CHANNEL ISLANDS
PROPERTY FUND

ANNUAL REPORT & AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2022

CHANNEL ISLANDS PROPERTY FUND

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cipropertyfund.com

Guernsey: +44 (0)1481 729100
Jersey: +44 (0)1534 722051
Isle of Man: +44 (0)1624 602020

BUSINESS AND FINANCIAL HIGHLIGHTS

For the year ended 30 September 2022

Fair value[1] of properties
£264m. Down 3.16%
since September 2021

Loan to value
up to 45.5%
(44% LTV Sept 2021)

Average lease length
11.55 years

The total portfolio floor area
518,499 sq.ft.

100%
office rent collection
in 2022 and 2021

Total contracted rent per annum **£18.2m**
(100% of fair Market Rent)

Annual dividend per share at September 2022
6.6p

BUSINESS AND FINANCIAL HIGHLIGHTS (CONTINUED)

For the year ended 30 September 2022

12 properties across three jurisdictions

GSY **5** JSY **4** IOM **3**

27 tenants

Percentage portfolio value by island

GSY **63%**
JSY **25%**
IOM **12%**

Financial Calendar

2023

31 December 2022	Quarter End
01 February 2023	Next Dividend Declaration Date
06 February 2023	Next Dividend Ex-Date
07 February 2023	Next Dividend Record Date
28 February 2023	Next Dividend Payment Date
02 March 2023	Next AGM Date

[1] The fair value of properties is based on the assumption of disposals of properties by share transfer rather than conveyance, such that document duty or stamp duty as applicable is not payable.

GENERAL INFORMATION

DIRECTORS

Shelagh Mason
Steve Le Page
Paul Le Marquand
Paul Turner

REGISTERED OFFICE

PO Box 656
East Wing
Trafalgar Court
Les Banques
St Peter Port
Guernsey
Channel Islands
GY1 3PP

INVESTMENT MANAGER

Ravenscroft Specialist Fund Management Limited
PO Box 222
20 New Street
St Peter Port
Guernsey
Channel Islands
GY1 4JG

ADMINISTRATOR AND SECRETARY

Aztec Financial Services (Guernsey) Limited
PO Box 656
East Wing
Trafalgar Court
Les Banques
St Peter Port
Guernsey
Channel Islands
GY1 3PP

REGISTRAR

Link Market Services (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampsons
Guernsey
Channel Islands
GY2 4LH

PRINCIPAL BANKERS

Royal Bank of Scotland International Limited
PO Box 62
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
Channel Islands
GY1 4BQ

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP
PO Box 321
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
Channel Islands
GY1 4ND

PROPERTY ASSET MANAGER

D2 Real Estate (Jersey) Limited
4th Floor
Conway House
7-9 Conway Street
St Helier
Jersey
Channel Islands
JE2 3NT

INDEPENDENT VALUER

Montagu Evans LLP
70 St Mary Axe
London
United Kingdom
EC3A 8BE

MARKET MAKER

Ravenscroft (CI) Limited
PO Box 222
20 New Street
St Peter Port
Guernsey
Channel Islands
GY1 4JG

Channel Islands Property Fund Limited (the "Company" or "CIPF" and together with its subsidiaries the "Group") is an Authorised Closed-Ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended, and the Authorised Closed-Ended Investment Scheme Rules 2021. A total of 159,892,798 (2021: 159,892,798) ordinary shares were admitted to the Official List of The International Stock Exchange ("TISE") as at 30 September 2022.

Date Admitted	Shares Issued	Total Shares in Issue
17 November 2010	26,225,000	26,225,000
19 July 2013	8,000,000	34,225,000
8 August 2014	41,775,000	76,000,000
12 May 2015	14,000,000	90,000,000
16 September 2016	45,000,000	135,000,000
11 August 2017	13,500,000	148,500,000
19 December 2017	11,392,798	159,892,798

A Special Resolution was passed by the members of the Company at an EGM held on 28 September 2018, that the term of the Company be extended indefinitely, subject to the ability for shareholders who together hold at least 15% in number of the shares in the Company, to place a continuation vote on the agenda of the 2023 Annual General Meeting ("AGM") and each AGM falling on every fifth anniversary thereafter, to be voted on as an Ordinary Resolution.

INVESTMENT OBJECTIVE & POLICY

The Company has been established with the objective of providing an investment opportunity that aims to provide shareholders with a total return from a combination of capital growth and an appropriate dividend policy through the acquisition and active asset management of commercial property predominantly in the Channel Islands. Target properties are intended to be fully or partially let and provide a core income which may offer opportunities to add value through active asset management across all sectors of the property market.

There are no geographical or other limitations or restrictions to which investment by the Company is subject. The Company may invest in derivatives, investments, funds, and companies owning property and financial indices which are property related including, but not limited to, property development.

CHANGE IN YEAR-END

Last year, the financial year end of the Company was changed from 31 October to 30 September to align its financial year and the calculation of its quarterly net asset value with the timing of rental quarters, as set out in the announcement dated 31 August 2021. Accordingly, the prior period consolidated financial statements are prepared for 11 months from 1 November 2020 to 30 September 2021 and as a result, the corresponding figures stated in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and the related notes are not directly comparable.

CHAIRMAN'S STATEMENT

For the year ended 30 September 2022

Shelagh Mason

Chairman

The 12 months to the 30 September 2022 have proven to be a challenging time for the real estate market in general. The period has been dominated by significant economic developments. These have arisen as a result of the ongoing impact of the pandemic, the conflict in Ukraine and supply chain shortages of both materials and labour. This has resulted in escalating energy prices, rising interest rates and inflation rates last seen in 1981.

The period culminated in the 23 September mini-budget delivered by the then Chancellor of the Exchequer, Kwasi Kwarteng, which caused significant disruption in the markets with plans for £45 billion of un-funded tax cuts. It is little wonder that Brexit has hardly warranted a mention compared with previous years.

The Autumn Statement has brought a level of stability to markets although the tax burden on UK tax payers is reported as being the highest per capita since the 1940's.

As with the period post-Brexit in 2016, several UK open-ended property funds have gated investors as redemption requests have exceeded available liquidity. The resultant need to sell physical assets can take some time and can, in many cases, lead to reductions in prices accepted compared with previous valuations. Sales are being exacerbated with increased volumes of property being brought to the market by pension funds which require liquidity to meet collateral calls on liability driven investment strategies. CIPF is a closed-ended fund, so such pressure for redemptions does not arise and investors are free to trade in the shares of the Company.

> The Autumn Statement has brought a level of stability to markets although the tax burden on UK tax payers is reported as being the highest per capita since the 1940s.

Markets have witnessed a rapid increase in expectations for rising interest rates over the next few years and whilst projections are lower at the time of writing than they were in the last week of September and first few weeks of October, they still represent a significant increase in the cost of borrowing for property owners and prospective purchasers with debt funding. By way of example, the 3 month SONIA rate has risen from 0.357% in January 2022 to 3.442% currently (November 2022). The low interest rate environment which has been experienced for the last decade or so has been an anomaly with the average 20 year gilt rate over the last 100 years sitting around 5%. Your Company has hedged away most of its exposure to these rate rises.

In Q1, 2022, the Board entered into a contract with Natwest Markets Plc to fix the interest rate on a part of its debt (£45 million) by way of a swap at 1.67% and a cap on a further £45 million with a strike rate of 1.00%. This provides protection against rising interest rates until the end of the loan term in June 2027. At the year end the fair value of the interest rate hedging to the Company was in excess of £14.0 million. As interest rates reduce or the period of the fix reduces the value will reduce.

Commercial real estate tends to be adversely affected as economic conditions worsen, driven by a combination of yields available in the gilt and bond market plus a discount for liquidity – it takes longer to sell physical real estate than bonds. Recent movements in the share prices of listed Real Estate Investment Trusts suggest a fall in pricing of property over the next 12 months at least.

CIPF will undoubtedly be affected by changing conditions in the wider market however the underlying portfolio has been constructed to be defensive in times of turbulence, with high quality assets in a market lacking oversupply of stock, let on long leases to good covenants, with 100% rent collection throughout the pandemic. In contrast to many UK regional cities, offices in the Crown Dependencies are operating with a high level of staff occupancy, partly as a result of short commuting distances in the Islands.

Crucially, rental growth in St Helier and St Peter Port is still in evidence and this is one of the key drivers for value in a real estate portfolio. So is tenant demand and we have seen

CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 30 September 2022

new lettings in the portfolio over the last two quarters, in addition to take up in other new build properties in the Crown Dependencies.

The valuation of the portfolio as at 30 September 2022 has reduced by 3.16%, on a like for like basis, from the previous period which is a reduction of £8.61 million, as a result of rising interest rates.

In periods of market disruption and high inflation, asset management becomes very important to preserve and maintain the value within individual properties; new lettings, rent review increases and lease renewals principally, with investment into maintaining the fabric and building systems (often paid for through the service charge) also a vital component in portfolio management.

Increasingly, Environmental, Social and Governance ("ESG") issues are at the forefront of decision making both for occupiers and investors. As mentioned in my statement last year, ESG refers to an organisation's commitment to do more than make a profit, such as actively striving to contribute positively to the environment, the society in which it operates and to conduct itself responsibly and with integrity. The effect of our business on all stakeholders, be it our occupiers or the wider community must be considered at all times.

Whilst valuers are not yet directed to explicitly consider ESG in deriving their opinion of property valuations it is very likely to be a factor in the future with the possibility of 'green premia' and 'brown discounts' being applied to values. Future proofing our portfolio involves considering the factors that may affect these values and acting in a timely fashion to ensure that buildings will be compliant with relevant legislation in the future. The States of Jersey has announced its intention to introduce Energy Performance Certificates ("EPC") with standards expected to follow closely those that have been in place in the UK for many years. CIPF has already obtained EPCs for most of its properties with good overall results.

> It is encouraging to see tenants committing long term to new space in what has been a period of relative economic uncertainty and underlines the strength and depth of the offshore markets.

CIPF has developed its own ESG objectives: (i) to have a positive effect on the communities in which it operates, (ii) to be the landlord of choice based on its responsible, sustainable, ethical and transparent approach, (iii) to mitigate climate change, and (iv) to maintain ethics and integrity in its governance and dealings. These criteria are a key component of our decision making in relation to the portfolio as a whole. Our first Sustainability Report is being produced for publication in 2023 so that CIPF can monitor progress against its ESG agenda.

The occupational markets in the jurisdictions within which CIPF invests have been relatively strong over the last 12 months. In Jersey, Aztec has signed a pre-let for a new 45,000 sq.ft. build within the International Finance Centre with several other lettings in existing properties. In Guernsey, construction has re-commenced at Phase 2, Admiral Park, with 4 pre-lets rumoured for this new 66,000 sq.ft. building, which is expected to complete in Q2, 2024. In the Isle of Man, whilst there has been no new office building in the last 12 months, a lease re-gear was completed earlier in the year at Douglas's largest office building, at Douglas Bay House.

It is encouraging to see tenants committing long term to new space in what has been a period of relative economic uncertainty and underlines the strength and depth of the offshore markets.

At our next Annual General Meeting and in accordance with our Articles of Incorporation, CIPF is obliged to put a continuation vote to its shareholders if requested to do so. The Company initially had a limited life but at an Extraordinary General Meeting held in 2018 the shareholders voted to extend the life of the Company indefinitely subject to the ability for the shareholders at the 2023 AGM, and each AGM falling on every fifth anniversary thereafter, to place a continuation vote on the agenda to be voted on as an ordinary resolution and on that basis further resolved that no March 2020 extension vote took place. This was to enable the Company to continue to deliver good returns to our shareholders without the spectre of 2020 hanging over the Company. It is therefore possible for a shareholder or shareholders who together hold 15% of the issued share capital to request such a vote at the 2023 AGM. We have not had any such request or any indication that such a request will be made.

Despite rising interest rates and market turbulence as described above, the Board continues to believe that the underlying quality of the portfolio will enable the Company to continue to provide a consistent dividend to our shareholders and maintain a steady share price, for this reason, unless a request is received we will not be putting such a vote to the Annual General Meeting.

May I take this opportunity to thank shareholders for their continued support throughout the year as we look forward to 2023.

Shelagh Mason
Chairman
13 December 2022

INVESTMENT MANAGER'S REPORT

For the year ended 30 September 2022

The Investment Manager ("IM"), together with D2 Real Estate, the Property Managers, have been engaged with occupiers across the portfolio throughout the year, as asset management and property maintenance become increasingly important in the preservation and protection of property valuations.

At the year end the Company owned 12 properties; Guernsey (5), Jersey (4), Isle of Man (3). By value as a percentage of the portfolio valuation on the same basis the split is 63%, 25% and 12% respectively.

Location	No. of Properties	Percentage of the Portfolio Valuation
Guernsey	5	63%
Jersey	4	25%
Isle of Man	3	12%

The total floor area is 518,499 sq.ft. let to 27 tenants. Around 19,000 sq.ft. (3.7% of the portfolio) is vacant, following a letting at Regency Court during the year. 5,000 sq.ft. remains available to let within that building and the IM has been in discussion with several parties in relation to requirements which the space could satisfy. Part 3rd and 4th floors at Royal Bank Place remain available to let with terms out to one party on the 3rd which may or may not lead to a letting.

A number of rent reviews have been settled in the period with increases in income in each case.

The independent portfolio valuation undertaken at year end by Montagu Evans LLP, was £263,790,000, representing a reduction of £8,610,000 from the previous year end (3.16%) as a result of the higher interest rates following the UK's mini-budget, whilst total annual contracted rent has risen from £17,600,000 to £18,200,000. The drawn amount of the bank loan which runs to June 2027, and which has been the subject of partial interest rate hedging for the same period, is £120,000,000 which has a loan to value of 45.5%. There is the ability within the loan facility to draw down a further £5 million for asset management activities within the portfolio.

The weighted average lease length across the portfolio at the year end was 11.55 years.

There are continuing conversations with occupiers regarding removal of break options, new leases and rent reviews, which, if successful, will further increase the contracted rent and average lease length. These discussions sit alongside planned preventative maintenance programmes for the properties to ensure that they operate efficiently in terms of cost to the occupiers.

As ESG becomes increasingly relevant to occupier and investment decision making the IM is working closely with the Board and a number of occupiers to ensure that the portfolio is well positioned for the future as new environmental legislation and guidelines are introduced across the islands and as the wider expectations of the real estate sector develop.

The weighted average lease length across the portfolio at the year end was 11.55 years.

The focus of the Investment Manager over the next 12 months, under direction from the Board, will be to progress the various asset management opportunities, continue to actively monitor the market in all three islands and seek to deliver further opportunities to the Company in line with the investment guidelines to maintain and enhance shareholder returns.

Ravenscroft Specialist Fund Management Limited

13 December 2022


GLATEGNY COURT

BOARD OF DIRECTORS

For the year ended 30 September 2022

Shelagh Mason (Chairman)

Appointed to the Board 14 October 2010

Mrs. Shelagh Mason is a solicitor specialising in English commercial property, who retired as a consultant with Collas Crill LLP on 31 October 2020. She is also non-executive chairman of Riverside Capital PCC and sits on the board of Skipton International Limited, a Guernsey licensed bank. She also holds non-executive positions with two further London listed companies; Ruffer Investment Company Limited and Starwood European Real Estate Finance Limited. Previously Mrs. Mason was a member of the board of directors of Standard Life Investments Property Income Trust, a property fund listed on the London Stock Exchange, for 10 years until December 2014. She retired from the board of Medicx Fund Limited, a main market listed investment company investing in primary healthcare facilities, in 2017 after 10 years on the board and from FTSE 250 company The Renewables Infrastructure Group in February 2022. She is a past chairman of the Guernsey Branch of the Institute of Directors and she also holds the IOD Company Direction Certificate and Diploma with distinction. Mrs. Mason is a resident of Guernsey.

Steve Le Page (Audit Committee Chairman)

Appointed to the Board 1 April 2017

Mr. Stephen Le Page is a chartered accountant and a chartered tax advisor. Mr. Le Page was a Partner with PricewaterhouseCoopers in the Channel Islands from 1994 until his retirement in September 2013. During his career, his main role was as an audit partner working with a wide variety of financial services businesses and structures, including many listed investment funds. Mr. Le Page also led PricewaterhouseCoopers CI LLP's Audit and Advisory businesses for approximately ten years, and for five of those years was the senior partner (equivalent to executive chairman) for the Channel Islands firm. Since his retirement, Mr. Le Page has built a portfolio of non-executive director roles, including the London listed funds Amedeo Air Four Plus Limited, Highbridge Tactical Credit Fund Limited, Volta Finance Limited, Princess Private Equity Holding Limited and Tufton Oceanic Assets Limited, all of which he serves as chairman of the audit committee. He is a past chairman of the Guernsey International Business Association and a past president of the Guernsey Association of Chartered and Certified Accountants. Mr. Le Page is a resident of Guernsey.

BOARD OF DIRECTORS (CONTINUED)

For the year ended 30 September 2022

Paul Le Marquand (Director)

Appointed to the Board 1 December 2018

Mr. Paul Le Marquand is a chartered surveyor and an experienced non-executive director with extensive experience in dealing with commercial property investment and asset management. Prior to returning to Jersey in 2001, he was head of Property Management for Heathrow Airport Limited. Since 2001 he has been involved in the establishment, operation and administration of offshore property fund and holding structures working with both Mourant International Financial Services and Sanne Group. He holds the IOD Certificate and Diploma in Company Direction and is regulated by the Jersey Financial Services Commission to provide director services and has a portfolio of non-executive roles for companies involved with real estate investment and fund management.

Paul Turner (Director)

Appointed to the Board 1 April 2019

Mr. Paul Turner has extensive operating experience in real estate, having held board positions in the UK, Channel Islands and South Africa. He is also sat on the board of several manufacturing operations in the UK. Mr. Turner worked in the Folkes Group of companies (the "Folkes Group") for over 25 years. Joining the finance function whilst the Folkes Group was listed on the London Stock Exchange, moving to finance director of the Property Division in 1996 and managing director of the Property Division in 2000. Following the privatisation of the Folkes Group in 2002, he undertook the role of group finance director, moving to group managing director in 2009. Prior to Folkes Group, Mr. Turner held management and director roles at Morgan Stanley International, Cookson Group, Hillsdown Holdings and Evered Holdings. Mr. Turner has wide experience of property leasing, investment, development and funding both in the UK and South Africa, managing industrial, office, retail and residential developments and portfolios. Mr. Turner is also experienced in managing structural changes in corporations to maximise returns for stakeholders. Currently, Mr. Turner sits as a non-executive director, in addition to CIPF, on RED fund Limited, a Channel Islands based fund, which is also advised by Ravenscroft, and remains on the board of Folkes UK and South African operations as well as advising a Channel Islands based family office. The Board considered whether Mr. Turner's appointment to an additional Ravenscroft fund would result in a conflict and concluded that the shareholder base and investment objective of the two funds differed and therefore there would be no conflict. However, Mr. Turner is not considered to be independent under the criteria set out by the Association of Investment Companies.


LIBERATION
HOUSE
LIBERATION
HOUSE

DIRECTORS' REPORT

For the year ended 30 September 2022

The Directors submit their Annual Report and Audited Consolidated Financial Statements (the "Consolidated Financial Statements") of Channel Islands Property Fund Limited (the "Company" or "CIPF") and its subsidiaries (together the "Group") for the year ended 30 September 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and in accordance with any relevant enactment for the time being in force; and are in agreement with the accounting records, which have been properly kept in accordance with section 238 of the Companies (Guernsey) Law, 2008 (the "Law"), as amended.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Consolidated Financial Statements in accordance with applicable law and regulations.

The Law requires the Directors to prepare Consolidated Financial Statements for each financial year. Under that law they have elected to prepare the Consolidated Financial Statements in accordance with International Financial Reporting Standards as issued by the IASB, and applicable law.

The Consolidated Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these Consolidated 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 Consolidated Financial Statements; and
- Prepare the Consolidated 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the Consolidated Financial Statements comply with the Law. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website (www.cipropertyfund.com), and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CORPORATE GOVERNANCE

The Board has undertaken a review of the effectiveness of its corporate governance practices for the Group. In the context of the nature, scale and complexity of the Group, the Directors are satisfied with the level of their governance oversight for the Group and with their compliance with the Finance Sector Code of Corporate Governance issued by the Guernsey Financial Services Commission (the "GFSC") on 30 September 2011, as amended on 18 February 2016 and further amended on 10 June 2021 (the "Guernsey Code").

The Company joined the Association of Investment Companies (the "AIC") on 9 July 2018, and so the Board of the Company has applied the principles and recommendations of the updated AIC Code of Corporate Governance issued in 2019 (the "AIC Code") for Investment Companies in the preparation of these Consolidated Financial Statements. The AIC Code addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company as an investment company.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

CORPORATE GOVERNANCE (continued)

The Board considers that reporting in accordance with the principles and recommendations of the AIC Code provides the best information to shareholders. The Board will ensure that the AIC Code is complied with on an ongoing basis and will thereby also ensure compliance with the Guernsey Code.

As detailed in the Viability Statement below, the Directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Company is an externally managed investment company, has no employees, and as such is operationally quite simple. The Board does not believe that the Company has any material stakeholders other than those set out in the following table.

Stakeholder	Engagement process	Rationale and example outcomes
Investors	Annual General Meeting. Frequent meetings with investors by the Market Maker and the Investment Manager and subsequent reports to the Board. Quarterly factsheets and annual report and accounts. AIC ESG reporting on the AIC website/portal.	Investors are the most important stakeholder for the Company. Most of our engagement with investors is about "business as usual" matters, but in the past has also included discussions about fundraising. During our engagement with the shareholders we have also assessed their desire to see the Company continue in the event of a continuation vote in 2023. In addition, the Board has focussed on valuation of the property portfolio, a key priority for shareholders. As a result, it was decided to focus on asset management of the properties, to regear leases and maximise the open market value of the properties. ESG requirements of investors are actively being taken into account, and the Company has engaged external advisors to help them meet those requirements.
Service providers	The main service providers – the Investment Manager, Property Manager and Administrator – engage with the Board in face-to-face meetings on a quarterly basis, giving them direct input to Board discussions. Montagu Evans also engage with the Board on a semi-annual basis. The Board also considers the interests of the Market Maker and Royal Bank of Scotland International Limited ("RBSI") as lender at each of its meetings. All service providers are asked to complete a questionnaire annually which includes feedback on their interaction with the Company. The Board also complete an evaluation questionnaire for all service providers and the results are fully discussed at the Management Engagement Committee and feedback given.	The Company relies on service providers entirely as it has no systems or employees of its own. During the year, no major decisions were made by the Board which affected service providers. The Board always seeks to act fairly and transparently with all service providers, and this includes such aspects as prompt payment of invoices. The evaluation process monitors performance and alignment with CIPF's values and policies.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

CORPORATE GOVERNANCE (continued)

Stakeholder	Engagement process	Rationale and example outcomes
Community and environment	The Company itself, as opposed to its portfolio, has only a very small footprint in the local community and only a very small impact on the environment. However, all businesses contribute and work towards economic and environmental sustainability at both a local and global level, and the Group's property portfolio is more significant to the jurisdiction in which they are located and also to their environmental commitments.	The Board, the Property Manager and the Investment Manager work together to ensure that environmental factors are carefully considered and reflected in all decisions and the day-to-day running of the properties. Further details of the Company's Environment, Social and Governance ("ESG") policy and examples of how ESG is incorporated by the Property Manager into the management of the portfolio may be found at the following link: https://www.theaic.co.uk/companydata/0P0001DXVI/esg During its Annual Strategy Session in October 2022, the Board considered the actions the Group could take to improve its impact, especially its approach to Climate Change. An example of a resulting decision is instructing an expert to determine an energy efficiency rating for each building in the property portfolio. Board members and service providers do travel, partly to meetings in Guernsey, and partly elsewhere on Company business, but always only when the Board considers this desirable for oversight purposes, to visit properties or to safeguard stakeholder interests. Otherwise, the Board seeks to reduce travel by the use of video conference calls whenever good governance permits.
Occupiers	The Investment Manager and Property Manager meet regularly with occupiers to discuss our plans for the properties and how they will impact upon them. Occupiers' views are then discussed in each quarterly Board meeting or on an ad-hoc basis if required.	The value of underlying properties is driven by tenancies, and the Company also wishes to be perceived as a "best in class landlord". Throughout the year to date, the Property Manager has consulted regularly with occupiers and has reported their concerns and suggestions to the Board. This has greatly informed decisions taken with respect to the operation of our portfolio of buildings. An example of how occupiers' views are reflected in decision making arose during the major works at one of the Company's Guernsey properties. The contractors were instructed to minimise disruption to occupiers (e.g., by weekend and evening working to carry out intrusive works). The Company has also installed AEDs in the reception of its properties and charging points in the car parks.

Engagement processes are kept under regular review. Investors and other interested parties are encouraged to contact the Company via the Investment Manager or Administrator on these or any other matters and the Board are available to speak to investors.

ACTIVITY

The Group's principal activity is that of investment in commercial properties located in Guernsey, Jersey and the Isle of Man.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks are those which the Directors consider to either have the greatest chance of materially impacting the Group's objectives or those which whilst considered remote in occurrence would have a very significant impact if they did occur. The Board has adopted a "controls" based approach to its risk monitoring, requiring each of the relevant service providers, including the Investment Manager, to establish the necessary controls to ensure that all known risks are monitored and controlled in accordance with agreed procedures. The Directors discuss all risks at Board meetings and have adopted their own control review to ensure, where possible, risks are monitored appropriately. The Directors consider and identify any emerging risks at Board meetings. Occurrences of principal risks may have a number of underlying causes, and it is with respect to those causes that the Directors have implemented controls or mitigation as follows. Please note that risk or uncertainty cannot be eliminated. The principal risks and uncertainties, along with the control or mitigation implemented by the Board, are detailed:

Risk (in what way)	Underlying cause of risk or uncertainty	Control or mitigation implemented
Asset Risk (Operational)	Tenant default causes voids, less revenue and impacts dividend rate. One or more of the properties is damaged as a result of a significant incident which is not covered by insurance. Loan repayment and interest payments are not met and borrowing financial covenants are breached.	Tenants are subjected to extensive credit worthiness checks prior to contracting with them. Several different tenants exist, providing a diversification mitigation to the impact of any individual failure. In the event of default by a tenant, the desirable nature of the properties should enable alternatives to be found, although possibly at lower rentals. Each property is insured against all foreseeable and insurable perils.
Non-compliance with laws and regulations (Operational)	GFSC loses confidence in the Administrator or the Investment Manager causing reputational damage.	This risk cannot be directly controlled but the Board and its Audit Committee receive quarterly reports from its service providers. The Administrator, the Investment Manager and the Group's legal advisers have close contact with the regulator and the tax advisers. The Administrator has thorough and well practised controls which are independently reviewed on an annual basis.
Political/ Jurisdictional (Market)	Negative impact on the Group as a result of political actions e.g. changes in taxation, interest rates or other government actions.	The Board relies on advice from its advisers but also keeps up to date with news in the relevant jurisdictions that may impact the Group. At Annual Strategy Days, the Board will consider and plan for potential outcomes. Borrowings are fixed rate or appropriately hedged limiting the negative impact of interest rate rises for the life of the loan.

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Risk (in what way)	Underlying cause of risk or uncertainty	Control or mitigation implemented
Climate Change (Market)	Negative effect on the properties themselves due to failure to keep up with tenant and/or societal climate change expectations or regulation, for example relating to net zero targets.	The Board seeks regular update training from external consultants to ensure it keeps abreast of expectations and regulation. The Board also actively engages with the Independent Property Valuer to understand their approach to Climate Change factors in determining their valuation so as to ensure the properties are not regarded as below market benchmarks in this respect. Instructing an energy efficiency rating for each building in the property portfolio will provide useful insight for improvements. Any identified opportunities for improvement in this respect will be carefully considered on reputational as well as pure economic grounds. The Board has also engaged an external advisor to assist in determining an action plan for the future and in communicating that plan to investors.
Conflict between Russia and Ukraine (Market)	Political and economic disruptions, impact of evolving sanctions, supply chains e.g. building materials, the EU's over reliance on energy and power from Russia driving price increases and supply issues.	The Board relies on the Investment Manager and Registrar having adequate controls and governance in place to deal with sanctions and monitor the geographical location of its investors. The Board seeks regular updates from both Ravenscroft Specialist Fund Management Limited and Link Market Services (Guernsey) Limited. CIPF has no physical investments in Ukraine, Russia or Eastern Europe. To date, the Group has experienced no difficulties arising from the conflict, but has reflected the resulting increase in costs in its future plans.
Disruption to supply chains (Market)	Increased lead times, lack of available resources or available labour, increased construction costs, increased energy prices or fuel shortages.	The Board relies on the Property Manager and Ravenscroft Project Management Limited to advise on property maintenance and enhancement requirements and to take into consideration the impact of the disruption to supply chains on these aspects. Updates are provided on a regular basis at quarterly Board meetings. Ad-hoc Board meetings are held as required to discuss urgent maintenance or construction concerns.

EMERGING RISK

Risk (in what way)	Underlying cause of risk or uncertainty	Control or mitigation implemented
Political instability in the United Kingdom (Market)	Reduced valuations through increased yield expectations on properties.	This risk cannot be fully mitigated as although none of the Group's properties are in the UK, valuers all use increased property yields in their valuations. However, the Board and the Investment Manager have met with the Group's external valuers to seek to ensure that the property valuations reflect the fact that they are not in the UK.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

VIABILITY STATEMENT

The Directors have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity. The Directors present the following viability statement which summarises the results of their assessment of the Group's current position, its principal risks and prospects over a period of five years. The prospects were assessed over a five-year period for the following reasons:

(i) the Group has a financing facility in place which expires in approximately five years;

(ii) the Group is exposed to upward movements in interest rates (on borrowings, which are partially hedged for a period of approximately five years) and inflation (on expenses and the quantum of rental increases) which is even more unpredictable beyond a five-year period;

(iii) the Directors believe that a typical investor of the Company has an investment horizon of at least four years and have therefore chosen five years to ensure their expectations are met; and

(iv) The Group's long-term forecast therefore covers a five-year period.

The Group's five-year cash flow forecast incorporates assumptions related to the Group's investment strategy and principal risks, from which performance results and cash flows are output.

The principal risks, which are detailed earlier in the Directors' Report, are mitigated as far as possible by the Group's risk management and internal control processes which function on an ongoing basis. The Board, via delegation to the Audit Committee, monitors the effectiveness of the Group's risk management and internal control processes on an ongoing basis. Those principal risks considered most relevant to the Company's viability are the Asset risks and the possible impact of the conflict in Ukraine and the disruption to supply chains.

The monitoring activities include direct review and challenge of the Group's documented risks, risk ratings and controls and of the performance and compliance reports prepared by the Group's service providers, including its Investment Manager.

Where appropriate, the Group's forecasts are subject to sensitivity analysis which involves applying severe but plausible conditions and flexing a number of assumptions simultaneously. The underlying five-year forecast assumes no rental growth, that all rents due are actually collected, interest rates follow the current yield curve and dividend levels are maintained. The forecast thus drives the resulting levels and timing of debt and equity capital required.

In the first stress scenario it is assumed that all tenant breaks are exercised, and leases are not renewed on expiry resulting in significant capital expenditure and void periods of one year after which an occupier takes over a lease with 18 months' rent free. In the second scenario, it is assumed in addition that the Group's largest occupier defaults, resulting in significant capital expenditure and a loss of 14% of rental income for two years until a new occupier is found. Both these extreme scenarios result in the Group experiencing a cash shortfall before the end of the five-year period, but in the unlikely event that either scenario arose, the Board could defer capital expenditure, increase borrowing or in the extreme sell properties or reduce the dividend to ensure the Group remained viable.

Based on the results of their assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment. In making this assessment the Directors have assumed that there will not be a successful vote to discontinue the Company in 2023, as feedback from shareholders indicates that this is unlikely, and that the existing borrowing can be refinanced when it matures in 2027.

SUBSEQUENT EVENTS

Details of events that have occurred after the date of the Consolidated Statement of Financial Position are provided in Note 26 to these Consolidated Financial Statements.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

DIVIDENDS

Interim dividends paid up to the date of this report were:

Dividend period	Date paid	Dividend per share	Total dividend
30 September 2021	30 November 2021	£0.0110	£1,758,821
31 December 2021	28 February 2022	£0.0165	£2,638,231
31 March 2022	31 May 2022	£0.0165	£2,638,231
30 June 2022	31 August 2022	£0.0165	£2,638,231
30 September 2022	30 November 2022	£0.0165	£2,638,231

During the prior financial period, the dividend amount for the period ended 30 September 2021 was for a shorter period and a smaller amount than the usual quarterly dividend payment of £0.0165. This was solely due to the change in the Company's accounting reference date, as set out in the announcement of 31 August 2021. As a result, the dividend paid for the fourth period of 2021 only related to the two months from 1 August to 30 September 2021 and therefore equates to two-thirds of the amount which would ordinarily be paid in respect of a usual three-month quarter.

DIRECTORS

The Directors during the year and to the date of this Report are as stated within General Information. During the year, the Directors received remuneration in the form of fees, as stated in Note 19.

DIRECTORS' INTERESTS

At 30 September 2022 and on the date of this Report the Directors held the following shares in the Company:

	30 September 2022	30 September 2021
Shelagh Mason	100,000	100,000
Steve Le Page	100,000	100,000
Paul Le Marquand	-	-
Paul Turner	20,000	20,000

All the Directors' interests are held indirectly. At no point during the year did any of the Directors hold an interest in any material contract or contract for provision of services to which the Company, or any subsidiary undertaking, is a party.

DIRECTOR INDEPENDENCE

Mrs. Mason satisfies all of the criteria for assessing director independence set out by the AIC and adopted by the Board. She has, however, served on the Board for twelve years. It is the opinion of the other members of the Board that Mrs. Mason continues to demonstrate objective and independent thought processes during her leadership of the Board and her dealings with the Investment Manager, and they therefore consider her to be independent, despite her long service. In addition, her legal background and deep property experience continue to deliver diversity and appropriate skills to the Board and add value to the Board and for stakeholders.

Mr. Turner sits as a non-executive director, in addition to CIPF, on RED fund Limited, a Channel Islands based fund, which is also advised by Ravenscroft Specialist Fund Management Limited and remains on the board of Folkes' UK and South African operations as well as advising a Channel Islands based family office. The Board considered whether Mr. Turner's appointment to an additional fund managed by Ravenscroft Specialist Fund Management Limited would result in a conflict and concluded that the shareholder base and investment objective of the two funds differed and therefore there would be no conflict.

BOARD AND COMMITTEE MEETING ATTENDANCE

The Board met 12 times during the year whilst the Audit Committee met 6 times during the year. Individual attendance at the Board and Audit Committee meetings is set out below.

	Quarterly Board*	Quarterly Audit Committee**
Shelagh Mason		
Steve Le Page		
Paul Le Marquand		
Paul Turner		

*there were eight ad hoc meetings during the year
**there were two ad hoc meetings during the year

It should be noted that Shelagh Mason and Paul Turner are not members of the Audit Committee and were invited to attend the meetings disclosed in the above table.

DIRECTORS' REPORT (CONTINUED)

For the year ended 30 September 2022

GOING CONCERN

The Board have examined the significant areas of possible financial risk, in particular cash requirements and the ongoing obligations of the banking covenants.

Cash flow projections, which take into account the Principal risks detailed earlier in the report, are reviewed on a regular basis and the risk of the borrowing covenants being breached is considered to be low.

After due consideration, bearing in mind their assessment of the likelihood of a continuation vote in 2023, the Directors believe that the Group has adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements, and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP (the "Auditor") was reappointed as auditor of the Group at the last AGM for the year. The Auditor has expressed their willingness to continue in office as auditor and a resolution to re-appoint them as auditor will be put to the members at the next AGM.

CONSTRUCTIVE USE OF THE AGM

The Notice of AGM is sent out at least 20 working days in advance of the meeting. In any event, all shareholders will have the opportunity to put questions to the Board and the Investment Manager, either formally at the Company's AGM on 2 March 2023 or in writing at any time during the year via the Company Secretary.

Approved by the Board of Directors on 13 December 2022 and signed on its behalf by:

Shelagh Mason
Chairman

Steve Le Page
Audit Committee Chairman


OAK
BRIEF

REPORT OF THE AUDIT COMMITTEE

For the year ended 30 September 2022

The Board is supported by the Audit Committee, which comprises Mr. Le Page (Chair) and Mr. Le Marquand, to enable a greater understanding of the issues facing the Group. The Chairman and Mr. Turner are entitled to attend meetings upon the invitation of the Committee Chairman, and usually do so. The Board has considered the composition of the Committee and is satisfied that the Members have sufficient skills and relevant expertise.

ROLES AND RESPONSIBILITIES

The primary roles and responsibilities of the Audit Committee are outlined in the Committee's Terms of Reference, available at the registered office and on the Company's website, and include:

- Monitoring the integrity of the financial statements and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements and estimates contained therein;
- Reviewing the Group's quarterly accounts, cash flow forecasts and relevant sensitivities to those forecasts;
- Reviewing the Group's internal financial controls and, unless expressly addressed by the Board itself, the Group's internal control and risk management systems and mandatory effectiveness reviews;
- Making recommendations to the Board for a resolution to be put to the shareholders, for their approval in general meeting, on the appointment of the external auditor and on the approval of the remuneration and terms of engagement of the external auditor;
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the auditor and the audit process, taking into consideration relevant professional and regulatory requirements;
- Developing and implementing a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm; and
- Reporting to the Board on how the Committee discharged all relevant responsibilities, undertaken by the Chairman at each Board meeting.

FINANCIAL REPORTING

The primary role of the Audit Committee in relation to the financial reporting is to review with the Administrator, Investment Manager and Auditor the appropriateness of the Consolidated Financial Statements concentrating on, amongst other matters:

- The quality and acceptability of accounting policies and practices;
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements;
- Material areas in which significant judgements and estimates have been applied or there has been discussion with the auditor;
- Whether the Consolidated Financial Statements are fair, balanced and understandable and provide the information necessary for the shareholders to assess the Group's performance, business model and strategy; and
- Any correspondence from regulators in relation to the Group's financial reporting.

ACTIVITIES OF THE COMMITTEE

The Committee met six times during the year under review; individual attendance of the Directors is outlined within the Directors' Report. The main matters discussed at the meetings were:

- Review of the external auditor, covering independence, proposed fees and their plan for the audit of this Annual Report and Audited Consolidated Financial Statements;
- Review and approval of the Company's accounting policies;
- Discussion and approval of the basis for significant judgements and estimates made in the preparation of this Report;
- Review of the Group's key risks and internal controls; and
- Consideration of the Board's adherence to the regulatory guidelines applicable to the Company, both for the preparation of and the disclosures in this Annual Report and Audited Consolidated Financial Statements and on an ongoing basis. The Consolidated Financial Statements for the year ended 30 September 2022 report in accordance with the principles and recommendations of the 2019 AIC Code.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

For the year ended 30 September 2022

ANNUAL GENERAL MEETING ("AGM")

The Audit Committee Chairman, or other members of the Audit Committee appointed for the purpose, shall attend each AGM of the Company, prepared to respond to any shareholder questions on the Audit Committee's activities.

INTERNAL AUDIT

The Audit Committee considers at least once a year whether there is the need for an internal audit function. Currently, the Audit Committee does not consider there to be a need given that there are no employees in the Group and all outsourced functions are with parties who have their own internal controls and procedures. This is evidenced by the reports provided by those parties, including an ISAE 3402 report from the Company's Administrator, which give sufficient assurance that a sound system of internal controls is maintained. The Board formally assessed the controls of the Administrator at the Board meeting to approve these financial statements.

SIGNIFICANT RISKS IN RELATION TO THE FINANCIAL STATEMENTS

Throughout the year, the Audit Committee seeks to identify any new significant issues or areas of risk in respect of the Consolidated Financial Statements. None were identified in the current year. The key risk to arise remains the valuation of the investment properties due to, among other factors, the individual nature of each property, its location and the tenant profile. The Company has engaged Independent Valuers to provide the Board with a valuation of each property as at the reporting date. The Audit Committee reviews the valuations, including interim valuations for the purposes of determining the published net asset value of the Company's shares, on a regular basis and in addition to its own determination receives confirmation from both the Investment Manager and the Independent Valuers that the basis of the valuation is appropriate and in line with relevant accounting standards. The Committee is satisfied that this work is sufficient to enable them to conclude as to the appropriateness of the valuation for financial reporting purposes. The Audit Committee also reviewed the external audit plan at an early stage and concluded that the appropriate areas of audit risk relevant to the Group had been identified and suitable audit procedures had been put in place in response.

AUDIT TENURE AND OBJECTIVITY

The Auditor, PricewaterhouseCoopers CI LLP ("PwC"), was selected during 2017 and has been appointed to act pursuant to an Engagement Letter signed on 6 November 2018 and subsequent reconfirmation letters, the most recent being dated 21 July 2022. The Committee reviews the Auditor's performance on a regular basis with a detailed formal review conducted on an annual basis to ensure the Company receives an optimal service. The reappointment of the Auditor will be subject to annual shareholder approval at the AGM. There are no contractual obligations restricting the choice of external auditor and the Company will consider putting the audit services contract out to tender at least every ten years.

PwC regularly update the Committee on the rotation of audit partners, staff, level of fees in proportion to overall fee income from the Company, details of relationships between the parties and overall confirmation from the auditor of their independence and objectivity.

PwC are tenants of the Company in the property known as Royal Bank Place in Guernsey. This fact was considered by both parties at the time the Company acquired that property, and in subsequent independence assessments. PwC's contracted rent is considered immaterial since it was less than 5% of both the Company's total rental income and of PwC's turnover both at appointment and as at 30 September 2022, which remains the case. The Company and PwC have both concluded that this relationship does not impact upon their independence.

The Audit Committee undertook a formal review of the auditor for the year ended 30 September 2022, with no issues arising. As a result of their review, the Committee is satisfied that PwC is independent of the Group, the Investment Manager and other service providers and recommends the continuing appointment of the auditor to the Company. There are currently no plans to retender the audit.

REPORT OF THE AUDIT COMMITTEE (CONTINUED)

For the year ended 30 September 2022

CONCLUSIONS IN RESPECT TO THE FINANCIAL STATEMENTS

The production and the audit of the Consolidated Financial Statements is a comprehensive process requiring input from a number of different contributors. In order to reach a conclusion as to whether the Group's Consolidated Financial Statements are fair, balanced and understandable, the Board has requested the Committee advises on whether it considers that the Consolidated Financial Statements fulfil these requirements. In outlining their advice, the Committee has considered the following:

- The comprehensive documentation outlining the controls in place for the production of the Annual Report, including the verification processes in place to confirm the factual content;
- The detailed reviews undertaken at various stages of the production process by the Investment Manager, the Administrator and the Committee that are intended to ensure consistency and overall balance; and
- The controls enforced by the Investment Manager, Administrator and other third-party service providers to ensure complete and accurate financial records.

As a result of the work performed in the year, the Audit Committee has concluded that it has acted in accordance with its Terms of Reference and ensured the independence and objectivity of the auditor and that the Group's Consolidated Financial Statements for the year ended 30 September 2022, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

Steve Le Page

Audit Committee Chairman

13 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANNEL ISLANDS PROPERTY FUND LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Channel Islands Property Fund Limited (the "Company") and its subsidiaries (together "the Group") as at 30 September 2022 and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 September 2022;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated 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.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Audit Scope

- We conducted our audit of the consolidated financial statements based on information provided by the appointed service providers to the Group to whom the directors have delegated the provision of certain functions, including Aztec Financial Services (Guernsey) Limited, Atla Fiduciaries Limited and Parish Group Limited (together the "Administrators"), Ravenscroft Specialist Fund Management Limited (the "Investment Manager"), D2 Real Estate (Jersey) Limited (the "Property Asset Manager") and Montagu Evans LLP (the "Independent Property Valuer").
- Our audit opinion covers the consolidated financial statements of the Group only. We have not been engaged to provide individual statutory opinions on the financial statements of the Company nor of the subsidiaries of the Company.
- We have carried out our audit work in Guernsey. We have tailored the scope of our audit taking into account the types of investments within the Group, the accounting processes and controls and the industry in which the Group operates. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. The Group financial statements are prepared on a consolidated basis, and the audit team carries out an audit over the consolidated Group balances in support of the Group audit opinion.

Key audit matters

- Valuation of Investment Properties
- Recognition of rental Income
- Valuation of derivative instruments

Materiality

- Overall Group materiality: GBP 2.73 million (2021: GBP 2.67 million) based on 1% of Group total assets.
- Performance materiality: GBP 2.05 million (2021: GBP 2.00 million)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANNEL ISLANDS PROPERTY FUND LIMITED (CONTINUED)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Properties The Group's Investment Properties consist of office buildings in the Crown Dependencies of Guernsey, Jersey and the Isle of Man and represent the majority of the assets as at 30 September 2022 and therefore the valuation of the investment properties is considered to be a key audit matter. Please see Note 2 and Note 7 to the consolidated financial statements. The valuation of the Group's Investment Properties is inherently subjective due to, among other factors, the individual nature of each investment property, its location and the expected future rental income for that particular investment property. The valuation of Investment Properties is therefore an area of significant judgement and includes a number of assumptions including capitalisation yield and future rental values. The valuation of the Group's Investment Properties was carried out by an Independent Property Valuer. The Independent Property Valuer was engaged by the directors and performed its work in accordance with the RICS- Professional Standards (Global and UK Edition). The Independent Property Valuer used by the Group is a recognised chartered surveyor, with experience in the markets in which the Group operates.	**Objectivity and experience of the Independent Property Valuer** We assessed the Independent Property Valuer's qualifications and expertise and assessed whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We found no evidence to suggest the objectivity of the Independent Property Valuer was compromised in the performance of their valuations. **External valuation reports** We read the valuation letter and summary, individual valuation reports and sensitivities for all Investment Properties, we attended the meeting between the valuer and the Investment Manager as well as an independent discussion with the Independent Property Valuer. We noted that the valuation reports had been prepared in accordance with RICS - Professional Standards (Global and UK Edition) and were suitable for use in determining the fair value of the Group's Investment Properties as at 30 September 2022. We obtained the support provided to the Independent Property Valuer for their valuation of the investment properties, and reconciled this data to the underlying property records on a sample basis. We agreed the value per the valuation letter, summary and individual valuation reports to the amount per the financial statements, adjusted for lease incentives. **Assumptions** Our work over the assumptions encompassed all Investment Properties in the portfolio. We engaged our own internal valuation expert to critique and challenge the work performed and assumptions used by the Independent Property Valuer. In particular, we compared the valuation metrics, used by the Independent Property Valuer, to industry indices and market data. We challenged management and the Independent Property Valuer on significant movements in the valuations, key assumptions including rental terms and capital expenditure requirements, and the application of void periods within each valuation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANNEL ISLANDS PROPERTY FUND LIMITED (CONTINUED)

Key audit matter	How our audit addressed the key audit matter
Valuation of Investment Properties (continued) In determining a property's valuation, the Independent Property Valuer takes into account property specific current information such as the current tenancy agreements and rental income earned from the property. Assumptions are then applied in relation to capitalisation rates, current market rent and growth (based on available market data and transactions) to arrive at a range of valuation outcomes, from which they derive a point estimate. Due to the unique nature of each property, the assumptions applied take into consideration the individual property characteristics at a tenant level, as well as the qualities of the property as a whole. Comparable market information is used where applicable in the valuations of the Group's Investment Properties, with an adjustment to UK regional benchmarks given the smaller nature of the Crown Dependency market. The Group has adopted the assessed values determined by the Independent Property Valuer.	**Assumptions** (continued) During our work we noted that due to the limited levels of market activity in the Crown Dependencies of Guernsey, Jersey and the Isle of Man, the Independent Property Valuer had utilised and adjusted comparable UK regional industry benchmarks in determining appropriate market rental yields. We consider this approach to be appropriate. Due to subjectivity involved in determining valuations for individual Investment Properties and the existence of alternative assumptions and valuation methods, we determined a range of values that were considered reasonable to evaluate the independent Investment Property valuations adopted by the directors. We determined that the assumptions used in the valuations were supportable in light of the available and comparable market evidence. We have no matters to report in respect of this work.
Recognition of rental Income Revenue for the Group consists primarily of rental income. Please see Note 2 to the consolidated financial statements. Rental income is based on tenancy agreements where there is a standard process in place for recording revenue. The majority of the Group's revenue is collected and managed by the Property Asset Manager. In addition to the standard process for recording rental income, the Group manually calculates the spreading of lease incentives to ensure revenue is recorded on a straight-line basis over the course of the lease. Due to the importance of the recognition of rental income to the Group's ability to continue to pay regular dividends, and therefore the significance of this balance to the users of the consolidated financial statements, we have deemed this area to be a key audit matter.	We have reconciled the rental tenancy schedule to the Investment Properties owned by the Group and the rent recognised in the underlying property records. We have tested a sample of rental income per the accounting records to signed lease agreements and rent review agreements. We have also recalculated any material lease incentives to confirm the accuracy of management's calculation and that the lease incentive has been appropriately recognised on a straight-line basis over the full lease term. We have no matters to report in respect of this work.
Fair Value of derivative instruments The Group entered into two new derivative instruments during the year with the objective of mitigating potential volatility in interest rates. The derivative instruments have resulted in material unrealised gains as a result of the year end revaluation. We have therefore spent additional time on this area given the magnitude of the balance, and therefore deemed the area to be a key audit matter.	We have evaluated the accounting policies in respect of derivative instruments for compliance with IFRS 9. We have obtained the signed agreements for the derivative instruments held between the Group and NatWest Markets Plc to understand the terms of the agreements. We engaged our internal valuation experts who have independently repriced the value of the derivative instruments as at the year-end date based on the contractual terms of the agreements. We independently requested and directly received confirmation of the existence and fair value of the instruments as at the year-end date from NatWest plc. We have no matters to report in respect of this work.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHANNEL ISLANDS PROPERTY FUND LIMITED (CONTINUED)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the consolidated financial statements as a whole.

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

Overall Group materiality	GBP 2.73 million (2021: GBP 2.67 million)
How we determined it	1% of total assets (2021: 1% of total assets)
Rationale for the materiality benchmark	We believe that total assets is a primary measure used by the shareholders in assessing the performance of the Group. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to GBP 2.05 million (GBP 2.00 million) for the Group financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above GBP 0.13 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual Report and Audited Consolidated Financial Statements (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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 based on these responsibilities.

RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE AUDIT

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Company Law exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Jonathan Mauger
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

13 December 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2022

	Note	Year to 30 September 2022 £	Period to 30 September 2021 £
INCOME			
Rental income		17,104,376	16,431,254
Service charge income	9	3,878,800	3,147,600
Total Operating Income		**20,983,176**	**19,578,854**
Unrealised movement on revaluation of investment properties	7	(8,279,039)	(431,797)
Realised loss on disposal of investment properties	7	-	(9,815)
Total Losses on Investments		**(8,279,039)**	**(441,612)**
EXPENSES			
Other operating expenses	11	(1,592,875)	(1,196,981)
Management expenses	18	(1,686,925)	(1,571,453)
Service charge expenses	9	(4,171,674)	(3,391,862)
Total Operating Expenses		**(7,451,474)**	**(6,160,296)**
PROFIT BEFORE FINANCE COSTS AND TAX		**5,252,663**	**12,976,946**
FINANCING			
Effective portion of changes in fair value of derivative financial instruments	16	14,179,789	-
Interest income		9,016	3,772
Interest expense on derivative financial instruments	16	(220,583)	-
Loss on interest rate swap at fair value		-	(42,060)
Loan and bond setup expense	15	(382,959)	(101,244)
Loan interest and commitment fees	5	(3,071,759)	(2,598,620)
Total Finance Income /(Costs) (net)		**10,513,504**	**(2,738,152)**
PROFIT BEFORE TAX		**15,766,167**	**10,238,794**
Current tax	6	(1,256,248)	(944,076)
PROFIT FOR THE YEAR / PERIOD		**14,509,919**	**9,294,718**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Effective portion of changes in fair value of interest rate swap	16	-	91,322
TOTAL COMPREHENSIVE INCOME		**-**	**9,386,040**
Basic and diluted earnings per share	10	**0.09**	**0.06**
Total Comprehensive Income attributable to equity holders		14,509,919	9,386,040
Total Comprehensive Income attributable to non-controlling interests	22	-	-
		14,509,919	**9,386,040**

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2022

	Note	30 September 2022 £	30 September 2021 £
NON-CURRENT ASSETS			
Investment properties	7	243,395,217	251,108,581
Receivable on rental incentives	7	7,245,182	7,503,114
Derivative financial instruments	16	14,179,789	-
Total Non-current Assets		**264,820,188**	**258,611,695**
CURRENT ASSETS			
Trade and other receivables	13	10,787	165,445
Receivable on rental incentives	7	664,602	623,306
Cash and cash equivalents	12	7,485,026	7,940,843
Total Current Assets		**8,160,415**	**8,729,594**
TOTAL ASSETS		**272,980,603**	**267,341,289**
EQUITY			
Share capital	17	154,064,292	154,064,292
Hedging reserve	17	14,179,789	-
Accumulated deficit		(22,568,744)	(13,225,360)
TOTAL EQUITY		**145,675,337**	**140,838,932**
NON-CURRENT LIABILITIES			
Loans and borrowings	15	119,610,243	119,699,084
Total Non-current Liabilities		**119,610,243**	**119,699,084**
CURRENT LIABILITIES			
Rent received in advance		4,010,446	3,820,132
Other payables	14	3,684,577	2,983,141
Total Current Liabilities		**7,695,023**	**6,803,273**
TOTAL LIABILITIES		**127,305,266**	**126,502,357**
TOTAL EQUITY AND LIABILITIES		**272,980,603**	**267,341,289**
Capital and reserves attributable to equity holders		145,556,725	140,713,220
Capital and reserves attributable to non-controlling interests	22	118,612	125,712
Net Asset Value	23	**145,675,337**	**140,838,932**
Net Asset Value per share	23	0.911	0.881

The Consolidated Financial Statements were approved by the Board of Directors on 13 December 2022 and are signed on its behalf by:

Shelagh Mason (Director)

Steve Le Page (Director)

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2022

	Note	Year ended 30 September 2022 £	Period ended 30 September 2021 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		15,766,167	10,238,794
Adjusted for:			
Interest income		(9,016)	(3,772)
Loan interest and commitment fees	5	3,071,759	2,598,620
Unrealised movement on revaluation of investment properties	7	8,279,039	431,797
Realised gain on investment properties	7	-	9,815
Movement in trade and other receivables	13	154,658	668,900
Movement in rental incentives	7	216,636	(1,180,038)
Movement in rent received in advance		190,314	1,368,647
Movement in other payables	14	701,436	56,514
Taxation paid	6	(1,256,248)	(944,076)
Amortisation of set up costs	15	382,959	73,415
Reclassification of sinking fund reserve		-	282,245
NET CASH INFLOW FROM OPERATING ACTIVITIES		**27,497,704**	**13,600,861**
INVESTING ACTIVITIES			
Movement in fair value of derivative financial instruments	16	(14,179,789)	-
Capitalised expenses	7	(565,675)	(285,260)
Property disposals	7	-	1,743,685
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES		**(14,745,464)**	**1,458,425**
FINANCING ACTIVITIES			
Loan setup costs	15	(471,800)	-
Loan principal drawdown	15	120,000,000	-
Loan principal repaid	15	(120,000,000)	-
Interest income		9,016	3,772
Loan interest and commitment fees	5	(3,071,759)	(2,598,620)
Dividends paid	24	(9,673,514)	(10,552,924)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(13,208,057)**	**(13,147,772)**
NET CASH (OUTFLOW) / INFLOW FOR THE YEAR / PERIOD		**(455,817)**	**1,911,514**
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR / PERIOD	12	7,940,843	6,029,329
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR / PERIOD	**12**	**7,485,026**	**7,940,843**

The accompanying notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2022

	Note	Share Capital £	Hedging Reserve £	Accumulated Deficit £	Total £
BALANCE AT 31 OCTOBER 2020		**154,064,292**	**(91,322)**	**(12,249,399)**	**141,723,571**
Reclassification of sinking fund reserve		-	-	282,245	282,245
Profit for the period		-	-	9,294,718	9,294,718
Total other comprehensive income	16	-	91,322	-	91,322
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**-**	**91,322**	**9,576,963**	**9,668,285**
Dividend	24	-	-	(10,552,924)	(10,552,924)
BALANCE AT 30 SEPTEMBER 2021		**154,064,292**	**-**	**(13,225,360)**	**140,838,932**
Profit for the year		-	-	330,130	330,130
Total other comprehensive income	16	-	14,179,789	-	14,179,789
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**-**	**14,179,789**	**330,130**	**14,509,919**
Dividend	24	-	-	(9,673,514)	(9,673,514)
BALANCE AT 30 SEPTEMBER 2022		**154,064,292**	**14,179,789**	**(22,568,744)**	**145,675,337**

The accompanying notes form an integral part of these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2022

1. REPORTING ENTITY

Channel Islands Property Fund Limited (the "Company" or "CIPF" and together with its subsidiaries the "Group") was incorporated on 25 August 2010. The Company is an Authorised Closed-Ended Collective Investment Scheme regulated by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 2020, as amended, and the Authorised Closed-Ended Investment Scheme Rules 2021. The Group's consolidated financial statements as at and for the year ended 30 September 2022 (the "Consolidated Financial Statements") comprise the Company and its subsidiaries as listed in Note 22. The Group's principal activity is that of investment in commercial properties in Guernsey, Jersey and the Isle of Man.

Statement of compliance

The Consolidated Financial Statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and comply with the Companies (Guernsey) Law, 2008, as amended.

Change in year end

Last year, the financial year end of the Company was changed from 31 October to 30 September to align its financial year and the calculation of its quarterly net asset value with the timing of rental quarters as set out in the announcement dated 31 August 2021. Accordingly, the prior period consolidated financial statements were prepared for 11 months from 1 November 2020 to 30 September 2021 and as a result, the comparative figures stated in the Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity, and the related notes are not directly comparable.

2. PRINCIPAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's Consolidated Financial Statements.

Accounting policies effective and adopted

The accounting policies applied in the current year are consistent with those of the previous financial period. Certain new accounting standards and interpretations have been published that are not mandatory for the 30 September 2022 reporting year and have not been early adopted by the Group. There is no expected material impact on, or any restatement of, the Group's Consolidated Financial Statements as a result of new accounting standards and interpretations published but not yet adopted. The following new accounting standards have been updated that do not require mandatory adoption; IFRS 1 – First Time Adoption of International Financial Reporting Standards; IFRS 3 – Business Combinations and IFRS 17 – Insurance Contracts.

Going concern

The Consolidated Financial Statements have been prepared on a going concern basis. The Board has examined areas of possible financial risk, in particular cash requirements and the ongoing obligations of the banking covenants. After due consideration, bearing in mind their assessment of the likelihood of a continuation vote in 2023, the Directors believe that the Group has adequate resources to continue in operational existence for a period of not less than twelve months from the date of the approval of the Consolidated Financial Statements, and as such it is appropriate to adopt the going concern basis in preparing the Consolidated Financial Statements.

Basis of measurement

The Consolidated Financial Statements have been prepared on the historical cost basis except for investment properties and derivatives that are measured at fair value.

Basis of consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) as disclosed in Note 22. Control is achieved where the Company has the power over the investee; is exposed, or has the rights, to variable returns from its involvement with the investee; and has the ability to use its powers to affect its returns. In assessing control, potential voting rights that presently are exercisable are taken into account.

The results of subsidiaries are included in the Consolidated Statement of Comprehensive Income from the effective date of acquisition. Where necessary, to ensure consistency with the accounting policies adopted by the Group, adjustments are made to the Consolidated Financial Statements for subsidiaries on consolidation. The majority of subsidiaries have a reporting date of 30 September, with the exception of Jubilee Management Limited which has a reporting date of 31 December.

Where properties are acquired by the Group through corporate acquisitions, but the acquisition does not meet the definition of a business combination, the acquisition has been treated as an asset acquisition.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the Consolidated Statement of Financial Position date that are subject to an insignificant risk of changes in their fair value.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Income and expenses

Rental income is included in the Consolidated Statement of Comprehensive Income on a straight-line basis. Expenses are recognised on an accruals basis, with the exception of fees relating to arranging new lettings which are amortised over the life of the arranged lease.

Lease incentives from investment property leased out are recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

The lease term is the full life of the lease or up to the lease break date if at the inception of the lease, the Directors have a reasonable expectation that the tenant will exercise their break option. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

Service charge expenses relate to the cost of managing the properties and their tenants on a day-to-day basis and other non-recoverable costs.

The income charged to tenants for property service charges and the costs associated with such service charges are shown separately in the profit or loss as service charges recharged to tenants to reflect that the ultimate risk for paying and recovering these costs rests with the property owner. Service charge income is recognised in the period in which the income relates to. Service charge income amounts are regularly reviewed by the Property Manager and any amounts deemed not recoverable are written off in the same period.

Interest income is generated from cash and cash equivalents and is recognised on an accruals basis. Interest expense comprises interest expense on loans and borrowings, and any ineffective portion of interest rate swaps. Attributable transaction costs incurred in establishing the Group's credit facilities are deducted from the fair value of borrowings on initial recognition and are amortised over the lifetime of the facilities using the effective interest method.

Investment property

Properties which are held for the long term, to earn rentals and / or for capital appreciation are accounted for under IAS 40: Investment Property. Such properties are initially stated at cost, including any related transaction costs. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period incurred and included within the book cost of the properties. After initial recognition, investment properties are carried at their fair value based on professional valuations using recognised valuation techniques suitably adjusted for unamortised lease incentives and lease surrender premiums. Property acquisitions and disposals are recognised at the point of unconditional exchange of contracts.

Properties include completed properties that are generating rent or are available for rent. Investment properties comprise freehold and leasehold properties and are first measured at cost (including transaction costs), then revalued to market value at each reporting date by independent professional valuers. Leasehold properties are shown gross of any leasehold payables (which are accounted for as finance lease obligations). Valuation gains and losses in a period are taken to the Consolidated Statement of Comprehensive Income. As the Group uses the fair value model, as per IAS 40, no depreciation is provided.

The professional valuation of the investment property is largely based on estimates using property appraisal techniques and other valuation methods. Such estimates, further disclosed in Note 3, are inherently subjective and actual values can only be determined in a sales transaction.

Gains or losses arising from changes in the fair value of, or disposal of, investment properties are included in the Consolidated Statement of Comprehensive Income in the period in which they arise.

Held for sale

Non-current Assets classified as held for sale under IFRS 5: Non-Current Assets Held for Sale and Discontinued Operations must be up for sale in its present condition and the sale must be highly probable. In order for the sale to be classed as "highly probable" there must be certain characteristics present. These include:

- Management must be committed to a plan to sell;
- There must be an active programme of seeking a purchaser;
- The asset must be available for immediate sale;
- The sale is highly probable; and
- The sale is expected to complete within one year of the asset being classified as held for sale.

An asset will be classified as held for sale within investment properties, in line with IFRS 5, where there is Board approval at the period end date and the asset is expected to be disposed of within 12 months of the balance sheet date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Lease incentives

Lease incentives, generally in the form of rent-free periods or inducement fees, can be offered to tenants. The value of any such lease incentive, being, for example, the value of the rent forgone, will be recognised in the Consolidated Statement of Comprehensive Income over the period of the lease or when at the inception of the lease, the Directors expect with reasonable certainty that the tenant will exercise their break option, in which case the incentive is accounted for from the inception of the lease to the break option date. Rental income is shown net of any amortised lease incentives.

Share capital

Ordinary shares are classified as equity. Incremental costs and placing fees directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Financial assets and financial liabilities

The Group classifies its financial assets based on the business model for managing those financial assets and their contractual cash flow characteristics. Financial assets and financial liabilities comprise trade and other receivables, cash and cash equivalents, loans and borrowings, interest rate swaps and other payables. These are recognised initially at cost plus any directly attributable transaction costs and later adjusted to fair value. Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument.

The Group classifies financial assets and financial liabilities into the following categories:

- Financial Assets at amortised cost – This incorporates cash and cash equivalents and all trade receivables;
- Financial Liabilities at amortised cost – This incorporates loans and borrowings and all other payables including trade payables; and
- Financial Assets / Financial Liabilities at fair value – Derivatives.

The amortised cost of a financial asset or liability is the amount at which the instrument is measured at initial recognition, adjusted for any impairment for financial assets, and amortised over the useful economic life of the financial asset or liability in the profit or loss.

The Group derecognises a financial asset when it no longer bears the risk, nor is entitled to the rewards, of ownership.

On derecognition the difference between the carrying amount of the financial asset and the consideration received is recognised in the profit or loss. The Group derecognises a financial liability when its contractual obligations are discharged or expire.

Derivative Financial Instruments

Derivative financial instruments are recognised initially at fair value and subsequently re-measured to fair value at each reporting date. Fair value is determined by the counterparties to the contracts using observable market data, this is usually the estimated amount that the Group would receive or pay to terminate the swap at the reporting date.

On revaluation of the derivative the unrealised gain or loss arising is taken to profit or loss. On maturity or redemption of the derivative, the realised gains or losses arising are taken to profit and loss.

Loans and borrowings

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs, such as set up costs. After initial recognition interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Set up costs associated with any borrowings are charged to the profit or loss over the period of the borrowings.

Distributions

Dividends paid during the year are disclosed as a movement in equity. Final dividends proposed by the Board and approved by the shareholders prior to the period end are disclosed as a liability. Dividends proposed but not approved are disclosed in the notes to the Consolidated Financial Statements.

Operating leases

The Group leases out investment properties on operating leases. A property held under an operating lease is classified and accounted for as an investment property where the Group holds it to earn rentals, capital appreciation, or both.

Taxation

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989.

It should be noted, however, that the Group is subject to Guernsey, Jersey or Isle of Man taxation at the prevailing rates on its rental income net of tax allowable expenses. Pursuant to the exemption granted under the above- mentioned Ordinance, the Company is subject to an annual fee, currently £1,200 (2021: £1,200), payable to the Guernsey Authorities.

2. PRINCIPAL ACCOUNTING POLICIES (continued)

Functional and presentation currency

The Directors consider Sterling to be the functional and presentation currency of the Company and its subsidiaries as it is the currency that most faithfully represents the economic effect of the Company's underlying transactions, events and conditions. Sterling is the currency in which the Group presents its performance and reports its results. Sterling is the currency in which the Company receives subscriptions from its investors. This determination also considers the competitive environment in which the Group is compared to other Crown Dependency investment products. The Group currently has no exposure to any foreign currencies.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Use of estimates and judgements

The preparation of Consolidated Financial Statements in conformity with IFRS 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. The most significant estimates and judgements made in preparing these Consolidated Financial Statements are as follows:

Significant estimates

Valuation of investment property

In accordance with the accounting standards adopted by the Group, investment property is stated at fair value as at the Consolidated Statement of Financial Position date. Fair value is defined as the estimated amount for which the property could be exchanged which would reflect its highest and best use between market participants and should reflect the actual market state and circumstances as at the reporting date.

As at 30 September 2022, valuations of all properties have been prepared by Montagu Evans LLP, London, in accordance with the definition of Market Value as set out in the Royal Institute of Chartered Surveyors ("RICS") Professional Standards (Global and UK edition).

The Directors have elected that full valuations are prepared on acquisition, and then every three years, with desktop valuations performed for all other years. The Directors believe that as the valuation of properties is primarily based on rental income and yields, desktop valuations will represent the fair valuations of the properties. The Directors believe there will be no significant unknown deterioration to the buildings between inspections, as they are inspected by the Property Manager, who reports back to the Directors on a regular basis.

The fair value of investment property is based on valuations provided as described above. These values are determined by using recognised valuation techniques and taking into consideration any recent market transactions for similar properties in similar locations to the investment properties held by the Group and the anticipated future cash flows from rental income that the properties are expected to generate.

Equivalent yield on the estimated rental value ("ERV") of each property has been used in arriving at the valuation of each property and is considered to be the most significant unobservable input that affects the valuation of the investment properties.

This yield has been arrived at using comparable evidence, where available, and taking account of the nature of the individual investments including the occupational tenants, income stream and lease lengths. Note 21 outlines the impact of Equivalent yield and ERV on property valuations and the significant unobservable inputs included in the valuation of the investment properties.

Fair Value of derivative financial instruments, including assessment of associated credit and default risk adjustments

During the year and at 30 September 2022, the fair value of the derivative financial instruments are based on valuation models run by the counterparty to the contract, Natwest Markets plc. The object of the valuation model is to arrive at a fair value determination that reflects the price of the financial instruments at the reporting date that would have been determined by market participants acting at arm's length.

The valuation models used for the derivative financial instruments are widely recognised as using only observable market data. As such they significantly reduce the level of management judgement and estimation required.

The Board has also made a judgement concerning the risk of credit or default losses arising from the financial instruments. In making this assessment the Board has taken into account the fact that the counterparty has a good standing and a good credit rating and is highly experienced in such instruments. In addition, it is closely connected to the bank which has provided the loan hedged by the derivative. Accordingly, the Board do not consider any valuation adjustment necessary.

Income and expenses

The lease term is the full life of the lease or up to the lease break date if at the inception of the lease, the Directors have a reasonable expectation that the tenant will exercise their break option. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY
(continued)

Significant judgements

Business combinations

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, the following criteria are considered:

- the number of items of land and buildings owned by the subsidiary;
- the extent to which significant processes are acquired and in particular the extent of ancillary services provided by the subsidiary; and
- whether the subsidiary has allocated its own staff to manage the property and / or to deploy any processes, including provision of all relevant administration and information to the entity's owners.

When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities.

The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

4. SEGMENTAL INFORMATION

The Board is charged with setting the Group investment strategy in accordance with the Group investment policy and overall objectives. The Directors have delegated the day-to-day implementation of this strategy to the Investment Manager but retain responsibility for ensuring that adequate resources of the Group are directed in accordance with their decisions. The operating activities of the Investment Manager are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Board.

The Investment Manager has been given full authority to act on behalf of the Group in certain situations. Under the terms of the Investment Management Agreement (as disclosed in Note 18), subject to the overall supervision of the Board, the Investment Manager advises on the investment strategy of the Group, advises the Group on its borrowing policy and advises on the use of, and management of, derivatives and hedging by the Company.

Whilst the Investment Manager may make operational decisions on a day-to-day basis regarding the property investments, any changes to the investment strategy or major allocation decisions have to be approved by the Board, even though they may be proposed by the Investment Manager.

The Board therefore retains full responsibility for investment policy and strategy. The Investment Manager will always act under the terms of the Investment Management Agreement which cannot be changed without the approval of the Board. The Board has considered the requirements of IFRS 8: Operating Segments.

The Board is of the opinion that the Group is organised into one main business segment, focusing on achieving long-term total returns through acquisition and holding of commercial property interests and for which information is provided based on IFRS accounting policies. The Group's secondary segment is the geographical segment, based on the location of the investments within Guernsey, Jersey and the Isle of Man. The Directors consider the portfolio to be a single geographic segment and therefore no separate information is provided for each jurisdiction.

The Board of Directors are considered to be the Chief Operating Decision Maker of the Group.

5. INTEREST EXPENSE

	Year to 30 September 2022 £	Period to 30 September 2021 £
Interest paid		
RBSI	3,071,759	2,598,620

The payments to RBSI are in relation to the commitment fees and interest charged on the Facility Agreement for the year / period (see Note 15).

6. TAXATION

Regency Court Property Limited, Glategny Holdings Limited, Esplanade Properties (Guernsey) Limited, Guernsey Property No.4 Limited and 2G Limited are subject to Guernsey income tax on rental income arising after the deduction of allowable debt financing costs and allowable expenses. St Helier Investments Limited, Liberty Wharf 4 Limited and Specular Limited are subject to Jersey income tax on rental income arising after the deduction of allowable debt financing costs and allowable expenses. Fort Anne Holdings Limited, Vicarage House Limited and FN House Limited are subject to Isle of Man income tax on rental income arising after the deduction of allowable debt financing costs and other allowable expenses.

Total tax is derived from the income and expenses of the property holding companies, which are the only entities within the Group liable to tax.

There were no amounts of deferred taxation for the year ended 30 September 2022. No deferred tax assets have been recognised during the year.

	30 September 2022 £	30 September 2021 £
Tax expense in the year / period	1,256,248	944,076
Profit before tax	15,766,167	10,238,794
Less:		
Company and intermediary holding company loss for the year / period	(5,170,090)	(2,916,849)
Fair value movement on derivative financial instruments	(14,179,789)	-
Fair value movement on investment property	(680,000)	2,190,000
Taxable (loss)/profit	**(4,263,712)**	**9,511,945**
Income tax using an effective tax rate of 20%	(852,742)	1,902,389
Effect of:		
Disallowed expenses	1,712,181	(569,763)
Specific allowances	118,565	19,663
Annual allowances	(309,288)	(438,832)
Losses utilised / carried forward	4,069	(99,655)
Prior year / period adjustments	35,578	(72,802)
Land development holiday	(36,530)	(129,142)
Loan interest not claimed	584,415	332,218
Current tax expense in the year / period	**1,256,248**	**944,076**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

7. INVESTMENT PROPERTIES

Level 3 reconciliation

	30 September 2022 £	30 September 2021 £
Fair value at beginning of year / period	251,108,581	253,008,618
Disposals (previously held at fair value)	-	(1,743,685)
Capitalised costs	565,675	285,260
Unrealised loss on revaluation of investment property	(8,279,039)	(431,797)
Realised loss on disposal of investment property	-	(9,815)
Fair value at end of the year / period	**243,395,217**	**251,108,581**

The carrying value of investment properties reconcile to the Appraised Value as follows:

Appraised Values	251,305,001	259,235,001
Lease incentives held as debtors	(7,909,784)	(8,126,420)
Carrying value at the end of the year / period	**243,395,217**	**251,108,581**

The fair value of investment properties at 30 September 2022 is £243,395,217 (30 September 2021: £251,108,581). In line with the investment strategy detailed in the Annual Report, the investment portfolio consists of commercial property located in Guernsey, Jersey and the Isle of Man.

Lease incentives have previously been granted to the tenants of certain properties, in the form of payments and rent-free periods. The value of these lease incentives is being recognised in the Consolidated Statement of Comprehensive Income on a straight-line basis over the term of the lease.

The property valuations have incorporated the future cash flows of these leases in arriving at the market value and as such an accounting adjustment, being an adjustment to the value of the investment property, has to be made to take into consideration the lease incentives.

Under IFRS 13, purchase costs must be accounted for in the valuation of property and the intention to sell the property holding company, rather than the property itself, has no bearing on the valuation of the investment property.

All investment properties are valued at period end by Montagu Evans LLP, London. Fees for the valuer are fixed and agreed on an annual basis.

Valuations are reviewed and approved by the Directors. The basis of the valuations is as described in Note 2. All investment properties are categorised as level 3 in the IFRS 13 fair value hierarchy. Transfers between levels are deemed to occur at the end of the reporting period. There have been no transfers of properties between levels 1, 2 and 3 during the year (30 September 2021: none).

An increase in passing rent or ERV would increase valuations of the investment properties. A decrease in the initial yield or equivalent yield would also increase the valuation. The effect of this sensitivity is detailed in Note 21. An equivalent yield of between 6.30% and 7.25% (30 September 2021: 6.15% and 7.25%) has been used in determining the fair value as at 30 September 2022.

There are interrelationships between all these unobservable inputs as they are determined by market conditions. The existence of an increase in more than one unobservable input would be to magnify the impact on the valuation. The impact on the valuation will be mitigated by the interrelationship of the two unobservable inputs moving in the same direction, e.g. an increase in rent may be offset by an increase in rental yield, resulting in no net impact on the valuation.

The entire share capital of the companies listed in Note 22 are the subject of a guarantee and indemnity between these parties in favour of RBSI. The properties held by the subsidiaries, as detailed in Note 22, are also subject to individual bonds in favour of RBSI. Further details of the loan are provided in Note 15.

8. OPERATING LEASES

The below table details the minimum lease receipts of the operating leases of the Group:

(a) Calculated based on the assumption that tenants will continue to occupy the property until the agreed lease expiry date:

	30 September 2022 £	30 September 2021 £
Within 1 Year	18,173,289	17,561,043
1 to 2 Years	17,918,574	16,947,507
2 to 3 Years	16,958,053	16,597,045
3 to 4 Years	15,984,927	16,597,045
4 to 5 Years	15,984,927	16,105,217
After 5 Years	120,396,531	131,446,889
	205,416,301	**215,254,746**

(b) Calculated based on the assumption that tenants will exercise their break lease date option:

	30 September 2022 £	30 September 2021 £
Within 1 Year	18,173,289	17,561,043
1 to 2 Years	16,933,000	17,334,597
2 to 3 Years	14,826,747	17,277,556
3 to 4 Years	13,724,515	16,125,505
4 to 5 Years	13,044,465	13,818,108
After 5 Years	59,592,294	66,354,961
	136,294,310	**148,471,770**

Significant agreements

Guernsey

Regency Court - is a multi-tenant property located in St. Peter Port which is leased on fixed term agreements. The majority of agreements are for a lease period of up to 21 years, ending between May 2025 and June 2037.

Royal Chambers - is a multi-let property to four tenants. The majority of agreements are for a lease period of 21 years, ending between June 2033 and October 2038. All the four tenants have break clauses which can be enacted between November 2024 and October 2035.

Glategny Court - is a fully let, multi-tenant property located in Guernsey which is leased on fixed term agreements. The majority of agreements are for a lease period of 24 years, ending between September 2034 and September 2038. Two of the tenants have break clauses which can be enacted in September 2029 and January 2032.

Royal Bank Place - is a partially let, multi-tenant property located in Guernsey which is leased on fixed term agreements, the earliest of which expires in July 2028. Two of the tenants have break clauses which can be enacted in June 2023 and December 2033.

Oak House - is a fully let, single tenant property located in Guernsey. The property is leased on a fixed term agreement which expires in January 2035.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

8. OPERATING LEASES (continued)

Significant agreements (continued)

Jersey

Liberation House - is a fully let, multi-tenant property located in Jersey which is leased on fixed term agreements. The majority of agreements are for a lease period of up to 24 years, ending between September 2028 and April 2041. Three of the tenants have break clauses which can be enacted in October 2023, November 2029, and April 2034.

Windward House - is a fully let, multi-tenant property located in Jersey which is leased on a fixed term agreements. The agreements are for a lease period of 7 and 12 years, ending between August 2024 and January 2034.

17 ½ – 18 Esplanade - is a single tenant property located in Jersey which is leased on a fixed term agreement of 42 years ending in October 2045, with a break option that can be enacted in October 2024.

18 – 22 Grenville Street - is a single tenant property located in Jersey which is leased on a fixed term agreement of 31 years ending in April 2035. There is no break option.

Isle of Man

Fort Anne - is a single tenant property located in the Isle of Man which is leased on a fixed term agreement of 21 years ending in August 2037, with a break option break option that can be enacted in October 2031.

Vicarage House - is a single tenant property located in the Isle of Man which is leased on a fixed term agreement of 15 years ending in May 2032, with a break option break option that can be enacted in May 2027.

First Names House - is a single tenant property located in the Isle of Man which is leased on a fixed term agreement of 21 years ending in June 2038, with a break option that can be enacted in June 2035.

All tenants undergo rent reviews every three years, with the date of each review based on the inception date of the lease. Increases are agreed in line with market values at the time of the review.

During the year, no tenants contributed greater than 15% of the rental income of the Group. The single largest was 8.18% (30 September 2021: 8.25%). This tenant currently has a tenancy in Royal Chambers in Guernsey and 18-22 Grenville Street in Jersey.

9. SERVICE CHARGE INCOME AND EXPENSES

The leases for the multi-tenant properties listed in Note 8 above entitle the Group to invoice tenants for service charges quarterly in advance based upon a budgeted amount for each year. These monies are held in a client account with the Property Manager and are not received by the Company being used to settle electricity, water, rates, maintenance, etc.

During the year, service charge income of £3,878,800 (for the period ended 30 September 2021: £3,147,600) was received from occupiers and an amount of £4,171,674 (for the period ended 30 September 2021: £3,391,862) had been incurred in relation to these services.

If there is a vacancy in one of the properties, an amount of these expenses would become the responsibility of the respective property holding company in a proportion relative to the size of the vacancy. During the year, non-recoverable expenses of £292,874 (for the period ended 30 September 2021: £244,262) were incurred by the Group as a result of vacant spaces, primarily in Royal Bank Place. This difference is therefore the net liability of the Group.

10. BASIC AND DILUTED EARNINGS PER SHARE

The basic and diluted earnings per share for the Group is based on the profit for the year of £330,130 (for the period ended 30 September 2021: profit of £9,294,718) and the weighted average number of Ordinary Shares in issue during the year of 159,892,798 (30 September 2021: 159,892,798). The basic and diluted earnings per share is £0.09 at the reporting date (30 September 2021: £0.06).

11. OTHER OPERATING EXPENSES

	30 September 2022 £	30 September 2021 £
Administration fees	357,148	310,058
Legal and professional fees	465,715	265,282
Repairs and maintenance	199,223	2,525
Directors' fees and expenses	172,952	159,044
Regulatory fees	159,510	134,860
Audit fees	93,000	97,250
General expenses	37,001	12,675
Marketing expenses	28,790	1,658
Insurance	20,441	39,426
Sundry expenses	59,095	30,836
Bad debts written off	-	26,600
GST written off	-	116,767
	1,592,875	**1,196,981**

Fees and expenses relating to the establishment of the subsidiaries will be borne by the Group. The Group will also incur ongoing operational expenses. These expenses include audit costs, costs of valuing and pricing assets, expenses of publishing any reports or notices, bank charges and any other expenses relating to the making of any capital or income distributions, insurance premiums, legal and professional expenses which the Group incurs, whether in litigation on behalf of the Group or in connection with the ongoing administration of the Group or otherwise and any other costs of a similar nature.

12. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents of £7,485,026 (30 September 2021: £7,940,843) is £1,018,782 (30 September 2021: £1,016,272) of cash held under the security terms of the loan facility with RBSI. Further details of the loan facility are disclosed in Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

13. TRADE AND OTHER RECEIVABLES

	30 September 2022 £	30 September 2021 £
Prepayments	3,038	-
Sundry debtors	7,749	2,695
Amounts due from tenants	-	162,750
	10,787	**165,445**

14. OTHER PAYABLES

	30 September 2022 £	30 September 2021 £
Investment Manager fees	858,859	722,555
Loan interest and commitment fees – RBSI	852,996	597,022
Taxation	1,098,136	886,845
GST / VAT	166,510	100,794
Audit fees	93,000	87,000
Dividend	6,210	6,210
Other creditors	608,866	581,140
Directors' fees	-	1,575
	3,684,577	**2,983,141**

15. LOANS AND BORROWINGS

	30 September 2022 £	30 September 2021 £
Due after 1 year:		
RBSI:		
Net loan liability at beginning of year / period	119,699,084	119,625,669
Loan principal drawdown	120,000,000	-
Loan principal repayment	(120,000,000)	-
Loan set up costs	(471,800)	-
Amortisation of loan set up costs	382,959	73,415
Net loan liability due after 1 year	119,610,243	119,699,084
TOTAL NET LOAN LIABILITY DUE AFTER 1 YEAR	**119,610,243**	**119,699,084**
Unamortised RBSI loan set up costs	(389,757)	(300,916)
RBSI loan principal liability	120,000,000	120,000,000
	119,610,243	**119,699,084**

There is no loan liability due before 1 year.

On 30 September 2021, the bank finance was renegotiated under a restated and amended loan facility agreement (the "Agreement"). The effective date of the Agreement was 1 October 2021 with expiry date of 30 June 2027. The result of the Agreement was to amend the total commitment to £125,000,000, of which £120,000,000 has been drawn.

On 30 September 2021, capitalised costs of £300,916 were written off on termination of the terminated facility. Following this, costs of £471,800 were capitalised in relation to the Agreement, of which £82,043 had been unwound during the year ended 30 September 2022.

Security has been provided by way of a charge over the Group's investment properties under the facility agreement. Interest is charged at the aggregate of the margin and base rate and is payable quarterly in arrears.

The interest charged on the loan of £120,000,000 is the aggregate of the margin and base rate. As at 30 September 2022, the rate of interest charged was 5.50% (30 September 2021: 2.39%) on the outstanding loan. Commitment fees are charged on the loan at a rate of 1.00% of the undrawn principal.

The loan facility was drawn to assist with financing the purchase of the properties. In accordance with the loan facility agreement the Group has various non-financial and financial covenants that are required to be met. These are reviewed and confirmed to RBSI on a quarterly basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

15. LOANS AND BORROWINGS (continued)

In addition, the covenants are frequently monitored by the Investment Manager and sensitivity analysis is performed on at least a quarterly basis. The four financial covenants are detailed in the following table.

Covenants	Requirement	30 September 2022	30 September 2021
Loan to Market Value Ratio (including lease incentives)	Must not exceed 55%	47.75%	46.29%
Loan to Market Value Ratio (excluding lease incentives)	Must not exceed 55%	49.30%	47.89%
Projected Interest Cover Ratio	Must be in excess of 225%	402.11%	712.42%
Historic Interest Cover Ratio	Must be in excess of 225%	442.73%	541.70%
Projected Debt to Rent Cover	Must not exceed 900%	648.69%	652.22%

All figures in the above table are calculated using inputs from the financial statements, in accordance with IFRS.

16. DERIVATIVE FINANCIAL INSTRUMENTS

During the previous period, the Company's interest rate swap with RBSI was terminated. On 11 November 2021, the Company entered into two derivative arrangements with Natwest Markets plc ("Natwest") on £90,000,000 of its debt, split equally between an interest rate swap for £45,000,000 and an interest rate cap with a strike rate of 1% on the other £45,000,000. These arrangements became effective on 15 January 2022 and will expire on 30 June 2027.

The fair value of the derivatives in respect of these contracts is based on their marked to market value. The interest rate swap and interest rate cap are classified as level 2 under the hierarchy of fair value measurements required by IFRS 13.

Derivatives primarily held for risk management purposes

	Assets/ (Liabilities) £	Notional Amount £
RBSI:		
Net derivative financial liabilities at beginning of period	(91,322)	40,000,000
Movement during the period	91,322	(40,000,000)
As at 30 September 2021	**-**	**-**
Natwest:		
Net derivative financial assets at beginning of year	-	-
Movement during the year of interest rate cap receivable	7,932,304	45,000,000
Movement during the year of interest rate swap receivable	6,247,485	45,000,000
As at 30 September 2022	**14,179,789**	**90,000,000**
TOTAL DERIVATIVES POSITION AT 30 SEPTEMBER 2022	**14,179,789**	**90,000,000**
TOTAL DERIVATIVES POSITION AT 31 SEPTEMBER 2021	**-**	**-**

During the year, the Company paid £220,583 interest expense to NatWest in relation to the Derivative Financial Instrument Agreements. Both elements of the Natwest index swap have a maturity date of 30 June 2027.

17. SHARE CAPITAL AND RESERVES

Authorised

The Company has an unlimited number of Ordinary Shares of no par value.

Issued and Fully Paid

	No. of Shares	£
Ordinary Shares		
Balance as at 31 October 2020	**159,892,798**	**154,064,292**
Issued during the period	-	-
Issue costs	-	-
Balance as at 30 September 2021	**159,892,798**	**154,064,292**
Issued during the year	-	-
Issue costs	-	-
Balance as at 30 September 2022	**159,892,798**	**154,064,292**

The rights attaching to the Ordinary Shares are as follows:

- As to income – the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions attributable to the Ordinary Shares and available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income or right to participate therein.
- As to capital – the holders of Ordinary Shares shall be entitled on a winding up, to participate in the distribution of capital.
- As to voting – the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company.

Hedging Reserve

	Year to 30 September 2022 £	Period to 30 September 2021 £
Balance at start of year / period	-	(91,322)
Movement during the year / period	14,179,789	91,322
Balance at end of year / period	**14,179,789**	**-**

Movements relating to the derivative financial instruments arrangement, accounted for as a cash flow hedge, are recognised in this reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

18. MATERIAL AGREEMENTS

Fees Payable to the Administrator

The Administrator of the Company is Aztec Financial Services (Guernsey) Limited ("Aztec"). Aztec, Atla Fiduciaries Limited and Parish Group Limited provide administration services to the Company's subsidiaries. These companies are collectively known as the "Administrators". Total fees charged by the Administrators during the year were £357,148 (for the period ended 30 September 2021: £310,058), of which £nil amount remained payable as at 30 September 2022 (30 September 2021: £nil).

The Administrators have the right to be reimbursed from the Company for any reasonable out of pocket expenses incurred in carrying out their responsibilities.

Fees Payable to the Property Manager

The Property Manager is entitled to receive a fee for each property it manages. Where this property is multi-let, the full amount of the fee is recoverable via the service charge. Should any tenant from a multi-let property vacate their lease, the Group would be responsible for their share of the management fee.

Total property management fees during the year ended 30 September 2022 were £120,349 (for the period ended 30 September 2021: £73,613), of which £nil remained payable as at 30 September 2022 (30 September 2021: £nil).

Fees payable to the Investment Manager

Management fee

Pursuant to the Investment Management Agreement, the Company pays the Investment Manager an annual fee equal to 0.6% per annum of the Gross Asset Value of the Company (which shall include assets that were purchased with leverage) calculated by reference to the Gross Asset Value as at the end of each quarter and payable quarterly in arrears. To the extent that there is a capital raising during a quarter, an adjustment shall be made to Gross Asset Value on a time apportioned basis.

Where the completion date of the acquisition of an investment is made part way through a quarter, the portion of the fee paid relating to that investment shall be apportioned pro rata in accordance with the period from the completion date to the end of that quarter.

Fees charged by the Investment Manager during the year were £1,686,925 (for the period ended 30 September 2021: £1,545,300), of which £858,859 remains unpaid at 30 September 2022 (30 September 2021: £722,555).

Acquisition fees

Pursuant to the Investment Management Agreement, the Company pays the Investment Manager an acquisition fee which will not exceed 1.5% of the purchase price of each investment upon completion of such purchase. No acquisition fees were incurred for the year ended 30 September 2022 (for the period ended 30 September 2021: £nil).

Disposal fees

Pursuant to the Investment Management Agreement the Company pays the Investment Manager a disposal fee of 1.5% of the sale price of the property sold. No disposal fees were incurred for the year ended 30 September 2022 (for the period ended 30 September 2021: £26,153).

Other fees

During the year, the Company paid fees of £10,000 (for the period ended 30 September 2021: £7,500) to Ravenscroft (CI) Limited, in relation to market making (management of the Huntress (CI) Nominees Limited account). These have been included within "Legal and professional fees" in Note 11.

In addition, Ravenscroft (CI) Limited paid marketing costs of £28,789 (for the period ended 30 September 2021: £nil) on behalf of the Company, which were subsequently recharged. These have been included within "Marketing costs" in Note 11.

During the year, the Company paid £7,500 (for the period ended 30 September 2021: £nil) on behalf of the Investment Manager in relation to professional fees, which was subsequently reimbursed prior to the year end.

Fees payable to the Project Manager

During the year, the Company paid fees of £18,857 (for the period ended 30 September 2021: £10,437) to Ravenscroft Project Management Limited. These fees relate to one-off projects such as upgrades and refurbishment as instructed by the Board.

19. RELATED PARTY TRANSACTIONS

The following transactions have been entered into with parties deemed to be related to the Company. The terms of these transactions are disclosed below and are equivalent to those that would prevail in an arms' length transaction.

Directors
During the current year the Directors were entitled to the following fees per annum:

	30 September 2022 £	30 September 2021 £
Directors		
Shelagh Mason	57,000	55,000
Steve Le Page	42,000	40,500
Paul Le Marquand	35,760	34,500
Paul Turner	35,760	34,500

At 30 September 2022, no amount remained outstanding between the Directors and the Company (30 September 2021: £nil). During the year, the Directors received £170,858 (for the period ended 30 September 2021: £150,643).

In addition, Shelagh Mason earned £nil (for the period ended 30 September 2021: £2,888) as part of her variable fees rendered during the year of which £nil (30 September 2021: £1,575) remained outstanding as at 30 September 2022. The Directors received £2,094 (for the period ended 30 September 2021: £513) as reimbursement for expenses during the year.

The following shares were held by related parties:

	As at 30 September 2022	As at 30 September 2021
Directors		
Shelagh Mason	100,000	100,000
Steve Le Page	100,000	100,000
Paul Le Marquand	-	-
Paul Turner	20,000	20,000
Employees of the Investment Manager		
Jon Ravenscroft	500,000	500,000
Brian O'Mahoney	100,000	100,000
Dominic Jones *	-	5,000

* After revisiting the rationale during the year, it has been concluded that Dominic Jones has no access to inside information and he has therefore been removed from the list.

20. AUDITOR'S REMUNERATION

PricewaterhouseCoopers CI LLP (the "Auditor") was appointed as auditor of the Group on 21 August 2018.

During the year, the audit fee charged to the profit or loss was £93,000 (for the period ended 30 September 2021: £97,250), of which £93,000 (30 September 2021: £87,000) remained payable at 30 September 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

21. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES

Market price risk

The Group's exposure to market price risk is comprised mainly of movements in the value of the Group's investment properties and are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where the sale occurs shortly after valuation the date.

The Board manages and monitors this risk by reviewing periodic updates and ensures that if future properties are to be acquired then property acquisition values will be below fair market value where possible.

The performance of the Group would be adversely affected by a downturn in the commercial property market of the Channel Islands or the Isle of Man in terms of market value. In the event of default by a tenant or during any other void period, the Group may suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs, re-letting, refurbishment or upgrading costs, maintenance costs, insurances, rates and marketing costs. As the main input to the valuation of the properties is ERV a reduction in the level of rent would result in a reduction in the value of the property.

Any future property market recession could materially affect the market value of properties. The market value of an investment in properties depends largely on the amount of rental income generated from the property and the expenses incurred in the development or redevelopment and management of the property, as well as upon changes in the equivalent yield of the property.

Rental income and consequently the market value of properties are generally affected by overall conditions in the relevant local economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Changes in gross domestic product may also impact employment levels, which in turn may impact on the demand for premises.

Both rental income and equivalent yields may also be affected by other factors specific to the commercial property market, such as competition from other property owners, the perceptions of prospective occupiers of the attractiveness, convenience and safety of properties, the inability to collect rents because of the bankruptcy or insolvency of occupiers or otherwise, the periodic need to renovate, repair and re-lease space and the costs thereof, the costs of maintenance and insurance, and increased operating costs.

Any change to the laws and regulations relating to the Guernsey, Jersey or Isle of Man commercial property market may have an adverse effect on the market value of the property portfolio and / or the rental income of the property portfolio.

The Board aims to minimise the rental income risk through careful selection and thorough due diligence on prospective / existing occupiers.

The Group's sensitivity to movements in the key valuation inputs is detailed below:

	30 September 2022 £	30 September 2021 £
Increase in estimated rental value of 5%	10,356,739	10,365,669
Decrease in estimated rental value of 5%	(10,684,076)	(9,917,714)
Increase in equivalent yield of 0.25%	(9,641,712)	(9,876,330)
Decrease in equivalent yield of 0.25%	10,388,246	10,906,699

21. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (continued)

Liquidity risk

The Group's main assets are property assets which are traded in an environment where deal timescales can take place over months. As a result, the Group may not be able to liquidate quickly some of its properties at an amount close to their fair value in order to meet liquidity requirements. The Board monitors this risk by reviewing future cash flow projections of the Group on a regular basis to ensure that future liabilities can be met as and when they fall due.

The table below analyses the Group's liabilities, which will be settled on a net basis, into relevant maturity groupings based on the remaining period at the Consolidated Statement of Financial Position date to the current contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. The fair value of balances due within 12 months, equal their carrying balances as the impact of discounting is not significant.

		CONTRACTUAL CASHFLOWS			
	Carrying Amount	Total	Less than 1 year	Between 1 and 5 years	Over 5 years
30 September 2022					
Other payables (excluding rent received in advance)	(3,684,577)	**(3,684,577)**	(3,684,577)	-	-
Borrowings*	(119,610,243)	**(144,617,844)**	(4,600,451)	(20,017,393)	(120,000,000)
	(123,294,820)	**(148,302,421)**	**(8,285,028)**	**(20,017,393)**	**(120,000,000)**
30 September 2021					
Other payables (excluding rent received in advance)	(2,983,141)	**(2,983,141)**	(2,983,141)	-	-
Borrowings	(119,699,084)	**(140,358,075)**	(2,620,062)	(12,665,043)	(125,072,970)
	(122,682,225)	**(143,341,216)**	**(5,603,203)**	**(12,665,043)**	**(125,072,970)**

*Contractual cash flows for borrowings in less than 1 year and between years 1 to 5 relate to loan interest and non-utilisation fees only. The full repayment of the loan is expected to be made in over 5 years

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. In the event of a default by an occupier, the Group would suffer a rental income shortfall and incur additional costs, including legal expenses, in maintaining, insuring and re-letting the property. Tenant incentive debtors would also be written off. The Group's largest single occupier generated 8.18% (30 September 2021: 8.24%) of the Group's rental income with the next largest generating 7.96% (30 September 2021: 8.18%).

Credit risk in respect of other financial assets is reflected in the carrying value of these assets being set to their fair value. The Board monitors the placement of cash balances on an ongoing basis. All cash is placed with reputable institutions. The majority of the Group's cash is held at RBSI, who have a Fitch rating of A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

21. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (continued)

Credit risk (continued)

The following table analyses the Group's maximum exposure to credit risk. The maximum exposure is shown gross, before the effect of mitigation through the use of netting at the reporting date:

	30 September 2022 £	30 September 2021 £
Derivative financial instruments	14,179,789	-
Cash and cash equivalents – RBSI	7,485,026	7,940,843
Trade and other receivables (excluding prepayments)	7,749	165,445
	21,672,564	**8,106,288**

Interest rate risk

The Group is exposed to risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its cash and debt positions. Management review market interest rates, cash and bank balances on a regular basis to take advantage of the best rates offered at any time.

The interest rate profile of the financial assets and liabilities, after the impact of hedging, as at the Consolidated Statement of Financial Position date is as follows:

	Variable rate financial assets £	Variable rate financial liabilities £
As at 30 September 2022	7,485,026	(119,610,243)
As at 30 September 2021	7,940,843	(119,699,084)

At 30 September 2022, if interest rates had moved by 0.5% with other variables remaining constant, the change in equity and profit or loss for the period would amount to approximately + / - £560,626 (30 September 2021: + / - £558,791).

21. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (continued)

Fair values

The Board considers that the fair values of financial assets and liabilities are not materially different from their carrying values in the Consolidated Financial Statements. The following summarises the main methods and assumptions used in estimating the fair values of financial instruments.

	30 September 2022 £	30 September 2021 £
Financial assets not measured at fair value, for which fair value is disclosed		
Receivable on rental incentives	7,909,784	8,657,438
Cash and cash equivalents	7,485,026	7,940,843
Trade and other receivables (excluding prepayments)	7,749	165,445
	15,402,559	**16,763,726**
Financial liabilities not measured at fair value, for which fair value is disclosed		
Loan and borrowings	119,610,243	119,699,084
Other payables	3,684,577	2,983,141
	123,294,820	**122,682,225**

Derivative financial instruments

The fair value for the derivative financial instruments is provided by RBSI, the counterparty to the deal, using valuation models. In the fair value hierarchy interest rate swaps are classified as level 2 as the inputs to the valuation models are observable.

The fair value hierarchy levels are as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets and liabilities;
Level 2	Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3	Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between levels 1, 2 and 3 during the year (30 September 2021: None).

Interest bearing loans and borrowings

The carrying value of interest bearing loans and borrowing approximate fair value due to the floating rate nature of the instruments. As such these values are based on the amounts which are to be repaid, less any costs incurred in obtaining the borrowings. These costs are then amortised over the period of the borrowings.

Trade and other receivables / payables

All trade receivables and trade payables are deemed to be due within one year and as such the carrying amount is considered to reflect the fair value.

Cash and cash equivalents

Cash and cash equivalents are deemed to be due within three months and as such the carrying amount is considered to reflect the fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 September 2022

21. FINANCIAL RISK MANAGEMENT AND TREASURY POLICIES (continued)

Capital risk management

The Board's policy is to maintain a strong capital base to ensure that entities within the Group will be able to continue as going concerns while maintaining investor, creditor and market confidence and to sustain future development of the business.

The Board carefully considers the balance between the higher levels of return that may be available from higher levels of borrowing and the security provided by a strong equity base. The Board then monitors the level of dividends payable to shareholders who provide this base. There were no changes in the Group's approach to capital management during the year.

The capital structure consists of net debt, being borrowings as disclosed in Note 15 offset by cash and cash equivalents, and equity of the Group, being issued capital, reserves and accumulated deficit.

22. INVESTMENTS IN SUBSIDIARIES AND NON-CONTROLLING INTERESTS

Subsidiary	Date of incorporation/ acquisition	Tax Domicile
CIPF Holdings (Guernsey) Limited	**19 March 2015**	**Guernsey**
- Regency Court Property Limited	30 November 2010	Guernsey
- Glategny Holdings Limited	8 August 2014	Guernsey
- Guernsey Property No.4 Limited	1 July 2016	Guernsey
- Jubilee Management Limited	2 January 2019	Guernsey
- Esplanade Properties (Guernsey) Limited	12 October 2017	Guernsey
- Jubilee Management Limited	2 January 2019	Guernsey
- 2G Limited	30 July 2020	Guernsey
CIPF Holdings Jersey Limited	**7 January 2016**	**Guernsey**
- St Helier Investments Limited	19 July 2013	Jersey
- Liberty Wharf 4 Limited	16 September 2016	Jersey
- Specular Limited	4 September 2020	Jersey
CIPF Holdings (IOM) Limited	**17 May 2017**	**Isle of Man**
- Vicarage House Limited	15 December 2015	Isle of Man
- Fort Anne Holdings Limited	1 July 2016	Isle of Man
- FN House Limited	18 May 2017	Isle of Man

22. INVESTMENTS IN SUBSIDIARIES AND NON-CONTROLLING INTERESTS (continued)

All companies listed above are 100% owned and were originally set up to acquire properties, with the exception of Jubilee Management Limited. Guernsey Property No.4 Limited and Esplanade Properties (Guernsey) Limited own 34.67% and 20.79% of the shares of Jubilee Management Limited respectively.

The Group owns, indirectly through those two subsidiaries, a total of 55% of the Ordinary Class A shares in Jubilee Management Limited. On 18 August 2020, the "golden" share owned by the property manager was executed and the Company took control of the entity. The results of Jubilee Management Limited are consolidated into these financial statements from the date control was obtained.

23. NET ASSET VALUE PER SHARE

The below table reconciles the difference between the published net asset value as at 30 September 2022 and the net asset value calculated as part of these Consolidated Financial Statements. The variances detailed have resulted from disparities between the valuation assumptions used for the purposes of the published net asset value and those required under IFRS. The Directors do not believe that they will incur Document Duty on the disposal of the SPVs which hold the individual properties.

There are also sometimes variances in the accruals recorded between the publication of the unaudited net asset value and the Consolidated Financial Statements. These tend to arise as a result of the differing time frames between the preparation of each report. Should additional information become available after the publication of the quarterly valuation, these changes would be reflected in the Consolidated Financial Statements but not the published valuation. Special assumptions during the valuation process in relation to document duty have been made. The adjustments to fair value of investment property detailed in the below table reflect this special assumption of purchaser's costs at 1.5%.

	30 September 2022 £	30 September 2021 £
Net asset value attributable to Ordinary Shares per consolidated financial statements	**145,675,337**	**140,838,932**
Adjustments:		
Adjustments to fair value of investment property	12,660,000	13,339,998
Adjustments to tax payable	273,619	161,962
Adjustments to other current assets and liabilities	22,057	1,575
Reclassification of sinking fund reserve	-	(282,245)
Published net asset value per the Regulatory News Service	**158,631,013**	**154,060,222**
Shares in issue	159,892,798	159,892,798
Published Net Asset Value per Share	0.992	0.964
IFRS Net Asset Value per share	0.911	0.881

24. DIVIDENDS

During the year, dividends totalling 6.6 pence per share (£9,673,514) (30 September 2021: 6.6 pence per share (£10,552,924)) have been declared and £6,210 (30 September 2021: £6,210) remains outstanding at 30 September 2022, to ordinary shareholders, with a further dividend of 1.65 pence per share paid post year end on 30 November 2022.

25. CONTROLLING PARTY

Due to the nature of the ownership of the shares in the Company, in the Directors' opinion there is no ultimate controlling party.

26. EVENTS AFTER REPORTING DATE

On 3 November 2022, the Company approved an interim dividend of £0.0165 per ordinary share, which was paid on 30 November 2022.

cipropertyfund.com

Guernsey: +44 (0)1481 729100
Jersey: +44 (0)1534 722051
Isle of Man: +44 (0)1624 602020