



## **Chairman's Interim Statement 2021**

Since March 2021, the executive team have continued to implement the strategy of becoming a fully diversified UK REIT as presented to shareholders in February of this year.

During the first six months the rental income collection has continued to improve, with 97% of rents due for Q1 and Q2 received. The remaining 3% continues to be pursued.

### **Property Income Distribution ("PID")**

This year the Board made the decision to move to quarterly PID payments. 13p was paid in October 2021, in respect of the quarter to 30 June 2021. A further 13p will be distributed in January 2022 with respect to the quarter ended 30 September 2021. This represents an uplift of 30% compared to the 20p PID paid in December 2020 in respect of the six months to 30 September 2020.

### **Property Income**

Net property income has increased by 4% when compared to the 31 March 2021 year (pro-rated). This has been achieved by reducing the void rate and asset managing the portfolio.

### **Operating Profit**

Operating profit before gains and losses has increased by 6% when compared to the 31 March 2021 year-end (pro-rated).

### **Property Sales and Purchases**

In the six months to 30 September 2021 the Company sold four properties realising £6m. These proceeds were reinvested by increasing our shareholding in Alternative Income REIT to 25%.

### **The Collective Administration**

You will recall in August 2020 the Board made the strategic decision to sell the four West London Houses of Multiple Occupation ("HMO's"), to the tenant. The Collective Group represented 9% of the annual rent roll at the time. The portfolio was sold for £22m cash plus a deferred, unsecured repayment loan of £3m.

The cash received of £22m was substantially ahead of the portfolio valuation as at 31 March 2021. In September 2021, The Collective Group fell into administration, having experienced difficulties owing to the COVID-19 pandemic. Although NAV decreative this year, holding the asset would have left the

Company exposed to a significant rental shortfall. Substantial capital expenditure may have also been required.

The Collective proceeds and other small non-strategic sales were reinvested by July 2021. The assets purchased produce an annual income return of 7.84%, double that of the The Collective income. The investments are listed below:

*Investment in Alternative Income REIT ("AIRE")* – 15% purchased in November 2020.

*Industrial* – Units 1-4, Whitehall Industrial Estate, Leeds, let to Just Tray Limited. Purchased from Jesus College, Cambridge in November 2020.

*Pub & Restaurant* – The White Horse, Beaconsfield, let to Brunning & Price Limited. Purchased from Aegon in November 2020.

*Retail Warehouse* – Crown Way Retail Park, Rushden. Two units let to Wickes & Pets at Home. Purchased from Canada Life in January 2021.

*Retail Warehouse* – Elizabeth Way, Saffron Walden. Unit let to Homebase, purchased from Charterhouse in April 2021.

*Investment in Alternative Income REIT ("AIRE")* – 10% purchased in July 2021.

Although the Company has booked a £3m loss, the Board believe that the strategic decision to sell to a special purchaser and opportunistically reinvest all the proceeds during COVID-19 lockdowns has accelerated the implementation of the strategy to become a diversified REIT delivering sustainable returns.

## **Net Asset Value ("NAV")**

The NAV at 30 September 2021 is £11.63 down from £11.91 at 31 March 2021. The reduction in NAV is due to the write down of The Collective loan. The Board decided not to undertake a directors' mid-year revaluation but had a revaluation been undertaken the Board believe the uplift would cover the loss.

## **20 Mortlake Cladding**

The residential cladding replacement programme at 20 Mortlake has now been completed. The total costs were £1.7m. Glenstone were one of the UK's first applicants to the Governments Building Safety Fund and successfully received 95% of the replacement costs. The remaining 5% will be shared between Glenstone and the residential long leaseholders. The Board consider this a tremendous outcome.

## **Progress since 30<sup>th</sup> September 2021**

### *Company Name Change*

As approved at the AGM, the Company will change its name to Glenstone REIT with the TISE ticker changing to "GREI". The name change will occur on 10<sup>th</sup> January 2022.

### *Head Office Relocation*

During October 2021 the Company acquired 6 Duke Street, W1U 3EN, London. This will see Glenstone REIT relocate its head office in January 2022 to Central London. The executive team would be delighted to welcome any shareholder.

### *Website*

On the same date as the name change a new website will be launched:  
[www.glenstonereit.co.uk](http://www.glenstonereit.co.uk)

## **Annual General Meeting 2022**

A number of shareholders have requested the date of the 2022 AGM. The Board have decided that the 2022 AGM will be hosted on 14 September 2022, at 12 noon, at a London venue to be confirmed.

If you have any questions on the half year financial results, please do not hesitate to contact any of the Board.

Chris Powell  
**Chairman**

December 2021

**GLENSTONE PROPERTY PLC**

(Company no. 00986343)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>Unaudited</b>	<b>Audited</b>
	<b>6 months ended</b>	<b>12 months ended</b>
	<b>30-Sep-21</b>	<b>31-Mar-21</b>
Rental and other income	4,487,694	8,923,166
Property operating expenses	(730,421)	(1,729,437)
<b>Net property income</b>	<b>3,757,273</b>	<b>7,193,729</b>
Administrative expenses	(624,393)	(1,333,015)
<b>Operating profit before gains and losses</b>	<b>3,132,880</b>	<b>5,860,714</b>
Profit on disposal of investment properties	267,391	4,502,637
Fair value losses on investment properties	-	(9,167,905)
Loss on disposal of subsidiary	-	(122,913)
<b>Operating profit</b>	<b>3,400,271</b>	<b>1,072,533</b>
Fair value gain on current investment	865,690	412,744
Dividends received	379,498	119,355
Write down of loan receivable	(3,000,000)	
Finance income	39,735	260,779
Finance expense	(723,538)	(1,484,832)
<b>Profit before taxation</b>	<b>961,656</b>	<b>380,579</b>
<b>Taxation</b>	<b>(7,417)</b>	<b>(49,548)</b>
<b>PROFIT FOR THE PERIOD</b>	<b>954,239</b>	<b>331,031</b>
Profit for the financial period is attributable to:		
<b>Owners of the parent company</b>	<b><u>954,239</u></b>	<b><u>330,002</u></b>
Non-controlling interests	-	1,029
	<b>954,239</b>	<b>331,031</b>

The principal accounting policies of the Group are set out in the Group's 2021 Annual Report and financial statements. The policies applied in the production of the interim profit and loss account remain unchanged.

The financial information set out in this interim report does not constitute statutory accounts as defined in the Companies Act 2006.

**GLENSTONE PROPERTY PLC**

(Company no. 00986343)

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited 30-Sep-21	Audited 31-Mar-21
<b>FIXED ASSETS</b>		
Tangible assets	222,240	229,152
Investment property	<u>128,070,052</u>	<u>130,041,500</u>
	<b>128,292,292</b>	<b>130,270,652</b>
<b>CURRENT ASSETS</b>		
Debtors falling due under one year	4,290,218	6,162,178
Debtors falling due over one year	694,882	3,623,510
Current asset investment	14,310,375	7,651,495
Cash at bank and in hand	<u>4,862,616</u>	<u>3,659,179</u>
	<b>24,158,091</b>	<b>21,096,362</b>
<b>CREDITORS</b>		
Amounts falling due within one year	<u>(3,745,663)</u>	<u>(2,814,842)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>	<u><b>20,412,428</b></u>	<u><b>18,281,520</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>148,704,720</b>	<b>148,552,172</b>
<b>CREDITORS</b>		
Amounts falling due after more than one year	<b>(37,142,014)</b>	<b>(34,106,500)</b>
<b>NET ASSETS</b>	<u><b>111,562,706</b></u>	<u><b>114,445,672</b></u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	194,121	194,121
Share premium account	61,454,038	61,454,038
Treasury shares	<b>(1,171,924)</b>	<b>(986,367)</b>
Capital redemption reserve	18,163	18,163
Fair value reserve	<b>(6,798,628)</b>	<b>(7,867,258)</b>
Profit and loss reserve	<u>57,866,936</u>	<u>61,632,975</u>
<b>TOTAL EQUITY</b>	<u><b>111,562,706</b></u>	<u><b>114,445,672</b></u>

The Group's financial statements for the year ended 31 March 2021, prepared under FRS102, have been filed with the Registrar of Companies.

The auditor's report on those financial statements was unqualified.