# abrdn Property Income Trust Limited

Annual Report and Financial Statements
For the year ended 31 December 2024

# Contents

# Objective and Investment Policy

At an Extraordinary General Meeting on the 28 May 2024, 96% of shareholders (who voted) voted in favour of a proposal to change the Group's Investment Policy – placing the Group into a Managed and Orderly Wind-Down, selling assets and returning funds to shareholders as such funds become available. The new and revised Investment Objective and Investment Policy are:

## Objective

The Company's investment objective is to realise all existing assets in the Company's portfolio in an orderly manner.

## Investment Policy

The Company will pursue its investment objective by effecting an orderly realisation of its assets while seeking to balance maximising returns for Shareholders against the timeframe for disposal. The Company will cease to make any new investments or to undertake capital expenditure except as deemed necessary or desirable by the Board in connection with the Managed Wind-Down, primarily where such expenditure is necessary to protect or enhance the realisable value of an existing asset.

The net proceeds from realisations will be used to repay borrowings and make timely returns of capital to shareholders (net of provisions for the Company's costs and expenses) in such manner as the Directors consider appropriate.

Any amounts received by the Company during the Managed Wind-Down that have not been used to repay borrowing will be held by the Company as cash on deposit and/or as cash equivalent securities, including short-dated corporate bonds or other cash equivalents, cash funds or bank cash deposits (and/or funds holding such investments), prior to cash being returned to Shareholders.

### Borrowings and Derivatives

The Company will not undertake any further borrowings other than for short-term working capital purposes. The Company's net gearing, calculated as total borrowings less cash/cash equivalents (including money market funds) as a percentage of the Company's gross assets, will not exceed 65%, measured at the time of any borrowing (for working capital purposes) or return of capital to shareholders. Derivatives may be used for hedging purposes only.

### Future of the Company

As discussed in more detail in Note 2.1 (on pages 42 to 43), the Company has been placed into a Managed and Orderly Wind-Down, the result of which is that there is now a clear intention to liquidate the Company at some point in the near future. As such, the financial statements contained herein have been prepared on a basis other than that of a going concern.

# Performance Summary

| Earnings, Dividends & Costs | 31 December 2024 | 31 December 2023 |
|---|---|---|
| IFRS Loss per share (p) | (11.25) | (2.17) |
| Dividends paid per ordinary share (p) | 3.0 | 4.0 |
| Dividends declared per ordinary share but not yet paid (p) [1] | 3.0 | 0.0 |
| Dividend Cover (%) [2] | 45 | 71 |
| Dividend Cover excluding non-recurring items (%) | 66 | 82 |
| Ongoing Charges [2] | | |
| As a % of average net assets including direct property costs | 2.8 | 2.5 |
| As a % of average net assets excluding direct property costs | 1.2 | 1.2 |

| Capital Values & Gearing | 31 December 2024 | 31 December 2023 | Change % |
|---|---|---|---|
| Net assets (£million) | 30.4 | 298.1 | (89.8) |
| Net asset value per share (p) (note 22) | 8.0 | 78.2 | (89.8) |
| Capital Distribution (p) | 52.0 | 0.0 | N/A |
| Third Quarter PID | 1.0 | - | N/A |
| PID paid post year-end | 3.0 | - | N/A |
| Net asset value incl. noted Distributions (p) | 64.0 | 78.2 | (18.2) |
| Ordinary Share Price (p) | 6.9 | 53.0 | (87.0) |
| (Discount)/Premium to NAV (%) | (13.8) | (32.2) | |

| Total Return | 1 year % return | 3 year % return | 5 year % return | 10 year % return |
|---|---|---|---|---|
| NAV [3] | (19.2) | (31.7) | (16.2) | 31.9 |
| Share Price [3] | 25.6 | (6.7) | (6.1) | 42.9 |
| FTSE All-Share Real Estate Investment Trusts Index | (11.8) | (32.6) | (26.9) | (3.4) |
| FTSE All-Share Index | 9.5 | 18.5 | 26.5 | 81.9 |

1 Represents the special interim property income distribution to shareholders (Ex-Dividend Date: 19 December 2024, Record Time: 20 December 2024) as a result of exiting the REIT regime. This was in addition to the return of capital via the redeemable bonus shares.

2 As defined and calculated under API's Alternative Performance Measures (see pages 70 to 71)

3 Assumes re-investment of dividends excluding transaction costs.
Sources: Aberdeen PLC, MSCI

# Chair's Statement

## Background

As previously reported in both the Company's 2023 Annual Report & Financial Statements and 2024 Interim Report & Accounts, the Board undertook a strategic review in the second half of 2023. This was prompted by concerns about the Company's size, lack of liquidity in its shares, uncovered dividend and the share price trading at a persistently large discount to the net asset value (NAV). The outcome of this review was for the Board to recommend to shareholders that they vote in favour of a proposed merger with Custodian REIT. However, this ultimately did not garner enough shareholder support at the Extraordinary General Meeting in March 2024.

In advance of the March EGM, the Board had indicated that, should the Custodian merger proposal fail, then a liquidation of the Company would be the recommended alternative. Therefore, in May 2024 API shareholders were given the opportunity to vote on a proposed change to the Group's Investment Objective from "The Company's objective and purpose is to provide Shareholders with an attractive level of income together with the prospect of income and capital growth." to "The Company's investment objective is to realise all existing assets in the Company's portfolio in an orderly manner." Included in this change was a revision of the fees paid to the Investment Manager to reflect the new Investment Objective and align the interest of the Investment Manager with the sale and return of capital to shareholders. On 28 May 2024, approximately 96% of shareholders (who voted) voted in favour of this proposal and the resolution passed.

## Managed Wind-Down

Following the May 2024 vote, alongside the Investment Manager, the Board explored the most effective means of disposing of the Company's assets, with the main aims being to obtain the best achievable value for the Company's assets at the time of their realisation and to repay borrowings and return capital to shareholders as swiftly as possible. As previously disclosed, this encompassed various disposal strategies, including individual property sales (of which 6 completed in 2024) alongside a wider portfolio transaction. Through an independent agent the whole residual portfolio (excluding the land at Far Ralia) was marketed to potential buyers in an extensive and competitive process; while it was made known that Far Ralia was also available for purchase, it was felt that its inclusion may deter potential purchasers of the wider portfolio and a more targeted approach for the asset in isolation would result in a more favourable outcome. Following consideration of these proposals, and what might be achieved by way of individual property sales over a longer period with the associated risks, the Board selected a preferred bidder and agreed a transaction with GoldenTree Asset Management (GoldenTree) for the sale of the entire share capital of abrdn Property Holdings Limited (aPH), the wholly owned subsidiary of the Company.

## Sale of aPH

After extensive due diligence by the purchaser and detailed negotiations, the transaction completed on 29 November 2024 as expected and comprised the sale of 39 assets (being the Company's entire residual investment property portfolio barring its interest in Far Ralia) in addition to the Group's debt facility with RBSI and various net current assets/liabilities. The cash consideration for the purchase of the investment portfolio was £351m (an 8% discount to the portfolio's valuation as at 30 June 2024), while the net proceeds, after adjusting for debt and other net assets subject to normal adjustments including those arising from the completion process, was £234.3m (resulting in an accounting loss of £48.2m).

GoldenTree paid an initial cash deposit of £35.1m upon exchange of contracts in September 2024, and a subsequent balancing payment on 29 November 2024. As part of the sales agreement, there was then a period of review in which the final completion accounts were prepared to reflect any post balance sheet events which would impact the aforementioned adjustments. This created a degree of uncertainty as to the final amount of the net proceeds. After consultation with the proposed liquidators, Investment Manager and other advisors, the Board decided to keep a prudent retention to allow for future costs and conclusion of the completion accounts process.

The Board's view was that the most efficient way of returning funds to shareholders was by means of a Redeemable Bonus Share Scheme. To that end, a circular was issued to shareholders outlining proposed changes to the Articles of Association which allowed the Board to return 55p per share in aggregate. This was made up of:

- an initial return of capital comprising 52p per share, paid on 23 December 2024.
- an interim Property Income Distribution of 3p per share, paid on 10 January 2025.

At a General Meeting of the Company on 17 December 2024, approximately 99.5% of shareholders (who voted) voted in favour of this proposal and the resolution passed.

## REIT Status

The Company had been a member of the REIT regime since 1 January 2015 and while a member was required to distribute at least 90% of the income profits of the Group's UK property rental business ("Property Income"). A consequence of the transaction was that the Company immediately exited the REIT regime and is now required to distribute the accumulated undistributed Property Income. The 3p additional interim Property Income Distribution noted above represented an initial payment under this requirement and the Board intend to announce a further final property income distribution at a date in the future.

## Board Composition

Following the disposal of the subsidiaries and initial return of Capital to shareholders, the Board undertook a review of the residual business and requirements for the foreseeable future. Taking account of the responsibilities which were required to be discharged and the need to exercise management of the Company's ongoing operating costs, the Board concluded that two Directors was an appropriate number. On 31st December, three Directors (including the previous Chair) resigned from the Board.

The Company would like to acknowledge and thank them for their huge contributions to the Company - particularly over the last 18 months.

## Financial Resources

As noted, the transaction with GoldenTree included the transfer of the Group's debt facility with RBSI and the Company no longer has access to revolving credit facilities ("RCF"). In order to ensure that the retained cash was invested appropriately, the Board invested the residual cash proceeds into a shorter-term money market fund, the abrdn Liquidity Fund – Sterling, which offered a competitive rate of interest. This was deemed to be a low risk investment offering good liquidity, competitive returns and low costs relative to alternative deposit options.

At the year end the Company held £36.7m in cash and had other financial resources of £18.4m net of any prevailing financial commitments; i.e. not including any future costs associated with the running of the company through liquidation or potential balancing payment due on the transaction.

## Annual General Meeting ("AGM")

The Annual General Meeting ("AGM") will be held at 10.00am on Monday 11 August 2025 at the offices of Aberdeen PLC, 1 George Street, Edinburgh EH2 2LL. The timing of the sale of Far Ralia is uncertain so the Board have decided to defer the AGM from the usual June date. The Board looks forward to welcoming shareholders in person where they will have the opportunity to put questions to the Board and/or the Manager. Shareholders are also invited to submit questions by email in advance to property.income@aberdeenplc.com

## Final Distributions and Outlook

As detailed further in these 2024 Annual Report & Financial Statements, the current NAV of 8p might imply that the Company could liquidate and distribute that to shareholders. It should be noted however that the current NAV does not reflect ongoing running costs until liquidation and beyond, or final matters relating to the Sales Agreement. Furthermore, there is still considerable uncertainty around the timing and value of the eventual sale of Far Ralia which could impact the size of future distributions. The Investment Manager is actively looking to dispose of Far Ralia and their sole focus, together with the Board, is to maximise the return of capital to shareholders as expeditiously as possible.

Shareholders are reminded that as soon as liquidators are appointed the Company's shares will cease trading on the London Stock Exchange effectively meaning the shares cannot be sold with their value totally dependent on the proceeds distributed by the liquidator after all assets are sold and liabilities paid.

When appropriate the Board will update shareholders regarding the sale of Far Ralia, and any potential impact to the ultimate distribution they will receive.

**30 April 2025**
**Mike Balfour**
Chair

# Investment Manager's Report

for the year ended 31 December 2024

## Review of 2024

Throughout 2024 the main focus was on managing the property assets optimally despite the corporate activity affecting the future of the Company. We began the year with the merger discussions and resulting due diligence, before the shareholder votes that led to the beginning of the Managed Wind-Down (MWD). During this time, the Company continued to reduce debt with six disposals being completed – two in each of the first three quarters of the year. These are outlined in more detail below.

Following the shareholder decision in May 2024 to begin the MWD, the Board and Investment Manager reviewed the various options available and decided to explore a portfolio sale whilst also preparing the assets for individual disposals. Following an extensive marketing exercise, the Company entered into exclusive discussions with GoldenTree Asset Management in August 2024 to dispose of a portfolio of 39 assets (from the remaining 40 assets) by way of a sale of abrdn Property Holdings Limited (aPH), one of the Company subsidiaries which held all the company's property assets (either directly or via its own investment in the General Partner / Limited Partnership). Whilst at a discount to valuation at the time, it was decided that the benefit of an accelerated return of capital to shareholders was preferable to a more protracted individual sale process.

After an 8-week formal due diligence period, contracts were exchanged on the corporate sale of aPH in September with completion on the 29th of November.

### Purchases:

Given the corporate activity in early 2024 and the subsequent vote to change the Group's Investment Objective the Company made no purchases during the year.

### Sales:

Prior to the disposal of aPH to GoldenTree, six assets had been sold in the year with a total sales price of £43.5m.

- London, 15 Basinghall Street (Office) – sold in the first quarter for £9.8m, 7.1% below the preceding valuation.
- Warrington, Opus 9 (Industrial) – sold in the first quarter for £6.8m, 5.5% above the preceding valuation.
- Hebburn, Unit 4 Monkton Business Park (Industrial) – sold in the second quarter for £5.3m to the tenant, 6.0% above the preceding valuation.
- Bristol, Kings Business Park (Industrial) – sold in the second quarter for £7.9m, 1.3% below the preceding valuation.
- Dover, Bastion Point (Industrial) - sold for £9.5m in the third quarter, 4.8% below the preceding valuation.
- Manchester, 101 Princess Street (Office) – sold for £4.3m in the third quarter, 2.3% below the preceding valuation..

Overall, the 2024 sales were completed 0.1% above the valuation immediately preceding the relevant sale; the sales resulted in an accounting loss of £2.1m when taking into account the December 2023 valuations and transaction costs.

### Outlook for 2025

The sole focus of the Board and Investment Manager in the coming year is to sell the remaining asset and liquidate the company as swiftly as possible. To that end, we continue to market the one remaining property asset that the company owns, Far Ralia. As a natural capital investment (in an emerging market), where a proportion of the value is attributed to the value of potential carbon offsets offered by the tree planting, there isn't a large number of potential investors. That said, we have had interest to date from a variety of potential buyers and anticipate completing a sale during the course of the year.

## Valuation

The portfolio was valued quarterly by Knight Frank LLP under the provisions of the RICS Red Book. As at 31 December 2024 the sole property Far Ralia, was valued at £10.0m and the Company held cash of £36.6m.

# Stakeholder Engagement

for the year ended 31 December 2024

This section explains how the Directors have promoted the success of the Company for the benefit of its members as a whole during the financial year to 31 December 2024. The Directors take into account the likely short and long-term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment, in accordance with the UK Code on Corporate Governance.

## The Role of the Directors

The Company was a REIT until 29 November 2024 and is now an Investment Company whose shares are listed on the London Stock Exchange. It has no Executive Directors or employees and is governed by a Non-Executive Board of Directors. Its main stakeholders are Shareholders, the Investment Manager, Service Providers, Debt Providers, the Environment and the Community.

As set out in the Corporate Governance Report, the Board has delegated day-to-day management of the assets to the Investment Manager and either directly or through the Investment Manager, the Company employs key suppliers to provide services in relation to property management, health & safety, valuation, legal and tax requirements, auditing, depositary obligations and share registration, amongst others. All decisions relating to the Company's investment policy, investment objective, dividend policy, gearing, corporate governance and strategy in general are reserved for the Board.

The Board meets quarterly, with numerous other ad-hoc meetings, and receives full information on the Company's performance, financial position and any other relevant information.

The Board regularly reviews the performance of the Investment Manager, and other service providers, to ensure they manage the Company effectively and that their continued appointment is in the best long-term interests of the stakeholders as a whole.

The Board also reviews its own performance annually to ensure it is meeting its obligations to stakeholders. Engagement with key stakeholders is considered formally as part of the annual evaluation process.

## Strategic Activity during the Year

Notable transactions where the interests of stakeholders were actively considered by the Board during the year, and subsequently, include:

- Following the strategic review undertaken in the second half of 2023 in response to concerns about the Company's size, lack of liquidity in its shares, a substantial discount to NAV and an uncovered dividend, the Board recommended to shareholders that they vote in favour of a proposed merger with Custodian REIT for the reasons outlined in various announcements to shareholders during the first quarter of 2024. Shareholders voted on 27 March 2024 to reject this proposal.

- As a result of that Shareholder vote, the Board initiated steps to place the Company into a managed and order wind-down, with the aim of returning capital to shareholders through the disposal of its investment portfolio. Shareholders voted overwhelmingly in favour of this proposal at a general meeting held on 28 May 2024.

- Assessing the potential benefits relative to any drawbacks of a targeted portfolio sale against a protracted process of individual asset sales; including being able to return a sizeable portion of Capital quickly to shareholders albeit at a potential larger discount in comparison to proceeds achieved via individual asset sales.

## Shareholders

Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly to all shareholders.

Over the past year, the Board, Investment Manager and Company's Broker have continued to meet regularly with shareholders, and prospective shareholders, to discuss Company initiatives and seek feedback. The views of shareholders are discussed by the Board at every Board meeting, and action taken to address any shareholder concerns. The Investment Manager also provided regular updates to shareholders and the market through the Annual Report, Half-Yearly Report, Quarterly Net Asset Value announcements, Company Factsheets and its website.

The Chair offers to meet with key shareholders at least annually, and the SID is available to meet shareholders as required.

The Company's AGM provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Directors and Investment Manager of the Company.

The Board welcomes correspondence from shareholders, addressed to the Company's registered office. All shareholders have the opportunity to put questions to the Board at the Annual General Meeting.

This year's AGM is being held at 10.00am on 11 August 2025 at the offices of Aberdeen PLC, 1 George Street, Edinburgh, EH2 2LL.

The Board hopes that as many shareholders as possible will be able to attend the meeting. As set out in the Chair's Statement, shareholders are encouraged to submit questions in advance of the AGM by email to: property.income@aberdeenplc.com.

## Tenants

Another key stakeholder group has historically been the underlying tenants that occupied space in the properties that the Company owned. For most of the year while the Company owned Investment Properties, the Investment Manager worked closely with tenants to understand their needs through regular communication and visits to properties.

The Board believes that tenants benefited from a trusting and long-term working relationship with the Investment Manager, sustainable buildings and tenancies, value for money and a focus on the community, health & safety and the environment.

Given the sale of abrdn Property Holdings Limited but the retention of Far Ralia, and the nature of that property, the Company no longer has any tenants.

## Debt Provider

The Company formerly had a term loan facility and revolving credit facility with The Royal Bank of Scotland International Limited ("RBSI"). RBSI sought responsible portfolio management and ongoing compliance with the Company's loan covenants. The Company maintained a positive working relationship with RBSI and provided regular updates on business activity and compliance with its loan covenants. Following the sale of its subsidiaries, the Company no longer has any debt arrangements with RBSI as these transferred with the subsidiaries.

## Investment Manager

The Chair's Statement on pages 4 to 5 and Investment Manager's Report on page 6 detail the key investment decisions taken during the year and subsequently. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's Strategy. The Board formally reviews the performance of the Investment Manager, and the fees it receives, at least annually. More details on the conclusions from the Board's review is set out on page 19.

## Other Service Providers

The Board also ensures that the views of its service providers are heard and annually reviews these relationships in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Investment Manager and other relevant stakeholders. Reviews will include those of the company secretary, broker and share registrar. The Company's auditor is reviewed annually by the Audit Committee.

## The Community and the Environment

The Board and the Investment Manager have always been committed to investing in a responsible manner. Further information is provided in the Sustainability Committee Report on page 23.

# Strategic Overview

for the year ended 31 December 2024

## Objective

The objective, and purpose, of the Group is to realise all of its assets in an orderly manner in accordance with the resolutions passed at the Extraordinary General Meeting on 28 May 2024.

## Investment Policy and Business Model

The Directors have achieved this investment objective by effecting an orderly realisation of the majority of its assets balancing maximising returns for Shareholders against the timeframe for disposal and return of capital. The Company has ceased to make any new investments or to undertake capital expenditure except as deemed necessary or desirable by the Board in connection with the sale of assets, primarily where such expenditure was necessary to protect or enhance the realisable value of an asset.

The net proceeds from realisations have been used to repay borrowings and make timely returns of capital to shareholders (net of provisions for the Company's costs and expenses) in such manner as the Directors considered appropriate.

Any amounts received by the Company during the Managed Wind-Down that have not been used to repay borrowing or repaid to shareholders are held by the Company as cash on deposit and/or as cash equivalent securities, including short-dated corporate bonds or other cash equivalents, cash funds or bank cash deposits (and/or funds holding such investments), prior to the full liquidation of the Company.

Any material change to the investment policy of the Company may only be made with the prior approval of its Shareholders.

## The Board

As at 31 December 2024, following the resignation of three Directors, the Board consisted of a Non-Executive Chair and one Non-Executive Director. The names of those Directors who held office during the year to 31 December 2024 and at the date of this report appear on page 12.

## Key Performance Indicators

The Board has historically reviewed performance on a quarterly basis against a number of key measures which are considered to be alternative performance measures ("APMs"). These APMs were in line with recognised industry performance measures both in the Real Estate and Investment Trust industry and helped to assess the overall performance of the portfolio and the wider Group.

These APMs are no longer relevant for the Company, with the focus now being on the sale of the remaining property, the liquidation of the Company and return the cash to shareholders.

### Net Asset Value Total Return.

The net asset value ("NAV") total return reflected both the net asset value growth of the Company and the dividends paid to shareholders. The Board regarded this as the best overall measure of value delivered to shareholders. The Board assessed the NAV total return of the Company over various time periods (quarter, annual, three years, five years and ten years) and compared the Company's returns to those of its peer group of listed, closed-ended property investment companies. Given the disposal of the subsidiaries on 29 November 2024 and the subsequent capital redemption of 52p, the NAV of the Company is no longer directly comparable to its former peer group. As such, this APM is no longer relevant.

### Premium or Discount of the Share Price to Net Asset Value.

The Board closely monitored the premium or discount of the share price to the NAV and believed that a key driver for the level of the premium or discount was the Company's long-term investment performance. As with NAV Total Return the Board considers that this measure is no longer relevant.

### Dividend per Share and Dividend Cover.

A key objective of the Company has historically been to provide an attractive, sustainable level of income to shareholders and the Board reviewed, at each Board meeting, the level of dividend per share and the dividend cover, in conjunction with detailed financial forecasts, to ensure that this objective was being met and was sustainable.

Given the disposal of the Investment portfolio by way of the sale of the subsidiaries, dividend cover is no longer a key metric for the Company. The Board however continues to monitor the likely ultimate distribution to shareholders following the vote to instigate the Managed Wind-Down. In addition, the Board are cognisant that all accumulated Property Income must be distributed in full to shareholders now that it is no longer part of the REIT regime.

A record of these measures is disclosed in the Performance Summary, and Alternative Performance Measures.

## Principal Risks and Uncertainties

The Board ensures that proper consideration of risk is undertaken in all aspects of the Company's business on a regular basis. Subsequent to completing the disposal of abrdn Property Holdings Limited (aPH) to GoldenTree the Board reassessed the Company's principal risks as summarised below:

### Delays in the eventual liquidation of the Company.

The eventual liquidation of the Company is likely to be dependent on the timing of the sale of the Company's sole remaining asset, Far Ralia; the Board will provide an update to Shareholders if this position changes. The risk therefore is that any delays in the sales process will likely impact not just the timing of the liquidation but also potentially the scale of final distribution to shareholders (see below). The risk is mitigated by an active marketing process and risks include finalising Scottish Forestry consent required as part of the sales process which is progressing. Furthermore, the Board are in regular contact with the potential liquidators regarding the timing of when they could be appointed and the retention they would require.

### The ultimate total distribution to shareholders is less than expected.

To mitigate this risk, the Board received regular updates from the Investment Manager during the negotiation period for the subsidiary sale and established a prudent buffer at the point of initial capital distribution to Shareholders during December 2024 (via the Redeemable Bonus Share issue). Estimates of what the ultimate total distribution to shareholders were communicated to shareholders when it was prudent to do so. The ultimate distribution to shareholders is highly dependent on the timing of the sale of Far Ralia and the resultant sales price achieved; the former is likely to impact ongoing running costs prior to liquidation (i.e. longer period to liquidation, higher running costs). This risk is mitigated through the regular review of forecast costs, scrutiny of the selling agent, and proactive discussions with the potential liquidator.

### Environmental.

Extreme weather events both in the UK and globally are becoming a more regular occurrence due to climate change, the impact of the environment on property and on the wider UK economy is seen as an increasing risk. Environmental risk was historically considered as part of each purchase and monitored on an ongoing basis by the Investment Manager.

Please see the Sustainability Committee Report for further details on how the Company addresses environmental risk, including climate change.

### Other Risks.

Other risks faced by the Company include the following:

- Tax efficiency – following the change in structure of the Group on 29 November 24, it can no longer qualify for REIT Tax status. As such, there is a clear risk that the Company can no longer be seen as a tax efficient investment vehicle for shareholders. In addition a future delisting may ultimately impact shareholders invested via tax efficient wrappers such as ISAs.

- Regulatory – breach of regulatory rules could lead to the suspension of the Group's Stock Exchange Listing, financial penalties or a qualified audit report.

- Financial – inadequate controls by the Investment Manager or third-party service providers could lead to misappropriation of assets. Inappropriate accounting policies or failure to comply with accounting standards could lead to misreporting or breaches of regulations.

- Operational – failure of the Investment Manager's accounting systems or disruption to the Investment Manager's business, or that of third-party service providers, could lead to an inability to provide accurate reporting and monitoring, leading to loss of shareholder confidence.

- Business continuity – risks to any of the Company's service providers or properties, following a catastrophic event e.g. terrorist attack, cyber-attack, power disruptions or civil unrest, leading to disruption of service, loss of data etc.

- Cyber – the risk of large-scale network disruption through various forms such as hacking, malware, phishing, DDOS, data breach or loss. In addition, Artificial Intelligence and it's potential use in cyber attacks

The Board seeks to mitigate and manage all risks through review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and where the Company's cash is invested.

Details of the Group's internal controls are described in more detail in the Corporate Governance Report on pages 17 to 22.

## Emerging Risks

Emerging risks have been identified by the Board through a process of evaluating relatively new risks that have emerged and increased materially in the year, and subsequently, or through market intelligence are expected to grow significantly and impact the Company. Any such emerging risks are likely to cause disruption to the business model. If ignored, they could impact the Company's financial performance and prospects. Alternatively, if recognised, they could provide opportunities for transformation and improved performance.

### ▸ Future of the Company

In the Company's 2023 Annual Report & Financial Statements, several risks were noted associated with the size, speed and method of capital distributions back to shareholders, and maintenance of REIT status if shareholders voted in favour of the (then) proposed managed wind-down. Following the vote, the Board took steps to address these ultimately resulting in the disposal of the Group's subsidiaries to GoldenTree Asset Management LP. This helped to ensure that a sizeable proportion of capital was distributed quickly to shareholders. As noted above, there are still some risks regarding the timing and magnitude of the final distributions and these now form part of the key risks of the Company.

There now exists a clear risk around the liquidation process itself. Once in liquidation, the Company's shares will no longer be traded on a stock exchange and shareholders will not be able to realise their investments and will be dependent on the liquidator who will assume responsibilities over the operational management of the Company during the liquidation period. The length of the liquidation itself and timing of ultimate distributions relating to any residual cash due to shareholders would be at their discretion.

### ▸ Economic and Geopolitical

The current economic and geopolitical environment is unpredictable, and changing rapidly, and this may affect real estate valuations and/or deter prospective buyers, increasing the risk relating to the quantum and timing of sale of Far Ralia.

### ▸ Climate

A "greenlash" against climate policies is emerging following the Republicans win in the US elections in 2024. This could derail progress against global climate targets and dampen the demand for carbon offset assets.

### ▸ Technology & Artificial Intelligence

Cyber-attacks are increasing in occurrence and target businesses' data, IT systems and even their physical infrastructure as buildings have become more reliant on smart technology for their daily operation. In addition, the rapid evolution of AI is potentially introducing risks that have not yet been identified or quantified.

## Viability Statement

The Company's sole remaining property asset is the land at Far Ralia. Subsequent to the post year end PID of 3p, other assets comprise an investment in a money market fund, cash at bank and other net current assets. The Board has therefore considered whether the Company could still be considered 'viable'. As part of this assessment, the Board reviewed estimations of projected costs (up to and during a liquidation period) relative to cash retained from the initial distribution of 55p.

The Board has also carried out a robust assessment of the principal and emerging risks faced by the Group, as detailed on pages 10 to 11.

After review, the Board are confident that the Company has sufficient resources to be able to meet its liabilities as they fall due. However, it also acknowledges that the Company can no longer be considered viable given there is a clear intention to liquidate the Company and return surplus cash to shareholders.

## Approval of Strategic Report

The Strategic Report comprises the Financial and Portfolio Review, Performance Summary, Chair's Statement, Investment Manager's Review, Stakeholder Engagement and Strategic Overview. The Strategic Report was approved by the Board and signed on its behalf by:

**30 April 2025**
**Mike Balfour**
Chair

# Board of Directors

## Mike Balfour

**Chair**

Mike Balfour is a UK resident. He is a member of the Institute of Chartered Accountants of Scotland and was Chief Executive at Thomas Miller Investment Ltd from 2010 to January 2017. Prior to this, he was Chief Executive at Glasgow Investment Managers and Chief Investment Officer at Edinburgh Fund Managers Limited. Mike has 39 years of investment management experience and was appointed to the Board on 10 March 2016. He is also Chair of Fidelity China Special Situations PLC, and was recently appointed Chair of Smithson Investment Trust. Mike is also on the board of TPT Retirement Solutions.

Following the retirement of the Chair of the Board on 31 December 2024, Mike Balfour assumed the responsibilities of the Chair of the Company.

**Contribution:** During the year, Mike Balfour acted as Chair of the Audit Committee.

## Mike Bane

**Board member**

Mike Bane is a resident of Guernsey. Mike is a member of the Institute of Chartered Accountants of England & Wales and retired as an assurance partner in Ernst & Young LLP ("EY") in 2018. He has over 35 years' experience in practice with a focus on the asset management and real estate industries. He was a member of EY's EMEIA Wealth and Asset Management Board and was responsible for EY's services to those industries in the Channel Islands. Mike is Chair of HICL plc and a non-executive director of Apax Global Alpha Limited. In addition, he is Chair of The Health Improvement Commission for Guernsey & Alderney LBG.

Following the resignations of certain Directors on 31 December 2024, Mike Bane assumed the role of Senior Independent Director and became Chair of the Company's Audit Committee.

**Contribution:** During the year, Mike Bane continued as Chair of the Sustainability Committee.

## James Clifton-Brown

**Former Chair**

**Contribution:** Throughout the year, James Clifton-Brown acted as Chair of the Company. James retired from the Board on 31 December 2024 following the Board's decision to reduce the size of the Board as detailed in the Chair's statement on page 5.

## Jill May

**Former Board member**

**Contribution:** Throughout the year, Jill May acted as Senior Independent Director as well as Chairing the Remuneration Committee, Nomination Committee and Management Engagement Committee. Jill retired from the Board on 31 December 2024 following the Board's decision to reduce the size of the Board as detailed in the Chair's statement on page 5.

## Sarah Slater

**Former Board member**

**Contribution:** Throughout the year, Sarah Slater acted as Chair of the Property Valuation Committee. Sarah retired from the Board on 31 December 2024 following the Board's decision to reduce the size of the Board as detailed in the Chair's statement on page 5.

# Directors' Report

for the year ended 31 December 2024

The Directors of abrdn Property Income Trust Limited ("the Company") present their annual report and audited financial statements for the year to 31 December 2024.

### Principal Activity and Status

The Company was incorporated in Guernsey on 18 November 2003 under registration number 41352. The Company is a closed ended investment company registered under the provisions of The Companies (Guernsey) Law, 2008 (as amended). On 1 January 2015 the Company migrated its tax residence to the UK and became a UK REIT. The Company's ordinary shares are admitted to trading on the premium segment of the London Stock Exchange. The Company has complied with the relevant provisions of, and the requirements set out in, the United Kingdom's Financial Conduct Authority's Listing Rules throughout the year under review.

At 31 December 2024, the Group consisted of the Company only; the four subsidiaries which previously formed part of the Group were disposed of as part of the transaction with GoldenTree on 29 November 2024.

Following the disposal of the subsidiaries, the Company no longer qualified for the REIT regime. The immediate implication being that it would no longer benefit from the previous exemption from Corporation Tax; although any Tax charge would only apply to its financial results from the date it ceased being classified as a REIT. A further implication was that the Company must ensure that 100% of the accumulated income profits of the Group's UK property rental business be distributed to shareholders; while a member of the REIT regime there was a requirement to distribute at least 90% of this each year – meaning there is now a requirement to distribute the retained amounts not previously distributed.

### Results and Dividends

The Group generated an IFRS loss of £42.9 million (2023: Loss of £8.3 million) in the year equating to a loss per share of 11.25p (2023: loss of 2.17p). In addition, the Group had cash inflows of £30.0 million (2023: outflows of £9.2 million) in the year and had cash at the year-end of £36.7 million (2022: £6.7 million). The Group paid out income dividends totalling £15.2 million (2023: £15.2 million) in the year.

Following the sale of the subsidiaries on 29 November 2024, the Company made two further distributions to Shareholders:

- an initial return of capital comprising 52p per share, paid on 23 December 2024.
- an interim Property Income Distribution of an additional 3p per share, paid on 10 January 2025.

### Share Capital and Voting Rights

At 31 December 2024 there were 406,865,419 ordinary shares of 1p each in issue, comprising 381,218,977 (2023: 381,218,977) ordinary shares with voting rights and an additional 25,646,442 (2022: 25,646,442) ordinary shares held in treasury. During the year, the Company bought back no (2023: nil) ordinary shares into treasury. There have been no changes to the ordinary shares in issue, or held in treasury, since the year end.

Following the disposal of the Group's subsidiaries on 29 November, Redeemable Bonus Shares were issued to Shareholders on 19 December 2024 and simultaneously redeemed and cancelled at a redemption price of 52p on the same day; Shareholders received 1 Redeemable Bonus Share for each API Share they held. The proceeds were returned to Shareholders on the 24 December 2024.

All ordinary shares rank equally for dividends and distributions and carry one vote each. There are no restrictions concerning the transfer of ordinary shares in the Company, no special rights with regard to control attached to the ordinary shares, no agreements between holders of ordinary shares regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

As required by the FCA's Listing Rules, the Directors will only issue shares at prices which are not less than the net asset value of the ordinary shares unless such shares are first offered on a pre-emptive basis to existing shareholders or otherwise with the approval of shareholders.

### Directors

The Directors of the Company during the year and at the date of this Report are set out below, including details of the number of ordinary shares in the Company (audited):

| | 2024 | 2023 |
|---|---|---|
| James Clifton-Brown | n/a | 21,500 |
| Jill May | n/a | 128,592 |
| Mike Balfour | 250,000 | 125,000 |
| Sarah Slater | n/a | 20,000 |
| Mike Bane | 66,700 | - |

## Substantial Shareholdings

As at 31 December 2024 and 31 March 2025, the following entities had notified the Company of a holding of 3% or more of the Company's issued share capital.

| | Holdings (%) | |
|---|---|---|
| | 31.12.2024 | 31.03.2025 |
| Hargreaves Lansdown | 9.1 | 9.8 |
| Interactive Investor | 8.3 | 7.4 |
| UBS stocklending collateral account | 6.3 | 8.8 |
| AJ Bell | 5.4 | 4.5 |
| BlackRock | 5.0 | N/A* |
| Goldman Sachs collateral | 3.8 | 4.5 |
| Fidelity International | 3.7 | 3.7 |
| RBC Brewin Dolphin | 3.4 | N/A* |
| JP Morgan | 3.2 | 4.1 |
| Morgan Stanley | N/A* | 3.1 |

** Holding under 3%.*

## External Agencies

The Board has contractually delegated the following services to external firms:

- The function of Alternative Investment Fund Manager, including management of the investment portfolio (delegated to abrdn Fund Managers Limited, see below)
- Company secretarial and administration services (delegated to Northern Trust International Fund Administration Services (Guernsey) Limited)
- Shareholder registration services (Computershare Investor Services (Guernsey) Limited)

These contracts were entered into after full and proper consideration by the Directors of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the Group. These contracts were reviewed regularly by the Management Engagement Committee whose responsibilities have been absorbed into the main Board. Key members of staff from the Investment Manager and Company Secretary attend Board meetings to brief the Directors on issues pertinent to the services provided.

## Investment Management Agreement

The Company appointed abrdn Fund Managers Limited (formerly Aberdeen Standard Fund Managers Limited) (the "Investment Manager") as its alternative investment fund manager with effect from 10 December 2018.

Following the passing of an ordinary resolution of shareholders on 28 May 2024 approving a new investment policy for the Company implementing a managed wind-down, a revocation of a previously served termination notice issued 12 October 2023 was made and the terms of the Investment Management Agreement were amended and signed 2 July 2024.

Under the previous terms of the Investment Management Agreement between the Investment Manager and the Company ("the Management Agreement"), the Investment Manager was entitled to an annual fee equal to 0.60% of gross asset value up to £500 million and 0.50% of gross asset value over £500 million. With effect from 31 May 2024, the Investment Manager is entitled to an annual fee of 0.20% of total assets with a minimum fee of £50,000 payable per quarter. In addition, the Investment Manager is entitled to receive 0.40% of any Gross Disposal Proceeds received by the Company on disposals on or after 1 June 2024, while they receive £17,500 (excluding VAT) for ongoing marketing until the Company delists.

The Investment Manager was also entitled to receive an 'Incentive Fee' based on the cumulative Gross Disposal Fee relative to valuation of the portfolio as at 31 May 2024, with the fee only being triggered if this is greater than 90% of said valuation and if all assets are sold prior to 28 November 2025. As detailed in Note 26 on pages 68 to 69 of the Financial Statements, if Far Ralia is sold at its current valuation, this fee would be £187,388 if sold prior to 28 November 2025 and £374,775 if sold prior to 28 May 2025; no fee would be payable if sold after 28 November 2025.

The Management Agreement is terminable by either party on not less than one year's notice; the Agreement can be terminated earlier on completion of the winding-up and liquidation of the Company.

## Directors' Insurance and Indemnities

The Group maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Group. The Company's Articles of Association provide, subject to the provisions of Guernsey law, for the Group to indemnify Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their position as Directors in which judgement is given in their favour or they are acquitted.

## Statement of Directors' Responsibilities

The Directors are responsible for preparing financial statements for each year which give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

The Directors are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the financial performance and cash flows of the Company for that period. In preparing those Financial Statements, the Directors should:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;

- make judgement and estimates that are reasonable;

- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;

- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;

- state that the Company has complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and

- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements. As detailed further in note 2.1, the Directors have deemed it reasonable to prepare the Group Consolidated Financial Statements on a basis other than that of a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time, the financial position of the Company and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

### Corporate Governance

The Directors' report on Corporate Governance is detailed on pages 17 to 22 and forms part of the Directors' Report.

### Criminal Finances Act

The Directors are fully committed to complying with all legislation and appropriate guidelines designed to prevent tax evasion and the facilitation of tax evasion in the jurisdictions in which the Group, its service providers and business partners operate.

### Financial Instruments

The financial risk management objectives and policies arising from financial instruments and the exposure of the Company to risk are disclosed in note 3 to the financial statements.

### Disclosure of Information to Auditors

In the case of each of the persons that are directors at the time when the Annual Report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Going Concern

The Group's strategy and business model, together with the factors likely to affect its future development, performance and position, including principal risks and uncertainties, are set out in the Strategic Report.

As set out in more detail in the Chair's Statement on page 4 and Note 2.1 on pages 42 to 43 of the Financial Statements, following the results of the Extraordinary General Meetings held throughout 2024, the Company was placed into a Managed Wind-Down with the aim of realising all assets in its portfolio in an orderly manner. It was intended that the proceeds of such sales would be utilised to repay borrowings and make timely returns of capital to shareholders.

As part of the Managed Wind-Down process, the Company subsequently completed on the disposal of its entire investment in abrdn Property Holdings to GoldenTree Asset Management LP on 29 November. Following this, Shareholders approved a mechanism for returning capital; further details of which can be found in Note 18 on pages 64 to 65.

The Directors have reviewed detailed cash flows and are satisfied that the Company will have no difficulty in meeting its liabilities as they fall due over the foreseeable future given the quantity of cash retained from the initial return of capital. However, there now exists a clear intention to enter liquidation at some point in the foreseeable future. As such, the Board have concluded that it is no longer appropriate to adopt a Going Concern basis, and these Financial Statements have been prepared on a basis other than that of a going concern.

Note 2.1 on pages 42 to 43 of the Financial Statements includes further details on the Board's assessment of going concern and how this has impacted the presentation of the Financial Statements themselves.

### Independent Auditors

A resolution to re-appoint Deloitte LLP as the Group's auditor will be proposed to the shareholders at the Annual General Meeting on 11 August 2025.

### Annual General Meeting

The notice of the Annual General Meeting, which will be held this year at 10.00 am on 11 August 2025 at the offices of Aberdeen PLC, 1 George Street, Edinburgh EH2 2LL, may be found on pages 79 to 81.

The Board hopes that as many shareholders as possible will be able to attend the Annual General Meeting, where there will be the opportunity to put questions to both the Board and Investment Manager.

The Board welcomes correspondence from shareholders in writing to the Company's registered office (see page 78) or by email to:
**property.income@aberdeenplc.com**

Approved by the Board on 30 April 2025.

**Mike Balfour**
Chair

# Corporate Governance Report

for the year ended 31 December 2024

## Introduction

The Company is committed to high standards of corporate governance.

The Board has considered the Principles and Provisions of the UK Code of Corporate Governance 2024 (the "UK Code", "UKCGC") which is available on the Financial Reporting Council's (the "FRC") website: frc.org.uk.

The Company has complied with the provisions of the UK Code on Corporate Governance, except those relating to the requirement for an internal audit function (UKCGC Paragraphs 25 and 26). The Board considers that this provision is not relevant to the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no internal operations. The Company has therefore not reported further in respect of these provisions.

## The Board

The Board is comprised of Non-Executive Directors with Mike Balfour as Chair and Mike Bane as Senior Independent Director and Chair of the Audit Committee. Biographical details of each Director may be found on page 12.

All Directors are considered by the Board to be independent of the Investment Manager and free of any relationship which could materially interfere with the exercise of their independent judgement on issues of strategy, performance, resources and standards of conduct.

## Matters Reserved for the Board.

The Board sets the Company's objectives and ensures that its obligations to its shareholders are met. It has formally adopted a schedule of matters which are required to be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational and compliance issues.

These matters include:

- the maintenance of clear investment objectives and risk management policies;
- the monitoring of the business activities of the Company ranging from analysis of investment performance through to review of quarterly management accounts;
- monitoring requirements such as approval of the Half-Yearly Report and Annual Report and financial statements and approval and recommendation of any dividends;
- setting the range of gearing in which the Manager may operate;
- major changes relating to the Company's structure including share buy-backs and share issuance;
- Board appointments and removals and the related terms;
- authorisation of Directors' conflicts or possible conflicts of interest;
- terms of reference and membership of Board Committees;
- appointment and removal of the Manager and the terms and conditions of the Management Agreement relating thereto; and
- London Stock Exchange/Financial Conduct Authority – responsibility for approval of all circulars, listing particulars and other releases concerning matters decided by the Board.

Full and timely information is provided to the Board to enable it to function effectively and to allow the Directors to discharge their responsibilities.

Individual Directors are entitled to have access to independent professional advice at the Group's expense where they deem it necessary to discharge their responsibilities as Directors. The Group maintains appropriate Directors and Officers liability insurance.

The Directors have access to the company secretarial and administration services of the Company Secretary, Northern Trust International Administration Services (Guernsey) Limited, through its appointed representatives. The Company Secretary is responsible to the Board for:

- Ensuring that Board procedures are complied with;
- Under the direction of the Chair, ensuring good information flows to the Board and its Committees, as well as facilitating inductions and assisting with professional developments; and
- Liaising, through the Chair, on all corporate governance matters.

## Management of Conflicts of Interest, Anti-Bribery Policy and Tax Evasion Policy.

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need authorising either in relation to the Director concerned or their connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Group and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations which require authorising by the Board. Any authorisations given by the Board are reviewed at each Board meeting.

The Board takes a zero-tolerance approach to bribery and has adopted appropriate procedures designed to prevent bribery. Aberdeen PLC also takes a zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country and its full policy on tax evasion may be found on its website.

## Board Diversity

In the past the Board has recognised the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. It also recognised the benefits and is supportive of, and gave due regard to, the principle of diversity in its recruitment of new Board members. The Board did not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board also took account of the targets set out in the FCA's Listing Rules, which are set out below.

The Board has resolved that the Company's year-end date is the most appropriate date for disclosure purposes. The information in the tables below has been provided by each Director through the completion of questionnaires.

With effect from 31 December 2024, the Company no longer meets the target that at least 40% of Directors are women, further to the resignations of three Directors on 31 December 2024. The Board considers that two Directors is the appropriate number of Directors for the Company, taking account of the responsibilities which require to be discharged and the need to exercise management of the Company's ongoing operating costs. Given the objective of liquidating the Company the Board does not expect to undertake a recruitment exercise which would present an opportunity to address diversity on the Board

| | Number of board members | Percentage of the board | Number of senior positions on the board (CEO, CFO, Chair and SID) | Number in executive management | Percentage of executive management |
|---|---|---|---|---|---|
| Men | 2 | 100% | 2[3] | | |
| Women | - | -[1] | -[3] | N/A[3] | N/A[3] |
| Not specified/prefer not to say | - | - | - | | |

| | Number of board members | Percentage of the board | Number of senior positions on the board (CEO, CFO, Chair and SID) | Number in executive management | Percentage of executive management |
|---|---|---|---|---|---|
| White British or other White (including minority-white groups) | 2 | 100% | 2[3] | | |
| Mixed/Multiple ethnic groups | - | -[2] | -[3] | | |
| Asian/Asian British | - | -[2] | -[3] | N/A[3] | N/A[3] |
| Black/African/Caribbean/Black British | - | -[2] | -[3] | | |
| Other ethnic group | - | -[2] | -[3] | | |
| Not specified/prefer not to say | - | - | - | | |

*1. Does not meet the target that at least 40% of Directors are women as set out in UKLR 6.6.6R (9)(a)(i). As above, the Directors recognise that this does not meet the target however given the direction of the Company there is a freeze on future Board appointments.*

*2. Does not meet target that at least one Director is from a minority ethnic background as set out in UKLR 6.6.6R (9)(a)(iii). As above, the Directors recognise that this does not meet the target however given the direction of the Company there is a freeze on future Board appointments.*

*3. These columns are not directly applicable as the Company is externally managed and does not have any executive staff, specifically it has neither a CEO nor CFO. The Company considers that the roles of Chair of the Board, Senior Independent Director and Chair of the Audit Committee are senior board positions.*

**Chair and Senior Independent Director**

The Chair is responsible for providing effective leadership to the Board, demonstrating objective judgement and promoting a culture of openness and debate. The Chair facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chair leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chair also engages with major shareholders and ensures that all Directors understand shareholder views. Until 31 December 2024, James Clifton-Brown was the Chair and Jill May was Senior Independent Director. With effect from 1 January 2025, Mike Balfour is Chair and Mike Bane is Senior Independent Director.

The Senior Independent Director acts as a sounding board for the Chair. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

**Board Committees**

Throughout the year, the Board had appointed a number of Committees – the Property Valuation Committee, the Audit Committee, the Sustainability Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee. Copies of their terms of reference, which defined the responsibilities and duties of each Committee, are available on request from the Company Secretary or may be downloaded from the Company's website at **www.abrdnpit.co.uk.**

Following the year-end and resignations on 31 December 2024, the remaining Board met on 30 January 2025. All Committees with the exception of the Audit Committee were formally disbanded and their responsibilities absorbed into the main Board.

**Property Valuation Committee.**

The Property Valuation Committee, chaired by Sarah Slater throughout the year, comprised the full Board and met at least three times a year. The Committee was convened for the purpose of reviewing the quarterly independent property valuation reports prior to their submission to the Board. The Chair of the Property Valuation Committee historically met with the independent property valuer at least annually. As noted above, this Committee was formally disbanded on 30 January 2025.

**Audit Committee.**

The Audit Committee, chaired by Mike Balfour throughout the year, comprises the full Board, apart from the Board Chair, and met at least three times a year. Following the resignations on 31 December 2024, Mike Bane has assumed the position of Chair. The Audit Committee's report is included on pages 24 to 26.

**Management Engagement Committee.**

The Management Engagement Committee, which comprised the full Board, was chaired by Jill May throughout the year. The Committee met at least once a year to review the performance of the Investment Manager and other service providers, including with the terms and conditions of their contracts with the Group.

The Committee reviewed the performance of, and contractual arrangements with, the Investment Manager on an annual basis. The Board considered the appropriateness of the continuing appointment of the Investment Manager in view of the performance of the Investment Manager, the fees payable to the Investment Manager and the notice period under the Management Agreement. As noted above, this Committee was formally disbanded on 30 January 2025.

**Nomination Committee.**

The Nomination Committee, chaired by Jill May throughout the year, comprised the full Board and met at least once a year. The Committee believed that, given the size of Board, it was appropriate for all Directors to serve as members of the Committee. Appointments of new Directors were considered by the Committee taking account of the need to maintain a balanced Board.

During the year the Committee met three times, covering succession planning, committee composition and Board size following the sale of the Subsidiaries. The Committee is also responsible for arranging the Company's annual evaluation of the Board and Committees and individual Directors. As noted above, this Committee was formally disbanded on 30 January 2025.

**Remuneration Committee.**

The Remuneration Committee chaired by Jill May throughout the year, comprised the full Board and met at least once a year. The Committee believed that, given the size of Board, it was appropriate for all Directors to serve as members of the Committee. The Committee reviewed the level of Directors' fees, ensuring that they reflect the time commitment and responsibilities of the role and are fair and comparable with those of similar companies. As noted above, this Committee was formally disbanded on 30 January 2025.

### Sustainability Committee.

The Sustainability Committee, chaired by Mike Bane throughout the year, comprised the whole Board, and has historically met at least twice per year; given the high levels of corporate activity in the year, ESG initiatives were suspended and the Committee only met once in 2024. The Committee sought to understand the views of key stakeholders of the Company on ESG matters and took responsibility for the Company's TCFD reporting and setting and monitoring the Company's ESG strategy and Carbon Net-Zero pathway. As noted above, this Committee was formally disbanded on 30 January 2025.

### Performance of the Board

Following reaching an agreement to sell the wholly owned subsidiary abrdn Property Holdings Limited to GoldenTree Asset Management LP, the Board undertook an assessment of the intended future Board Composition – focusing on Board size and responsibilities required. As part of this, the Board undertook an evaluation of the individual Directors (including Chair) in terms of individual contribution and skills/expertise likely to be required over the near future term. While the Board were satisfied with the performance of each Director in isolation and the Board as a whole, it was felt that Shareholders would be best served by a smaller Board; the Directors were cognisant of managing costs. To that end, three Directors resigned on 31 December 2024; details of which, including the individual contributions are included on page 12.

In relation to the year ended 31 December 2020, the Company engaged Lintstock Ltd, an independent external service provider which has no other connection to the Company, to undertake a board evaluation. Assisted by Lintstock Ltd, the Board assessed that it had in place the appropriate balance of skills, experience, length of service and knowledge of the Company, while also recognising the advantages of diversity. It had been intended to carry out an external evaluation of the Board's performance for the year ended 31 December 2023, however following corporate activity at the time, described in the Chair's Statement, an external assessment was indefinitely deferred.

### Meeting Attendance

The table below sets out the Directors' attendance at each scheduled quarterly Board and Committee meetings in addition to meetings dedicated to the Strategic Review conducted during 2024. The number of meetings which the Directors were eligible to attend are also disclosed.

### Tenure Policy and Re-Election of Directors at the Annual General Meeting.

The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board. However, in accordance with corporate governance best practice and the need for regular refreshment and diversity on the Board, the Board has historically not expected any of the Group's Directors, including the Chair, to serve on the Board longer than the AGM following their ninth anniversary of appointment as a Director, except in exceptional circumstances. As suggested in the 2023 Annual Report & Financial Statements, following the shareholder votes to place the Group into a managed and orderly wind-down (and the subsequent disposal of the Group's subsidiaries), the Board asked Mike Balfour to remain and lead the Board as Chair beyond the ninth anniversary of his appointment. The board felt that recruiting a new director would incur additional fees, and given the future of the Company, may not attract suitable candidates. Given Mike Balfour's professional experience and intimate knowledge of the Company's history and operation, it was felt appropriate that he remain on the board until a liquidator is appointed.

There are no service contracts in existence between the Group and any Directors but each of the Directors was appointed by letter of appointment which sets out the main terms of his or her appointment. The Directors' appointment dates are as follows: Mike Balfour (10 March 2016); Mike Bane (31 January 2022). Directors who resigned during the year were: James Clifton-Brown (31 December 2024), Jill May (31 December 2024) and Sarah Slater (31 December 2024).

Pursuant to the Articles of Association of the Company, one third, or the number nearest to but not exceeding one third, of the Directors are required to retire and stand for re-election at the Annual General Meeting each year, provided that each Director shall retire and stand for re-election at the Annual General Meeting immediately following their appointment then at intervals of no more than three years. However, in accordance with the recommendations of the UK Code, the Board has agreed that all Directors will retire annually and, if eligible, will seek re-election.

Both Directors will retire and, being eligible, stand for re-election at the forthcoming Annual General Meeting. The Board has reviewed the skills and experience of each Director, as described in their individual biographies on page 12 and believes that each contributes to the managed wind-down of the Company. The Board has no hesitation in recommending their individual re-election to shareholders.

| | Board | Audit Committee | Property Valuation Committee | Management Engagement Committee | Nomination Committee | Remuneration Committee | Sustainability Committee | Strategic Review |
|---|---|---|---|---|---|---|---|---|
| Mike Balfour | 4/4 | 3/3 | 3/3 | 2/2 | 3/3 | 2/2 | 1/1 | 6/6 |
| James Clifton-Brown[A] | 4/4 | -/- | 3/3 | 2/2 | 3/3 | 2/2 | 1/1 | 6/6 |
| Jill May | 4/4 | 2/3 | 3/3 | 2/2 | 3/3 | 2/2 | -/1 | 6/6 |
| Sarah Slater | 4/4 | 3/3 | 3/3 | 2/2 | 3/3 | 2/2 | 1/1 | 5/6 |
| Mike Bane | 3/4 | 3/3 | 2/3 | 1/2 | 2/3 | 2/2 | 1/1 | 6/6 |

A The Chair of the Board was historically not a member of the Audit Committee but may attend meetings at the invitation of the Audit Committee Chair.

## Internal Controls

The Board is ultimately responsible for the Group's system of internal controls and risk management and for reviewing its effectiveness. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in accordance with the Financial Reporting Council publication – Guidance on Risk Management, Internal Control and Related Financial and Business Reporting ('the FRC Guidance').

This process has been in place for the year under review and up to the date of approval of this Annual Report and Consolidated Financial Statements and is regularly reviewed by the Board and accords with the FRC Guidance.

The process is based principally on a risk-based approach to internal control whereby a risk matrix is created that identifies the key functions carried out by the Board, the Investment Manager and the other service providers, the individual activities undertaken within those functions, the risk associated with each activity and the controls employed to minimise those risks. A risk rating is then applied. The risk matrix is regularly updated, and the Board is provided with regular reports highlighting any material changes to risk ratings and confirming action which has been, or is being, taken.

Twice a year the Board, via the Audit Committee, carries out an assessment of internal controls by considering the risk matrix and documentation from the Investment Manager and the Company Secretary, including reports from their internal audit and compliance functions.

The Board has reviewed the effectiveness of the Investment Manager's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurances Engagements ("ISAE") 3402, "Assurance Reports on Controls at a Service Organisation". This report sets out the Investment Manager's internal control policies and procedures with respect to the management of their clients' assets and contains a report from independent external auditors.

At each Board meeting, the Board monitors the performance of the Company in comparison to its stated objective. The Board also reviews the Group's activities since the last Board meeting to ensure that the Investment Manager adheres to the agreed investment policy and guidelines and, if necessary, approves changes to such policy and guidelines. In addition, at each Board meeting, the Board receives reports from the Company Secretary in respect of compliance matters and duties performed on behalf of the Group.

The Board has adopted appropriate procedures designed to prevent bribery, including regular reviews of the anti-bribery policies of its suppliers. The Board has also reviewed a statement from the Investment Manager detailing arrangements in place whereby the Investment Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters.

The Group entered into arrangements to comply with AIFMD in 2014. The Group appointed Standard Life Investments (Corporate Funds) Limited as its AIFM, which was replaced by Aberdeen Standard Fund Managers Limited on 10 December 2018 (subsequently renamed abrdn Fund Managers Limited on 1 August 2022), and Citibank UK Limited as its Depositary. The Depositary's responsibilities include cash monitoring, safe-keeping of any financial instruments held by the Group and monitoring the Group's compliance with investment limits and leverage requirements. The AIFM has a permanent risk management function to ensure that effective risk management policies and procedures are in place to monitor compliance with risk limits. The AIFM has a risk policy which covers the risks associated with the management of the portfolio and the adequacy and appropriateness of this policy is reviewed at least annually by the AIFM. The AIFM presents a report to the Board, via the Audit Committee, on a six-monthly basis confirming its compliance with AIFMD in relation to the Company.

**Relations with Shareholders**

As set out in the Stakeholder Engagement Section, the Board welcomes correspondence from shareholders, addressed to the Company's registered office or by email to property.income@aberdeenplc.com. This year's AGM is being held at 10.00am on 11 August 2025 at the offices of Aberdeen PLC, 1 George Street, Edinburgh EH2 2LL.

To promote a clear understanding of the Company, its objectives and financial results, the Board aims to ensure that information relating to the Group is disclosed in a timely manner and once published, quarterly factsheets, the interim report and annual report are available on the Company's website which can be found at: www.abrdnpit.co.uk

The Chair and the Investment Manager continue to offer individual meetings to the largest institutional and private client manager shareholders and they report back to the Board on these meetings.

**Accountability and Audit**

The Statement of Directors' Responsibilities in respect of the Consolidated Financial Statements is on page 30 and the Statement of Going Concern is included in the Directors' Report on pages 13 to 16 and the Viability Statement can be found on page 11. The Independent Auditor's Report is on pages 31 to 37.

**Approved by the Board on**
**30 April 2025**

**Mike Balfour**
Chair

# Sustainability Committee Report

for the year ended 31 December 2024

## ESG Policy & Strategy

The Company's conviction was that ESG was fundamental to achieving its investment objectives. ESG was therefore fully integrated into the Company's investment process and behaviour – leveraging the Investment Manager's advanced and comprehensive framework of process, oversight and knowledge. ESG was not considered in isolation but was seen as an opportunity for driving performance with ESG initiatives planned to maximise the return on investment.

Following the shareholder vote on 28 May 2024, the Company's focus changed. ESG initiatives were temporary suspended and future ESG projects were assessed on a case-by-case basis if required as part of the targeted disposal process.

### Role of the Sustainability Committee

The Sustainability Committee sought to understand the views of key stakeholders of the Company on ESG matters and took responsibility for the Company's TCFD reporting, oversight of the Manager's ESG and climate approach, and setting and monitoring the Company's ESG strategy and Carbon Net-Zero pathway.

The Committee was formally disbanded on 30 January 2025 at a meeting of the Board of Directors and its former responsibilities were absorbed by the main Board.

### Composition of the Sustainability Committee

The Sustainability Committee was chaired by Mike Bane, comprised the whole Board, and aimed to meet at least twice per year.

### Key Responsibilities of the Sustainability Committee

The Sustainability Committee discharged its responsibilities in the following areas:

- Overseeing the activities of the Investment Manager to ensure that the sustainability objectives of the Company (as set by the board), were met and observed.
- Monitoring the progress of the Investment Manager in relation to KPIs and measures set by the Board.
- Setting the Company's ESG strategy and net-zero carbon pathway.
- Along with the Investment Manager, understanding the reporting requirements and reporting on ESG and TCFD.
- Monitoring the Company's EPC rating exposure (against regulatory requirements).

### Review of Activities / Priorities

The Company remains cognisant that extreme weather events as a result of climate change are becoming more common and that there is an increased need of managing carbon emissions and improving energy efficiencies. The Company remains fully supportive of the aims of achieving Net Zero Carbon.

The Company's Net Zero commitments were as follows:

- 2030: achieve Net Zero Carbon across all portfolio landlord emissions (Scope 1 & 2 – emissions that directly result from the landlord's activities where there is operational control, either through the purchase or consumption of energy or refrigerant losses)
- 2050: achieve Net Zero Carbon across all portfolio emissions (Scope 1, 2 & 3 – emissions that occur in our supply chains and downstream leased assets (tenant spaces) over which we have a degree of influence but limited control).

## Transparency and Reporting

Voluntary disclosures in relation to Streamlined energy and Carbon Reporting (SECR) and Taskforce for Climate-Related Financial Disclosures (TCFD) are included on pages 72 to 73.

**Approved by the Board on**
**30 April 2025**

**Mike Bane**
Senior Independent Director

# Audit Committee Report

for the year ended 31 December 2024

## Composition of Audit Committee

Throughout the period, the Audit Committee comprised the full Board, except the Chair of the Board, all of whom were independent. Following the resignations of three Directors on 31 December 2024, the Audit Committee now comprises the chair of the Audit Committee and Chair of the Company; given the lack of size of the Board, it was felt appropriate to amend the terms of reference to admit the Chair of the Company as a member of the committee. Both members are Chartered Accountants and are deemed to have recent relevant financial experience.

## Role of the Audit Committee

The main responsibilities of the Audit Committee are:

- Monitoring the integrity of the consolidated financial statements of the Group and any public announcements relating to the Group's financial performance and reviewing significant reporting judgements contained in them;

- Reviewing the annual Going Concern assessment and Viability Statement.

- Reviewing the effectiveness of the Group's internal financial controls and risk management systems and bringing material issues to the attention of the Board;

- Whistleblowing and oversight – reviewing an annual statement from the Investment Manager detailing the arrangements whereby the Investment Manager's staff may, in confidence, escalate concerns about possible improprieties in relation to financial reporting or other matters;

- To consider annually whether there is a need for the Company to have its own internal audit function;

- Making recommendations to the Board, for it to put to shareholders for their approval at a general meeting, in relation to the appointment of the external auditor, and to approve the remuneration and terms of engagement of the external auditor;

- Reviewing the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;

- Making recommendations to the Board in relation to the engagement of the external auditor to supply non-audit services, taking into account ethical guidance regarding the provision of non-audit services by the external audit firm;

- Where requested by the Board, providing advice on whether the annual report and consolidated financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Audit Committee reports to the Board on its findings, identifying any matters in respect of which the Audit Committee considers that action or improvement is needed and making recommendations as to the steps to be taken.

## Review of Significant Issues and Risks

In planning its work, and reviewing the audit plan with the Auditor, the Audit Committee takes account of the most significant issues and risks, both operational and financial, likely to impact on the Group's consolidated financial statements. This included an assessment of risks, such as Climate Change and Geopolitical Risk, and the impact these could have on the Group and its underlying investment portfolio.

The property investment portfolio was historically the most substantial figure on the Balance Sheet. The valuation of the properties, and in conjunction with this the confirmation of ownership and title, was therefore a key risk that required the attention of the Audit Committee. Specifically, the risk that the properties were not recognised and measured in line with the Group's stated accounting policy on the valuation of investment properties. Following the sale of abrdn Property Holdings Limited, only one property (land at Far Ralia) remains in the portfolio and is no longer the most substantial figure – however the risk does remain. The investment in land at Far Ralia was valued at the year-end by Knight Frank, independent international real estate consultants. The valuation was prepared in accordance with the RICS Valuation – Professional Standards, published by the Royal Institution of Chartered Surveyors, and was reviewed by the Audit Committee.

Full details of the valuation methodology are contained in note 7 to the Consolidated Financial Statements.

The Company is now in wind down and the Committee considers that it is appropriate to prepare the financial statements on a basis other than that of a going concern. Accordingly, the Company's assets have been written down to their recoverable amount at the Balance Sheet date and net estimated costs of sale have been provided for. The Committee has assessed cashflow and other forecasts prepared by the Investment Manager and is satisfied that the Company will be able to meet its liabilities as they fall due. Sufficient cash has been retained to enable the Company to operate until the property at Far Ralia has been sold, and the Company can be placed into formal liquidation. The Committee has considered whether it would be appropriate for the Financial Statements to be prepared on a breakup basis but has concluded that it would not. Therefore, no provision has been made for future operating expenses.

The Company's assessment of going concern is provided in full in Note 2.1 on pages 42 to 43 of the Financial Statements.

### Audit Committee Evaluation

The activities of the Audit Committee were considered as part of the Board appraisal process completed in accordance with standard governance arrangements as noted on page 20. A full evaluation was undertaken on the effectiveness, roles and responsibilities of the Audit Committee in accordance with the Financial Reporting Council's current guidance. The evaluation found that the Audit Committee functioned well with the right balance of membership and skills.

### Review of Activities

The Audit Committee met three times during the year under review, in March, April and August 2024. Following the year end, the Audit Committee met in March and April 2025.

At each March/April and August meeting, the Audit Committee reviews the Group's compliance with the UK Code on Corporate Governance and carries out a detailed assessment of the Group's internal controls, including review of:

- the Group's risk framework, including its risk appetite statement and full risk matrix, enabling the on-going identification, evaluation and management of the significant risks facing the Group;
- the Investment Manager's risk management and internal controls;
- the anti-bribery policy of the Group, and its service providers;
- the Investment Manager's arrangements for staff to escalate concerns, in confidence, of possible improprieties; and
- Reviewing the performance of the auditor (March/April meeting only).

At each March/April meeting, the Audit Committee reviews the Annual Report and Consolidated Financial Statements and receives the external auditor's audit findings report. The external auditor is in attendance at this meeting. Following its review, the Audit Committee provides advice to the Board on whether the Annual Report and Consolidated Financial Statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model, viability and strategy.

At each March/April and August meeting the Audit Committee reviews the compliance of the Investment Manager, as AIFM, and the depositary, in relation to their obligations under AIFMD in respect of the Company.

At each August meeting, the Audit Committee reviews the Interim Report and Consolidated Financial Statements.

The Audit Committee would typically meet with the external auditor each November to review the audit plan and identify significant risks and audit responses to those risks. Given the corporate activity in November 2024, the Audit Committee deferred this meeting until the new year – however the Chair and Investment Manager did meet with the external auditor to provide updates on the ongoing sale and likely Group structure as at 31 December 2024.

### Internal Auditor

The Board has considered the need for an internal audit function but, because the Company is externally managed, the Board has decided to place reliance on the Manager's risk management/internal controls systems and internal audit procedures.

### External Audit Process

There are no contractual obligations which restrict the Audit Committee's choice of external auditor. The Group's external auditor is Deloitte, who were appointed as Auditor for the year ended 31 December 2019, following a tender process carried out during 2018.

Shareholders approved the re-appointment of Deloitte as the Group's auditor at the AGM in August 2024.

In accordance with regulatory requirements Deloitte rotates the audit partner responsible for the audit every five years. The audit partner for the Company is Siobhan Durcan who is in her third year of involvement in the audit.

The Audit Committee reviews the provision of non-audit services by the external auditor. All non-audit work to be carried out by the external auditor has to be approved in advance by the Audit Committee, to ensure such services are not a threat to the independence and objectivity of the conduct of the audit. During the year ended 31 December 2024, Deloitte received fees of £nil in relation to non-audit services (2023: £nil). The Committee is cognisant of audit fee levels and will keep these under review to ensure Deloitte continues to offer value for money for shareholders.

At least once a year, the Audit Committee has the opportunity to discuss any aspect of the auditor's work with the auditor in the absence of the Investment Manager. The Audit Committee reviews the performance, effectiveness, value for money and general relationship with the external auditor each year. This review takes into consideration the standing, skills and experience of the audit firm and the audit team. In addition, on an annual basis, the Audit Committee reviews the independence and objectivity of the external auditor through the completion of a questionnaire which scores the auditor on various aspects of their performance.

Overall the Committee believes the external audit process is effective.

**Auditor**

On the recommendation of the Audit Committee, it is the Board's intention to propose, at the Annual General Meeting on 11 August 2025, that shareholders approve the reappointment of Deloitte as the Group's auditors and approve the Board to authorise the Auditors' remuneration as resolutions 5 and 6, respectively.

**Approved by the Board on 30 April 2025**

**Mike Bane**
Audit Committee Chair

# Directors' Remuneration Report

For the year ended 31 December 2024

### Remuneration Committee

The Remuneration Committee, comprising the full Board and chaired by Jill May until 31 December 2024, has prepared this Directors' Remuneration Report which consists of two parts: a Remuneration Policy and an annual Implementation Report. The Remuneration Policy is subject to a shareholder vote every three years – most recently voted on at the AGM on 15 June 2022 where the proxy votes on the relevant resolution were: For – 172,625,986 votes (98.86%); Discretionary – 45,149 votes (0.03%); Against – 1,129,769 votes (0.65%); and Withheld votes – 813,055 (0.47%). The Remuneration Policy will next be put to a shareholder vote at the AGM on 11 August 2025. The annual Implementation Report is subject to an advisory vote by shareholders.

The law requires the Company's auditor to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such. The independent auditor's opinion is included on pages 31 to 37.

The fact that the Remuneration Policy is subject to a shareholder vote at least every three years does not imply any change on the part of the Company. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report.

### Remuneration Policy

This part of the Remuneration Report provides details of the Company's Remuneration Policy for its Directors, which takes into consideration corporate governance principles. No shareholder views were sought in setting the Remuneration Policy although any comments received from shareholders are considered on an ongoing basis.

The Directors are non-executive and it is the Board's policy that the remuneration of Directors be reviewed annually, although such review may not necessarily result in any change. The annual review should ensure remuneration reflects Directors' duties and responsibilities, expected and actual time commitment, the level of skills and experience required and the need for Directors to maintain on an ongoing basis an appropriate level of knowledge of regulatory and compliance requirements in an industry environment of increasing complexity.

Remuneration should be fair and comparable to that of similar real estate investment companies. The level of fees should also be sufficient to attract and retain the high calibre of Directors needed to oversee the Company properly and to reflect its specific circumstances.

### Appointment.

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive and are appointed under the terms of letters of appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment; the Company has also determined that every Director will stand for re-election at each AGM.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment.
- No incentive or introductory fees will be paid to encourage a directorship.
- Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for all costs, charges, and losses together with certain expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

### Performance, Service Contracts, Compensation and Loss of Offices.

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice, there are no set notice periods and no compensation will be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.
- No Director will stand for re-election as a Director of the Company later than the Annual General Meeting following the ninth anniversary of their appointment to the Board unless in relation to exceptional circumstances.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

## Articles Limit on Directors' Fees.

The Company's Articles of Association limit to £350,000 the aggregate annual fees payable to Directors. The limit can be amended by shareholder resolution from time to time and was last increased at the Annual General Meeting in 2020.

## Implementation Report

## Directors' Fees.

The level of fees for the next year, the year under review and the preceding year are set out in the table below. There are no further fees to disclose as the Company has no employees, Chief Executive or Executive Directors.

| | 2025 £ | 2024 £ | 2023 £ |
|---|---|---|---|
| Chair | 57,000 | 55,000 | 50,000 |
| Chair of Audit Committee * | 50,000 | 46,000 | 41,500 |
| Senior Independent Director | - | 42,500 | 37,000 |
| Director | - | 40,000 | 37,000 |

**Going forward, the role of Chair of Audit Committee and Senior Independent Director will be shared by the same individual.*

The Remuneration Committee carried out a review of Directors' annual fees during the year including taking account of increases in inflation and the time commitment required of Directors of the Company to adequately discharge their responsibilities. These factors supported an increase in the Directors' fees as disclosed above.

Furthermore, as reported in the Company's 2023 Annual Report & Financial Statements, given the significantly increased time spent on the Company's affairs due to the Strategic Review, it was agreed that each Director should receive a one-off fee of £20,000 with the Chair receiving £30,000 to partially reflect the additional work performed.

The Directors who served during the year received remuneration as shown in the table opposite.

| | 2024 £ | 2023 £ | % change |
|---|---|---|---|
| Mike Balfour | 46,000 | 41,500 | 10.8% |
| Mike Bane | 40,000 | 37,000 | 8.1% |
| James Clifton-Brown | 55,000 | 50,000 | 10.0% |
| Jill May | 42,500 | 37,000 | 14.9% |
| Sarah Slater | 40,000 | 37,000 | 8.1% |
| One-off fee | 110,000 | - | - |
| Employers' national insurance contribution | 41,746 | 23,735 | |
| | **375,246** | **226,235** | |
| Directors' expenses | 14,511 | 13,201 | |
| | **389,757** | **239,436** | |

The table below indicates the expenditure during the year in relation to Directors' remuneration and shareholder distributions.

| | 2024 £ | 2023 £ |
|---|---|---|
| Aggregate Directors' Remuneration | 389,757 | 239,436 |
| Aggregate shareholder distributions* | 15,248,759 | 15,248,759 |

* Excluding Capital distribution of 52p per share paid December 2024 and 3p per share paid post year-end.

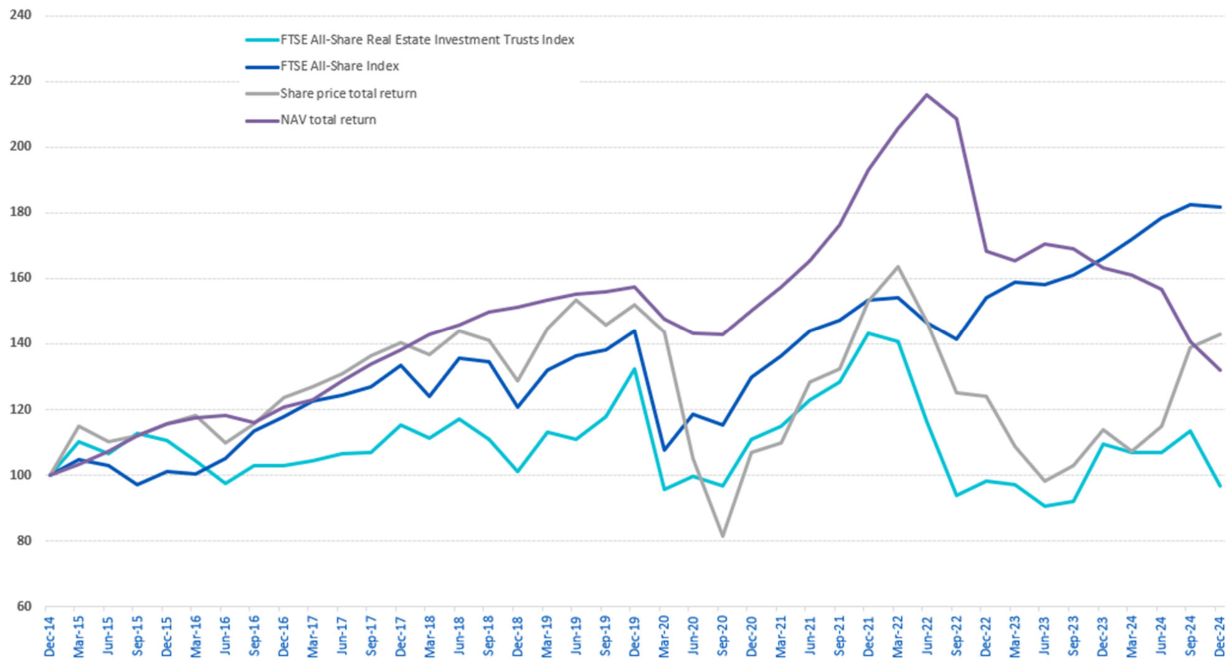
## Company performance

The Board is responsible for the Group's investment strategy and performance, although the management of the Group's investment portfolio is delegated to the Investment Manager through the Investment Management Agreement, as referred to in the Corporate Governance Report on page 17.

## Statement of Proxy Voting at Annual General Meeting

At the Company's last Annual General Meeting, held on 13 August 2024, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 31 December 2023 and the proxy votes received on the relevant resolution were: For – 103,406,165 (98.97%); Against – 1,072,291 votes (1.03%); and Withheld votes – 216,314.

*Relative Company performance over 10 years*




## Directors' Shareholdings

The Directors' interests in the Company's ordinary shares are shown in the Directors' Report on page 13.

Ordinary resolutions for the approval of the Directors' Remuneration Report and Directors Remuneration Policy will be put to shareholders at the Annual General Meeting on 11 August 2025.

**Approved by the Board on**
**30 April 2025**

**Mike Balfour**
Chair

# Statement of Directors' Responsibilities

for the year ended 31 December 2024

The Directors are responsible for preparing the Annual Report and the Group Consolidated Financial Statements for each year which give a true and fair view, in accordance with the applicable Guernsey law and those International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

In preparing those Consolidated Financial Statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- State that the Group has complied with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the Group Consolidated Financial Statements; and
- Prepare the Group Consolidated Financial Statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the Group Consolidated Financial Statements. As detailed further in note 2.1, the Directors have deemed it appropriate to prepare the Group Consolidated Financial Statements on a basis other than that of a going concern.

The Directors are responsible for keeping adequate accounting records, that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time, the financial position of the Group and to enable them to ensure that the Financial Statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

The maintenance and integrity of the Company's website is the responsibility of the Directors through its Investment Manager; the work carried out by the auditors does not involve considerations of these matters and, accordingly, the auditors accept no responsibility for any change that may have occurred to the Consolidated Financial Statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of the consolidated financial statements may differ from legislation in other jurisdictions.

### Responsibility Statement of the Directors in respect of the Consolidated Annual Report under the Disclosure and Transparency Rules.

The Directors each confirm to the best of their knowledge that:

- The Consolidated Financial Statements, prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- The management report, which is incorporated into the Strategic Report, Directors' Report and Investment Manager's Review, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face.

### Statement under the UK Corporate Governance Code.

The Directors each confirm to the best of their knowledge and belief that the Annual Report and Consolidated Financial Statements taken as a whole are fair, balanced and understandable and provide the information necessary to assess the Group's position and performance, business model and strategy.

**Approved by the Board on**
**30 April 2025**

**Mike Balfour**
Chair

# Independent auditor's report to the members of abrdn Property Income Trust Limited

## Report on the audit of the financial statements

### 1 Opinion

In our opinion the financial statements of abrdn Property Income Trust Limited and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS Accounting Standards as adopted by the European Union and as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flow; and
- the related notes 1 to 27

The financial reporting framework that has been applied in their preparation is applicable law and IFRS Accounting Standards as adopted by the European Union and as issued by the IASB.

### 2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law.

Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3 Emphasis of Matter – financial statements prepared on a basis other than going concern.

We draw attention to note 2.1 in the financial statements, which indicates that the Consolidated Financial Statements of the Group have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

### 4 Summary of our audit approach

| | |
|---|---|
| **Key audit matters** | The key audit matters that we identified in the current year were:<br><br>▸ Valuation of land<br>▸ Disposal of subsidiaries<br><br>Within this report, key audit matters are identified as follows:<br><br>**Similar level of risk** **Newly identified** |
| **Materiality** | The materiality that we used for the Group financial statements was £305k which was determined on the basis of 1% of the net asset value. |
| **Scoping** | All audit work for the Group was performed directly by the Group engagement team. All of the Group's subsidiaries are subject to full scope audits. |

| | |
|---|---|
| **Significant changes in our approach** | In the Current year the financial statements were prepared on the basis other than that of the going concern, as reported in section 3 of our audit report. Therefore, material uncertainty related to going concern key audit matter is not relevant in the current year.<br><br>In the current year our key audit matter is focused on the valuation of land as all the other investments were sold and we also have a key audit matter related to this disposal.. |

### 5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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 were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

#### 5.1 Valuation of land

| | |
|---|---|
| **Key audit matter description** | During the year Group sold its entire investment property portfolio excluding the land at Far Ralia. Valuation of land is the key driver of the Group's net asset value. Valuations are inherently complex and require significant judgement and estimation around the key inputs and assumptions. We have determined that the main judgements are around the discount rate and carbon unit rate per tonne thus this was the focus of our key audit matter.<br><br>Given the level of judgement involved, we have determined that there was a potential for fraud through possible manipulation of this balance.<br><br>Management's valuation is based on the valuation provided by external chartered surveyors. The valuation of the land, at 31 December 2024 amounted to £9.8m (2023: £8.2m).<br><br>Refer to notes 2.2 of accounting policies on pages 43 and note 8 on page 57 of the notes to the financial statements. |
| **How the scope of our audit responded to the key audit matter** | We performed the following procedures:<br>▸ Obtained an understanding of and tested relevant controls in relation to the valuation process;<br><br>▸ Evaluated the competence, capability and objectivity of the external valuer in order to obtain an understanding of the work of that expert;<br><br>▸ In conjunction with our real estate advisory specialists, we challenged the external valuer on their valuation process and assumptions, significant assumptions and critical judgement areas by benchmarking the valuation assumptions, in particular the discount rates and carbon unit rate per tonne, to relevant market evidence including data from the UK ETS Authority and other external data; and<br><br>▸ Evaluated the financial statements disclosures to assess whether the significant judgements and estimations are appropriately disclosed. |
| **Key observations** | Based on the work performed, we concluded that the key judgments used in the valuation of land, are appropriate. |

### 5.2 Disposal of Subsidiaries

| | |
|---|---|
| **Key audit matter description** | During the year, the Group sold its entire investment property portfolio, excluding the land at Far Ralia, through a sale of it's subsidiaries. This was a significant transaction and required significant auditor attention. We have determined this a key audit matter due to the time and extend of audit effort needed to address the matter.<br><br>The sale resulted in a loss on disposal of £48.2m.<br><br>Refer to note 10 on page 58 of the notes to the financial statements. |
| **How the scope of our audit responded to the key audit matter** | We performed the following procedures:<br>‣ Obtained an understanding of the transaction through the signed Sales Purchase Agreement ("SPA") and discussions with the Directors and Investment Manager;<br><br>‣ Reviewed minutes of the meeting of the board of directors to approve the transaction;<br><br>‣ Recalculated the loss on disposal with reference to the provisions in the signed SPA and the final completion accounts;<br><br>‣ Verified ownership changes of the subsidiaries; and<br><br>‣ Evaluated the financial statements disclosures to assess whether the transaction is appropriately disclosed. |
| **Key observations** | Based on the work performed, we concluded that the disposal of subsidiaries has been appropriately disclosed and the resulting loss appropriately calculated. |

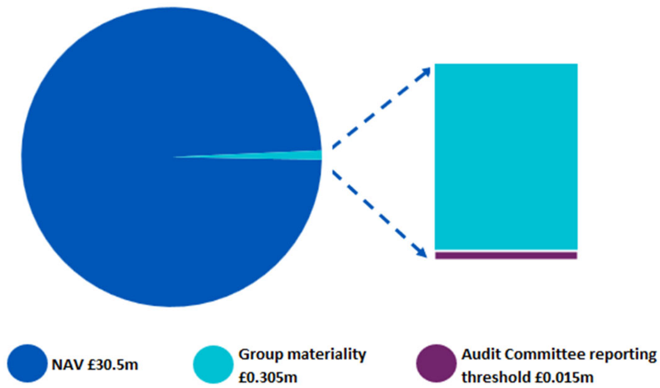
## 6 Our application of materiality

### 6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

| | |
|---|---|
| **Group Materiality** | £305,000 (2023: £2.98m) |
| **Basis for determining materiality** | 1% of the net asset value, in line with prior year. |
| **Rationale for the benchmark applied** | Net assets is the key balance considered by the users of the financial statements which is consistent with the market approach for such entities. Net assets were selected as investors are seeking capital appreciation in addition to dividend streams, and the net asset value per share is an important indicator of performance to investors. |




### 6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Group performance materiality was set at 70% of Group materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the following factors:

a. the impact of macroeconomic uncertainty on the Group's operations and across the wider real estate sector as a whole; and

b. our experience from previous audits which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

**6.3 Error reporting threshold**
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £15,250 (2023: £149,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7 An overview of the scope of our audit

**7.1 Scoping**
The Group consists of the company, abrdn Property Income Trust Limited and its subsidiaries. Our Group audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement at the Group level. The Group is audited by one audit team, led by the Senior Statutory Auditor. The audit is performed centrally, as the books and records for each entity within the Group are maintained at head office. We also tested the consolidation process.

**7.2 Our consideration of the control environment**
The Board of Directors delegates management functions to abrdn Fund Managers Limited as Investment Manager. As part of our risk assessment, we assessed the control environment in place at the Investment Manager, and obtained an understanding of the relevant controls, such as those related to the financial reporting cycle. We also obtained an understanding of relevant controls in relation to the valuation of investment property.

As part of our audit procedures, we obtained an understanding of the relevant controls in operation at the service organisation of the Investment Manager, including an assurance report on controls at service organisations. We further obtained a bridging letter from the Investment Manager detailing that there have not been any material changes to the internal control environment between the date of the assurance report and the balance sheet date. There were no other balances where we planned to rely on controls, other than the balances noted above.

**7.3 Our consideration of climate-related risks**
As part of our risk assessment, we have considered the potential impact of climate change on the Group's business and its financial statements. We obtained an understanding of the process for identifying climate-related risks, the processes and controls in place, as well as the determination of any mitigating actions.

The Group continued to develop its assessment of the potential impact of environmental, social and governance ("ESG") related risks, including climate change. As outlined in the sustainability committee report on page 23, ESG risks and opportunities have not been at the forefront of Group decisions in 2024.

## 8 Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## 9 Responsibilities of directors

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

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

## 10 Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

### 11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;

- results of our enquiries of management, the directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team and relevant internal specialists, including tax, financial instrument and real estate advisory specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in valuation of land. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Guernsey) Law, 2008 and the Listing Rules.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. This included compliance with the REIT regime rules until the date of exit.

### 11.2 Audit response to risks identified

As a result of performing the above, we identified valuation of land as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management, the directors and the Audit Committee and external legal counsel concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- reading minutes of meetings of those charged with governance; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

## Report on other legal and regulatory requirements

### 12 Opinions on other matters prescribed by our engagement letter

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the provisions of the UK Companies Act 2006 as if that Act had applied to the company.

### 13 Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 11;

- the directors' statement on fair, balanced and understandable set out on page 24;

- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 10 to 11;

- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 21; and

- the section describing the work of the Audit Committee set out on pages 24 to 26.

### 14 Matters on which we are required to report by exception

#### 14.1 Adequacy of explanations received and accounting records

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; or

- proper accounting records have not been kept by the parent company; or

- the financial statements are not in agreement with the accounting records.

We have nothing to report in respect of these matters.

### 15 Other matters which we are required to address

#### 15.1 Auditor tenure

Following the recommendation of the Audit Committee, we were appointed by the Board of Directors on 13 June 2019 to audit the financial statements for the year ending 31 December 2019 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is six years, covering the years ending 31 December 2019 to 31 December 2024.

#### 15.2 Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee we are required to provide in accordance with ISAs (UK).

## 16 Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and/or those matters we have expressly agreed to report to them on in our engagement letter and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Siobhan Durcan

**Siobhan Durcan**
**For and on behalf of Deloitte LLP**
**Recognised Auditor**
**St Peter Port, Guernsey**
**30 April 2025**

# Consolidated Statement of Comprehensive Income

for the year ended 31 December 2024

| | Notes | 12 Months to 31 Dec 2024 £ | 12 Months to 31 Dec 2023 £ |
|---|---|---|---|
| Rental income | | 24,070,912 | 27,552,279 |
| Service charge income | | 4,899,881 | 4,884,357 |
| Service charge expenditure | | (5,937,817) | (6,354,598) |
| **Net Rental Income** | | **23,032,976** | **26,082,038** |
| | | | |
| **Administrative and other expenses** | | | |
| Investment management fee | 4 | (1,399,114) | (2,632,225) |
| Other direct property operating expenses | 4 | (2,447,020) | (2,408,461) |
| Net Impairment gain on trade receivables | 4 | (110,725) | 213,048 |
| Fees associated with strategic review and aborted merger | 4 | (2,800,223) | (1,729,925) |
| Fees associated with managed wind-down and portfolio disposal | 4 | (399,197) | - |
| Other administration expenses | 4 | (1,505,185) | (1,136,742) |
| **Total administrative and other expenses** | | **(8,661,464)** | **(7,694,305)** |
| **Operating profit before changes in fair value of investment properties** | | **14,371,512** | **18,387,733** |
| | | | |
| Valuation loss from investment properties | 7 | - | (17,989,531) |
| Valuation gain/(loss) from land | 8 | 475,876 | (783,683) |
| Estimated costs arising from future disposal | | (165,000) | - |
| Loss on disposal of subsidiaries | 10 | (48,152,578) | - |
| Loss on disposal of investment properties | 7 | (2,063,652) | (279,090) |
| **Operating loss** | | **(35,533,842)** | **(664,571)** |
| | | | |
| Finance income | 5 | 649,889 | 92,178 |
| Finance costs | 5 | (7,955,137) | (7,695,508) |
| **Loss for the year before taxation** | | **(42,839,090)** | **(8,267,901)** |
| | | | |
| **Taxation** | | | |
| Tax charge | 6 | (55,110) | - |
| **Loss for the year, net of tax** | | **(42,894,200)** | **(8,267,901)** |
| | | | |
| **Other comprehensive (loss) / income** | | | |
| Movement in fair value on swap | 15a | - | (902,534) |
| Movement in fair value on interest rate cap | 15b | 98,784 | (789,918) |
| **Total other comprehensive (loss)/gain** | | **98,784** | **(1,692,452)** |
| | | | |
| **Total comprehensive loss for the year, net of tax** | | **(42,795,416)** | **(9,960,353)** |
| | | | |
| **Loss per share** | | **2024 (p)** | **2023 (p)** |
| Basic and diluted loss per share | 20 | (11.25) | (2.17) |

All items in the above Statement of Comprehensive Income derive from discontinuing operations.

The notes on pages 42 to 69 are an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Financial Position

as at 31 December 2024

| Assets | Notes | 31 Dec 24 £ | 31 Dec 23 £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Investment properties | 7 | – | 388,338,754 |
| Lease incentives | 7 | – | 9,306,403 |
| Land | 8 | – | 8,250,000 |
| Interest rate cap | 15b | – | 559,671 |
| Rental deposits held on behalf of tenants | | – | 895,003 |
| | | – | 407,349,831 |
| **Current Assets** | | | |
| Investment property held for sale | 9 | – | 35,100,000 |
| Land | 8 | 9,835,000 | - |
| Trade and other receivables | 11 | 2,171,092 | 6,101,152 |
| Cash and cash equivalents | 12 | 36,655,166 | 6,653,838 |
| Interest rate cap | 15b | – | 849,110 |
| | | 48,661,258 | 48,704,100 |
| **Total assets** | | **48,661,258** | **456,053,931** |
| | | | |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 6,860,858 | 14,018,455 |
| Distributions payable | 21 | 11,436,569 | – |
| | | 18,297,427 | 14,018,455 |
| **Non-current liabilities** | | | |
| Bank borrowings | 14 | – | 141,251,910 |
| Obligations under finance leases | 16 | – | 1,810,120 |
| Rental deposits due to tenants | | – | 895,003 |
| | | – | 143,957,033 |
| **Total liabilities** | | **18,297,427** | **157,975,488** |
| | | | |
| **Net assets** | | **30,363,831** | **298,078,443** |
| | | | |
| **Equity** | | | |
| **Capital and reserves attributable to Company's equity holders** | | | |
| Share capital | 18 | 228,383,857 | 228,383,857 |
| Treasury share reserve | 18 | (18,400,876) | (18,400,876) |
| Redeemable Bonus Share issue | 18 | (198,233,868) | - |
| Retained Earnings | 19 | – | - |
| Capital reserves | 19 | (49,022,257) | (9,660,578) |
| Other distributable reserves | 19 | 67,636,975 | 97,756,040 |
| **Total equity** | | **30,363,831** | **298,078,443** |
| | | | |
| | | **2024 (p)** | **2023 (p)** |
| **NAV per share** | 22 | 8.0 | 78.2 |

The accounts on pages 38 to 69 were approved and authorised for issue by the Board of Directors on 30 April 2025 and signed on its behalf by

**Mike Balfour**
Chair

The notes on pages 42 to 69 are an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

| | Notes | Share capital £ | Treasury Shares £ | Redeemable Bonus Shares £ | Retained earnings £ | Capital reserves £ | Other distributable reserves £ | Total equity £ |
|---|---|---|---|---|---|---|---|---|
| **Opening balance 1 January 2024** | | 228,383,857 | (18,400,876) | – | – | (9,660,578) | 97,756,040 | 298,078,443 |
| Loss for the year | | – | – | – | (42,894,200) | – | – | (42,894,200) |
| Other comprehensive gain | | – | – | – | – | 98,784 | – | 98,784 |
| Total comprehensive loss for the year | | – | – | – | (42,894,200) | 98,784 | – | (42,795,416) |
| Redeemable Bonus Shares | | – | – | (198,233,868) | – | – | – | (198,233,868) |
| Dividends paid | 21 | – | – | – | (15,248,759) | – | – | (15,248,759) |
| Dividends payable | 21 | – | – | – | (11,436,569) | – | – | (11,436,569) |
| Valuation loss from land | 8 | – | – | – | (475,876) | 475,876 | – | – |
| Reclassified from Other distributable reserves | | – | – | – | 30,119,065 | – | (30,119,065) | – |
| Transfer between reserves | | | | | (10,279,891) | 10,279,891 | – | – |
| Loss on disposal of subsidiaries | | – | – | – | 48,152,578 | (48,152,578) | – | – |
| Loss on disposal of investment properties | 7 | – | – | – | 2,063,652 | (2,063,652) | – | – |
| **Balance at 31 December 2024** | | **228,383,857** | **(18,400,876)** | **(198,233,868)** | **-** | **(49,022,257)** | **67,636,975** | **30,363,831** |

for the year ended 31 December 2023

| | Notes | Share capital £ | Treasury Shares £ | Redeemable Bonus Shares £ | Retained earnings £ | Capital reserves £ | Other distributable reserves £ | Total equity £ |
|---|---|---|---|---|---|---|---|---|
| **Opening balance 1 January 2023** | | 228,383,857 | (18,400,876) | – | 4,382,024 | 11,084,178 | 97,838,372 | 323,287,555 |
| Loss for the year | | – | – | – | (8,267,901) | – | – | (8,267,901) |
| Other comprehensive loss | | – | – | – | – | (1,692,452) | – | (1,692,452) |
| Total comprehensive loss for the year | | – | – | – | (8,267,901) | (1,692,452) | – | (9,960,353) |
| Dividends paid | 21 | – | – | – | (15,248,759) | – | – | (15,248,759) |
| Valuation loss from investment properties | 7 | – | – | – | 17,989,531 | (17,989,531) | – | – |
| Valuation loss from land | 8 | – | – | – | 783,683 | (783,683) | – | – |
| Reclassified from Other distributable reserves | | – | – | – | 82,332 | – | (82,332) | – |
| Loss on disposal of investment properties | 7 | – | – | – | 279,090 | (279,090) | – | – |
| **Balance at 31 December 2023** | | **228,383,857** | **(18,400,876)** | **-** | **-** | **(9,660,578)** | **97,756,040** | **298,078,443** |

The notes on pages 42 to 69 are an integral part of these Consolidated Financial Statements.

# Consolidated Statement of Cash Flow

for the year ended 31 December 2024

| Cash flows from operating activities | Notes | 12 months to 31 Dec 2024 £ | 12 months to 2023 £ |
|---|---|---|---|
| Loss for the year before taxation | | (42,839,090) | (8,267,901) |
| Movement in lease incentives | | 96,128 | (984,446) |
| Movement in trade and other receivables | | 3,055,794 | 1,212,710 |
| Movement in trade and other payables | | (2,023,484) | 2,353,098 |
| Finance costs | 5 | 7,955,137 | 7,695,508 |
| Finance income | 5 | (649,889) | (92,178) |
| Valuation loss from investment properties | 7 | - | 17,989,531 |
| Valuation loss from land | 8 | (475,876) | 783,683 |
| Estimated costs arising from future disposal | | 165,000 | - |
| Loss on disposal of subsidiaries | 10 | 48,152,578 | - |
| Loss on disposal of investment properties | 7 | 2,063,652 | 279,090 |
| **Net cash inflow from operating activities** | | **15,499,950** | **20,969,095** |
| | | | |
| **Cash flows from investing activities** | | | |
| Finance income | 5 | 649,889 | 92,178 |
| Purchase of investment properties | 7 | - | (23,986,401) |
| Purchase of land | 8 | (1,274,124) | (1,533,683) |
| Capital expenditure on investment properties | 7 | - | (21,678,721) |
| Net proceeds from disposal of investment properties | 7 | 42,986,348 | 6,120,910 |
| Net proceeds from disposal of subsidiaries | 10 | 234,298,743 | - |
| **Net cash (outflow)/inflow from investing activities** | | **276,660,856** | **(40,985,717)** |
| | | | |
| **Cash flows from financing activities** | | | |
| Bonus share distribution in period | 18 | (198,233,868) | - |
| Borrowing on RCF | 14 | 13,300,000 | 63,000,000 |
| Repayment of RCF | 14 | (41,874,379) | (6,125,621) |
| Repayment of expired facility | 14 | - | (110,000,000) |
| New term facility | 14 | - | 85,000,000 |
| Interest paid on bank borrowing | 5 | (9,755,493) | (7,396,815) |
| Receipts on Interest rate SWAP | | - | 1,254,217 |
| Receipts on Interest rate Cap | 15b | 1,123,358 | 365,674 |
| Finance lease interest | 5 | (33,768) | (49,289) |
| Dividends payable to the Company's shareholders | 21 | (11,436,569) | - |
| Dividends paid to the Company's shareholders | 21 | (15,248,759) | (15,248,759) |
| **Net cash inflow/(outflow) from financing activities** | | **(262,159,478)** | **10,799,407** |
| | | | |
| **Net (decrease)/increase in cash and cash equivalents in the year** | | **30,001,328** | **(9,217,215)** |
| Cash and cash equivalents at beginning of year | 12 | 6,653,838 | 15,871,053 |
| | | | |
| **Cash and cash equivalents at end of year** | **12** | **36,655,166** | **6,653,838** |

The notes on pages 42 to 69 are an integral part of these Financial Consolidated Statements.

# Notes to the Financial Statements

for the year ended 31 December 2023

## 1. General information

abrdn Property Income Trust Limited ("the Company") and its former subsidiaries (together "the Group") historically carried on the business of property investment through a portfolio of freehold and leasehold investment properties located in the United Kingdom. During the year, the Company disposed of its entire holding in its subsidiaries and is now in the process of winding-down prior to entering liquidation. The Company is a limited liability company incorporated in Guernsey, Channel Islands. The Company has its listing on the London Stock Exchange.

The address of the registered office is PO Box 255, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

These audited Consolidated Financial Statements were approved for issue by the Board of Directors on 30 April 2025.

## 2. Accounting policies

### 2.1 Basis of preparation

The audited Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and as issued by the International Accounting Standards Board ("IASB"), and all applicable requirements of The Companies (Guernsey) Law, 2008. The audited Consolidated Financial Statements of the Group have been prepared under the historical cost convention as modified by the measurement of investment property, land and derivative financial instruments at fair value. The Consolidated Financial Statements are presented in pounds sterling and all values are not rounded except when otherwise indicated.

**Assessment of Going Concern**

During the second half of 2023 the Board undertook a strategic review. This review was prompted by the Board's concerns, as well as those of some shareholders about the Group's size, the lack of liquidity in its shares, the persistent discount to NAV and an uncovered dividend. The outcome of this review, following interest from other listed REITs, was that the Board recommended to shareholders that they vote in favour of a proposed merger with Custodian Property Income REIT plc ("Custodian") for the reasons outlined in various announcements to shareholders during the first quarter of 2024. As detailed more fully in the 2023 Annual Report & Financial Statements, this proposal did not attract sufficient support from shareholders to be passed at the Extraordinary General Meeting. Following the vote, shareholders were given the opportunity to vote on a proposed change to the Group's Investment Policy which if passed would place the Group into a Managed and Orderly Wind-Down ("wind-down EGM"), selling assets and returning funds to shareholders as such funds become available. On the 28 May 2024, approximately 96% of shareholders who voted cast their votes in favour of this proposal and the resolution passed.

Under the Managed Wind-Down process, the Group and its subsidiaries were managed with the intention of realising all the assets in its portfolio in an orderly manner, with a view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to obtain the best achievable value for the assets. As part of this process, the Group successfully disposed of 6 Investment Properties prior to reaching an agreement with GoldenTree Asset Management LP for the sale of its wholly owned subsidiary abrdn Property Holdings Limited (aPH). The transaction, which completed on the 29th November, comprised the sale of 39 assets being the Group's entire investment property portfolio excluding its interest in the land at Far Ralia (which was subsequently transferred to the Company prior to year end following subsequent Scottish Government consent).

Following completion of the transaction, Shareholders were given the opportunity to vote on a proposal for the Company to make an initial return of the proceeds of sale by way of an initial issue and redemption of Redeemable Bonus Shares repurchased for 52 pence per Redeemable Bonus Share. On 17th December 2024, approximately 99.5% of shareholders who voted cast their votes in favour of this proposal and the funds were returned to shareholders prior to year end.

As at 31st December 2024, the Group consists solely of the Company itself which holds the aforementioned interest in the land at Far Ralia and cash retained from the sales proceeds to cover anticipated costs until fully liquidated. The Board is satisfied that the Company will have no material difficulty in meeting its liabilities as they fall due during the period until fully liquidated. However, there now exists a clear intention to enter liquidation once the completion accounts process has been settled with GoldenTree and the directors are satisfied that there is an appropriate process for realising the remaining assets. As such, in accordance with IAS1 para 25 and IAS 10 (Events after the Reporting Period) para 14, these financial statements have been prepared on a basis other than that of a going concern.

As a result of adopting a basis other than that of a going concern, the Board has deemed it appropriate to reduce the fair value of the land by the expected costs of disposal. No other costs of liquidation have been recognised other than those committed or incurred at the balance sheet date.

**Changes in accounting policy and disclosure.**
The following amendments to existing standards and interpretations were effective for the year, but were deemed not applicable to the Group:

- Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback; Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

The following amendments to existing standards and interpretations were effective for the year and have been adopted by the Company:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current.

The amendment clarifies a criterion for recognising a liability as non-current if an entity has the right to defer settlement for at least 12 months after the reporting period. Given the current circumstances of the Company, all liabilities have been deemed current albeit the Board acknowledge that the classification is unaffected by the Company's intention or expectation whether it will exercise a right to defer.

**New and revised IFRS Standards in issue but not yet effective**
At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group will consider these amendments in due course to see if they will have any impact on the Group.

- Amendments to IAS 21 Lack of Exchangeability - The Effects of Changes in Foreign Exchange Rates [*Effective 1 January 2025*]
- Amendments to IFRS 9 Financial Instruments (Classification and Measurement) [*Effective 1 January 2026*]
- Amendments to IFRS 18 Presentation and Disclosure in Financial Statements [*Effective 1 January 2027*]
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures [*Effective 1 January 2027*]

**2.2 Significant accounting judgements, estimates and assumptions**
The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates, could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. The most significant estimates and judgements are set out below. There were no critical accounting judgements.

**Fair value (& presentation) of investment properties and land**
Investment properties and land have historically been stated at fair value as at the Balance Sheet date. Gains or losses arising from changes in fair values were included in the Consolidated Statement of Comprehensive Income in the year in which they arose. The fair value of investment properties and land was determined by external real estate valuation experts using recognised valuation techniques. The fair values were determined having regard to any recent real estate transactions where available, with similar characteristics and locations to those of the Group's assets. The directors consider that there is a significantly wider range of estimation uncertainty for land than for investment properties because there are few comparable assets or recent transactions, and the estimates involved (namely Carbon pricing). As detailed further in notes 2.4 and 9, the Directors have also assessed the classification of Land as a current asset considering the current marketing of the site and presentation of these financial statements on a basis other than that of a going concern.

**2.3 Summary of material accounting policies**
The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practical Statement 2) from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Directors have reviewed the accounting policies and are satisfied that the information previously disclosed as part of their 'significant' accounting policies fulfils the definitions of 'material' under the amended standards – as such there has been no change to the summary of accounting policies below in the current year.

**A Basis of consolidation**
The audited Consolidated Financial Statements have historically comprised the financial statements of abrdn Property Income Trust Limited, and its material wholly owned subsidiary undertakings.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with subsidiaries and has the ability to affect those returns through its power over the subsidiary. Specifically, the Group controls a subsidiary if, and only if, it has:

- Power over the subsidiary (i.e. existing rights that give it the current ability to direct the relevant activities of the subsidiary)
- Exposure, or rights, to variable returns from its involvement with the subsidiary
- The ability to use its power over the subsidiary to affect its returns

The Group assesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

During the year, the Company completed on the disposal of its wholly owned subsidiaries. As such, the Consolidated Statement of Financial Position represents the Company in isolation (2023: consolidated group), while the Consolidated Statement of Comprehensive Income includes the pro-rated income and expenditure up to the date of disposal as noted above.

**B Functional and presentation currency**
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The Consolidated Financial Statements are presented in pound sterling, which is also the Company's functional currency.

**C Revenue recognition**
Revenue is recognised as follows;

i) Bank interest
Bank interest income is recognised on an accruals basis.

ii) Rental income
Rental income from operating leases is net of sales taxes and value added tax ("VAT") recognised on a straight-line basis over the lease term including lease agreements with stepped rent increases. The initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income. The cost of any lease incentives provided are recognised over the lease term, on a straight-line basis as a reduction of rental income. The resulting asset is reflected as a receivable in the Consolidated Balance Sheet.

Contingent rents, being those payments that are not fixed at the inception of the lease, for example increases arising on rent reviews, are recorded as income in periods when they are earned. Rent reviews which remain outstanding at the year-end are recognised as income, based on estimates, when it is reasonable to assume that they will be received.

iii) Other income
The Group was classified as the principal in its contract with the managing agent. Service charges billed to tenants by the managing agent are therefore recognised gross.

iv) Grant Income
Government grants that relate to the Group's assets are accounted for as a reduction in the cost of the asset to which they relate. They are only recognised when there is both reasonable assurance that the Group will comply with all material conditions attached to the grant and that the grant will be received.

v) Property disposals
Where revenue is obtained by the sale of properties, it is recognised once the sale transaction has been completed, regardless of when contracts have been exchanged.

**D Expenditure**
All expenses are accounted for on an accruals basis. The investment management and administration fees, finance and all other revenue expenses are charged through the Consolidated Statement of Comprehensive Income as and when incurred. The Group also incurs capital expenditure which can result in movements in the capital value of the investment properties.

**E Taxation**
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax relating to items recognised directly in other comprehensive income or in equity is recognised in other comprehensive income and in equity respectively, and not in the income statement. Positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation, if any, are reviewed periodically and provisions are established where appropriate. The Group recognises liabilities for current taxes based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made.

Deferred income tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilised. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities. In determining the expected manner of realisation of an asset the Directors consider that the Group will recover the value of investment property through sale. Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

As detailed further in note 6, the Group ceased being treated as a UK REIT from 29 November 2024.

**F Investment property**
Investment properties comprise completed property and property under construction or re-development that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met.

Investment properties are measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at fair value. Fair value is based upon the market valuation of the properties as provided by the external valuers as described in note 2.2. Gains or losses arising from changes in the fair values are included in the Consolidated Statement of Comprehensive Income in the year in which they arise.

For the purposes of these financial statements, in order to avoid double counting, the assessed fair value is:
i) Reduced by the carrying amount of any accrued income resulting from the spreading of lease incentives and/or minimum lease payments.
ii) Increased by the carrying amount of any liability to the superior leaseholder or freeholder (for properties held by the Group under operating leases) that has been recognised in the Balance Sheet as a finance lease obligation.

Acquisitions of investment properties are considered to have taken place on exchange of contracts unless there are significant conditions attached. For conditional exchanges acquisitions are recognised when these conditions are satisfied. Investment properties are derecognised when they have been disposed of and no future economic benefit is expected from their disposal. Any gains or losses on the disposal of investment properties are recognised in the Consolidated Statement of Comprehensive Income in the year of retirement or disposal.

Gains or losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

**G Investment properties held for sale**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value (except for investment property measured using fair value model).

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**H Land**

The Group's land is capable of woodland creation and peatland restoration projects which would materially assist the Group's transition to Net Zero.

Land is initially measured at cost including transaction costs. Transaction costs include transfer taxes and professional fees for legal services. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Land is not depreciated but instead, subsequent to initial recognition, recognised at fair value based upon periodic valuations provided by the external valuers. Gains or losses arising from changes in the fair values are included in the Consolidated Statement of Comprehensive Income in the year in which they arise.

**I Trade and other receivables**

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through use of an allowance account, and the amount of the expected credit loss is recognised in the Consolidated Statement of Comprehensive Income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Consolidated Statement of Comprehensive Income.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

A provision for impairment of trade receivables is established where the Property Manager has indicated concerns over the recoverability of arrears based upon their individual assessment of all outstanding balances which incorporates forward looking information. Given this detailed approach, a collective assessment methodology applying a provision matrix to determine expected credit losses is not used.

The amount of the provision is recognised in the Consolidated Balance Sheet and any changes in provision recognised in the Statement of Comprehensive Income.

**J Cash and cash equivalents**
Cash and cash equivalents are defined as cash in hand, demand deposits, and other short-term highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

**K Borrowings and interest expense**
All loans and borrowings were initially recognised at the fair value of the consideration received, less issue costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on settlement. Borrowing costs are recognised within finance costs in the Consolidated Statement of Comprehensive Income as incurred.

**L Accounting for derivative financial instruments and hedging activities**
Interest rate hedges are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The Group also documents its assessment both at hedge inception and on an ongoing basis of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income in the Consolidated Statement of Comprehensive Income. The gains or losses relating to the ineffective portion are recognised in operating profit in the Consolidated Statement of Comprehensive Income.

Amounts taken to equity are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expenses are recognised.

When a derivative is held as an economic hedge for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current consistent with the classification of the underlying item. A derivative instrument that is a designated and effective hedging instrument is classified consistent with the classification of the underlying hedged item.

**M Service charge**
IFRS15 requires the Group to determine whether it is a principal or an agent when goods or services are transferred to a customer. An entity is a principal if the entity controls the promised good or service before the entity transfers the goods or services to a customer. An entity is an agent if the entity's performance obligation is to arrange for the provision of goods and services by another party.

Any leases entered into between the Group and a tenant required the Group to provide ancillary services to the tenant such as maintenance works etc, therefore these service charge obligations belonged to the Group. However, to meet this obligation the Group appointed a managing agent, Jones Lang Lasalle Inc "JLL" and directed it to fulfil the obligation on its behalf. The contract between the Group and the managing agent created both a right to services and the ability to direct those services. This was a clear indication that the Group operated as a principal and the managing agent operated as an agent. Therefore, it was necessary to recognise the gross service charge revenue and expenditure billed to tenants as opposed to recognising the net amount.

**N Other financial liabilities**
Trade and other payables are recognised and carried at invoiced value as they are considered to have payment terms of 30 days or less and are not interest bearing. The balance of trade and other payables are considered to meet the definition of an accrual and have been expensed through the Income Statement or Balance Sheet depending on classification. VAT payable at the Balance Sheet date will be settled within 31 days of the Balance Sheet date with Her Majesty's Revenue and Customs ("HMRC") and deferred rental income is rent that has been billed to tenants but relates to the period after the Balance Sheet date. Rent deposits recognised in note 13 as current are those that are due within one year as a result of upcoming tenant expiries.

**2.4 Adjustments to going concern basis of accounting**

In addition to assessing the Company's significant and material accounting judgements, estimates and assumptions, the Board has also considered the following areas where it might be appropriate to apply adjustments to the 'normal' IFRS basis:

1) Measurement of Assets

It is appropriate to consider the need to write down assets to their net realisable value. Investment Properties including Land are stated at fair value, while other assets including trade receivables are recognised at their recoverable amount already. The Board has assessed the basis for and measurement of the residual interest in Land and have decided to reduce fair value by the estimated cost of disposal. Further details can be found in note 25.

2) Liabilities

The Board recognise that it would be appropriate to accrue costs associated with potentially onerous contracts by applying guidance in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. However, at the date of approval of the financial statement, no such contracts exist, and accordingly no provisions have been made.

3) Presentation and disclosure

The Board has assessed the classification of assets and liabilities between current and non-current. Assets that met the criteria to be classified as held for sale at 31 December 2024 have been classified as current assets. Non-current assets and liabilities have been reclassified as current as they are expected to be realised in less than 12 months.

After careful consideration, the Board believes that it would not be meaningful to present the results of discontinued operations as a separate financial statement line item of income or loss (in accordance with IFRS 5) because this would not result in meaningful information in a situation where all of an entity's operations will be discontinued.

Finally, the Board has assessed whether adoption of a basis other than that of a going concern would have any material impact on comparatives and have concluded this not to be the case. As at 31 December 2023, 5 assets valued at £35.1m were deemed 'held for sale' which would have been impaired by £579,150 (0.15p per share) if adopting a similar methodology.

**3. Financial Risk Management**

The Group's principal financial liabilities have historically been loans and borrowings. The main purpose of the Group's loans and borrowings were to finance the acquisition and development of the Group's property portfolio. The Group had rent and other receivables, trade and other payables and cash and short-term deposits that arose directly from its operations.

The Group is exposed to market risk (including interest rate risk and real estate risk), credit risk, liquidity risk and capital risk. The Group is not exposed to currency risk or price risk. The Group is engaged in a single segment of business, being property investment in one geographical area, the United Kingdom. Therefore, the Group only engages in one form of currency being pound sterling.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

**Market risk**

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Group that were affected by market risk were principally the interest rate swap (which ended 27 April 2023) and the interest rate cap (which commenced 27 April 2023 and ceased to belong to the Group on 29 November 2024).

i) Interest Rate risk

As described below the Group invested cash balances with Citibank, RBS and Barclays; the latter two were only relevant for the Company's subsidiaries. In the current year the Company also made an investment in the abrdn Liquidity Fund managed by Aberdeen PLC with the excess proceeds from the sale of the subsidiaries. These balances expose the Group to cash flow interest rate risk as the Company's income and operating cash flows will be affected by movements in the market rate of interest. There is considered to be no fair value interest rate risk in regard to these balances.

The bank borrowings as described in note 14 also historically exposed the Group to cash flow interest rate risk. The Group's policy has historically been to manage its cash flow interest rate risk using interest rate derivatives (see note 15). The Group had floating rate borrowings at the point of sale of the subsidiaries of £113,300,000; £85,000,000 of these borrowings were fixed via an interest rate cap limiting the floating rate exposure to 3.959%.

The fair value of the derivative was exposed to changes in the market interest rate as their fair value was calculated as the present value of the estimated future cash flows under the agreements. The accounting policy for recognising the fair value movements in the interest rate derivatives is described in note 2.3 L.

Trade and other receivables and trade and other payables are interest free and have settlement dates within one year and therefore are not considered to present a fair value interest rate risk.

The tables below set out the carrying amount of the Company's financial instruments excluding the amortisation of borrowing costs as outlined in note 14.

| As at 31 December 2024 | Fixed rate £ | Variable rate £ | Interest rate £ |
|---|---|---|---|
| Cash held at bank | – | 3,807,736 | 0.000% |
| Cash held in abrdn Liquidity fund | – | 32,847,430 | 4.870% |
| Bank borrowings | – | – | 0.000% |

| As at 31 December 2023 | Fixed rate £ | Variable rate £ | Interest rate £ |
|---|---|---|---|
| Cash held at bank | – | 6,653,838 | 0.000% |
| Bank borrowings | 85,000,000 | 56,874,379 | 5.459% |

At 31 December 2024, if market interest rates had been 100 basis points higher, which is deemed appropriate given historical movements in interest rates, with all other variables held constant, the profit for the year would have been £366,552 higher (2023: £66,538 higher) as a result of the higher interest income on cash and cash equivalents.

At 31 December 2024, if market interest rates had been 100 basis points lower with all other variables held constant, the profit for the year would have been £366,552 lower (2023: £66,538 lower) as a result of the lower interest income on cash and cash equivalents.

**Credit risk**
Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Group.

With respect to credit risk arising from other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying value of these instruments. As at 31 December 2024 £nil (2023 £316,737) was placed on deposit with The Royal Bank of Scotland plc ("RBS"), £3,807,736 (2023: £242,900) was held with Citibank, £nil (2023: £6,094,201) was held with Barclays, while £32,847,430 was invested in the abrdn Liquidity Fund (Lux) Sterling Fund (2023: £nil).

The abrdn Liquidity Fund (Lux) Sterling Fund is a money market fund which offers same day liquidity and has obtained an Aaa-mf money market fund rating from Moody's. Citibank is rated A-2 Stable by Standard & Poor's and P-2 Stable by Moody's.

**Liquidity risk**
Liquidity risk is the risk that the Group will encounter difficulties in realising assets or otherwise raising funds to meet financial commitments. The investment property in which the Company invests is not traded in an organised public market and is illiquid. As a result, the Company may not be able to liquidate its investment in that property quickly at an amount close to its fair value in order to meet the Company's liquidity requirements.

The following table summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

The disclosed amounts for interest-bearing loans and interest rate derivatives in the below table are the estimated net undiscounted cash flows.

The Company's liquidity position is regularly monitored by management and is reviewed quarterly by the Board of Directors.

| Year ended 31 December 2024 | On demand £ | 12 months £ | 1 to 5 years £ | >5 years £ | Total £ |
|---|---|---|---|---|---|
| Trade and other payables | 18,297,427 | – | – | – | 18,297,427 |
| | **18,297,427** | **-** | **-** | **-** | **18,297,427** |

| Year ended 31 December 2023 | On demand £ | 12 months £ | 1 to 5 years £ | >5 years £ | Total £ |
|---|---|---|---|---|---|
| Interest-bearing loans | – | 8,442,998 | 152,428,127 | – | 160,871,125 |
| Trade and other payables | 7,514,629 | 52,450 | 209,800 | 5,140,100 | 12,916,979 |
| Rental deposits due to tenants | – | 299,124 | 713,058 | 181,945 | 1,194,127 |
| | **7,514,629** | **8,794,572** | **153,350,985** | **5,322,045** | **174,982,231** |

**Fair values**

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements at amortised cost.

| | Carrying amount | | Fair Value | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Financial Assets** | £ | £ | £ | £ |
| Cash and cash equivalents | 36,655,166 | 6,653,838 | 36,655,166 | 6,653,838 |
| Trade and other receivables | 2,171,092 | 6,101,152 | 2,171,092 | 6,101,152 |
| **Financial liabilities** | | | | |
| Bank borrowings | – | 141,251,910 | – | 144,957,576 |
| Trade and other payables | 18,297,427 | 8,217,588 | 18,297,427 | 8,217,588 |

In addition to the above, the Group's financial instruments in the past also included an Interest rate swap and Interest rate cap. These have not been included in the disclosure above as these were already held at fair value. The fair value of trade receivables and payables are materially equivalent to their amortised cost.

The fair value of the financial assets and liabilities are included at an estimate of the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value:

- Cash and cash equivalents, trade and other receivables and trade and other payables are the same as fair value due to the short-term maturities of these instruments. Trade and other receivables/payables are measured in reference to contractual amounts due to/from the Group. These contractual amounts are directly observable.
- The fair value of bank borrowings was estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value approximated their carrying values gross of unamortised transaction costs. This was considered as being valued at level 2 of the fair value hierarchy.

The table below shows an analysis of the fair values of financial assets and liabilities recognised in the Balance Sheet by the level of the fair value hierarchy:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

| Year ended 31 December 2024 | Level 1 | Level 2 | Level 3 | Total fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade and other receivables | – | 2,171,092 | – | 2,171,092 |
| Cash and cash equivalents | 36,655,166 | – | – | 36,655,166 |
| | **36,655,166** | **2,171,092** | **-** | **38,826,258** |
| **Financial liabilities** | | | | |
| Trade and other payables | – | 18,297,427 | – | 18,297,427 |
| | **-** | **18,297,427** | **-** | **18,297,427** |

| Year ended 31 December 2023 | Level 1 | Level 2 | Level 3 | Total fair value |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Trade and other receivables | – | 6,101,152 | – | 6,101,152 |
| Cash and cash equivalents | 6,653,838 | – | – | 6,653,838 |
| Interest rate cap | – | 1,408,781 | – | 1,408,781 |
| Rental deposits held on behalf of tenants | 895,003 | – | – | 895,003 |
| Right of use asset | – | 1,810,120 | – | 1,810,120 |
| | **7,548,841** | **9,320,053** | **-** | **16,868,894** |
| **Financial liabilities** | | | | |
| Trade and other payables | – | 8,217,588 | – | 8,217,588 |
| Bank borrowings | – | 144,957,576 | – | 144,957,576 |
| Obligation under finance leases | – | 1,810,120 | – | 1,810,120 |
| Rental deposits held on behalf of tenants | 895,003 | – | – | 895,003 |
| | **895,003** | **154,985,284** | **-** | **155,880,287** |

**4. Administrative and Other Expenses**

| | Notes | 2024 £ | 2023 £ |
|---|---|---|---|
| **Investment management fees** | 4a | **1,399,114** | **2,632,225** |
| | | | |
| **Other direct property expenses** | | | |
| Vacant Costs (excluding void service charge) * | | 1,263,429 | 1,217,722 |
| Repairs and maintenance | | 341,480 | 418,360 |
| Letting fees | | 377,364 | 405,684 |
| Other costs | | 464,747 | 366,695 |
| Total Other direct property expenses | | **2,447,020** | **2,408,461** |
| | | | |
| **Net Impairment loss/(gain) on trade receivables** | | **110,725** | **(213,048)** |
| | | | |
| **Fees associated with strategic review and aborted merger** | 4b | **2,800,223** | **1,729,925** |
| | | | |
| **Fees associated with managed wind down and disposal** | 4b | **399,197** | **-** |
| | | | |
| **Other administration expenses** | | | |
| Directors' fees and subsistence | 23 | 389,757 | 239,436 |
| Valuer's fees | 4c | 57,835 | 75,524 |
| Auditor's fees | 4d | 167,125 | 192,700 |
| Marketing | 4a | 118,425 | 222,893 |
| Other administration costs | 4e | 772,043 | 406,189 |
| Total Other administration expenses | | **1,505,185** | **1,136,742** |
| **Total Administrative and other expenses** | | **8,661,464** | **7,694,305** |

* Void Service charge costs for the year amounted to £1,037,936 (2023: £1,470,241). These have been reclassified as Service charge expenditure as noted below.

| | 2024 £ | 2023 £ |
|---|---|---|
| Total service charge billed to tenants | 4,244,088 | 4,731,793 |
| Service charge due from/(to) tenants | 655,793 | 152,564 |
| **Service charge income** | **4,899,881** | **4,884,357** |
| | | |
| Total service charge expenditure incurred | 4,899,881 | 4,884,357 |
| Service charge incurred in respect of void units | 1,037,936 | 1,470,241 |
| **Service charge expenditure** | **5,937,817** | **6,354,598** |

**4a. Investment management fees**

From 1 January 2023, the Group agreed a 10bps reduction in the fee payable to the Investment Manager under the terms of the IMA; effective from 1 January 2023 this was 0.60% of total assets up to £500m, and 0.50% of total assets in excess of £500 million. Considering the proposed merger (see note 2.1), the Board served notice on the Investment Management Agreement on 12 October 2023. Following the Shareholder vote to place the Group into a Managed Wind-Down, a new agreement was signed effective 31 May 2024. Under the novated agreement, the Investment Manager is entitled to a fee of 0.20% per annum on total assets (with a floor of £50,000 per quarter until there are no properties remaining and £35,000 thereafter). The Investment Manager is also entitled to a further 0.40% payable based on the Gross Disposal proceeds of the underlying portfolio – £1,459,100 has been recognised in accordance with the disposal of the assets to date and is part of the realised loss on disposal.

As detailed further in Note 26, the Investment Manager receives an 'Incentive Fee' based on the cumulative Gross Disposal Proceeds relative to valuation of the portfolio as at 31 May 2024, with the fee only being triggered if this is greater than 90% of said valuation and if all assets are sold prior to November 2025; if Far Ralia is sold at its current valuation, this fee would be £187,388 if sold prior to 28 November 2025 and £374,775 if sold prior to 28 May 2025.

In addition, the Company paid the Investment Manager a sum of £98,688 excluding VAT (2023: £184,750 excluding VAT) to participate in the Managers marketing programme and Investment Trust share plan.

**4b. Fees associated with strategic review, aborted merger and wind-down**

As described in more detail in note 2.1, the Board undertook a strategic review during the second half of 2023 after concerns over the Company's size, liquidity, persistent discount to NAV and dividend cover. The outcome of this review, following interest from other listed REITs, was that the Board recommended to shareholders that they vote in favour of a proposed merger with Custodian REIT. The costs associated with the initial Rule 2.7 announcement (including advisor, due diligence and valuation fees) were £2,041,248 of which £1,729,925 was accrued and unpaid at 31 December 2023 based on levels of work in progress (WIP). Since the end of 2023, further fees and costs of £3,199,420 have been recognised in 2024 of which £399,197 relates to the Managed Wind-Down and portfolio disposal. These fees exclude transaction costs which are explained in note 10.

**4c.Valuers fee**

Knight Frank LLP ("the Valuers"), external international real estate consultants, were appointed as valuers in respect of the assets comprising the property portfolio. The total valuation fees charged for the year amounted to £57,835 (2023: £75,524). Until the sale of the subsidiaries, the total valuation fee comprised a base fee for the ongoing quarterly valuation at an annual rate of 0.017 percent of the aggregate value of the property portfolio (paid quarterly), and a one-off fee on acquisition of an asset. Following the conclusion of the sale, the agreement with Knight Frank was novated and fees are now and initial £5,000 (excluding VAT) for the first valuation and £2,500 (excluding VAT) for each subsequent valuation undertaken.

The amount due and payable at the year-end amounted to £5,000 excluding VAT (2023: £18,665 excluding VAT).

**4d. Auditor's fee**

At the year-end date Deloitte LLP continued as independent auditor of the Company. The audit fees for the year amounted to £167,125 (2023: £192,700) and relate to audit services provided for the 2024 financial year; including £52,445 pertaining to the Group's share of fees relating to the subsidiaries. Deloitte LLP did not provide any non-audit services in the year (2023: nil).

**4e. Administration, secretarial and registrar fees**

On 19 December 2003 Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust") was appointed administrator, secretary and registrar to the Group. Following increased activity early 2024, a novated agreement with Northern Trust was agreed on 29 July 2024 – prior to this, Northern Trust was entitled to an annual fee, payable quarterly in arrears, of £65,000. From 1 August 2024 to 31 July 2025, Northern Trust are entitled to an annual fee of £95,670 subject to annual fixed RPI increases of 6.3% effective on the anniversary of 1 August. In addition, they were entitled to a fixed fee of £25,000 in addition to fees of £3,000 (subject to RPI uplifts) for assistance with each property disposal – replaced with a fee of £10,000 if multiple properties are sold in tranches. Finally, Northern Trust is also entitled to reimbursement of reasonable out of pocket expenses. Total fees and expenses charged for the year amounted to £136,262 (2023: £70,325). The amount due and payable at the year-end amounted to £116,946 (2023: £32,500).

**5. Finance income and costs**

| | 2024<br>£ | 2023<br>£ |
|---|---:|---:|
| Interest income on cash and cash equivalents | 649,889 | 92,178 |
| **Finance income** | **649,889** | **92,178** |
| | | |
| Interest expense on bank borrowings | 7,607,108 | 8,119,398 |
| Non-utilisation charges on facilites | 216,940 | 198,314 |
| Receipt on interest rate swap | - | (911,184) |
| Receipt on interest rate caps | (910,100) | (578,933) |
| Amortisation of premium paid for interest rate cap | 762,904 | 565,030 |
| Amortisation of arrangement costs (see note 14) | 244,517 | 253,594 |
| Finance lease interest | 33,768 | 49,289 |
| **Finance costs** | **7,955,137** | **7,695,508** |

Of the finance costs above, £1,959,463 of the interest expense on bank borrowings were accruals at 31 December 2023 and included in Trade and other payables. No such accruals existed at 31 December 2024 as the debt and associated accrued interest was settled via the disposal proceeds.

## 6. Taxation

### UK REIT Status

The Group migrated tax residence to the UK and elected to be treated as a UK REIT with effect from 1 January 2015. As a UK REIT, the income profits of the Group's UK property rental business were exempt from corporation tax as were any gains it makes from the disposal of its properties, provided they were not held for trading or sold within three years of completion of development. The Group was otherwise subject to UK corporation tax at the prevailing rate.

As the principal company of the REIT, the Company was required to distribute at least 90% of the income profits of the Group's UK property rental business. There are a number of other conditions that were also required to be met by the Company and the Group to maintain REIT tax status. These conditions were met in the period up until the Company disposed of its shareholding in the subsidiaries. Accordingly, deferred tax was not recognised on temporary differences relating to the property rental business.

Following the sale of the Group's subsidiaries on 29th November 2024 (including the investment property portfolio), the Group automatically left the UK REIT regime; one of the quantitative requirements for being a member of the UK REIT regime is that the qualifying property rental business must contain at least three separate properties. Prior to the sale, the Group consulted with their appointed tax advisors on implications of leaving the REIT regime.

The Company and its former Guernsey subsidiary had obtained exempt company status in Guernsey so that they were exempt from Guernsey taxation on income arising outside Guernsey and bank interest receivable in Guernsey. A reconciliation between the tax charge and the product of accounting profit multiplied by the applicable tax rate for the year ended 31 December 2024 and 2023 is as follows:

| | 2024<br>£ | 2023<br>£ |
|---|---:|---:|
| **Loss before tax** | **(42,839,090)** | **(8,267,901)** |
| Tax calculated at UK statutory corporation tax rate of 25% (2023*: blended rate of 23.5%) | (10,709,772) | (1,942,957) |
| Valuation loss in respect of Investment properties not subject to tax (pre-29th Nov) | 3,425,858 | 4,477,291 |
| UK REIT exemption on net income | (1,711,456) | (2,534,334) |
| Valuation loss in respect of Lant at Far Ralia post 29th Nov | 164,562 | - |
| Valuation loss in respect of sale of Subsidiaries | 8,885,918 | - |
| **Current income tax charge** | **55,110** | **-** |

* Calculated as a blended average of 23.5% being 3 months at the prevailing 19%, and 9 months at 25%.

## 7. Investment Properties

| | UK<br>Industrial<br>2024<br>£ | UK<br>Office<br>2024<br>£ | UK<br>Retail<br>2024<br>£ | UK<br>Other<br>2024<br>£ | Total<br>2024<br>£ |
|---|---:|---:|---:|---:|---:|
| Market value at 1 January | 250,070,037 | 72,575,000 | 72,390,000 | 35,900,000 | 430,935,037 |
| Purchase of investment properties | - | - | - | - | - |
| Capital expenditure on investment properties | - | - | - | - | - |
| Opening market value of disposed investment properties | (29,700,000) | (15,350,000) | - | - | (45,050,000) |
| **Market value prior to sale of subsidiaries** | **220,370,037** | **57,225,000** | **72,390,000** | **35,900,000** | **385,885,037** |
| Opening market value of disposed investment properties | (220,370,037) | (57,225,000) | (72,390,000) | (35,900,000) | (385,885,037) |
| **Market value at 31 December** | **-** | **-** | **-** | **-** | **-** |
| **Carrying value at 31 December** | **-** | **-** | **-** | **-** | **-** |

Valuations have been performed by Knight Frank LLP, acting in the capacity of a valuation adviser to the AIFM, accredited external valuers with recognised and relevant professional qualifications and recent experience of the location and category of the investment properties being valued. The valuation model in accordance with Royal Institute of Chartered Surveyors ('RICS') requirements on disclosure for Regulated Purpose Valuations has been applied (RICS Valuation - Global Standards, which incorporate the International Valuation Standards). These valuation models are consistent with the principles in IFRS 13. Historically, an adjustment has also been made for lease incentives (2023: £9,248,902) and right of use assets (£1,810,120) in respect of the present value of future ground rents – however both are no longer relevant following the sale of the subsidiaries.

Valuation gains and losses from investment properties are recognised in the Consolidated Statement of Comprehensive Income for the period and are attributable to changes in unrealised gains or losses relating to investment properties held at the end of the reporting period.

| | UK Industrial 2023 £ | UK Office 2023 £ | UK Retail 2023 £ | UK Other 2023 £ | Total 2023 £ |
|---|---|---|---|---|---|
| Market value at 1 January | 227,525,000 | 88,450,000 | 53,550,000 | 39,150,000 | 408,675,000 |
| Purchase of investment properties | 4,367,140 | - | 19,619,261 | - | 23,986,401 |
| Capital expenditure on investment properties | 17,394,611 | 3,658,739 | 624,029 | 1,342 | 21,678,721 |
| Opening market value of disposed investment properties | (6,400,000) | - | - | - | (6,400,000) |
| Valuation loss from investment properties | 6,062,225 | (19,490,769) | (1,360,741) | (3,200,246) | (17,989,531) |
| Movement in lease incentives | 1,121,061 | (42,970) | (42,549) | (51,096) | 984,446 |
| **Market value at 31 December** | **250,070,037** | **72,575,000** | **72,390,000** | **35,900,000** | **430,935,037** |
| Investment property recognised as held for sale | (19,750,000) | (15,350,000) | - | - | **(35,100,000)** |
| **Market value net of held for sale at 31 December** | **230,320,037** | **57,225,000** | **72,390,000** | **35,900,000** | **395,835,037** |
| Right of use asset recognised on leasehold properties | - | 1,810,120 | - | - | 1,810,120 |
| Adjustment for lease incentives | (5,957,199) | (1,943,609) | (846,233) | (559,362) | (9,306,403) |
| **Carrying value at 31 December** | **224,362,838** | **57,091,511** | **71,543,767** | **35,340,638** | **388,338,754** |

In the Cash Flow Statement, proceeds from disposal of investment properties comprise:

| | 2024 £ | 2023 £ |
|---|---|---|
| Opening market value of disposed investment properties | 45,050,000 | 6,400,000 |
| Loss on disposal of investment properties | (2,063,652) | (279,090) |
| **Net proceeds from disposal of investment properties** | **42,986,348** | **6,120,910** |

**Valuation Methodology**

The fair value of completed investment properties were historically determined using the income capitalisation method.

The income capitalisation method is based on capitalising the net income stream at an appropriate yield. In establishing the net income stream the valuers reflected the current rent (the gross rent) payable to lease expiry, at which point the valuer assumed that each unit would be re-let at their opinion of ERV. The valuers made allowances for voids where appropriate, as well as deducting non recoverable costs where applicable. The appropriate yield was selected on the basis of the location of the building, its quality, tenant credit quality and lease terms amongst other factors.

The table below outlines the valuation techniques and inputs used to derive Level 3 fair values for each class of investment properties. The table includes:

- The fair value measurements at the end of the reporting period.
- The level of the fair value hierarchy (e.g. Level 3) within which the fair value measurements are categorised in their entirety.
- A description of the valuation techniques applied.
- Fair value measurements, quantitative information about the significant unobservable inputs used in the fair value measurement.
- The inputs used in the fair value measurement, including the ranges of rent charged to different units within the same building.

As noted above, all investment properties listed in the table below were categorised Level 3 and all are valued using the Income Capitalisation method.

| Country & Class 2023 | UK Industrial Level 3 | UK Office Level 3 | UK Retail Level 3 | UK Other Level 3 |
|---|---|---|---|---|
| Fair Value 2023 £ | 250,070,037 | 72,575,000 | 72,390,000 | 35,900,000 |
| Key Unobservable Input 2023 | Initial Yield<br>Reversionary yield<br>Equivalent Yield<br>Estimated rental value per sq ft | Initial Yield<br>Reversionary yield<br>Equivalent Yield<br>Estimated rental value per sq ft | Initial Yield<br>Reversionary yield<br>Equivalent Yield<br>Estimated rental value per sq ft | Initial Yield<br>Reversionary yield<br>Equivalent Yield<br>Estimated rental value per sq ft |
| Range (weighted average) 2023 | 0.00% to 8.97% (4.80%)<br>4.74% to 8.79% (6.55%)<br>5.28% to 8.30% (6.46%)<br>£4.75 to £10.25 (£7.04) | 4.56% to 10.51% (7.57%)<br>7.34% to 12.20% (10.33%)<br>7.04% to 9.98% (8.89%)<br>£15.79 to £45.94 (£27.08) | 6.03% to 9.12% (6.91%)<br>5.52% to 7.99% (6.22%)<br>5.76% to 9.91% (7.02%)<br>£0.00 to £30.61 (£11.35) | 5.40% to 9.30% (6.53%)<br>5.81% to 9.40% (6.52%)<br>5.58% to 9.21% (6.67%)<br>£6.50 to £20.00 (£14.49) |

**Descriptions and definitions**
The table above includes the following descriptions and definitions relating to valuation techniques and key observable inputs made in determining the fair values.

**Estimated rental value (ERV)**
The rent at which space could be let in the market conditions prevailing at the date of valuation.

**Equivalent yield**
The equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise or fall to ERV at the next review or lease termination, but with no further rental change.

**Initial yield**
Initial yield is the annualised rents of a property expressed as a percentage of the property value.

**Reversionary yield**
Reversionary yield is the anticipated yield to which the initial yield will rise (or fall) once the rent reaches the ERV.

The table below shows the ERV per annum, area per square foot, average ERV per square foot, initial yield and reversionary yield as at the Balance Sheet date.

| | 2024 | 2023 |
|---|---|---|
| ERV p.a. | £nil | £34,189,042 |
| Area sq.ft. | - | 3,503,840 |
| Average ERV per sq.ft. | £nil | £9.76 |
| Initial yield | N/A | 5.8% |
| Reversionary yield | N/A | 7.1% |

The table below presents the sensitivity of the valuation to changes in the most significant assumptions underlying the valuation of completed investment property.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Increase in equivalent yield of 50 bps | N/A | (31,373,168) |
| Decrease in rental rates of 5% (ERV) | N/A | (15,910,176) |

Below is a list of how the interrelationships in the sensitivity analysis above can be explained.

In both cases outlined in the sensitivity table the estimated Fair Value would increase (decrease) if:

- The ERV is higher (lower)
- Void periods were shorter (longer)
- The occupancy rate was higher (lower)
- Rent free periods were shorter (longer)
- The capitalisation rates were lower (higher)

**8. Land**

| | 2024 £ | 2023 £ |
|---|---|---|
| **Cost** | | |
| Balance at the beginning of the year | 9,595,555 | 8,061,872 |
| Additions | 2,300,154 | 2,154,160 |
| Government Grant Income receivable | (1,026,030) | (620,477) |
| **Balance at the end of the year** | **10,869,679** | **9,595,555** |
| | | |
| **Accumulated depreciation and amortisation** | | |
| Balance at the beginning of the year | (1,345,555) | (561,872) |
| Valuation gain/(loss) from land | 475,876 | (783,683) |
| **Balance at the end of the year** | **(869,679)** | **(1,345,555)** |
| | | |
| Projected sales costs (see note 25) | (165,000) | - |
| | | |
| **Carrying amount as at 31 December** | **9,835,000** | **8,250,000** |

**Valuation methodology**

The Land is held at fair value and is categorised Level 3. The Group appoints suitable valuers (such appointment is reviewed on a periodic basis) to undertake a valuation of the land on a quarterly basis, but going forward on a half yearly basis. The valuation is undertaken in accordance with the current RICS guidelines by Knight Frank LLP whose credentials are set out in note 7.

Additions represent costs associated with the reforestation and peatland restoration at Far Ralia. Grants are receivable from the Scottish Government for such costs. The conditions of the grant are deemed to be complied with on initial completion of work on the associated Work Areas identified under the Grant agreement. As at 31 December 2024, no grant income has yet been received, however, £1,646,507 (2023: £620,477) has been recognised in accordance with the Group's policy for grant recognition (see Note 2.3 C iv).

As noted in more detail in note 2.1, the current Annual Report & Accounts are not prepared on a going concern basis with the carrying value reduced by estimated costs of disposal and £165,000 has been recognised to write down the Land to its projected net realisable value. Further details are provided in note 25.

The valuation above is sensitive to movements in the underlying inputs – an increase in the growth rate of Carbon Prices per T/$CO_2$ (10% over base assumptions during an initial 26-year period) would result in an increase in valuation of £1.8m. Whereas a decrease in growth rates (10% during the same period) would result in a decrease in valuation of £1.7m.

**9. Investment Properties Held for Sale**

Following the sale of the subsidiaries on the 29 November 2024, the Group no longer held any investment properties baring its interest in the Land at Far Ralia. The Company is actively seeking a buyer for this site, however, for the purposes of these Financial Statements it has been elected not to classify these as Held for Sale as the Land has already been reclassified to Current Assets because the financial statements have been prepared on a basis other than that of a going concern.

As at 31 December 2023, the Group was actively seeking a buyer for several assets including its industrial assets Opus 9 in Warrington (sold March 2024 for £6.75m), Unit 5 Monkton Business Park in Hebburn (sold April 2024 for £5.3m) and Kings Business Park in Bristol (sold April 2024 for £7.9m). In addition, the Group was actively seeking a buyer of its office asset 15 Basinghall Street in London (sold March 2024 for £9.8m), and 101 Princess Street in Manchester (sold September 2024 for £4.3m).

In addition to the sales noted above, the Group also sold its industrial asset Bastion Point in Dover in August 2024 for a headline price of £9.5m.

**10. Investments in Limited Partnership and Subsidiaries**

The Company historically owned 100 per cent of the issued ordinary share capital of abrdn Property Holdings Limited, a company with limited liability incorporated and domiciled in Guernsey, Channel Islands, whose principal business is property investment. abrdn Property Holdings Limited, in turn, owned the entire issued share capital of a General Partner which held, through a Limited Partnership, a portfolio of UK real estate assets.

- abrdn Property Holdings Limited, a property investment company with limited liability incorporated in Guernsey, Channel Islands.
- abrdn (APIT) Limited Partnership, a property investment limited partnership established in England.
- abrdn APIT (General Partner) Limited, a company with limited liability incorporated in England, whose principal business is property investment.
- abrdn (APIT Nominee) Limited, a company with limited liability incorporated and domiciled in England, whose principal business is property investment.

On 29th November, the Company completed on the disposal of 100% of the share capital of abrdn Property Holdings Limited. The transaction included the disposal of the entire group of subsidiaries listed above. Following subsequent negotiations over the Completion Accounts, the final price paid by GoldenTree was £234.3m.

| | 2024<br>£ |
|---|---|
| Disposal of abrdn Property Holdings Limited | 234,298,743 |
| Less: transaction costs associated with the sale | (5,237,261) |
| **Net Proceeds** | **229,061,482** |
| | |
| Net Assets of disposal Group at date of sale (post completion account review) | 276,614,616 |
| Derecognition of Far Ralia (transferred to Company) | (10,000,000) |
| Derecognition of Accrued Grant Income for Far Ralia (transferred to Company) | (1,646,507) |
| Trade and Other Receivables transferred to Company | (505,296) |
| **Adjusted Net Assets of disposal Group** | **264,462,813** |
| | |
| **Loss on Disposal of Subsidiaries** | **35,401,331** |
| Reclassification of unrealised losses in Investment Portfolio to Realised Losses | 12,751,247 |
| **Realised Loss on Disposal of Subsidiaries** | **48,152,578** |

Included within the transaction costs associated with the sale, were £1,459,100 payable to the Investment Manager.

**11. Trade and other receivables**

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Trade receivables | 189,460 | 4,574,012 |
| Less: provision for impairment of trade receivables | (189,460) | (832,240) |
| **Trade receivables (net)** | **-** | **3,741,772** |
| | | |
| Rental deposits held on behalf of tenants | - | 299,124 |
| Accrued Grant Income (see Note 8) | 1,646,507 | 620,477 |
| Other receivables | 524,585 | 1,439,779 |
| **Total trade and other receivables** | **2,171,092** | **6,101,152** |

Reconciliation for changes in the provision for impairment of trade receivables:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Opening balance | (832,240) | (2,137,972) |
| (Charge)/Credit for the year | (110,725) | 213,048 |
| Reversal for amounts written-off | 369,386 | 1,092,684 |
| Derecognition on disposal of subsidiaries | 384,119 | - |
| **Closing balance** | **(189,460)** | **(832,240)** |

The estimated fair values of receivables are the discounted amount of the estimated future cash flows expected to be received and approximate their carrying amounts.

Amounts are considered impaired when it becomes unlikely that the full value of a receivable will be recovered. Movement in the balance considered to be impaired have been included in other direct property costs in the Consolidated Statement of Comprehensive Income. As at 31 December 2024, trade receivables of £189,460 (2023: £832,240) were considered impaired and provided for.

The ageing of these receivables is as follows:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| 0 to 3 months | (9,485) | (37,274) |
| 3 to 6 months | (18,299) | (81,350) |
| Over 6 months | (161,676) | (713,616) |
| | **(189,460)** | **(832,240)** |

If the provision for impairment of trade receivables increased by £1 million then the Company's earnings and net asset value would decrease by £1 million. If it decreased by £1 million then the Company's earnings and net asset value would increase by £1 million.

As of 31 December 2024, trade receivables of £nil (2023: £500,470) were less than 3 months past due but considered not impaired.

### 12. Cash and cash equivalents

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Cash held at bank | 3,807,736 | 6,337,101 |
| Cash held in abrdn Liquidity fund | 32,847,430 | - |
| Cash held on deposit with RBS | - | 316,737 |
| | **36,655,166** | **6,653,838** |

Cash held at banks earns interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the applicable short-term deposit rates. The abrdn Liquidity fund was £18.3bn in size at 31st December2024, had a weighted average maturity of 48 days and provided a Gross 30-day annualised yield of 4.87% in December.

### 13. Trade and other payables

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Trade and other payables | 6,860,858 | 7,023,461 |
| VAT payable | - | 656,894 |
| Deferred rental income | - | 6,038,976 |
| Rental deposits due to tenants | - | 299,124 |
| | **6,860,858** | **14,018,455** |

Trade and other payables are recognised at amortised cost. Trade payables are non-interest bearing and normally settled on 30-day terms.

### 14. Bank borrowings

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **Loan facility (including Rolling Credit Facility)** | **-** | **165,000,000** |
| | | |
| **Drawn down outstanding balance** | **-** | **141,874,379** |

The Groups £165m debt facility with Royal Bank of Scotland International ('RBSI') was transferred as part of the sale of the subsidiaries on 29 November 2024. At the time of the disposal, £28.3m of the RCF was drawn (31 December 2023 £56.9m) in addition to the term loan of £85m.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **Opening carrying value of expired facility as at 1 January** | **-** | **109,928,234** |
| Borrowings during the period on expired RCF | - | 25,000,000 |
| Repayment of expired RCF | - | (25,000,000) |
| Repayment of expired facility | - | (110,000,000) |
| Amortisation arrangement costs | - | 71,766 |
| **Closing carrying value of expired facility** | **-** | **-** |

| | | |
|---|---|---|
| **Opening carrying value of new facility as at 1 January** | **141,251,190** | **(804,297)** |
| Borrowings during the period on new RCF | 13,300,000 | 63,000,000 |
| Repayment of new RCF | (41,874,379) | (6,125,621) |
| New term loan facility | - | 85,000,000 |
| Elimination of RCF indebtedness on sale | (28,300,000) | - |
| Elimination of Term Loan indebtedness on sale | (85,000,000) | - |
| Eliminate residual unamortised arrangement costs on sale | 377,952 | - |
| Amortisation arrangement costs | 244,517 | 181,828 |
| **Closing carrying value** | **-** | **141,251,910** |

| | | |
|---|---|---|
| **Opening carrying value of facilities combined as at 1 January** | **141,251,910** | **109,123,937** |
| **Closing carrying value of facilities combined** | **-** | **141,251,910** |

| | | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| Amortisation of arrangement costs (expired facility) | | - | 71,766 |
| Amortisation of arrangement costs (new facility) | | 244,517 | 181,828 |
| | See Note 5 | **244.517** | **253,594** |

| **Analysis of movement in net debt** | **Cash and cash equivalents<br>£** | **Interest-bearing loans<br>£** | **2024 Net debt<br>£** | **Cash and cash equivalents<br>£** | **Interest-bearing loans<br>£** | **2023 Net debt<br>£** |
|---|---|---|---|---|---|---|
| **Opening balance** | **6,653,838** | **(141,251,910)** | **(134,598,072)** | **15,871,053** | **(109,123,937)** | **(93,252,884)** |
| Cash movement | 32,851,922 | 28,574,379 | 61,426,301 | (9,217,215) | (31,874,379) | (41,091,594) |
| Elimination on sale | (2,850,594) | 112,922,048 | 110,071,454 | - | - | - |
| Amortisation of arrangement costs | - | (244,517) | (244,517) | - | (253,594) | (253,594) |
| **Closing balance** | **36,655,166** | **-** | **36,655,166** | **6,653,838** | **(141,251,910)** | **(134,598,072)** |

All loan covenants were met during the year ended December 2024 and prior to the sale of the subsidiaries, further details relating to covenants have not been provided as they were complied with during the year and there were no covenants at the year-end.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Loan amount | - | 141,874,379 |
| Cash | - | (6,653,838) |
| | - | 135,220,541 |
| Investment property valuation/Land | 10,000,000 | 439,185,037 |
| **LTV percentage** | **N/A** | **30.8%** |

The loan facility was secured by fixed and floating charges over the assets of the Company and its wholly owned subsidiaries, abrdn Property Holdings Limited and abrdn (APIT) Limited Partnership.

**15. Interest rate Swap and Cap**

In order to mitigate any interest rate risk linked to their debt facilities, the Group's policy was to manage its cash flow using hedging instruments. The following hedging instruments were effective during the year:

**15a Historic Interest Rate Swap**

The Group had previously taken out an interest rate swap of a notional amount of £110,000,000 with RBS as part of a refinancing exercise in April 2016. The interest rate swap effective date was 28 April 2016 and had a maturity date of 27 April 2023. Under the swap the Company agreed to receive a floating interest rate linked to SONIA and pay a fixed interest rate of 1.35%.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Opening fair value of interest rate swaps at 1 January | - | 1,238,197) |
| Reclassification of interest accrual | - | (335,663) |
| Valuation (loss)/gain on interest rate swap | - | (902,534) |
| Reclassified to Profit & Loss | - | - |
| **Closing fair value of interest rate swap at 31 December** | **-** | **-** |

**15b Interest Rate Cap**

Simultaneously to the breaking of the £85,000,000 swap, the Group agreed an interest rate cap against a notional amount of £85,000,000 (due to commence 27 April 2023) with a cap level (SONIA) set at 3.959%. The cost of purchasing this cap was £2,507,177 which would have expired in April 2026 at the same time as the loan facility.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **Opening fair value of interest rate cap at 1 January** | **1,408,781** | **2,550,469** |
| Net Change in fair value | (794,477) | (1,141,688) |
| Derecognition of Interest Rate Cap on disposal of subsidiary | (614,304) | - |
| **Closing fair value of interest rate cap at 31 December** | **-** | **1,408,781** |

The change in fair value of the interest rate cap comprises fair value changes and interest received, paid and accrued.

| | 2024 | | |
|---|---|---|---|
| | Cost of hedging | Cash flow hedge | Total |
| | £ | £ | £ |
| **Opening fair value** | **625,276** | **783,505** | **1,408,781** |
| Valuation (loss)/gain | (625,276) | 871,254 | 245,978 |
| Interest received | - | (1,040,455) | (1,040,455) |
| Net Change in fair value | (625,276) | (169,201) | (794,477) |
| **Closing fair value of interest rate cap at 31 December** | **-** | **614,304** | **614,304** |
| Less Closing Interest Accrual * | - | (82,903) | (82,903) |
| **Adjusted fair value of interest rate cap at 31 December** | **-** | **531,401** | **531,401** |
| Opening Adjusted fair value of interest rate cap at 1 January | 625,276 | 783,505 | 1,408,781 |
| **Valuation (loss)/gain recognised on Adjusted Valuation** | **(625,276)** | **(252,104)** | **(877,380)** |
| Net Change in fair value (as above) | (625,276) | (169,201) | (794,477) |
| Less Closing Interest Accrual (as above) * | - | (82,903) | (82,903) |
| **Valuation (loss)/gain recognised on Adjusted Valuation** | **(625,276)** | **(252,104)** | **(877,380)** |

| | 2024 | | |
|---|---|---|---|
| **Interest Rate Cap Reserves Reconciliation** | Cost of hedging reserve | Cash flow hedge reserve | Total |
| | £ | £ | £ |
| **Opening Reserve** | **(1,316,871)** | **570,245** | **(746,626)** |
| Valuation (loss)/gain recognised on Adjusted Valuation | (625,276) | (252,104) | (877,380) |
| Less Prior accrual | - | 213,260 | 213,260 |
| Amortisation of Premium (See Note 5) | 762,904 | - | 762,904 |
| **Valuation loss as recognised in Other Comprehensive Income** | **137,628** | **(38,844)** | **98,784** |
| Derecognition of residual premium | 1,179,243 | - | 1,179,243 |
| Derecognition of residual value | - | (531,401) | (531,401) |
| **Closing Reserve** | **-** | **-** | **-** |

* As the valuation of the interest rate cap includes a valuation attributable to the unsettled interest (due to 21st January) a separate accrual has not been recorded in the balance sheet. Instead, this represents a recycling of the change in Other Comprehensive Income for the Cash flow hedge to Finance Cost.

| | Cost of hedging £ | 2023 Cash flow hedge £ | Total £ |
|---|---|---|---|
| **Opening Value** | **1,779,151** | **771,318** | **2,550,469** |
| Valuation (loss)/gain | (1,153,875) | 377,860 | (776,015) |
| Interest received | - | (365,673) | (365,673) |
| Net Change in fair value | (1,153,875) | 12,187 | (1,141,688) |
| **Closing fair value of interest rate cap at 31 December** | **625,276** | **783,505** | **1,408,781** |
| Less Closing Interest Accrual * | - | (213,260) | (213,260) |
| **Adjusted fair value of interest rate cap at 31 December** | **625,276** | **570,245** | **1,195,521** |
| Opening Adjusted fair value of interest rate cap at 1 January | 1,779,151 | 771,318 | 2,550,469 |
| **Valuation (loss)/gain recognised on Adjusted Valuation** | **(1,153,875)** | **(201,073)** | **(1,354,948)** |
| Net Change in fair value (as above) | (1,153,875) | 12,187 | (1,141,688) |
| Less Closing Interest Accrual (as above) * | - | (213,260) | (213,260) |
| **Valuation (loss)/gain recognised on Adjusted Valuation** | **(1,153,875)** | **(201,073)** | **(1,354,948)** |

| **Interest Rate Cap Reserves Reconciliation** | Cost of hedging reserve £ | 2023 Cash flow hedge reserve £ | Total £ |
|---|---|---|---|
| **Opening Reserve** | **(728,026)** | **771,318** | **43,292** |
| Valuation (loss)/gain recognised on Adjusted Valuation | (1,153,875) | (201,073) | (1,354,948) |
| Amortisation of Premium (See Note 5) | 565,030 | - | 565,030 |
| **Valuation gain as recognised in Other Comprehensive Income** | **(588,845)** | **(201,073)** | **(789,918)** |
| **Closing Reserve** | **(1,316,871)** | **570,245** | **(746,626)** |

The Interest associated with the cap recognised as an offset against Finance Cost is summarised below:

| | 2024 £ | 2023 £ |
|---|---|---|
| Interest received | 1,040,455 | 365,673 |
| Closing Interest Accrual | 82,903 | 213,260 |
| Less Interest Accrued from prior year | (213,260) | - |
| **Receipt on interest rate caps** (see Note 5) | **910,098** | **578,933** |

The spilt of the interest rate cap is listed below:

| | 2024 £ | 2023 £ |
|---|---|---|
| Current assets/(liabilities) | - | 849,110 |
| Non-current assets/(liabilities) | - | 559,671 |
| **Interest rate cap with a start date of 27 April 2023 maturing on 26 April 2026** | **-** | **1,408,781** |

## 16. Obligations under Finance Leases

| | Minimum lease payments 2023 £ | Interest 2023 £ | Present value of minimum lease payments 2023 £ |
|---|---|---|---|
| Less than one year | 52,450 | (49,202) | 3,248 |
| Between two and five years | 209,800 | (195,892) | 13,908 |
| More than five years | 5,140,100 | (3,347,135) | 1,792,965 |
| **Total** | **5,402,350** | **(3,592,229)** | **1,810,121** |

The above table shows the historic present value of future lease payments in relation to the ground lease payable at Hagley Road, Birmingham as required under IFRS 16. Following the disposal of the subsidiaries on 29 November, this Group is no longer exposed to ground leases. A corresponding asset was historically recognised and was part of Investment properties as shown in note 7.

## 17. Lease analysis

The Group had historically granted leases on its property portfolio. As at 31 December 2024, the Company no longer had active leases with tenants.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December were as follows:

| | 2024 £ | 2023 £ |
|---|---|---|
| Within one year | - | 27,137,392 |
| Between one and two years | - | 22,839,051 |
| Between two and three years | - | 19,036,836 |
| Between three and four years | - | 14,949,198 |
| Between four and five years | - | 12,718,074 |
| More than 5 years | - | 78,172,826 |
| **Total** | **-** | **174,853,377** |

As at the year-end, the Company had no tenants – in the prior year, the largest single tenant at the year-end accounted for 5.7% of the annual passing rent prevailing at the time.

## 18. Share capital

Under the Company's Articles of Incorporation, the Company may issue an unlimited number of ordinary shares of 1 pence each, subject to issuance limits set at the AGM each year. As at 31 December 2024 there were 381,218,977 ordinary shares of 1p each in issue (2023: 381,218,977). All ordinary shares rank equally for dividends and distributions and carry one vote each (as noted below, these shares no longer carry the right to vote on voluntary winding up of the Company). There are no restrictions concerning the transfer of ordinary shares in the Company, no special rights with regard to control attached to the ordinary shares, no agreements between holders of ordinary shares regarding their transfer known to the Company and no agreement which the Company is party to that affects its control following a takeover bid.

| Allotted, called up and fully paid: | 2024 £ | 2023 £ |
|---|---|---|
| Opening balance | 228,383,857 | 228,383,857 |
| Shares issued | - | - |
| **Closing balance** | **228,383,857** | **228,383857** |

**Redeemable Bonus Shares**

Following the disposal of the Group's subsidiaries on 29 November 2024, the Company issued to Shareholders a recommended proposal for adoption of a Redeemable Bonus Share Scheme to return capital to Shareholders as efficiently as possible. The proposal noted that each API Shareholder would receive 1 Redeemable Bonus Share for each API Share they held, which would then be immediately redeemed for a cash payment equal to the redemption price (noted as 52p). On 17 December 2024, Shareholders voted in favour of this motion and the redemption and cancellation of these shares occurred on 19 December 2024, with proceeds subsequently being returned to Shareholders on 24 December 2024.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Opening balance | – | – |
| Shares redeemed during the year | 198,233,868 | – |
| **Closing balance** | **198,233,868** | **-** |

**Winding Up Shares**

As previously announced, the Board intends that the Company is placed into voluntary winding up at an appropriate time with the exact timing of being dependent on a number of factors, which may include progress with the sale of Far Ralia. Placing the Company into Voluntary Winding Up would normally require the approval of Shareholders at the General Meeting. However, to prevent the need for a further General Meeting, and because Guernsey law does not allow liquidators to be appointed on a conditional basis, a proposal was put to Shareholders to amend the Company's Articles of Incorporation to allow for the creation and issue of a new class of share. The intention was for one such share to be issued at some point in the future to a director of the Company, with the share given the sole right to vote on the voluntary winding up of the Company; the proposal noted that the change to the articles would also remove the right of API ordinary shares to vote at such a meeting.

On 17 December 2024, Shareholders voted in favour of this motion however as at 31 December 2024 such a share has not yet been issued.

**Treasury Shares**

In 2022, the Company undertook a share buyback programme at various levels of discount to the prevailing NAV. In the period to 31 December 2024 no shares had been bought back (2023: nil) at a cost of £nil (2023: £nil) and are included in the Treasury share reserve.

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Opening balance | 18,400,876 | 18,400,876 |
| Bought back during the year | – | – |
| **Closing balance** | **18,400,876** | **18,400,876** |

The number of shares in issue as at 31 December 2024/2023 are as follows

| | 2024<br>Number of shares | 2023<br>Number of shares |
|---|---|---|
| Opening balance | 381,218,977 | 381,218,977 |
| Issue of Redeemable Bonus Share | 381,218,977 | – |
| Redemption / cancellation of Redeemable Bonus Shares | (381,218,977) | – |
| **Closing balance** | **381,218,977** | **381,218,977** |

**19. Reserves**

The detailed movement of the below reserves for the years to 31 December 2024 and 31 December 2023 can be found in the Consolidated Statement of Changes in Equity on page 40.

**Retained earnings**

This is a distributable reserve and represents the cumulative revenue earnings of the Group less dividends paid to the Company's shareholders.

**Capital reserves**
This reserve represents realised gains and losses on disposed investment properties and unrealised valuation gains and losses on investment properties and cash flow hedges since the Company's launch.

**Other distributable reserves**
This reserve represents the share premium raised on launch of the Company which was subsequently converted to a distributable reserve by special resolution dated 4 December 2003.

### 20. Earnings per share

Basic earnings per share amounts are calculated by dividing profit/loss for the year net of tax attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

The earnings per share for the year is set out in the table below.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Loss for the year net of tax | (42,894,200) | (8,267,901) |
| | **2024** | **2023** |
| Weighted average number of ordinary shares outstanding during the year | 381,218,977 | 381,218,977 |
| **Loss per ordinary share (pence)** | **(11.25)** | **(2.17)** |
| **Profit for the year excluding capital items (£)** | **7,011,154** | **10,824,203** |

### 21. Dividends and Property Income Distributions Gross of Income Tax

| Dividends 2024 | PID<br>pence | Non-PID<br>pence | Total<br>Pence | PID<br>£ | Non-PID<br>£ |
|---|---|---|---|---|---|
| Quarter to 31 December of prior year (paid in February) | 0.3980 | 0.6020 | 1.0000 | 1,517,252 | 2,294,938 |
| Quarter to 31 March (paid in May) | 1.0000 | - | 1.0000 | 3,812,190 | - |
| Quarter to 30 June (paid in August) | 0.4500 | 0.5500 | 1.0000 | 1,715,485 | 2,096,705 |
| Quarter to 30 September (paid in November) | 0.3000 | 0.7000 | 1.0000 | 1,143,657 | 2,668,533 |
| **Total dividends paid** | **2.1480** | **1.8520** | **4.0000** | **8,188,584** | **7,060,176** |
| Distribution on exiting REIT regime (paid after year end) | 3.0000 | - | 3.0000 | 11,436,569 | - |
| Prior year dividends (per above) | (0.3980) | (0.6020) | (1.0000) | (1,517,252) | (2,294,938) |
| **Total dividends for the year** | **4.7500** | **1.2500** | **6.0000** | **18,107,901** | **4,765,238** |

On 10 January 2025 a dividend of 3.0 pence per share was paid as a Property Income Distribution. This was in respect of the Group leaving the UK REIT regime and represented an initial payment to ensure 100% of all historic Property Income was fully distributed; while a member of the UK REIT regime, the Company was required to distribute at least 90% and this initial payment was representative of the accumulation of retained Property Income where the Company distributed between 90 and 100%.

| Dividends 2023 | PID pence | Non-PID pence | Total Pence | PID £ | Non-PID £ |
|---|---|---|---|---|---|
| Quarter to 31 December of prior year (paid in February) | – | 1.0000 | 1.0000 | – | 3,812,190 |
| Quarter to 31 March (paid in May) | 1.0000 | – | 1.0000 | 3,812,190 | – |
| Quarter to 30 June (paid in August) | 1.0000 | – | 1.0000 | 3,812,190 | – |
| Quarter to 30 September (paid in November) | – | 1.0000 | 1.0000 | – | 3,812,190 |
| **Total dividends paid** | **2.0000** | **2.0000** | **4.0000** | **7,624,380** | **7,624,380** |
| Quarter to 31 December of current year (paid after year end) | 0.3980 | 0.6020 | 1.0000 | 1,517,252 | 2,294,938 |
| Prior year dividends (per above) | – | (1.0000) | (1.0000) | – | (3,812,190) |
| **Total dividends paid for the year** | **2.3980** | **1.6020** | **4.0000** | **9,141,632** | **6,107,128** |

**22. Reconciliation of Audited Consolidated NAV to Unaudited Published NAV**

The NAV attributable to ordinary shares is published quarterly and is based on the most recent valuation of the investment properties.

| | 2024 | 2023 |
|---|---|---|
| Number of ordinary shares at the reporting date | 381,218,977 | 381,218,977 |

| | 2024 £ | 2023 £ |
|---|---|---|
| Total equity per audited consolidated financial statements | 30,363,831 | 298,078,443 |
| **NAV per share (p)** | **8.0** | **78.2** |
| **Published NAV per share (p)** | **8.0** | **78.4** |

The variance between the unaudited published NAV and audited consolidated NAV recorded in 2023 of 0.2p per share represents the recognition of fees associated with the strategic review and proposed merger, the identification of a backdated rent review post publication but agreed prior to year-end, and the recognition of accrued grant income not yet received.

**23. Related Party Disclosures**

**Directors' remuneration**

The Directors of the Company are deemed as key management personnel and received fees for their services. Total fees for the year were £389,757 (2023: £239,436) none of which remained payable at the year-end (2023: nil).

abrdn Fund Managers Limited, as the Manager of the Group from 10 December 2018, (formerly Aberdeen Standard Fund Managers Limited), received fees for their services as investment managers. Further details are provided in note 4.

| | 2024 £ | 2023 £ |
|---|---|---|
| Mike Balfour | 46,000 | 41,500 |
| Mike Bane | 40,000 | 37,000 |
| James Clifton-Brown | 55,000 | 50,000 |
| Jill May | 42,500 | 37,000 |
| Sarah Slater | 40,000 | 37,000 |
| One-off fee* | 110,000 | – |
| Employers' national insurance contributions | 41,746 | 23,735 |
| | **375,246** | **226,235** |
| Directors' expenses | 14,511 | 13,201 |
| | **389,757** | **239,436** |

* As noted in the Directors' Remuneration Report on page 28, each Director received a one-off fee of £20,000 with the Former Chair receiving £30,000 to partially reflect the additional work performed.

**Distributions from Subsidiaries**

While part of the Group, the Company received £21.1m by way of distributions from its immediate wholly owned subsidiary abrdn Property Holdings Limited (2023: £16.3m).

## 24. Segmental Information

The Board has considered the requirements of IFRS 8 'operating segments'. The Board is of the view that the Group is engaged in a single segment of business, being property investment and in one geographical area, the United Kingdom.

## 25. Non-Going Concern adjustment for estimated costs of disposal of property portfolio

As explained in note 2 the Group's financial statements are no longer prepared on a going concern basis. The Board have assessed the consequences of this and the decision made in May 2024 to realise the Group's portfolio of assets and return the proceeds to shareholders. The Board concluded that it was appropriate to accrue for the estimated costs of disposal and reduce the fair market value of investment property and land by this amount.

| | Investment Properties £ | Investment Properties Held for Sale £ | Land £ | Total £ |
|---|---|---|---|---|
| Market Value | - | - | 10,000,000 | 10,000,000 |
| Assumed average sales costs of 1.25% | - | - | (125,000) | (125,000) |
| Aberdeen disposal fee | - | - | (40,000) | (40,000) |
| Estimated disposal costs | - | - | (165,000) | (165,000) |
| **Carrying Value** | **-** | **-** | **9,835,000** | **9,835,000** |

The assumed rate of 1.25% in the table above represents the best estimate of a reasonable sales cost for Far Ralia. The Aberdeen disposal fee has been calculated in accordance with the terms of the revised IMA as explained in note 4a. As part of their consideration of adopting a basis other than that of a going concern, the Board have also considered the potential impact on comparatives. As noted below, as at 31st December 2023 5 assets valued at £35.1m were deemed 'held for sale' which would have been impaired by £579,150 (0.15p per share) if adopting a similar methodology; at the time, the remaining portfolio and Land were not held for sale.

| | Investment Properties £ | Investment Properties Held for Sale £ | Land £ | Total £ |
|---|---|---|---|---|
| Market Value | 395,835,037 | 35,100,000 | 8,250,000 | 439,185,037 |
| Assumed average sales costs of 1.25% | (4,947,938) | (438,750) | (103,125) | (5,489,813) |
| Aberdeen disposal fee | (1,583,340) | (140,400) | (33,000) | (1,756,740) |
| Estimated disposal costs | (6,531,278) | (579,150) | (136,125) | (7,246,553) |
| **Carrying Value** | **389,303,759** | **34,520,850** | **8,113,875** | **431,938,484** |

As detailed in note 2, the Investment portfolio (which consisted of the remaining portfolio following the disposal of 6 assets during 2024) was sold as a single transaction to GoldenTree Asset Management LP for a gross consideration of £351m. Due to the disposal occurring as a single transaction, cost savings were achieved, and the resultant disposal fees (recognised as part of the realised loss) were £5.2m and were accrued at year end and included within trade and other payables.

## 26. Commitments and Contingent Liabilities

The Company had no contracted capital commitments as at 31 December 2024 (31 December 2023: £2.4 million).

As discussed in note 4, following the Shareholder vote to place the Group into a Managed Wind-Down, a new agreement with the Investment Manager was signed effective 31 May 2024. As part of this agreement, the Investment Manager is entitled to an Incentive Fee payable following the sale of the final investment. This fee is only payable if the Gross Disposal Proceeds are equivalent to not less than 90% (£366,651,000) of the May 2024 Portfolio Value (£407,390,000) and all assets are disposed of prior to 28 November 2025.

Following the sale of the Group's subsidiaries on 29th November, the cumulative Gross Disposal Proceeds (which excludes Far Ralia) was £364,775,000. As such, if Far Ralia is sold prior to 28 November 2025 the Gross Disposal Price needs to be in excess of £1,876,000 for the Investment Manager to be entitled to a fee of 0.05% of the ultimate Gross Disposal Proceeds – increasing to 0.10% if sold prior to 28 May 2025. However, if there are delays in the sale of Far Ralia and the interest in the land is not sold until after the 28 November 2025 date, the Investment Manager would not receive any additional fee regardless of the value achieved.

| | Threshold £ | Valuation £ |
|---|---|---|
| Cumulative Gross Disposal Proceeds (to date) | 364,775,000 | 364,775,000 |
| Theoretical Gross Disposal Proceeds of Far Ralia | 1,876,000 | 10,000,000 |
| **Theoretical Gross Disposal Proceeds of May 2024 Portfolio** | **366,651,000** | **374,775,000** |
| | **Incentive Fee £** | **Incentive Fee £** |
| **Sold after 28 November 2025 (0.00%)** | **-** | **-** |
| **Sold prior to 28 November 2025 (0.05%)** | **183,326** | **187,388** |
| **Sold prior to 28 May 2025 (0.10%)** | **366,651** | **374,775** |

As detailed further in note 4a, the Investment Manager receives a Disposal fee of 0.4% of the Gross Disposal Price.

Given that the fee is dependent on the timing of the future sale of Far Ralia, neither the Disposal nor Incentive Fees have been accrued in the results as at 31 December 2024.

## 27. Events after the balance sheet date

### Dividends

On 10 January 2025 a dividend of 3.0 pence per share was paid as a Property Income Distribution representing the first payment out of the accumulated undistributed income of the Group's UK property rental business ("Property Income"). This accumulated income has arisen because historic PIDs have been between 90% (as required by REIT rules) and 100% of Property Income. The amount of the remaining undistributed Property Income is dependent on the completion of negotiations with GoldenTree and various recoveries from former tenants.

# **Alternative Performance Measures** (unaudited)

The Company used the following Alternative Performance Measures (APMs) until, following the sale of the Group's portfolio on 29 November 2024, focus changed to the ultimate distribution to shareholders. APM do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

Further details can be found in the Glossary on pages 74 to 75.

| **Dividend Cover** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| Earnings per IFRS Income Statement | (42,795,416) | (9,960,353) |
| Add back: | | |
| Unrealised losses on investment properties | - | 17,989,531 |
| Realised losses on investment properties | 2,063,652 | 279,090 |
| Realised loss on subsidiaries | 48,152,578 | - |
| Tax | 55,110 | - |
| Unrealised loss on land | (475,876) | 783,683 |
| Gains on cash flow hedge | (98,784) | 1,692,452 |
| Profit for dividend cover | 6,901,264 | 10,784,403 |
| Dividends paid in the year | 15,248,759 | 15,248,759 |
| **Dividend cover** | **45%** | **71%** |
| Add back non-recurring items: | | |
| Fees associated with strategic review and aborted merger | 2,800,223 | 1,729,925 |
| Fees associated with the managed wind-down | 399,197 | - |
| Adjusted Profit for dividend cover | 10,100,684 | 12,514,328 |
| **Dividend cover excluding non=recurring items** | **66%** | **82%** |

| **NAV Total Return** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| Opening NAV | 78.2 | 84.8 |
| Closing NAV | 8.0 | 78.2 |
| Movement in NAV | (70.2) | (6.6) |
| % Movement in NAV | (89.8%) | (7.8%) |
| Impact of reinvested dividends | 70.6% | 4.8% |
| **NAV total return** | **(19.2%)** | **(3.0%)** |

| **Share Price Total Return** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| Opening share price | 53.0 | 62.4 |
| Closing share price | 6.9 | 53.0 |
| Movement in share price | (46.1) | (9.4) |
| % Movement in share price | (87.0%) | (15.1%) |
| Impact of reinvested dividends | 112.6% | 6.9% |
| **Share price total return** | **25.6%** | **(8.2%)** |

| **Gearing** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| **Loan amount** | **-** | **141,874,379** |
| Total Assets | 48,661,258 | 456,053,931 |
| Less Derivative Cap | - | (1,408,781) |
| | **48,661,258** | **454,645,150** |
| **Gearing Ratio** | **-** | **31.2%** |

| **Loan to Value** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| Loan amount | – | 141,874,379 |
| Cash | (36,655,166) | (6,653,838) |
| | (36,655,166) | 135,220,541 |
| | | |
| Portfolio valuation (including Land) | 10,000,000 | 439,185,037 |
| **LTV percentage** | **N/A** | **30.8%** |

| **Ongoing Charges** | **31 December 2024 £** | **31 December 2023 £** |
|---|---|---|
| **Average NAV** | **229,423,778** | **313,684,524** |
| | | |
| Investment management fees | 1,399,114 | 2,632,225 |
| Other administration expenses | 4,704,605 | 2,866,667 |
| Other direct property expenses | 2,447,020 | 2,408,461 |
| Less: Fees associated with strategic review and aborted merger | (3,199,420) | (1,729,925) |
| Service charge billed to the Group in respect of void units | 1,037,936 | 1,470,241 |
| Finance lease interest | 33,768 | 49,289 |
| **Total ongoing charges** | **6,423,023** | **7,696,958** |
| As a % of average NAV | 2.8% | 2.5% |
| | | |
| **Total ongoing charges (as above)** | **6,423,023** | **7,696,958** |
| Less: Other direct property expenses | (2,447,020) | (2,408,461) |
| Less: Valuation Fees | (57,835) | (75,524) |
| Less: Finance Lease Interest | (33,768) | (49,289) |
| Less: Service charge billed to the Group in respect of void units | (1,037,936) | (1,470,241) |
| **Total ongoing charges less direct property expenses** | **2,846,464** | **3,693,443** |
| As a % of average NAV | 1.2% | 1.2% |

# ESG Performance

## Sustainability Performance

This section provides voluntary disclosures in relation to Streamlined Energy and Carbon Reporting (SECR) under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 and carbon metrics in line with the Taskforce for Climate-Related Financial Disclosures (TCFD). Previously, the Company voluntarily reported in full on SECR and TCFD recommendations. However, due to the wind-down of operations, full SECR and TCFD reporting has been discontinued.

## Explanatory notes on methodology

### Reporting Period

Sustainability data in this report covers the calendar years of 2023 and 2024.

### Emissions Calculation

Emissions are calculated in line with the GHG Protocol using UK Government location-based conversion factors. Scope 1 emissions include emissions from gas consumption and f-gas (refrigerant) losses where applicable. Scope 2 emissions are those from landlord consumption of purchased electricity.

### Normalisation

Net lettable area (NLA) is used as the denominator for all intensities reported in this section. This is the most appropriate choice for the Company's portfolio as it is the most widely available metric. It enables year-on-year comparisons within the portfolio to be made.

### Renewable Energy

In the reporting period, all landlord-procured electricity was from 100% renewable sources. Gas consumed was not from renewable sources.

### Absolute greenhouse gas emissions

For the purposes of Streamlined Energy and Carbon Reporting (SECR), total Scope 1 and 2 emissions are also summarised in the following table. Total Landlord Energy Consumption (kWh) used to calculate Scope 1 and 2 emissions is also outlined in the table below, and a breakdown of energy type is included in the Absolute Energy Consumption table above. Note that the Total Scope 1 and 2 Emissions reported below include emissions associated with refrigerant losses as well as energy consumption, for the years where there were reported refrigerant losses. Please note that data has been included back to 2019, which has been chosen as the baseline year for reporting (primarily given that it was not influenced by energy/carbon reductions associated with COVID-19 restrictions). Percentage change has been provided on a 2024 vs 2023 basis, and 2024 vs 2019 basis. Emissions intensity has increased over time due to the inclusion of landlord consumption associated with vacant units. It is important to include this data, given it forms part of the Company's Scope 1 and 2 emissions, but, when included in intensity calculations it has the effect of skewing the outcome at the portfolio level.

**SECR table - GHGs**

| Data Type (all figures absolute) | 2019 (EPRA) | 2020 (EPRA) | 2021 (EPRA) | 2022 (EPRA) | 2023 (EPRA) | 2024 (EPRA) | % Change 2024 vs 2023 | % Change 2024 vs 2019 |
|---|---|---|---|---|---|---|---|---|
| Total Scope 1/2 GHG Emissions (tCO2e) | 1,496 | 1,384 | 1,264 | 1,013 | 1,394 | 1,038 | -26% | -31% |
| Emissions Intensity (kgCO2e/m2 NLA) - Scopes 1&2 | 16.0 | 12.2 | 15.6 | 11.1 | 13.8 | 19.2 | 39% | 20% |
| Total Landlord Energy Consumption (kWh) | 6,401,310 | 6,211,751 | 6,055,022 | 5,201,407 | 7,108,476 | 7,108,476 | -25% | -17% |

## Taskforce for Climate Related Financial Disclosures (TCFD)

In support of our clients' own TCFD obligations, core TCFD metrics for the Fund for the 2024 period are disclosed in the below table.

| | 2024 |
|---|---|
| Total Scope 1 Emissions | 459 |
| Total Scope 2 Emissions | 578 |
| Total Scope 1 + 2 Emissions | 1,037 |
| Total floor area ($m^2$) - with associated Scope 1 & 2 emissions | 54,005 |
| Total GAV (£million) - with associated Scope 1 & 2 emissions | 81 |
| Scope 1 and 2 GHG Intensity (tCO2e/m2) | 0.019 |
| Scope 1 and 2 GHG Intensity (tCO2e/£M) | 13 |

### Sustainability certifications

Following the disposal of the subsidiary companies, the Group no longer has any investment properties in its portfolio as at year end. Historically, three assets in the portfolio had BREEAM ratings; 54 Hagley Road in Birmingham (BREEAM Rating: Very Good),The Pinnacle in Reading (BREEAM Rating: Excellent) and Glass Futures in St Helens (BREEAM Rating: Very Good).

## Social Indicators

### Health & Safety

Excluding the open moorland at Far Ralia, every asset in the portfolio was subject to a health and safety inspection during the reporting year, with no incidents of non-compliance with regulations identified.

### Community Engagement

Our community engagement activities are focused around community and charity engagement activities arranged by our property manager particularly at multi-let offices.

# Glossary

| | |
|---|---|
| **Annual rental income** | Cash rents passing at the Balance Sheet date. |
| **Average debt maturity** | The weighted average amount of time until the maturity of the Group's debt facilities. |
| **Break option** | A break option (alternatively called a 'break clause' or 'option to determine') is a clause in a lease which provides the landlord or tenant with a right to terminate the lease before its contractual expiry date, if certain criteria are met. |
| **Contracted rent** | The contracted gross rent receivable which becomes payable after all the occupied incentives in the letting have expired. |
| **Covenant strength** | This refers to the quality of a tenant's financial status and its ability to perform the covenants in a Lease. |
| **Dividend cover** | The ratio of the company's net surplus after tax (excluding capital items) to the dividends paid. Detailed calculation provided on page 70. |
| **Dividend yield** | Annual dividend expressed as a percentage of share price on any given day. |
| **Earnings per share (EPS)** | Surplus for the period attributable to shareholders divided by the weighted average number of shares in issue during the period. |
| **ERV** | The estimated rental value of a property, provided by the property valuers. |
| **Fair value** | Fair value is defined by IFRS 13 as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. |
| **Fair value movement** | Fair value movement is the accounting adjustment to change the book value of an asset or liability to its market value, and subsequent changes in market value. |
| **Financial resources** | Uncommitted cash balances plus undrawn element of revolving credit facility. |
| **Gearing ratio** | Calculated as gross borrowings (excluding derivative valuation) divided by total assets (less derivative valuations). The Articles of Association of the Company have a 65% gearing ratio limit (see page 70 for calculation). |
| **Group** | abrdn Property Income Trust Limited and its subsidiaries. |
| **IFRS** | International Financial Reporting Standards. |
| **Index linked** | The practice of linking the review of a tenant's payments under a lease to a published index, most commonly the Retail Price Index (RPI) but also the Consumer Price Index (CPI). |
| **Loan-to-value** | Calculated as net borrowings (gross borrowings less cash excluding swap valuation) divided by portfolio value. Swap valuations at fair value are not considered relevant in gearing calculations (see page 71 for calculation). |
| **MSCI** | An independent organisation supplying an expansive range of regional and global indexes, research, performance modelling, data metrics and risk analytics across direct property, listed and unlisted vehicles, joint ventures, separate accounts and debt. |
| **MSCI Benchmark** | Benchmark which includes data relevant to all properties held by funds included in the MSCI UK Quarterly Property Index. |
| **NAV** | Net Asset Value is the equity attributable to shareholders calculated under IFRS. |
| **NAV total return** | The return to shareholders, expressed as a percentage of opening NAV, calculated on a per share basis by adding dividends paid in the period to the increase or decrease in NAV. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs. Detailed calculation provided on page 70. |
| **Net initial yield (NIY)** | The net initial yield of a property is the initial net income at the date of purchase, expressed as a percentage of the gross purchase price including the costs of purchase. |
| **Ongoing Charges** | A measure, expressed as a percentage of the average NAV for a period, of the regular, recurring costs of running an investment company, calculated in line with industry methodology for ongoing charges. Such recurring costs include the investment managers fees, auditor's fees, director's fees and other such costs. Detailed calculation provided on page 71. |
| **Over-rented** | Space where the passing rent is above the ERV. |
| **Passing rent** | The rent payable at a particular point in time. |

| | |
|---|---|
| **Portfolio fair value** | The market value of the Group's property portfolio, which is based on the external valuation provided by Knight Frank LLP. |
| **Portfolio total return (including Portfolio capital return and Portfolio income return)** | Combining the Portfolio Capital Return (the change in property value after taking account of property sales, purchases and capital expenditure in the period) and Portfolio Income Return (net property income after deducting direct property expenditure), assuming portfolio income is re-invested. |
| **Portfolio yield** | Passing rent as a percentage of gross property value. |
| **Premium/Discount to NAV** | The difference between the share price and NAV per share, expressed as a percentage of NAV. Premium representing a higher share price compared to NAV per share, discount the opposite. |
| **Property Income Distribution** | UK REITs are required to distribute a minimum of 90% of the income from their qualifying property rental business. This distribution is known as a Property Income Distribution ("PID"). PIDs are taxable as UK property income in the hands of tax-paying shareholders. |
| **Rack-rented** | Space where the passing rent is the same as the ERV. |
| **REIT** | A Real Estate Investment Trust (REIT) is a single company REIT or a group REIT that owns and manages property on behalf of shareholders. In the UK, a company or group of companies can apply for 'UK-REIT' status, which exempts the company from corporation tax on profits and gains from their UK qualifying property rental businesses. |
| **Rent Collection** | The percentage of rents paid compared to the rents invoiced over a specified period. |
| **Rent free** | A period within a lease (usually from the lease start date on new leases) where the tenant does not pay any rent. |
| **Reversionary yield** | Estimated rental value as a percentage of the gross property value. |
| **Revolving Credit Facility ("RCF")** | A bank loan facility from which funds can be withdrawn, repaid and redrawn again any number of times until the facility expires. |
| **RICS** | The Royal Institution of Chartered Surveyors, the global professional body promoting and enforcing international standards in the valuation, management and development of land, real estate, construction, and infrastructure. |
| **Share price** | The value of each of the company's shares at a point in time as quoted on the Main Market of the London Stock Exchange. |
| **Share price total return** | The return to shareholders, expressed as a percentage of opening share price, calculated on<br>a per share basis by adding dividends paid in the period to the increase or decrease in share price. Dividends are assumed to have been reinvested in the quarter they are paid, excluding transaction costs. Detailed calculation provided on page 70. |
| **Void rate** | The quantum of ERV relating to properties which are unlet and generating no rental income. Stated as a percentage of total portfolio ERV. |

# Investor Information

## Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed abrdn Fund Managers Limited as its alternative investment fund manager and Citibank UK Limited as its depositary under the AIFMD.

The AIFMD requires abrdn Fund Managers Limited, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: www.abrdnpit.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 77.

## Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen or for third party firms. Aberdeen has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen and any third party making such offers/claims has no link with Aberdeen.

Aberdeen does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information and end the call.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at:
fca.org.uk/consumers/scams

## Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrar (see details on page 78).

Changes of address must be notified to the Registrar in writing. Any general queries about the Company should be directed to the Company Secretary in writing (see Contact Addresses) or by email to: property.income@aberdeenplc.com

## How to Invest in the Company

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for private investors, there are a number of online dealing platforms that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

### Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at: pimfa.co.uk

### Financial Advisers

To find an adviser who recommends on investment trusts, visit: unbiased.co.uk

### Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority at: fca.org.uk/firms/financial-services-register

## How to Attend and Vote at Company Meetings

Investors who hold their shares through a platform or share plan provider (for example Hargreaves Lansdown, Interactive Investor or AJ Bell) and would like to attend and vote at Company meetings (including AGMs) should contact their platform or share plan provider directly to make arrangements.

Investors who hold their shares through platforms and have their shares held through platform nominees, may not necessarily receive notification of general meetings and are advised to keep themselves informed of Company business by referring to the Company's website. Where voting is required, and the Board encourages shareholders to vote at all general meetings of the Company, shareholders with their holdings in nominees will need to instruct the nominee to vote on their behalf and should do so in good time before the meetings.

## Keeping You Informed

Information about the Company can be found on its website: www.abrdnpit.co.uk, including share price and performance data as well as London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the

Company issued by the Manager. Investors can receive updates via email by registering on the home page of the Company's website.

The Company's Ordinary share price appears under the heading 'Investment Companies' in the Financial Times. Details are also available at: invtrusts.co.uk

### Social Media

| | |
|---|---|
| LinkedIn: | Aberdeen Investment Trusts |
| X: | @AberdeenTrusts |
| Facebook: | Aberdeen Investment Trusts |
| YouTube: | @AberdeenInvestmentTrusts |

### Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Company's website.

### Retail Distribution

On 1 January 2014, the FCA introduced rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes (non-mainstream investment products). UK REITs are excluded from these restrictions therefore, the FCA's restrictions on retail distribution do not apply.

### Note

*Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested. As with all equity investments, the value of investment trust shares purchased will immediately be reduced by the difference between the buying and selling prices of the shares, known as the market maker's spread.*

*Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.*

### AIFMD Disclosures (unaudited)

The Manager and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website www.abrdnpit.co.uk. There have been no material changes to the disclosures contained within the PIDD since its most recent update in April 2025.

The periodic disclosures as required under the AIFMD to investors are made below:

Information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Strategic Report;

None of the Company's assets are subject to special arrangements arising from their illiquid nature.

The Strategic Report, note 3 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected. There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Manager.

All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy in respect of its reporting period ended 31 December 2023 is available on the website of Aberdeen PLC.

### Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

| | Gross Method | Committed Method |
|---|---|---|
| **Maximum level of leverage** | 400% | 250% |
| **Actual level at 31 December 2024** | 40% | 40% |

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

*The information on pages 76 to 77 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by abrdn Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority*

# Directors and Company Information

**Directors**
James Clifton-Brown *
Mike Balfour
Jill May *
Sarah Slater *
Mike Bane

* Retired on 31 December 2024

**Registered Office**
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

**Registered Number**
41352

**Administrator & Secretary**
**Northern Trust International Fund Administration Services (Guernsey) Limited**
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey GY1 3QL

**Registrar**
**Computershare Investor Services (Guernsey) Limited**
Le Truchot
St Peter Port
Guernsey GY1 1WD

**Investment Manager**
abrdn Fund Managers Limited
280 Bishopsgate
London
EC2M 4AG

**Independent Auditors**
Deloitte LLP
Regency Court
Glategny Esplanade
Guernsey GY1 3HW

**Depositary**
**Citibank UK Limited**
Canada Square, Canary Warf
London E14 5LB

**Property Valuers**
**Knight Frank LLP**
55 Baker Street
London W1U 8AN

**Solicitors**
**Dickson Minto** W.S.
16 Charlotte Square
Edinburgh EH2 4DF

**Addleshaw Goddard**
Milton Gate
60 Chiswell Street
London EC1Y 4AG

**Walkers (Guernsey) LLP**
Helvetia Court
St Peter Port
Guernsey GY1 1AR

**Broker**
**Winterflood Securities Limited**
The Atrium Building
Cannon Building
25 Dowgate Hill
London EC4R 2GA

**Principal Bankers**
**The Royal Bank of Scotland plc**
135 Bishopsgate
London EC2M 3UR

# Annual General Meeting

## Notice of the Annual General Meeting

Notice is hereby given that the Annual General Meeting of abrdn Property Income Trust Limited ('the Company') will be held at the offices of Aberdeen PLC, 1 George Street, Edinburgh EH2 2LL on 11 August 2025 at 10.00am, for the following purposes:

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

| | |
|---|---|
| 1 | To receive and approve the Annual Report and Consolidated Financial Statements of the Company for the year ended 31 December 2024. |
| 2 | To receive and approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) for the year ended 31 December 2024. |
| 3 | To receive and approve the Directors' Remuneration Policy |
| 4 | To approve the Company's dividend policy to continue to pay interim dividends. |
| 5 | To re-appoint Deloitte LLP as Auditor of the Company until the conclusion of the next Annual General Meeting. |
| 6 | To authorise the Board of Directors to determine the Auditor's Remuneration. |
| 7 | To re-elect Mike Bane as a Director of the Company. |
| 8 | To re-elect Mike Balfour as a Director of the Company. |

To consider and, if thought fit, pass the following resolutions as special resolutions:

9 To authorise the Company, in accordance with The Companies (Guernsey) Law, 2008, as amended to make market acquisitions of its own shares of 1 pence each (either for retention as treasury shares for future resale or transfer or cancellation) provided that;

a. the maximum number of ordinary shares hereby authorised to be purchased shall be 14.99 percent of the issued ordinary shares on the date on which this resolution is passed;

b. the minimum price which may be paid for an ordinary share shall be 1 pence;

c. the maximum price (exclusive of expenses) which may be paid for an ordinary share shall be the higher of (i) 105 percent of the average of the middle market quotations (as derived from the Daily Official List) for the ordinary shares for the five business days immediately preceding the date of acquisition and (ii) the higher of the last independent trade and the highest current independent bid on the trading venue on which the purchase is carried out; and

d. unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, prior to such expiry, enter into a contract to acquire ordinary shares under such authority and may make an acquisition of ordinary shares pursuant to any such contract.

10 That the Directors of the Company be and they are hereby generally empowered, to allot ordinary shares in the Company or grant rights to subscribe for, or to convert securities into, ordinary shares in the Company ("equity securities") for cash, including by way of a sale of ordinary shares held by the Company as treasury shares, as if any pre-emption rights in relation to the issue of shares as set out in the listing rules made by the Financial Conduct Authority under Part VI of the Financial Services and Markets Act 2000, as amended, did not apply to any such allotment of equity securities, provided that this power:

a. expires at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution or on the expiry of 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the power conferred hereby had not expired; and

b. shall be limited to the allotment of equity securities up to an aggregate nominal value of £381,219 being approximately 10 percent of the nominal value of the issued share capital of the Company, as at 30 April 2025.

**By Order of the Board**
For and on behalf of Northern Trust International Fund Administration Services (Guernsey) Limited

**Secretary**
**30 April 2025**

# Annual General Meeting

## Notes to the notice of Annual General Meeting

1. A form of proxy is enclosed with this notice. A Shareholder entitled to attend, speak and vote is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote at the Meeting. A proxy need not be a Shareholder of the Company. If you wish to appoint a person other than the Chair of the Meeting, please insert the name of your chosen proxy holder in the space provided on the enclosed form of proxy.

2. In the case of joint holders such persons shall not have the right to vote individually in respect of an ordinary share but shall elect one person to represent them and vote in person or by proxy in their name. In default of such an election, the vote of the person first named in the register of members of the Company tendering a vote will be accepted to the exclusion of the votes of the other joint holders.

3. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different ordinary shares. You may not appoint more than one proxy to exercise rights attached to any one ordinary share. To appoint more than one proxy you may photocopy the enclosed form of proxy. Please indicate the proxy holder's name and the number of ordinary shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of ordinary shares held by you). Please also indicate if the proxy instruction is one of multiple instructions given by you. All hard copy forms of proxy must be signed and should be returned together in the same envelope.

4. The form of proxy should be completed and sent, together with the power of attorney or authority (if any) under which it is signed, or a notarially certified copy of such power or authority, so as to reach Computershare Investor Services (Guernsey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 10.00am on 6 August 2025.

5. Completing and returning a form of proxy will not prevent a member from attending the Meeting in person. If you have appointed a proxy and attend the Meeting in person your proxy appointment will remain valid and you may not vote at the Meeting unless you have provided a hard copy notice to revoke the proxy to Computershare Investor Services (Guernsey) Limited, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 6.00pm on 6 August 2025.

6. To have the right to attend, speak and vote at the Meeting (and also for the purposes of calculating how many votes a member may cast on a poll) a member must first have his or her name entered on the register of members not later than 6.00pm on 6 August 2025. Changes to entries in the register after that time shall be disregarded in determining the rights of any member to attend, speak and vote at such Meeting.

7. The Directors' letters of appointment will be available for inspection for fifteen minutes prior to the Meeting and during the Meeting itself.

8. By attending the Meeting a holder of ordinary shares expressly agrees they are requesting and willing to receive any communications made at the Meeting.

9. If you submit more than one valid form of proxy, the form of proxy received last before the latest time for the receipt of proxies will take precedence. If the Company is unable to determine which form of proxy was last validly received, none of them shall be treated as valid in respect of the same.

10. A quorum consisting of one or more Shareholders present in person, or by proxy, and holding five percent or more of the voting rights is required for the Meeting. If, within half an hour after the time appointed for the Meeting, a quorum is not present the Meeting shall be adjourned for seven days at the same time and place or to such other day and at such other time and place as the Board may determine and no notice of adjournment need be given at any such adjourned meeting. Those Shareholders present in person or by proxy shall constitute the quorum at any such adjourned meeting.

11. The resolutions to be proposed at the Meeting will be proposed as ordinary and special resolutions which, to be passed, must receive the support of a majority (in the case of the ordinary resolutions) and not less than seventy five percent (in the case of the special resolutions) of the total number of votes cast for, or against, the ordinary and special resolutions

12. As at 30 April 2025, the latest practicable date prior to publication of this document, the Company's issued share capital comprised 381,218,977 Ordinary shares of 1p excluding shares were held in treasury. Accordingly, the total number of voting rights in the Company at 30 April 2025 was 381,218,977 shares.

13. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chair as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules.