, financial statements and other public records and news on a regular basis.

In respect of investment property, in the event of a default by a tenant, the Company may suffer an income shortfall and additional costs in reletting the property. The distributions payable by the Company are dependent on the income from the underlying investment property. The receipt of any rental income due and payable in respect of the underlying property, and the possibility that tenants may default on their rental obligations, creates a consequential risk for the Company in that it could cause a decline in the Company's income available for distribution to shareholders. The Investment Adviser reviews the position of new tenants and monitors tenant exposure in accordance with the investment policy.

The table below shows the Company's exposure to credit risk:

	As at 28 February 2021 £'000
Cash and cash equivalents	12,451
Restricted cash	120,000
Tenant receivables	1,470
	133,921

Liquidity risk
The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of tenants to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available.

The following table details the Group's liquidity analysis in respect of its financial liabilities on contractual undiscounted payments:

28 February 2021	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
Bank borrowings and interest (Note 12)	620	1,881	9,950	136,908	149,359
Trade and other payables	11,013	67	–	–	11,080
	11,633	**1,948**	**9,950**	**136,908**	**160,439**

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has reduced the interest rate risk on its external borrowing by fixing the rate of interest payable.

Capital management
The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group considers proceeds from share issuance, bank borrowings and retained earnings as capital. The Group will maintain a conservative level of aggregate borrowings with a maximum level of aggregate borrowings of 35% of the Group's gross assets.

The Group has remained compliant with its banking covenants during the period and since the period end.

14. Share Capital

Ordinary shares of £0.01 each	As at 28 February 2021 Number	As at 28 February 2021 £'000
On incorporation	1	-
Further shares issued during the period	240,570,464	2,406
Issued and fully paid at period end	240,570,465	2,406

The Company was incorporated on 19 August 2020 when one ordinary share of £0.01 nominal value was issued for £1. On 3 September 2020, a further 50,000 redeemable preference shares of £1 each were issued at £1 per share (quarter paid up). The Company achieved admission to the premium listing segment of the Official List of the London Stock Exchange (the "IPO") on 12 October 2020.

At the date of the Company's IPO, the Company issued and allotted a further 240,570,464 ordinary shares of 1 pence nominal value each at £1 per share. Therefore, 240,570,465 ordinary shares have been issued and fully paid. The redeemable preference shares were redeemed at par and cancelled on the date of the IPO.

15. Share premium account

	As at 28 February 2021 £'000
Share premium arising on ordinary shares issued in relation to equity issuance	238,164
Share issue costs	(4,811)
Transfer to special distributable reserve (note 16)	(233,353)
Balance at end of period	**–**

In order to increase distributable reserves available for the payment of future dividends, the Company resolved on 3 September 2020 that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled and transferred to a special distributable reserve.

The Court approved the cancellation of the share premium account on 8 December 2020 and the cancellation was registered with the Registrar of Companies on 9 December 2020 following which the cancellation of the share premium account became effective. Accordingly, the amount of £233,353,351 previously held in the share premium account has been cancelled and credited to a special distributable reserve. The Company may, at the discretion of the Board, pay all or any part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

16. Special distributable reserve

	As at 28 February 2021 £'000
Balance at beginning of period	–
Transfer from share premium account (note 15)	233,353
Balance at end of period	**233,353**

17. Dividends

On 15 February 2021, the Company declared an ordinary dividend of 0.83 pence per ordinary share, which was paid on 19 March 2021 to shareholders on the register as at 26 February 2021. This dividend has not been included in the consolidated statement of changes in shareholders' equity for the period under review.

18. Related party transactions

AIFM

Under the terms of the Investment Management Agreement dated 22 September 2020, Alvarium Fund Managers (UK) Limited was appointed as the Alternative Investment Fund Manager (AIFM) to the Company. The AIFM acts as investment manager with responsibility for the management of the assets of the Company in accordance with the investment policy of the Company and the policies and directions of the Board and is regulated in the conduct of investment business by the FCA. Alvarium Fund Managers (UK) Limited is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the Broker and the Investment Adviser to the Company. Under the Investment Management Agreement, the AIFM receives a fee of £40,000 per annum. No performance fee is payable to the AIFM.

Broker, Placing agent and Intermediaries Placing Adviser

Alvarium Securities Limited ("Alvarium Securities") was appointed on 22 September 2020 to provide corporate broking services to the Company and is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Investment Adviser. Alvarium Securities is paid an annual retainer fee in the amount of £50,000 by the Company; the Company also incurred additional fees of £3,878,000 from Alvarium Securities in relation to the initial public offering and subsequent admission to the London Stock Exchange. These costs have been treated as a reduction in Equity as share issue costs.

Investment Adviser

On 22 September 2020 Alvarium Home REIT Advisors Ltd was appointed as the investment adviser to the Company by entering into the Investment Advisory Agreement with the Company. Under this agreement, the Investment Adviser will advise the Company in relation to the management, investment and reinvestment of the assets of the Company. Alvarium Home REIT Advisors Ltd is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Broker to the Company.

The investment advisory fees shall be an amount calculated in arrears in respect of each month, in each case based upon the net asset value of the Company on the following basis:

a One-twelfth of 0.85 per cent, per calendar month of net asset value up to and including £500 million;

b One-twelfth of 0.75 per cent per calendar month of net asset value above £500 million up to and including £750 million; and

c One-twelfth of 0.65 per cent per calendar month of net asset value above £750 million.

The Investment Advisory Agreement may be terminated on 12 months' written notice, such notice to expire on or at any time after the fifth anniversary of 12 October 2020. The Investment Advisory Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

Directors

Directors are entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The initial fees are £36,000 for each Director and £50,000 for the Chairman per annum. The Chair of the Audit Committee receives an additional fee of £5,000 per annum. During the period ended 28 February 2021, Directors fees of £66,200 were paid, of which none was payable at the period end.

As detailed in the Prospectus, the Directors subscribed for the below Ordinary Shares at 100p per share during the Company's initial public offering and have therefore held (and continue to hold) beneficial interests in these shares since Admission.

	Number of Ordinary Shares held	% of Ordinary Shares in issue
Lynne Fennah	50,000	0.021
Simon Moore	36,000	0.015
Marlene Wood	20,000	0.008
Peter Cardwell	10,000	0.004

The above Directors were appointed on 3 September 2020. On incorporation on 19 August 2020 William Saunders and Alan Sauvain were appointed as Directors, and subsequently resigned as Directors on 3 September 2020.

19. Contingent liabilities

At 28 February 2021 the Group had no contingent liabilities.

20. Earnings per share

Earnings per share per IFRS is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue since the Company was incorporated on 19 August 2020 to 28 February 2021. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the period.

	Period ended 28 February 2021 £'000
Earnings	**11,434**
Weighted average number of ordinary shares in issue from 19 August 2020 to 28 February 2021	173,260,594
EPS (pence)	**6.60**
Adjustments to remove:	
Change in fair value of investment property	10,052
(Loss)/gain on disposal of investment property	–
EPRA earnings/Adjusted earnings	**1,382**
Weighted average number of ordinary shares in issue from 19 August 2020 to 28 February 2021	173,260,594
EPRA EPS/Adjusted EPS (pence)	**0.80**
Adjustments to remove:	
Effect of rent straight-lining	(281)
Adjusted cash earnings	**1,101**
Weighted average number of ordinary shares in issue from 19 August 2020 to 28 February 2021	173,260,594
Adjusted cash EPS (pence)	**0.64**

In addition to the above, the Board considers it appropriate to disclose an additional earnings per share figure calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue since the Company commenced its operations on 12 October 2020 to 28 February 2021.

	Period ended 28 February 2021 £'000
Earnings	**11,434**
Weighted average number of ordinary shares in issue from 12 October 2020 to 28 February 2021	240,570,465
EPS (pence)	**4.75**
Adjustments to remove:	
Change in fair value of investment property	10,052
(Loss)/gain on disposal of investment property	–
EPRA earnings/Adjusted earnings	**1,382**
Weighted average number of ordinary shares in issue from 12 October 2020 to 28 February 2021	240,570,465
EPRA EPS/Adjusted EPS (pence)	**0.57**
Adjustments to remove:	
Effect of rent straight-lining	(281)

Adjusted cash earnings	**1,101**
Weighted average number of ordinary shares in issue from 12 October 2020 to 28 February 2021	240,570,465
Adjusted cash EPS (pence)	**0.46**

Adjusted EPS is a performance measure used by the Board to assess the Company's dividend payments and therefore the Board considers it to be relevant information for investors. The Adjusted EPS reflects the Company's ability to generate income from its portfolio.

The Board considers disclosure of Adjusted Cash EPS to be relevant information for investors.

21. Net asset value per share

Net asset value per share is calculated by dividing the consolidated net assets attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the reporting date. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current or comparative periods.

	Period ended 28 February 2021 £m
NAV	**247.19**
Number of ordinary shares (million)	240.57
NAV per share	**102.75p**

A reconciliation of IFRS NAV per share to the three EPRA NAV measures is shown below.

As at 28 February 2021	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
Net asset value	247,193	247,193	247,193
Fair value of debt	–	–	8,870
Real estate transfer tax	–	11,118	–
At 28 February 2021	**247,193**	**258,311**	**256,063**
Number of ordinary shares	240,570	240,570	240,570
Per share	**102.75p**	**107.37p**	**106.44p**

The Group consider EPRA NTA to be the most relevant NAV measure for the Group, EPRA NTA excludes the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

22. Segmental information

Operating segments are identified on the basis of internal financial reports about components of the Group that are regularly reviewed by the chief operating decision maker (which in the Group's case is the Board of Directors of the Company) in order to allocate resources to the segments and to assess their performance.

The internal financial reports contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the consolidated financial statements.

The Group's property portfolio comprises investment property. The Board considers that all the properties have similar economic characteristics. Therefore, in the view of the Board, there is one reportable segment.

All of the Group's properties are based in the UK and as such no geographical grouping is considered appropriate for segmental analysis.

During the period the Group had 4 tenants that were considered to be major customers, each contributing more than 10% of the Group's contractual annual passing rent.

		£'000
Major customers	43%	1,207
Other tenants (each less than 10%)	57%	1,573
Rental income	**100%**	**2,780**

23. Consolidated entities

The Company owns 100% of the equity shares of all subsidiaries listed below and has the power to appoint and remove the majority of the Board of Directors of those subsidiaries. The relevant activities of the below subsidiaries are determined by the respective Directors based on simple majority votes. Therefore, the Board of the Company has concluded that the Company has control over all these entities and all these entities have been consolidated within this set of financial statements.

Name of entity	Principal activity	Country of incorporation	Ownership
Home Holdings 1 Limited	Property investment	UK	100%
Home Holdings 2 Limited	Property investment	UK	100%
Home Holdings 3 Limited	Property investment	UK	100%
Home Holdings 4 Limited	Property investment	UK	100%
Fox Alpha SPV Limited	Property investment	UK	100%
Fox Bravo SPV Limited	Property investment	UK	100%
FPI Co 417 Limited	Property investment	UK	100%
FPI Co 418 Limited	Property investment	UK	100%
FPI Co 419 Limited	Property investment	UK	100%
Grolar Developments SPV 9 Limited	Property investment	UK	100%
Grolar Developments SPV 11 Limited	Property investment	UK	100%
Pathway Homes Group (Exeter) Limited	Property investment	UK	100%
Pathway Homes Group (Luton) Limited	Property investment	UK	100%
Pathway Homes Group (Morecambe) Limited	Property investment	UK	100%
Pathway Homes Group (Plymouth) Limited	Property investment	UK	100%
Pathway Homes Group (Stoke) Limited	Property investment	UK	100%

24. Post balance sheet events

Dividends
On 15 February 2021, the Company declared a dividend of 0.83 pence per ordinary share, which was paid on 19 March 2021 to shareholders on the register as at 26 February 2021. This dividend was paid as an ordinary dividend.

On 20 May 2021, the Company declared a dividend of 0.83 pence per ordinary share, which was paid on 25 June 2021 to shareholders on the register as at 4 June 2021. This dividend was paid as a property income distribution.

Acquisitions and disposals
Since 28 February 2021, the Company has acquired 139 new assets totalling £80.0 million (gross of purchase costs) across various geographical locations in London and the North West, South West, East and West Midlands regions of England.

Restricted cash

As detailed in note 10, as at 28 February 2021, £120 million of cash was held in accounts to which the Group did not have immediate access. As at the date of signing these accounts £35.9 million of this cash remains restricted and £84.1 million has been utilised or is available for use by the Group.

25. Controlling parties

There is no ultimate controlling party of the Group.

Company Information

Company number: 12822709

Country of incorporation: England and Wales

Directors, Management and Advisers

Non-Executive Directors
Lynne Fennah (Chairman)
Peter Cardwell
Simon Moore
Marlene Wood

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Investment adviser
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Company secretary and administrator
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