EDISTON PROPERTY
INVESTMENT COMPANY PLC

Solid foundations

Annual Report and Accounts 2016

Ediston Property Investment Company is a UK-listed Real Estate Investment Trust (REIT) investing in commercial property throughout the UK. Our objective is to deliver to our shareholders an attractive level of income, coupled with the prospect of income and capital growth.

www.ediston-reit.com

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Our portfolio at a glance

THE YEAR IN NUMBERS

Portfolio value

£181.4m

Weighted average unexpired lease term

7.9 years

EPRA NAV total return

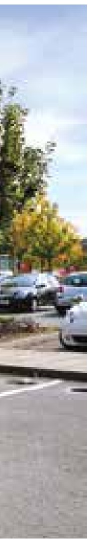
6.1%

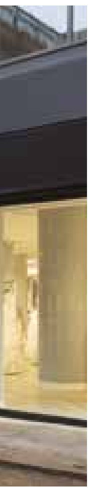
EPRA NAV per share

107.07p

HIGHLIGHTS

- EPRA vacancy rate down to 4.7%
- EPRA earnings per share of 5.90 pence
- Fully covered dividend
- Debt facility increased by £12.4 million to £52.4 million
- Acquired two properties for £41.4 million
- Company now fully invested





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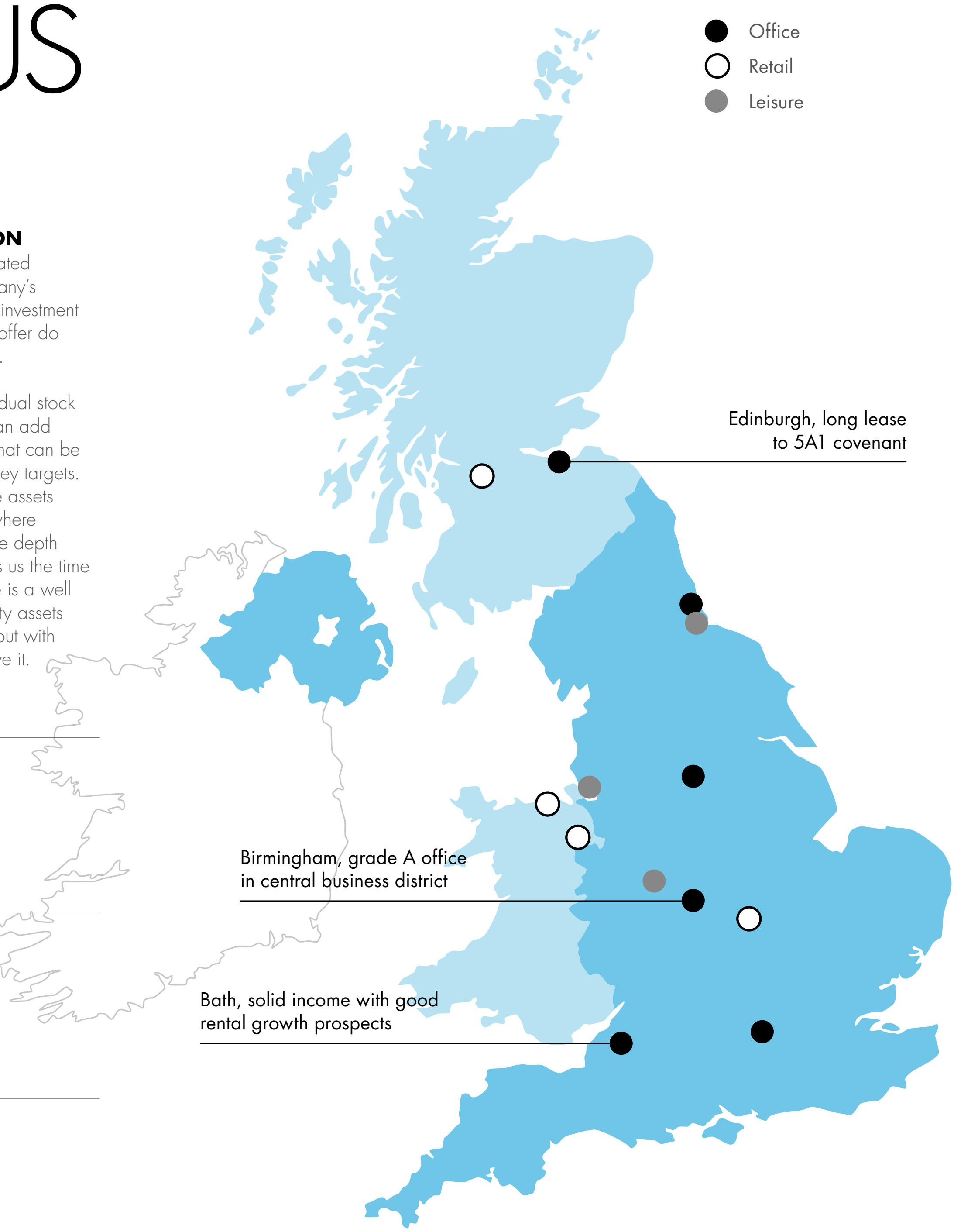
A diversified portfolio with income on solid foundations

At a Glance

In order to maximise portfolio returns within the risk framework set out in the prospectus, we select assets with a diverse range of tenants by industry, lease lengths and strong covenants across a range of geographical areas and sectors.

A REGIONAL FOCUS



CONSIDERED STOCK SELECTION

The portfolio contains properties located throughout the UK. While the Company's investment policy does not preclude investment in London, the current low yields on offer do not sit well with our focus on income.

In constructing the portfolio, at individual stock level we acquire assets where we can add value through management. Assets that can be enhanced to institutional grade are key targets. This gives us a pricing edge over the assets that are at that grade already and where pricing competition is the fiercest. The depth of our asset management team gives us the time to execute this strategy. The outcome is a well located, diversified portfolio of quality assets which offer a robust income stream but with opportunities to enhance and improve it.

NUMBER OF PROPERTIES

At 30 September 2016

13

PORTFOLIO VALUE

At 30 September 2016

£181.4m

CONTRACTED RENT

At 30 September 2016

£12.1m

OFFICES

Good quality offices, let to strong covenants with potential for rental growth.

Number of properties
6

Value
£104.2m

Contracted rent
£6.3m

KEY PROPERTY

145 MORRISON STREET, EDINBURGH

Sector weighted average unexpired lease term
8.61 years

RETAIL

A focus on well-let retail warehouse parks with solid income streams but with asset management angles.

Number of properties
4

Value
£67.0m

Contracted rent
£4.9m

KEY PROPERTY

PLAS COCH RETAIL PARK, WREXHAM

Sector weighted average unexpired lease term
7.35 years

LEISURE

Three bingo halls let to a national operator. Good income, with alternative use options.

Number of properties
3

Value
£10.2m

Contracted rent
£0.9m

KEY PROPERTY

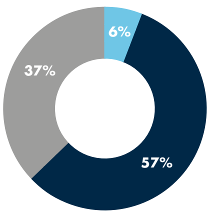
WARRIOR RETAIL PARK, HARTLEPOOL

Sector weighted average unexpired lease term
5.99 years

SECTOR EXPOSURE

At 30 September 2016

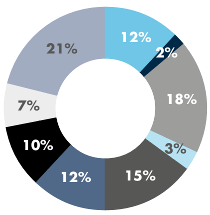
- Leisure
- Office
- Retail warehouse



REGIONAL EXPOSURE

At 30 September 2016

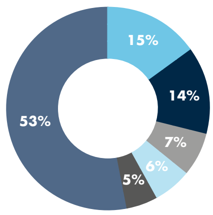
- North East
- North West
- West Midlands
- South West
- Scotland
- South East
- Yorkshire
- East Midlands
- Wales



TENANT EXPOSURE

At 30 September 2016

- B&Q plc
- Capita Business Services Ltd
- Ernst & Young LLP
- AXA Insurance UK plc
- Weightmans LLP
- Tenants less than 5%



Chairman's Statement

The Company has continued to make good progress, raising and investing new equity and achieving a fully covered dividend.

SOLID FOUNDATIONS

Dividend Cover

107.3%

EPRA NAV total return

6.1%

Dividends per share

5.50p

INTRODUCTION

The Company has continued to make good progress. The net asset value of the portfolio has increased during the year despite challenging market conditions. The dividend is now fully covered from increased net earnings and the Company is fully invested. It was particularly encouraging to have the Company's asset values hold up after the market uncertainties following the Brexit vote earlier in the summer.

It remains a leading objective of the Board to grow the Company's equity base. This will enable it to diversify the portfolio further, to increase liquidity in the Company's shares and, importantly, to capitalise on investment opportunities that play to the Investment Manager's investment style.

The disappointment has been that the share price has not been at a premium for long enough to enable new shares to be issued to continue the growth of the asset base. However, since the year end and post the September NAV announcement, the share price rating has improved allowing the Company to issue 500,000 new shares at 109.0 pence under its tap authority.

INVESTMENT PERFORMANCE

At the start of the latest reporting period the Company's EPRA net asset value (NAV) was recorded as £136.6 million and 106.49 pence per share. At 30 September this had risen to £137.3 million and 107.07 pence per share, generating a NAV total return of 6.1% for the year, taking into account the dividends paid. The return was delivered despite bearing the costs of two purchases in the first half of the year.

During the year the share price mostly traded in a relatively tight band around the stated NAV. At the start of the year it was at a 2.3% premium and at the year end a discount of 3.4%. After the referendum result, as the market tried to adjust to what the vote meant for property values, the share price moved to a discount to the published NAV (based on pre-Brexit pricing). The crisis in the daily-dealt open-ended real estate vehicles did not help market sentiment. Accordingly, the share price total return was minus 0.54% based on the share price at 30 September 2016. However, the market appeared to be unaware of the resilience of the Company's portfolio which was reflected in the NAV reported on 19 October 2016. At that point the share price responded positively between the end of September and the end of October.

Performance was enhanced by the Investment Manager adding value from several asset management initiatives. The most significant of these was the repositioning of the retail space at St Philips Point, Birmingham and the subsequent letting to David's Bridal. This contributed to the EPRA vacancy rate falling from 7.4% to 4.7% during the year. Asset management of the portfolio is shown in more detail within the Investment Manager's report.

INVESTMENT PURCHASES

The Company completed its investment programme with two purchases in the first half of the year. It acquired a retail park in Wrexham and an office property in Newcastle for £41.4 million. These are discussed in more detail on pages 14 and 15.

> Following the completion of the investment programme the Company has a clear strategy, a well-covered and attractive dividend, long term debt funding in place and a portfolio with opportunities to add value, managed by a well-resourced and creative asset management team. These are very solid foundations on which to build the Company.

DEBT AND CASH

The Board believes that it remains appropriate for the Company to have a capital structure with borrowings at 30% of gross asset value. The use of debt to supplement the investment of equity in the two acquisitions detailed above was therefore approved. The Board concluded that the extension of the existing debt facility with Aviva by £12.4 million was the most attractive means of achieving this. The blended cost of the £52.4 million aggregate debt held by the Company is 3.06%, which is fixed until the loan matures in 2025.

At the year end the Company had cash on the balance sheet of £10.0 million which will be retained for working capital and potential investment into asset management opportunities. Based on the gross asset value of the property portfolio at 30 September 2016 the loan-to-value ratio was 28.9%.

INVESTMENT PURCHASES AND STRATEGY

The investment strategy has been to acquire properties with an average yield in excess of 6.5%, with potential for income growth and/or value-add opportunities that could play to the management team's active asset management strengths.

The post-Brexit market is currently placing a premium on assets that are let to good covenants on long leases. Conversely investors are shying away from assets that might be exposed to letting risk over the next few years and in some situations over-discounting the risk. It is here that the knowledge advantage of the Investment Manager can bear fruit as positive asset management can convert some of these situations into more valuable cash flows, giving both an income and capital uplift for shareholders.

The increase in stamp duty makes switching assets expensive. However, the Board is encouraging the Investment Manager to look at potential sales of mature assets to fund new opportunities of the type described above if the return enhancement is sufficiently attractive. These types of situations would be especially attractive in the event that new capital was sourced.

DIVIDENDS

The Board is committed to continuing with monthly dividend payments. Total dividends for the year were 5.50 pence per share, including the dividend of 0.46 pence paid in October 2016. Payments were in line with that stated in the Prospectus, namely paying an annual running yield of 5.5%, based on the launch price of 100 pence per share. Based on the share price of 103.38 pence at 30 September the dividend yield was 5.3%.

As anticipated, the completion of the investment programme together with additional rental income generated in the portfolio resulted in the dividend being fully covered at the year end. For the financial year the dividend was 107.3% covered. The EPRA earnings per share were 5.90 pence.

GOVERNANCE

The Board has spent considerable time, with the Investment Manager, Secretary and Administrator, in constructing a strong review and compliance structure to support the current activities of the Company and to provide the support for growth. Part of this was the appointment of Ediston Investment Services Limited as AIFM, which was envisaged at the time of launch on the proviso they received regulatory approval. The approach taken to governance is detailed in the governance section of the report and accounts.

OUTLOOK

I am nervous about looking too far ahead given the recent unpredictability of events. However, I can say with confidence that property still looks attractive relative to bonds, especially in the context of an environment where interest rates are expected to remain low. It should therefore continue to be an important asset class for investors.

How investors choose to access property might be changing. The crisis with the open-ended daily-traded property funds in the aftermath of the Brexit vote emphasises the advantages that a closed-ended company has over these vehicles. In addition to the ability to trade out of a position without being gated, three return enhancing benefits are the ability to pay bigger dividends as cash is not required for liquidity, not paying a premium for stock that has to be realised on notice, and being able to gear. The increase in small investors on the share register suggests that these advantages are being noticed and this is an area we would like to encourage more interest from.

Given that 'known-knowns' can no longer be assumed as knowns, the unpredictability of events I referred to above is likely to lead to more short-term volatility in yields than normal. This may create some buying opportunities which we would like to exploit. However, timing a capital raise to take advantage of this will not be easy. The Board is therefore focussed on investing capital into the market over a period of time with the emphasis on getting stock selection right rather than trying to play a perfect market timing game. It is worth remembering that over the long term the greatest contribution to return is from income. In this context the Board believes that the Company should remain focussed on income generation and its policy of distributing that income as dividends.

Following the completion of the investment programme the Company has a clear strategy, a well-covered and attractive dividend, long term debt funding in place and a portfolio with opportunities to add value, managed by a well-resourced and creative asset management team. These are very solid foundations on which to build the Company.

William Hill
Chairman

Our Approach

Our approach is to add value at all stages of the investment process. Key to this is the expertise and skill-set of the team at our Investment Manager, with its generous ratio of experienced property professionals to assets.

WHAT MAKES US DIFFERENT

The Investment Manager has a strong track record of, and continued focus on, improving value through intensive and entrepreneurial asset management. We invest in the main UK commercial property sectors but without regard to a traditional property market relative-return benchmark.

RESOURCE-LED ASSET MANAGEMENT

The Investment Manager actively manages the portfolio through a detailed understanding of every asset we own, to identify, create and exploit opportunities to add value. This process starts in the pre-ownership stage, as we carry out detailed due diligence on the property to ensure we have a credible and implementable business plan to deliver positive asset performance.

TARGETED INVESTMENT

Our investment policy is not benchmark-driven. We seek to identify assets which are mispriced through a detailed analysis of risk and the property fundamentals combined with good knowledge of the local occupational market. We also target property which offers the opportunity to add value through active asset management.

A FOCUS ON UNLOCKING VALUE

The ability to unlock value is key to delivering superior returns. We have a well-resourced management platform, which seeks to identify value-adding opportunities for each asset. As a result of our Investment Manager's diverse skill-set, it is usual for more than one member of the team to be involved in implementing the agreed business plan.

Generally, we allocate three to six projects per surveyor to ensure that initiatives can be properly followed through to execution when an opportunity arises.

ANALYSIS OF RISK AND CASH FLOWS

With a thorough understanding of all aspects of the property we are acquiring, including the businesses which operate within it, we aim to know how our assets 'live and breathe', how they fit into the location and economic environment and what opportunities and risks exist beyond general market movements. Then it is about assessing the quality of and risks to the cash flow. Successful property investment is, in our opinion, about cash flow with the bricks and mortar no more than a physical envelope for businesses to operate from.

BREXIT: HOW THE MARKET REACTED

In the run-up to the EU referendum, everything was pointing to a 'remain' result. Financial markets rallied, most significantly sterling and equities, as the polls and bookmakers suggested a 'remain' result was going to occur.

On Friday 24 June 2016, the day the referendum result was confirmed, everything changed. Sterling suffered a record one-day fall against the dollar. A flight to safety saw the price of gold and other safe-haven assets, such as government bonds, rally. The yield on 10-year gilts fell below 1% for the first time and equity values slumped. Over $2 trillion was wiped off global equity markets on Friday 24 June, a bigger one-day loss than that which occurred following the collapse of Lehman Brothers in 2008.

In the immediate aftermath of the EU referendum result, the property sector experienced a period of volatility as the market reacted to the uncertainties of Brexit. This was exacerbated by the liquidity problems faced by the daily-dealt open-ended real estate vehicles, many of which were forced to close to manage redemptions and sell assets to increase cash levels. The lack of transactional evidence post-referendum resulted in property valuers adding a caveat to their reports as they could not fully gauge the effect of the Brexit decision by reference to transactions in the marketplace.

Property values were under downward pressure after the outcome of the vote, with commentators speculating on a 10% post-referendum adjustment. Encouragingly, a post-referendum market has now been established with transactions providing sufficient evidence for the Company's valuer to remove its post-referendum qualifications. It would also appear that over the quarter to 30 September, valuations have on average fallen less than was first feared. However, there has been a shift in investor behaviour to risk-off. As a consequence some low risk assets have increased in value and those with short leases, credit risk and voids have seen some significant mark downs.

What has become apparent following the referendum result is that there is still demand for UK real estate from a global investor base, and the real estate market is in an interesting phase. The volatility that will occur as the Brexit process proceeds will ensure attractive buying opportunities will continue to appear. A re-priced market in a sector which offers a good income return compared to other asset classes, combined with the Ediston style of asset management, make a compelling investment case.

AN EXPERIENCED MANAGEMENT TEAM

The Investment Manager has a wealth of experience in the real estate sector, with the team members possessing an average of 20 years' each. The senior Directors have significant institutional fund management experience; the rest of the team has strong property company and developer experience, covering all sectors of the UK market. The Investment Manager reports regularly to the Board of Directors, two of whom have experience in the UK real estate market.

From left to right:

Niall McLean
Asset Manager

Neelum Yousaf
Financial Controller

Calum Bruce
Investment Manager

Danny O'Neill
Chief Executive Officer

Business Model and Strategy

We aim to achieve our investment strategy by targeting 'core-plus' properties with a net yield, during the expected hold period, in excess of 6.5%. We seek assets offering opportunities to add value through implementing our entrepreneurial approach to asset management.

INTENSIVE AND ENTREPRENEURIAL ASSET MANAGEMENT

We look to acquire assets which we can improve to institutional-grade property. The investment policy is not to be rigidly benchmarked against any index. We believe it is more important to create a sustainable, diversified portfolio where each asset can ultimately offer strong and, potentially, improving cash flow.

MARKET KNOWLEDGE

Well-informed and connected Investment Manager with an extensive agency network.

ACQUISITION PROCESS

Detailed review of all aspects of the asset and legal due diligence.

- Form business plan pre-completion.
- Forensic cash flow analysis.
- Proposed business plan interrogated.

MAXIMISE PERFORMANCE

Business plan can be achieved by:

- Obtaining planning consents.
- Lettings and lease regears.
- Refurbishment and development.
- Being flexible, nimble and dynamic.

SALES

A very important part of the investment process.

- Regularly review returns.
- Keep on top of market sentiment and be aware of price potential.
- Ensure assets are properly prepared for sale.
- Exploit mispricing.
- Recycle capital.

SECTOR SPECIALISM

Understand tenants' needs and how our assets operate in their micro environments.

OUR STRATEGIC PRIORITIES

1 Income Growth

to support dividend payments to shareholders.

Progress in 2016
Further lettings of vacant space and regears of existing leases ahead of estimated rental value. Dividend is fully covered.

Targets for 2017
Aim to maintain the fully covered dividend and complete further lettings, rent reviews and regears to strengthen the Company's income stream.

2 Acquire properties

at a running yield in excess of 6.5% over the anticipated hold period for that property.

Progress in 2016
Two assets acquired in line with investment policy for £41.4 million at running yields ahead of stated target.

Targets for 2017
The Company is fully invested, but has a strategy for growth. Acquire further properties when additional equity is raised.

3 NAV Growth

per share of the Company.

Progress in 2016
Delivered an increase of 0.54% in the NAV per share, in a market which experienced turbulence as a result of political and economic events, most notably Brexit. Delivery of asset management initiatives contributed to NAV resilience.

Targets for 2017
Continued NAV growth through implementation of the Ediston style of asset management.

4 Reduce Voids

to minimise the vacancy rate across the portfolio.

Progress in 2016
Reduced EPRA vacancy rate from 7.4% to 4.7%.

Targets for 2017
Further reduction in the EPRA vacancy rate.

KEY PERFORMANCE INDICATORS

The Board uses a number of performance measures to monitor and assess the performance of the Company. The key performance indicators are as follows:

EPRA NAV total return

6.1%

EPRA NAV total return reflects both the growth in net assets as well as dividends paid to shareholders. The Board considers this the best overall measure of value delivered to shareholders.

Dividend per share

5.50 pence

A key objective is to provide an attractive and sustainable level of dividend to our shareholders. At each quarterly meeting the Board reviews the level of dividend per share, coupled with detailed financial forecasts, to ensure that this objective is being met and is suitable.

Premium/discount of share price to NAV

3.4% discount

Premium/discount of share price to NAV is monitored by the Board as it believes that long term investment performance is a key driver of the level of premium or discount achieved. However, it is recognised that there could be stock market volatility which can affect this.

Share price total return (share price at 30 Sept was 103.38 pence)

(0.5%)

Share price total return reflects both the growth in share price as well as dividends paid to shareholders. The Board considers this to be a good current measure of value that can be realised by shareholders.

EPRA vacancy rate

4.7%

EPRA Vacancy Rate measures the percentage of investment property space that is vacant, based on ERV. This vacancy rate is measured throughout the year and the Board ensures that the Investment Manager prioritises the Company's income.

Investment Manager’s Review

The Company’s portfolio has many defensive qualities including a robust income stream, but with a number of value-accretive asset management angles to exploit.

ROBUST PORTFOLIO, A COMPANY READY FOR GROWTH

2 properties acquired for

£41.4m

Portfolio value

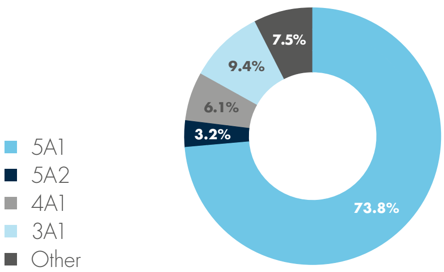
£181.4m

Weighted average unexpired lease term

7.9years

TENANT COVENANT PROFILE

D&B risk ratings of tenant income as a percentage of the portfolio income



During the period the Company has had to withstand both political and economic headwinds. However, the portfolio has proved to be resilient in the face of these challenges. The implications of Brexit have been highlighted on page 7, but the Company also had to absorb the valuation adjustment brought about by the increase in Stamp Duty Land Tax (SDLT) in March. In his March Budget statement, the Chancellor of the Exchequer unexpectedly increased the top rate of SDLT from 4% to 5%. This affected all properties in England, Wales and Northern Ireland (not Scotland). Property valuations were therefore adjusted downwards to reflect the higher acquisition costs to the buyer.

Despite these setbacks the Company’s assets have increased in value by 2.2% on a like-for-like basis over the year, and the portfolio has fared well in relative terms. It benefits from the majority of assets being in prime locations, coupled with good secure and above-average lease lengths. Some assets have very long leases to strong covenants giving very defensive qualities, resulting in valuation resilience in turbulent markets.

The portfolio has been assembled over the last two years with several assets having opportunities to add value. Our well-resourced asset management team has identified, implemented and successfully executed asset management opportunities, which have strengthened the income stream and pushed forward capital values at a time when the market was in decline.

Our approach to portfolio construction and the asset management activity has provided solid foundations off which the Company can grow.

OCCUPATIONAL MARKET

The occupational market has been relatively robust, albeit it is too early to tell what the full impact of Brexit might be. Rental growth has slowed over the course of 2016 and this is likely to continue during 2017. As a result, most commentators are revising down their rental growth forecasts. Firms could put hiring and investment intentions on hold, but not everyone has been deterred as we have seen many occupiers commit to new space. However, any changes which occur will not be universal but will be fragmented by geography and by sectors, with central London, where we are not currently invested, predicted to bear the brunt of Brexit. As a result of this, and with investors being more risk averse, new construction is likely to be muted. This will help maintain low vacancy rates in many markets.

PORTFOLIO VALUATION

The Company’s property portfolio is valued by Knight Frank on a quarterly basis throughout the year. As at 30 September 2016 it was valued at £181.4 million, compared to £136.4 million at end September 2015. This is an increase of 2.2% over the period, adjusting for new acquisitions. This is a positive result given the widespread market volatility witnessed following the Brexit vote.

In a further positive step, Knight Frank has removed its valuation caveat put in place post the Brexit vote. Market conditions have become clearer from a pricing visibility perspective which has prompted the removal of the caveat.

Property portfolio as at 30 September 2016

Location	Name	Sub-sector	Market Value Range (£)	Tenure
Birmingham	St Philips Point	Office – Rest of UK	25-30m	Freehold
Reading	Phoenix	Office – Rest of South East	20-25m	Freehold
Sheffield	Cutlers Gate	Office – Rest of UK	15-20m	Freehold
Newcastle	Citygate 2	Office – Rest of UK	15-20m	Leasehold
Edinburgh	145 Morrison Street	Office – Rest of UK	10-15m	Heritable
Bath	Midland Bridge House	Office – Rest of UK	0-5m	Freehold
Wrexham	Plas Coch Retail Park	Retail Warehouse	20-25m	Freehold
Coatbridge	B&Q	Retail Warehouse	15-20m	Heritable
Rhyl	Clwyd Retail Park	Retail Warehouse	15-20m	Freehold
Daventry	Abbey Retail Park	Retail Warehouse	10-15m	Leasehold
Telford	Mecca Bingo	Leisure	0-5m	Freehold
Liverpool	Mecca Bingo	Leisure	0-5m	Freehold
Hartlepool	Mecca Bingo	Leisure	0-5m	Freehold

FULLY COVERED DIVIDEND

We have worked hard over the period to ensure that our dividend is fully covered and aim to ensure it is fully covered going forward.

SUMMARY OF PURCHASES IN THE PERIOD

During the period two acquisitions were made for £41.4 million. The assets offer a solid income stream with the potential to add value. These are discussed in more detail on pages 14 and 15.

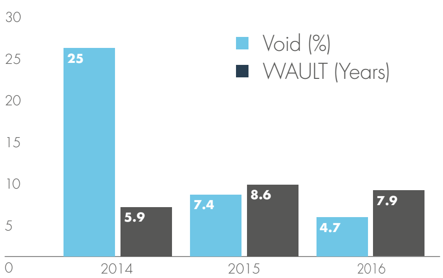
RISKS AND OUTLOOK

Whilst the market has stabilised to an extent and the economy appears to have weathered the initial negative sentiment surrounding the 'leave' vote, the economic environment is still uncertain and is likely to continue to impact on the real estate market.

A useful indication of the risks associated with real estate is the yield gap between UK gilts and property. Whilst UK gilt yields have increased, the gap between 10-year gilts and 'all-property' yields remains large and it looks unlikely that this will change in the short term. This provides support for current levels of property pricing. As discussed on page 7, a post-referendum property market has emerged and so far average values have held up reasonably well. This resilience is partly as a result of the global capital which still has an appetite for UK real estate and infrastructure. This demand has been fuelled by the depreciation of sterling post-referendum which, when coupled with the 'safe-haven' status of the UK and the yields on offer, makes property, but specifically the UK property market, an attractive place to invest.

Calum Bruce
Investment Manager

Void rate and weighted average unexpired lease term (WAULT) at 30 September 2016



COMPLIANCE WITH INVESTMENT RESTRICTIONS

Restriction	Measure	Limit	Status
'Other commercial' exposure	% of total assets	25%	✓
Single asset size	% of total assets	20%	✓
Speculative development	% of total assets	10%	✓
Development	% of total assets	10%	✓
Tenant exposure	% of total rental income	20%	✓
Gearing	Loan-to-value	30-35%	✓

Strategy in Action

There has been significant activity at St Philips Point, Birmingham, with new lettings and lease regears being completed with national and international occupiers.

ENHANCING OUR ASSETS

STRATEGIC PRIORITIES: 1 3 4

There has been good progress with both the office and retail elements of this multi-let property in Birmingham's central business district.

US retailer David's Bridal has leased all of the lower ground floor retail space which extends to 15,000 sq ft. The destination retailer will transform the shopping mall, which was mostly vacant when the asset was acquired. David's Bridal signed a 10-year lease at a rent of £225,000 per annum. The lease is on full repairing and insuring (FRI) terms and benefits from upwards-only rent reviews, based on annual RPI compounded and applied in year five, with an annual collar and cap of 1% and 3% respectively.

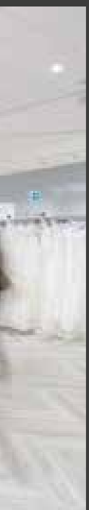
AXA Insurance plc, an existing office tenant, restructured its leases on the fourth to sixth floors and expanded its operation by leasing the vacant seventh floor. Each lease is for a term of 10 years with a five-year tenant break option. Post year end, AXA took further space, leasing the eighth floor until 2021. AXA now occupies 32,995 sq ft in the building.

This follows on from the success earlier in the year when Baker Tilly restructured their lease over the 14,465 sq ft second floor. The 'tenant-only' break option was removed, securing the income from this tenant until 2022.

All this activity has resulted in the property being 100% let. These deals illustrate the Company's style of asset management: unlocking value from redundant space, while transforming the retail offer, and building on relationships with existing tenants.

"Identifying the opportunities and having the expertise to execute them, as well as understanding the needs of our tenants, have been instrumental in delivering these deals and improving the quality of the cash flow.

Andy McKinlay
Director of Development



David's Bridal lease length

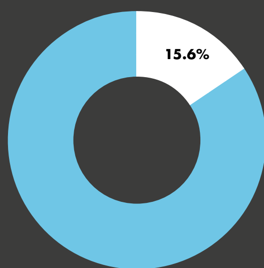
10 years

David's Bridal rent per annum

£225,000

Contracted rent at St Philips Point

£1,915,868



- St Philips Point value
- Remainder of property portfolio value

We continued the expansion of our property portfolio with the acquisition of two quality assets which ideally suit the Company's investment policy.

EXPANDING OUR PORTFOLIO

STRATEGIC PRIORITIES: 1 2 3

The Company's investment objective is to invest principally in the main UK commercial property sectors, without regard to a traditional property relative-return benchmark.

During the period we continued the growth of the Company by acquiring its twelfth and thirteenth assets, maintaining the focus on buying quality assets in the regions of the UK, which have the potential for both capital and income growth. The assets were sourced via our network of agents and principals and were ultimately acquired without the need for a competitive bidding process.

NEWCASTLE, CITYGATE

In January, a prime office building in Newcastle was acquired for £19.0 million, reflecting a net initial yield of 6.6%. The building provides 63,500 sq ft of modern office accommodation with 70 car parking spaces. It had a WAULT of c. six years on acquisition and is let to three tenants, EY, UNW (a leading independent firm of chartered accountants) and N+D (London) Limited, the latter guaranteed by Grainger plc. The investment benefits from upward-only rent reviews in 2017 and is well placed to benefit from the rental growth forecast to materialise in the city owing to the favourable supply-demand imbalance.

"These acquisitions continue our strategy of growing the Company in a credible manner by purchasing high-quality assets in line with the investment policy. We like to buy properties that offer a strong income stream which can be enhanced through our entrepreneurial style of asset management. These properties ideally fit the bill.

Calum Bruce
Investment Manager

Citygate purchase price

£19.0m

Net initial yield at purchase

6.6%

WREXHAM, PLAS COCH RETAIL PARK

In December 2015 this dominant retail park was bought for £22.4 million, reflecting a 6.5% net initial yield, which rose to 7.3% in February when a rent-free period expired. The well-located shopping park extends to 94,000 sq ft and is adjacent to Sainsbury's and Aldi. It is let to seven national tenants and at acquisition had a WAULT in excess of 10 years. The tenant line-up was enhanced shortly after purchase with TK Maxx relocating from Wrexham town centre to Plas Coch, reinforcing the attraction of the park to national brands.

The asset provides a secure income stream to the Company but has asset management angles to exploit. We are speaking with retailers and leisure operators who are seeking representation on the park and are working hard to secure the best possible occupiers.

Plas Coch Retail Park purchase price

£22.4m

Net initial yield at purchase

6.5%

Financial Review

It has been another active and successful year with the Company now delivering a fully covered attractive level of income, together with the prospect of income and capital growth for shareholders.

SECURE INCOME DELIVERING A FULLY COVERED DIVIDEND

Revenue profit
£7.6m

EPRA earnings per share
5.90p

Dividend per share
5.50p

EPRA NAV per share
107.07p

This report summarises the financial performance for the year and provides a number of statistics, illustrating how the Company is delivering on its objectives.

INCOME STATEMENT AND EARNINGS PER SHARE

The Company has had another year of strong financial results, both in terms of rental levels on properties acquired, but also on letting activity, helping to achieve a revenue profit before tax of £7.6 million. Rental income generated in the year was £11.3 million, inclusive of rent drawn under the rental guarantee agreement. Expenditure in the period was £2.2 million, including £0.2 million of property specific expenditure and £1.3 million related to the Investment Manager's fee. Net interest costs were £1.5 million.

The positive movement in the value of our investment properties was £0.2 million, which enabled the Company to report a total profit of £7.8 million.

RENT

Contracted rent was £12.1 million (2015: £8.6 million) per annum at the year end, with 12.4% of tenants currently enjoying a rent-free incentive. Rent-free periods as a percentage of contracted rent at the year end falls below 4.1% by June 2017. 87.3% (2015: 86.5%) of rent for the year was collected within seven days and 95.0% within 14 days.

	2016 £m	2015 £m
Rental income	11.3	5.9
Property expenditure	(0.2)	(0.0)
Net rental income	11.1	5.9
Administration expenses	(2.0)	(1.5)
Net financing costs	(1.5)	(0.4)
Revenue profit	**7.6**	**4.0**
Gain on revaluation of investment properties	0.2	8.9
Accounting profit after tax	**7.8**	**12.9**
EPRA earnings per share	**5.90p**	**4.15p**
Basic total earnings per share	**6.08p**	**13.43p**

As a result of a year passing, two acquisitions and letting activity, the WAULT has decreased to 7.9 years from 8.6 years in 2015. In addition the EPRA vacancy rate has reduced at the year end to 4.7%, from 7.4% in 2015. The portfolio continues to provide relatively long term stability to the Company's income. We continued to benefit this year from the rental guarantee agreement we received on acquiring the seed portfolio in 2014, but going forward this benefit has ended.

NET ASSET VALUE (NAV)

At 30 September 2016 our net assets were £137.3 million, equating to net assets per share of 107.07 pence compared to 106.49 pence in September 2015, resulting in positive year-on-year growth in the NAV of 0.54%. This is particularly pleasing given that there have been investment transaction costs, stamp duty land tax increased, and of course the general market turbulence from the Brexit vote.

The increase in net assets to £137.3 million can be summarised as follows:

NAV at 30 September 2015	£136.6m
Increase in value of investment properties (net of capital expenditure and transaction costs)	£0.2m
Net earnings in the year	£7.6m
Less dividends paid	(£7.1m)
NAV at 30 September 2016	**£137.3m**

The NAV is primarily represented by our investment properties, which have a fair value of £181.4 million at the year end. This is included in the financial statements as Investment Properties at £177.5 million, with the remainder relating to the incentive payment at Sheffield and included within the financial statements as trade and other receivables. The remaining £44.1 million of net liabilities is made up of: i) (£52.4 million) of debt; ii) £10.0 million of cash and cash equivalents; and iii) (£1.7 million) of net current liabilities.

DEBT

In January 2016 the existing debt facility was increased by £12.4 million to £52.4 million, by way of an amendment and restatement of the original facility. This debt supported the acquisition of two properties in the year. The blended cost of the £52.4 million of debt is now 3.06% which is fixed until the loan matures in 2025. Further details are included within Note 13 of the financial statements. At the year end the Loan to Value (LTV) was 28.9%, based on debt of £52.4 million and the fair value of investment properties of £181.4 million. The Board intends that gearing should be no greater than 30% at the time of drawdown of borrowings, to a maximum of 35%. This represents significant headroom against the relevant debt covenants.

EPRA PERFORMANCE MEASURES

As an EPRA member, we support EPRA's drive to bring parity to the comparability and quality of information provided to investors and other key stakeholders of this report. We have therefore included a number of performance measures below which are based on EPRA methodology. It should be noted that there is no difference between the Company's IFRS and EPRA NAV in this year's accounts.

Most of the ratios have improved this year as we continue to strengthen our portfolio, through acquisitions and asset management initiatives.

	2016	2015
EPRA earnings	**£7.6m**	£4.0m
EPRA earnings per share	**5.90p**	4.15p
EPRA NAV per share	**107.07p**	106.49p
EPRA cost ratio (including direct vacancy costs)	**20.0%**	24.7%
EPRA cost ratio (excluding direct vacancy costs)	**19.2%**	24.6%
EPRA net initial yield	**5.3%**	6.2%
EPRA topped up net initial yield	**6.2%**	6.3%
EPRA vacancy rate	**4.7%**	7.4%

CASH

As at 30 September 2016 the Company had cash and cash equivalents of £10.0 million.

DIVIDENDS

Two further assets have been acquired in the year that are accretive to delivering the initial target level of dividend of 5.50 pence per share per annum, with dividend cover for the year of 107.3%.

The Company is committed to monthly dividend payments. The Board has declared a dividend of 0.46 pence per share for the month of September which was paid in October 2016. Taking this last dividend with dividends paid to September 2016 of 5.04 pence, the total dividend for the year is 5.50 pence per share, calculated on the weighted average number of shares in issue during the year, in line with the targeted dividend policy set out in the prospectus. Taking the current level of monthly dividend, this equates to a dividend yield of 5.5%, based on the launch price in October 2014 of 100.0 pence, or 5.3% on the share price at the year end.

TAX

Owing to the Company's REIT status, income and capital gains from our property rental business are exempt from corporation tax, therefore, the tax charge for the year is nil.

We continue to pass all the REIT tests to ensure our REIT status is maintained.

OUTLOOK

Now that the current capital is fully invested, we project that dividends will be fully covered for the foreseeable future.

With our strengths in identifying properties with asset management potential, coupled with the long term security of our income, we are confident that we will continue to generate attractive returns for our shareholders, underpinned by rental growth and the skill of our Investment Manager in exploiting capital and income opportunities.

Rankin Laing
Finance Director, Ediston Properties Limited

Principal Risks

HOW WE MANAGE RISK

The successful management of risk is essential to ensuring that the Company delivers on its strategic priorities and aligns the Company's interests with our shareholders.

The Audit and Risk Committee recognises that there are risks and uncertainties that could have a material effect on our results. The principal risks facing the business, with their likelihood and impact and how the Company mitigates these, are:

STRATEGIC PRIORITIES

1. Income growth
2. Acquire at 6.5% running yield
3. NAV growth
4. Reduce voids

Risk	Impact	Controls and mitigation in place	Probability of occurring	Impact if occurred
INVESTMENT MANAGEMENT				
Lack of investment opportunities reducing the ability to acquire properties at the required return. **Poor investment decisions, incomplete due diligence and mis-timed investment of capital.** Link to strategy: 3	An inappropriate use of capital which hinders investor returns. Reduction in revenue profits impacting on cash flow and dividends.	Thorough due diligence and investment process with regular reviews of property performance against acquisition plan. Experienced Investment Manager who sources assets which meet agreed investment criteria. Investment Committee scrutinises and approves all proposed acquisitions. Comprehensive profit and cash flow forecasting which models the impact of property transactions at Company level.	Low	Medium
Over-exposure to a specific property, tenant, sector, geographic location or to lease expiries in a given year. Link to strategy: 3 4	Reduced liquidity resulting in a reduction in the capital value of investment properties. Tenant failure causing a material reduction in revenue profits impacting on cash flow and dividends.	Concentration limits are set by the Board and reviewed quarterly. The limits are monitored at all times by the Investment Manager. Board approval memorandums state whether there are any concentration issues.	Low	Medium
Ineffective active asset management of properties. Link to strategy: 1 4	High vacancy levels, low tenant retention, sub-optimal rental levels and break clauses exercised. Reduction in revenue profits impacting on cash flow and dividends.	Investment Manager is experienced in active asset management. Pro-active approach to key lease events. Letting and managing agents are also employed.	Low	Medium
FINANCIAL				
Non-Compliance with debt facilities. Link to strategy: 3	A substantial fall in property asset values or rental income levels could lead to a breach of financial covenants within the debt funding arrangements. This could lead to a cancellation of debt funding which could leave the Company without sufficient long term resources to meet its commitments.	Covenants are reviewed on a regular basis. Compliance certificates and reports are prepared on a quarterly basis by the Investment Manager then reviewed and signed by a Director. The Board intends to maintain gearing at 30% but will not exceed 35% of Company gross assets at drawdown.	Low	High

Risk	Impact	Controls and mitigation in place	Probability of occurring	Impact if occurred
ECONOMY/TAXATION/REGULATORY				
Weak economic and/or political environment. Link to strategy: 1 3 4	Lower occupational demand impacting on income, rental growth and capital performance.	To a large extent outwith our control. Although we know Brexit will happen, we do not yet understand how it will happen and the resulting impact. However, sensitivity analysis of the portfolio is undertaken via a comprehensive cash flow model.	Low	High
Non-compliance with laws and regulations. Link to strategy: 3	The Company is required to comply with REIT rules, the Listing Rules, Disclosure Guidance and Transparency Rules, IFRS accounting standards, AIC SORP and UK legislation.	Use experienced tax advisers, auditors, Investment Manager, Administrator and solicitors. Strong compliance culture with regular risk reviews undertaken by the Audit and Risk Committee.	Low	High
OPERATIONAL				
Health and Safety. Link to strategy: 3	Health and safety processes could fail leading to serious financial or reputational damage to the Company.	Insurance cover in place and insurers visit each property and undertake a risk assessment. The managing agent ensures all matters raised are dealt with promptly.	Low	High
Lack or failure of internal controls of the Investment Manager or Administrator.	The possibility of self review, human error and even fraud can occur.	Significant segregation of duties within the Investment Manager and Administrator as well as between them both, with oversight from the Depositary.	Low	High

After due consideration, the Board has concluded that there has been no change compared to last year to the probability or impact of any specific risk, albeit it is recognised there have been some changes to the controls and mitigation in the year.

The Strategic Report on pages 1 to 19 has been approved by the Board and is signed on its behalf by:

William Hill
Director
12 December 2016

Board of Directors

The Board comprises three Directors, all of whom are non-executive and independent of the Investment Manager. The Directors are responsible for the determination of the Company's investment policy and the overall supervision of the Company. The Directors are as follows:

William Hill

Chairman

William Hill qualified as a Chartered Surveyor with Drivers Jonas in 1985. He left in 1989 to join Schroders and became head of its real estate investment division in 1991. He successfully grew the business to over £10 billion of assets under management. He also established a number of new business lines including securing the mandate to manage the Schroder Real Estate Investment Trust, a listed investment company. William Hill resigned from this position in November 2013 to set up his own consultancy business. He is a past chairman of the Association of Property Unit Trusts, non-executive director of Mayfair Capital Property Investment Management Ltd and a member of the investment advisory boards of Ashby Capital LLP, Guy's and St Thomas' Charity and The Goldsmiths' Company. He is also Master of the Worshipful Company of Chartered Surveyors and chairman of the Chartered Surveyors Training Trust.

Robin Archibald

Nomination Committee Chairman

Robin Archibald has over 30 years' experience of working in the corporate finance and corporate broking industries, including roles with Samuel Montagu, SG Warburg Securities, NatWest Wood Mackenzie and Winterflood Investment Trusts, where he was head of corporate finance and broking from August 2004 to August 2013. He qualified as a chartered accountant with Touche Ross in 1983. Since the early 1990s, he has concentrated on advising on and managing transactions in the UK closed-ended funds sector and has gained a wide experience in fundraising, reorganisations and restructurings for all types of listed funds. Robin Archibald was a non-executive director and audit chairman of Albion Income and Growth VCT from September 2010 until November 2013, when the company merged with Albion Technology and General VCT PLC and he was appointed to the successor company board and as audit chairman. He was appointed as a non-executive director of Capital Gearing Trust plc in May 2015 and a non-executive director of Henderson European Focus Trust plc in March 2016. He has been Chairman of The Stewart Ivory Financial Education Trust since early 2015.

Robert Dick

Audit and Risk Committee Chairman

Robert Dick qualified as a member of The Institute of Chartered Accountants of Scotland (ICAS) in 1980 and has over 30 years' experience of working in the real estate industry. He joined CALA in 1985 when the company had a full London Stock Exchange listing and held several key executive and non-executive positions over a 23-year period, including serving as Group Finance Director for 10 years, Chairman of the group's property development business for eight years and a trustee of the group's pension scheme for 15 years including 11 years as Chairman. Robert Dick led the team which completed a successful MBO in 1999, delisting the company and taking it private. Since leaving CALA in 2008 he has worked with a number of businesses as investor, mentor and non-executive director. He was a member of the ICAS Council from 2009 to 2015 and chaired one of the ICAS Boards from 2009 to 2012.

	William Hill	Robin Archibald	Robert Dick
Date of Appointment	17 June 2014	17 June 2014	17 June 2014
Committee Membership	Audit and Risk Committee Management Engagement Committee (chairman) Investment Committee (chairman) Property Valuation Committee (chairman) Nomination Committee	Audit and Risk Committee Management Engagement Committee Investment Committee Property Valuation Committee Nomination Committee (chairman)	Audit and Risk Committee (chairman) Management Engagement Committee Investment Committee Property Valuation Committee Nomination Committee

Corporate Governance Statement

CHAIRMAN'S INTRODUCTION

The Board, which consists wholly of independent non-executive Directors, is committed to implementing high levels of corporate governance within the Company in order to safeguard the interests of its stakeholders; managing the risks that the Company faces; and ensuring the efficient and effective running of the Company. Sound governance is at the heart of the Board's efforts to ensure that the Company continues to meet the investment objective and policies to which shareholders subscribed.

The following statement reports on how the Board, supported by the Committees that it has established, has continued to achieve these aims over the course of the year. It has been guided by the best practice principles established by the Financial Reporting Council, which it has continued to adopt and, importantly for an investment company like ours, the code published by the Association of Investment Companies. The Board remains committed to maintaining a high quality Corporate Governance framework.

William Hill
Chairman

CORPORATE GOVERNANCE

The Board has considered the principles set out in the UK Corporate Governance Code (revised 2014), which can be found at www.frc.org.uk, and the Association of Investment Companies Code of Corporate Governance (the 'AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies (the 'AIC Guide'), both of which can be found at www.theaic.co.uk. The Company is a member of the Association of Investment Companies.

The UK Corporate Governance Code includes provisions relating to:
– the role of the chief executive;
– executive Directors' remuneration; and
– the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of 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 executive Directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Except for the above provisions, and the provision relating to the appointment of a Senior Independent Director discussed on the following page, the Company adhered throughout the year with the principles and recommendations of the AIC Code and complied with the relevant provisions of the UK Corporate Governance Code. The Company has not adopted the revisions to the UK Corporate Governance Code as published in April 2016, which will first apply to the Company for the year ending 30 September 2017.

INDEPENDENCE

The Board consists solely of non-executive Directors with William Hill as Chairman. All of the Directors are considered by the Board to be independent of the Investment Manager. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed. New Directors will receive an induction from the Investment Manager and the Administrator on joining the Board, and all Directors will receive other relevant training as necessary.

OPERATIONAL STRUCTURE

The basis on which the Group aims to generate value over the longer term is set out in its investment objective and investment policy as contained on pages 24 and 25.

A management agreement between the Company and the Investment Manager sets out the matters over which the Investment Manager has authority and the limits beyond which Board approval must be sought. All other matters, including investment and dividend policies, corporate strategy, gearing, corporate governance procedures and risk management, are reserved for the approval of the Board of Directors. The Board meets at least quarterly and receives full information on the Group's investment performance, assets, liabilities and other relevant information in advance of Board meetings.

Details of loan covenants are included in Note 13 to the Consolidated Financial Statements.

SENIOR INDEPENDENT DIRECTOR

In view of its non-executive nature, and the requirement of the Articles that all Directors retire periodically at least every three years, the Board considers that it is not appropriate for a Senior Independent Director to be appointed. The AIC Code notes that whilst there may be some advantages in the concept of investment companies nominating a separate Senior Independent Director, it may be appropriate for the chairman of the Audit Committee to fulfil this role.

REMUNERATION OF DIRECTORS

The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

BOARD AND DIRECTORS' PERFORMANCE APPRAISAL

During the year, the performance of the Board, Committees and individual Directors was evaluated through an assessment process led by the Chairman. The process was conducted through the completion of questionnaires tailored to suit the nature of the Company, discussions with individual Directors and individual feedback from the Chairman to each of the Directors. The evaluation of the Chairman was led by the Chairman of the Nomination Committee in consultation with the other Director.

The Board has established five committees: Audit and Risk, Management Engagement, Investment, Property Valuation and Nomination. Each of the Committees has written terms of reference which are reviewed at least annually and clearly define their responsibilities and duties. The terms of reference for these Committees are available on the Company's website and on request.

THE AUDIT AND RISK COMMITTEE

Robert Dick is the Chairman of the Company's Audit and Risk Committee which comprises the full Board. In discharging its responsibilities the Committee reviews the annual and half yearly accounts, the system of internal controls, the audit plan presented by the auditor and the terms of appointment and remuneration of the auditor. The Committee also considers the risks faced by the Company, including strategic, financial and operational risks, and will determine the principal risks faced by the Group and ensure appropriate mitigating controls are in place and are operating effectively. It is also the forum through which the auditor reports to the Board. The Audit and Risk Committee is expected to meet at least twice a year. The objectivity of the auditor will be reviewed by the Committee, which will also review the terms under which the external auditor is appointed to perform non-audit services. The Committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees.

THE MANAGEMENT ENGAGEMENT COMMITTEE

William Hill is the Chairman of the Company's Management Engagement Committee which comprises the full Board. The Committee review the appropriateness of the continuing appointment of the Investment Manager and other key service providers, together with the terms and conditions thereof on a regular basis.

THE INVESTMENT COMMITTEE AND THE PROPERTY VALUATION COMMITTEE

The Investment Committee and the Property Valuation Committee comprise the full Board and are both chaired by William Hill. The Investment Committee is responsible for authorising all purchases and sales within the Company's portfolio. The meetings are convened as investment opportunities arise and therefore frequency may fluctuate. The Property Valuation Committee is responsible for reviewing the quarterly independent property valuation reports produced by the valuer prior to their submission to the Board.

THE NOMINATION COMMITTEE

The Nomination Committee comprises all of the Directors and is chaired by Robin Archibald. The Board considers that, given its size, it would be unnecessarily burdensome to establish a separate Nomination Committee which did not include the entire Board and believes that this enables all Directors to be kept fully informed of any issues that arise.

The Committee is convened for the purpose of considering the appointment of additional Directors as and when considered appropriate. Any appointments to the Board are based on merit, but in considering appointments the Nomination Committee also takes into account the ongoing requirements of the Company.

The Articles require that Directors submit themselves for re-election at least every three years. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each Annual General Meeting.

APPOINTMENTS, DIVERSITY AND SUCCESSION PLANNING

All new appointments by the Board are subject to election by shareholders at the Annual General Meeting following their appointment. The Company's Articles of Association require all Directors to retire by rotation at least every three years.

The Board believes in the benefits of having a diverse range of skills and backgrounds, and the need to have a balance of experience, independence, diversity, including gender, and knowledge of the Company on its Board of Directors. All appointments will continue to be based on merit and therefore the Board is unwilling to commit to numerical diversity targets. As previously indicated, the Board intends to appoint another Director. The Board is making progress in reviewing directorial candidates, with the assistance of an external consultant, and expects to be able to report an appointment during the next financial year.

Attendance at the scheduled meetings throughout the year has been as below:

	Board		Audit and Risk Committee		Management Engagement Committee		Nomination Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
William Hill	5	5	5	5	2	2	3	3
Robert Dick	5	5	5	5	2	2	3	3
Robin Archibald	5	5	5	5	2	2	3	3

In addition to these scheduled meetings, there were a further 14 Board and Board Committee meetings during the year to deal with other matters.

GOING CONCERN

Under the UK Corporate Governance Code, the Board needs to consider whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. The Board continues to adopt the going concern basis and the detailed consideration is contained on page 44. The viability statement, under which the Directors assess the prospects of the Group over a longer period, is contained on page 29.

RELATIONS WITH SHAREHOLDERS

The Company seeks the views of its shareholders and places great importance on communication with them. The Board receives regular reports, from the Investment Manager and from the Corporate Broker, on the views of shareholders, and the Chairman and other Directors make themselves available to meet shareholders, when required, to discuss any significant issues that have arisen and to address shareholder concerns and queries.

Directors' Report

The Directors present their report and financial statements of the Group for the year to 30 September 2016. The Corporate Governance Statement on pages 21 to 23 forms part of their report.

RESULTS AND DIVIDENDS

The results for the year are set out in the financial statements on pages 40 to 62.

It is the policy of the Directors to declare and pay dividends as monthly interim dividends. The Directors do not therefore recommend a final dividend.

The interim dividends paid during the year were as follows:

	Payment date	Rate per share
Tenth interim dividend for the prior year	30 October 2015	0.4583p
First interim dividend	30 November 2015	0.4583p
Second interim dividend	31 December 2015	0.4583p
Third interim dividend	29 January 2016	0.4583p
Fourth interim dividend	29 February 2016	0.4583p
Fifth interim dividend	31 March 2016	0.4583p
Sixth interim dividend	29 April 2016	0.4583p
Seventh interim dividend	31 May 2016	0.4583p
Eighth interim dividend	30 June 2016	0.4583p
Ninth interim dividend	29 July 2016	0.4583p
Tenth interim dividend	31 August 2016	0.4583p
Eleventh interim dividend	30 September 2016	0.4583p

Since the year end, an interim dividend, of 0.4587 pence per share, was paid on 31 October 2016 and an interim dividend, of 0.4583 pence per share, was paid on 30 November 2016. A further interim dividend, of 0.4583 pence per share, will be paid on 30 December 2016 to shareholders on the register on 9 December 2016. It is the intention of the Directors that the Company will continue to pay dividends monthly and, in the absence of unforeseen circumstances, at the same rate as is currently being paid. A breakdown of the distributions paid analysed between Property Income Distributions ('PID's) and Non-PIDs (see glossary) are provided on page 63.

DIVIDEND POLICY

Subject to market conditions and the Group's performance, financial position and financial outlook, it is the Directors' intention to pay an attractive level of dividend income to shareholders on a monthly basis. Whilst not forming part of its investment policy, the Company is targeting the payment of monthly dividends at a rate of 0.4583 pence per share (which equates to a gross dividend yield of 5.5% per annum on the issue price of 100 pence of the shares at the Company's launch in October 2014).

PRINCIPAL ACTIVITIES AND STATUS

Ediston Property Investment Company plc (the Company) is registered as a public limited company in terms of the Companies Act 2006 (number: 09090446). It is an investment company as defined by Section 833 of the Companies Act 2006.

The Company and its subsidiary EPIC (No. 1) Limited (together 'the Group') is a closed-ended property investment group which was launched in October 2014. The Company has a single class of ordinary shares in issue, which are listed on the premium segment of the Official List and traded on the London Stock Exchange's Main Market. The Group follows the Real Estate Investment Trust (REIT) regime for the purposes of UK taxation.

The Company is a member of the Association of Investment Companies (AIC).

SUBSIDIARY COMPANY

The Company has a 100% interest in EPIC (No.1) Limited (number: 09106328), a property investment company, details of which are set out in Note 10 to the Consolidated Financial Statements. This company has been established to hold property investments and also holds the Group's loan facility.

INVESTMENT OBJECTIVE

The Company's investment objective is to provide shareholders with an attractive level of income together with the prospect of income and capital growth.

INVESTMENT POLICY

The Company pursues its investment objective by investing in a diversified portfolio of UK commercial properties.

The Group invests principally in three commercial property sectors: office, retail (including retail warehouses) and industrial, without regard to a traditional property market relative return benchmark.

The Group invests predominantly in income producing investments. Investment decisions are based on analysis of, inter alia, prospects for future income and capital growth, sector and geographic prospects, tenant covenant strength, lease length, initial and equivalent yields and the potential for active asset management of the property.

The Group does not invest in other investment companies or funds. However, the Group may hold property through special purpose vehicles and is permitted to invest in joint ventures which hold real estate directly. The Group is also permitted to forward fund purchases of properties on a pre-let or a non-pre-let basis and obtain options over properties.

Investment risk is spread through investing in a range of geographical areas and sectors, and through letting properties, where possible, to low risk tenants. Although the Group has not set any maximum geographic exposure or maximum weightings in any of the three principal property sectors, it may invest no more than 25% of total assets, at the time of investment, in other sectors such as leisure, residential, student residential, healthcare and hotels. Once the Group is fully invested (including drawdown of available debt facilities), no single property may exceed 20% of total assets at the time of investment. Speculative development (i.e. properties under construction which have not been pre-let) is restricted to a maximum of 10% of total assets at the time of investment or commencement of the development. Development, other than speculative development, is also restricted to a maximum of 10% of total assets at the time of investment or commencement of the development.

Once the Group is fully invested (including drawdown of available debt facilities), the Group is not permitted to acquire an investment if, as a result, income receivable from any one tenant, or from tenants within the same group (other than from central or local government), would in any one financial year exceed 20% of the total rental income of the Group for that financial year.

The Group is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

The Board currently intends that gearing, calculated as borrowings (less cash) as a percentage of the Group's gross assets, will not exceed 30% at the time of drawdown. In any event, gearing will not exceed a maximum of 35% at the time of drawdown.

Any material change to the investment policy will require the prior approval of shareholders.

RISK MANAGEMENT

Under the UK Corporate Governance Code, Directors of listed companies are required to confirm in the annual report that they have performed a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

The Group's risk register is the core element of the risk management process. The register is prepared, in conjunction with the Board, by the Administrator, Company Secretary and Investment Manager. The Audit and Risk Committee reviews and challenges the register on a quarterly basis, assessing the likelihood of each risk, the impact on the Group and the strength of controls operating over each risk. An assessment is also made as to whether any changes have occurred in the nature of the risks faced by the Company, or whether any new risks have arisen, to ensure that appropriate mitigating controls remain in operation.

The principal risks and uncertainties faced by the Group during the year ended 30 September 2016, together with the controls and mitigating factors, are set out on pages 18 and 19.

FINANCIAL RISK MANAGEMENT

Details of the financial risk management objectives and policies followed by the Directors can be found on pages 54 to 57.

KEY PERFORMANCE INDICATORS

The Board uses a number of performance measures to assess the Group's success in meeting its objectives. The key performance indicators are as follows:

- EPRA NAV total return;
- Dividend per share;
- Premium/discount of share price to NAV;
- Share price total return; and
- EPRA vacancy rate.

The Group's performance against the key performance indicators for the year under review is reported on page 9.

FUTURE DEVELOPMENTS

The likely future developments of the Company are contained in the Strategic Report on pages 1 to 19.

DIRECTORS

Biographical details of the Directors, all of whom are non-executive, can be found on page 20.

In the Annual Report and Accounts published in January 2016, the Directors indicated an intention to appoint another Director to the Board over the following twelve months. Being satisfied that it has the appropriate skills, experience and resources to do so, the Board has continued to focus on the Company's ongoing activities and ensured that the appropriate strategy, corporate governance and financial reporting frameworks are established and implemented. With the Group having continued to mature over the reporting year, the Directors have more recently turned their attention to identifying the additional skills, experience and qualifications that would be most beneficial to the Company. It is therefore expected that, following the recent appointment of an external recruitment consultant, a new Director will be appointed to the Board during 2017.

DIRECTORS continued

As stated in the Corporate Governance Statement on page 23, the Articles of Association require that each Director retire by rotation and be re-elected at least every three years. The Board has agreed that the Directors will adopt a staggered rotation of elections with at least one Director standing for re-election at each Annual General Meeting. Accordingly, Robin Archibald will retire at the Annual General Meeting and, being eligible, offers himself for re-election.

The Directors believe that the Board has an appropriate balance of skills, experience, independence and knowledge of the Company to enable it to provide effective strategic leadership and proper guidance of the Company. The Board confirms that, following the evaluation process set out in the Corporate Governance Statement on page 22, the performance of each of the Directors continues to be effective and demonstrates commitment to the role. The Board therefore believes that it is in the interests of shareholders that Robin Archibald, who retires by rotation, is re-elected.

DIRECTORS' DEEDS OF INDEMNITY

The Company has entered into deeds of indemnity in favour of each of the Directors. The deeds of indemnity give each Director the benefit of an indemnity, out of the assets and profits of the Company, to the extent permitted by the Companies Act 2006 and subject to certain limitations against liabilities incurred by each of them in the execution of their duties and exercise of the powers as Directors of the Company. A copy of each deed of indemnity is available for inspection at the Company's registered office during normal business hours and will be available for inspection at the Annual General Meeting.

INVESTMENT MANAGER

The Company's Investment Manager, pursuant to the Investment Managers' Delegation Agreement, is Ediston Properties Limited ('Ediston' or the 'Investment Manager'). Ediston is responsible for the day-to-day management of the Company and advises the Group on the acquisition of its investment portfolio and on the development, management and disposal of UK commercial assets in its portfolio.

On 24 February 2016, as envisaged at the time of the launch of the Company, Ediston Investment Services Limited was appointed by the Company, pursuant to the Investment Management Agreement, to be the Company's Alternative Investment Fund Manager (AIFM), under which it is responsible for overall portfolio management and compliance with the Group's investment policy, ensuring compliance with the requirements of the Alternative Investment Fund Managers Directive (AIFMD) that apply to the Company, and undertaking all risk management. Prior to 24 February 2016, R&H Fund Services (Jersey) Limited had been appointed as the AIFM. The appointment of Ediston Investment Services Limited as AIFM meant that the Company was also required to appoint a Depositary which further strengthens the corporate governance structure of the Group. The Depositary's oversight duties include, but are not limited to, oversight of share issues or buy backs, dividend payments and adherence to investment limits. The Company's Depositary is Augentius Depositary Limited.

The Investment Manager provides investment management and other services to the Group. Details of the arrangements between the Group and the Investment Manager in respect of management services are provided in Note 2 to the accounts.

The Board keeps the appropriateness of the Investment Manager's appointment under review. In doing so the Board reviews performance quarterly and considers the past investment performance of the Group and the capability and resources of the Investment Manager to deliver satisfactory investment performance in the future. It also reviews the length of the notice period of the investment management agreement and the fees payable to the Investment Manager, together with the standard of the other services provided. Following such review for the year ended 30 September 2016, the Directors are satisfied with the Investment Manager's ability to deliver satisfactory investment performance and the quality of other services provided. It is therefore their opinion that the continuing appointment of the Investment Manager on the terms agreed is in the interests of shareholders as a whole.

SUBSTANTIAL INTERESTS IN SHARE CAPITAL

As at 30 September 2016, the Company had received notification of the following holdings of voting rights (under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules):

	30 September 2016	
	Number of Ordinary Shares held	Percentage held*
Investec Wealth & Investment Limited	26,928,443	21.0**
Old Mutual plc	20,846,080	16.3**
Henderson Global Investors	15,000,000	11.7**
Architas Multi-Manager Limited	9,000,000	7.0
Momentum Global Investment Management Limited	8,648,147	6.7
AXA Investment Managers S.A.	8,000,000	6.2
Close Asset Management Limited	6,905,044	5.4
Quilter Cheviot Limited	6,500,000	5.1
Baillie Gifford & Co.	6,230,000	4.9

* Based on 128,263,931 Ordinary Shares in issue as at 30 September 2016.

** There were no individual corporate shareholders which were beneficially entitled to 10% or more of the share capital or of the distributions paid by the Company or which controlled 10% or more of the voting power in the Company.

Since the year end, the Company has been notified that Old Mutual plc has increased its holding to 21,911,804 Ordinary Shares (17.0%) and Investec Wealth & Investment Limited has reduced its holding to 25,739,928 (20.0%). There have been no other changes notified to the Company in respect of the holdings on the previous page, and no new holdings notified, since the year end.

CONFLICTS OF INTEREST

Under the Companies Act 2006 a Director must avoid a situation where he or she has, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The requirement is very broad and could apply, for example, if a Director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. The Company's Articles of Association give the Directors authority to approve such situations.

The Company maintains a register of Directors' conflicts of interest which have been disclosed and approved by the other Directors. This register is kept up-to-date and the Directors are required to disclose to the Company Secretary any changes to conflicts or any potential new conflicts.

OTHER COMPANIES ACT 2006 DISCLOSURES

- The Company's equity capital structure consists wholly of Ordinary Shares. Details of the share capital, including voting rights, are set out in Note 16 to the accounts. Details of voting rights are also set out in the Notes to the Notice of Annual General Meeting.
- Details of the substantial shareholders in the Company are listed on page 26.
- The rules for the appointment and replacement of Directors are contained in the Articles of Association of the Company. In respect of retiral by rotation, the Articles of Association provide that each Director is required to retire at the third Annual General Meeting after the Annual General Meeting at which last elected.
- Amendment of the Articles of Association and powers to issue and buy back shares require shareholder authority.
- There are no significant restrictions concerning the transfer of securities in the Company (other than certain restrictions imposed by laws and regulations such as insider trading laws); no agreements known to the Company concerning restrictions on the transfer of securities in the Company or on voting rights; and no special rights with regard to control attached to securities. Pursuant to the Company's loan facility, mandatory prepayment may be required in the event of a change of control of the Company; there are no other significant agreements which the Company is a party to that might be affected by a change of control of the Company following a takeover bid.
- There are no agreements between the Company and the Directors providing for compensation for loss of office that occurs because of a takeover bid.

RESOLUTIONS TO BE PROPOSED AT THE AGM

AUTHORITY TO ISSUE SHARES ON A NON-PRE-EMPTIVE BASIS

The Directors are seeking authority to allot new shares. Resolution 6 will, if passed, authorise the Directors to allot new shares up to an aggregate nominal amount of £141,090 or, if less, the aggregate nominal amount representing 10% of the issued shares at the date of the passing of resolution 6. This resolution would therefore authorise the Directors to allot up to 14,109,000 shares.

In accordance with the provisions of the Company's Articles of Association and the Listing Rules, the directors of a premium listed company are not permitted to allot new shares (or grant rights over shares) for cash at a price below the net asset value per share of those shares without first offering them to existing shareholders in proportion to their existing holdings. Resolution 7, which is a special resolution, seeks to provide the Directors with the authority to issue shares or sell shares held in treasury on a non-pre-emptive basis for cash (i.e. without first offering such shares to existing shareholders pro-rata to their existing holdings) up to an aggregate nominal amount of £141,090 or, if less, the aggregate nominal amount representing 10% of the issued ordinary share capital of the Company at the date of the passing of resolution 7.

The authorities granted under resolutions 6 and 7 will expire at the conclusion of the next Annual General Meeting of the Company after the passing of the resolutions, or on the expiry of 15 months from the passing of the resolutions, unless they are previously renewed, varied or revoked. It is expected that the Company will seek these authorities on an annual basis.

The authorities sought under resolutions 6 and 7 will only be used to issue shares at a premium to net asset value and only when the Directors believe that it would be in the best interests of the Company to do so.

AUTHORITY TO MAKE MARKET PURCHASES OF ORDINARY SHARES

Given the Company is currently in an investment phase, it is unlikely that the Directors will buy back any Ordinary Shares in the short term. Thereafter any buy back of Ordinary Shares will be subject to the Companies Act 2006 (as amended), the Listing Rules and within guidelines established by the Board from time to time (which take into account the income and cash flow requirements of the Company).

Resolution 8 will be proposed as a special resolution and seeks to provide the Directors with the authority to purchase up to 19,301,713 Ordinary Shares or, if less, the number representing approximately 14.99% of the Company's Ordinary Shares in issue at the date of the passing of resolution 8. Any shares purchased by the Company may be cancelled or held in treasury. The Company does not currently hold any shares in treasury.

This authority will expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless it is previously renewed, varied or revoked.

RESOLUTION TO APPROVE DIVIDEND POLICY

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay an attractive level of dividend income to shareholders on a monthly basis. In order to be able to continue paying a consistent dividend on a regular basis, and to ensure that sufficient distributions are made to meet the Company's REIT status, the Company intends to continue to pay all dividends as interim dividends. Recognising that this means that shareholders will not have the opportunity to vote on a final dividend, the Company will instead propose a non-binding resolution to approve the Company's dividend policy at the Annual General Meeting (resolution 5). The Directors expect that such non-binding resolution to approve the Company's dividend policy will be proposed annually.

DIRECTORS' REMUNERATION REPORT

The Directors' remuneration policy and annual report, which can be found on pages 34 to 36, provide detailed information on the remuneration arrangements for Directors of the Company. Included is the Directors' Remuneration Policy which shareholders approved at the last Annual General Meeting and which will again be put to shareholders at the Annual General Meeting in 2018. Shareholders will be asked to approve the Annual Report on Directors' Remuneration (resolution 2).

NOTICE PERIOD FOR GENERAL MEETINGS

Resolution 9 is being proposed to reflect the provisions of the Companies Act 2006 relating to meetings and the minimum notice period for listed company General Meetings being increased to 21 clear days, but with an ability for companies to reduce this period to 14 clear days (other than for Annual General Meetings), provided that the Company offers facilities for shareholders to vote by electronic means and that there is an annual resolution of shareholders approving the reduction in the minimum period for notice of General Meetings (other than for Annual General Meetings) from 21 clear days to 14 clear days. The Board is therefore proposing resolution 9 as a special resolution to ensure that the minimum required period for notice of General Meetings of the Company (other than for Annual General Meetings) is 14 clear days.

The approval will be effective until the earlier of 15 months from the passing of the resolution or the conclusion of the next Annual General Meeting of the Company when it is intended that a similar resolution will be proposed. The Board intends that this flexibility of a shorter notice period to be available to the Company will be used only for non-routine business and only where needed in the interests of shareholders as a whole.

AUDITOR

The Independent Auditor's Report can be found on pages 37 to 39. Grant Thornton UK LLP has indicated its willingness to continue in office with the Company and a resolution will be proposed at the Annual General Meeting to re-appoint it (resolution 3).

RECOMMENDATION

The Directors consider the passing of the resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its shareholders as a whole and likely to promote the success of the Company for the benefit of its shareholders as a whole. Accordingly, the Directors unanimously recommend that shareholders should vote in favour of the resolutions, as they intend to in respect of their own beneficial shareholdings amounting to 105,000 Ordinary Shares.

SOCIAL, COMMUNITY, EMPLOYEE RESPONSIBILITY AND ENVIRONMENTAL POLICY

The Directors recognise that their first duty is to act in the best financial interest of the Company's shareholders and to achieve good financial returns against acceptable levels of risk, in accordance with the objective of the Company.

The Investment Manager acquires and manages properties on behalf of the Group. It is recognised that these activities have both direct and indirect environmental impacts.

The Investment Manager is required to take into account the broader social, ethical and environmental issues around the investment properties. As a real estate investment trust with its current structure, the Company has no direct, social, community or employee responsibilities of its own. Further information on the Company's environmental disclosures is shown on the following page.

At 30 September 2016, there were three male Directors and, whilst there is no particular policy on the makeup of the Board, other than having collective competence to the task, the Board recognises the potential benefits of diversity on a Board. As a general principle, the Company will show no bias for age, gender, race, sexual orientation, marital status, religion, nationality, ethnic or national origins, or disability in considering the appointment of Directors.

SUSTAINABILITY

The Company has measured its greenhouse gas emissions (GHG) for the year to 30 September 2016. The GHG emissions for the year totalled 1,017 tCO_2e. In order to satisfy the mandatory carbon reporting requirements, the table below reports the Company's absolute Scope 1 and 2 emissions and their intensity based on floor area. The Company has also put in place measures to enable voluntary reporting for the year to 30 September 2016 of the Scope 3 emissions that are material to our business.

	Year to 30 September 2016		Year to 30 September 2015 (restated)	
GHG scope*	**Absolute GHG emissions (tCO_2e)**	**Absolute GHG intensity (tCO_2e/m^2)**	Absolute GHG emissions (tCO_2e)	Absolute GHG intensity (tCO_2e/m^2)
1	**185**	**0.009**	56	0.004
2	**741**	**0.038**	618	0.042
Gross emissions	**926**	**0.047**	674	0.046
3	**91**	**0.005**	–	–
Total	**1,017**	**0.052**	**–**	**–**

* Scope definitions:
Scope 1: Covers direct GHG emissions from controlled operations such as combustion in owned boilers.
Scope 2: Covers indirect GHG emissions from the use of purchased electricity, heat or steam.
Scope 3: Covers other indirect emissions, such as business travel, waste management and water, these were not calculated in the prior year.

GOING CONCERN

Under the UK Corporate Governance Code (the 'Code'), the Board needs to consider whether it is appropriate to adopt the going concern basis of accounting in preparing the financial statements. The detailed consideration is contained on page 44. Based on this information the Directors believe that the Company has the ability to meet its financial commitments for a period of at least 12 months from the date of approval of the accounts. For this reason they continue to adopt the going concern basis in preparing the accounts.

VIABILITY STATEMENT

In accordance with the Code, the Directors have also assessed the prospects of the Group over a period longer than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of three years, which was selected for the following reason:

– The Group was established relatively recently and, although the Board regularly considers a detailed cash flow model covering a longer time period which does not indicate any matters which would give concern over the Group's longer term viability, the property portfolio held by the Group is not expected to remain unchanged over the longer term with the Investment Manager expected to undertake property acquisitions and sales in line with the Company's investment objective and policy. Therefore, the longer the time horizon which is considered, the higher the degree of uncertainty over the exact constituents of the Group's investment property portfolio. On balance, the Board considers that a period of three years is an appropriate length of time over which a detailed sensitivity analysis can be conducted whilst retaining a reasonable level of accuracy regarding forecast rental income and valuation movements.

The three-year viability assessment conducted by the Board considered the Group's cash flows, dividend cover, REIT compliance and other key financial ratios over the period. These metrics are subject to sensitivity analysis which involves flexing a number of main assumptions underlying the forecast including a fall in the property market resulting in a decrease in the capital value of the property portfolio held or a decline in the occupational market resulting in default by an existing significant tenant or a delay in letting the current vacant space in the portfolio. This analysis also evaluates the potential impact of the principal risks actually occurring. The sensitivity analysis was completed assuming severe but plausible scenarios.

The three-year review considers whether additional gearing will be required and forecast compliance with the covenants of both the Group's current debt and the expected terms of any additional debt required. Current debt consists of a £52.4 million secured term loan agreement with Aviva Commercial Finance Limited which has a maturity date of May 2025 and therefore, unless the loan covenants are breached, will not fall due for re-finance within the three-year time horizon considered. The loan has been fixed at a weighted average interest rate of 3.06% for the period of the loan and there were no breaches of the covenants during the year. At 30 September 2016, the Group held £10 million in cash which is sufficient to finance currently identified capital expenditure opportunities within the Group's existing property portfolio.

The principal risks faced by the Group, together with the steps taken to mitigate them, are highlighted in the Strategic Report on pages 18 and 19, and in the Report of the Audit and Risk Committee on pages 31 to 33. The Board seeks to ensure that risks are kept to a minimum at all times.

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due, over the period of their assessment.

By order of the Board

R&H Fund Services Limited
Secretary
12 December 2016

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the Consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have elected to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework' (UK Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

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

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 enable them to ensure that the financial statements and the Remuneration Report comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report in accordance with applicable law and regulations. The Directors consider the Annual Report and the Financial Statements, taken as a whole, provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

To the best of our knowledge:

- the Group 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 Company and the undertakings included in the consolidation taken as a whole; and
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

William Hill
Chairman
12 December 2016

Report of the Audit and Risk Committee

COMPOSITION OF THE AUDIT AND RISK COMMITTEE

Due to the size of the Group and the independent non-executive nature of the Directors, the Audit and Risk Committee comprises all of the Directors. There are written terms of reference which are reviewed at each meeting and which are available on the Company's website and on request.

ROLE OF THE AUDIT AND RISK COMMITTEE

The Committee's responsibilities are shown in the table below together with a description of how they have been discharged. More detailed information on certain aspects of the Committee's work is given in the subsequent text.

Responsibilities of the Committee	How they have been discharged
Consideration of the half-year and annual financial statements, the appropriateness of the accounting policies applied and any financial reporting judgements and key assumptions.	The Committee has met five times during the year, including two additional meetings at the start of the year to consider the prior year annual financial statements; given that this was the Group's first Annual Report. Other meetings were held to review the contents of the interim report, review the risks, internal controls and corporate governance of the Group and to consider the audit plan for the annual financial statements. The Investment Manager and Administrator attended all meetings and the Auditor attended the meetings at which the Annual Report was discussed. The significant judgements and estimates made in the Financial Statements, each of which were considered by the Committee, are detailed on pages 44 and 45. Other significant matters considered by the Committee in relation to the Financial Statements during the year are detailed in the table on page 33.
Evaluation of the effectiveness of the risk management and internal control procedures.	The Investment Manager and Administrator maintain risk matrices which summarise the Group's key risks and which include the Group's key internal controls over its principal financial systems. From a review of these matrices, a review of regular management information, and discussion with the Investment Manager, Administrator and Company Secretary, the Committee has satisfied itself on the effectiveness of the risk and control procedures.
Consideration of the narrative elements of the Annual Report, including whether the Annual Report taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's business model, strategy and performance.	The Committee has reviewed the content and presentation of the Annual Report and discussed how well it achieves the three criteria opposite. As disclosed on page 33, the Committee concluded that the Annual Report is fair, balanced and understandable.
Evaluation of reports received from the Auditor with respect to the annual Financial Statements.	The Auditor's planning Board report and related timetable were discussed with the Auditor in advance of work commencing, together with the areas of audit focus. At the conclusion of the audit the Committee discussed the audit findings report with the Auditor, Administrator and Investment Manager. The Independent Auditor's Report on pages 37 to 39 highlights their view of the areas of greatest risk of misstatement and these points were discussed with the Committee.
Monitoring developments in accounting and reporting requirements that impact on the Group's compliance with relevant statutory and listing requirements.	The Company ensures through its Legal Adviser, Company Secretary, Administrator, Investment Manager and Auditor, that any developments impacting on its responsibilities are tabled for discussion at Committee or Board meetings. Any new standards are highlighted in the basis of accounting section in Note 1 to the Consolidated Financial Statements. The Committee continued to monitor ongoing developments in accounting and reporting requirements; in particular in the current year the Committee considered the implementation of the Market Abuse Regulations.
Management of the relationship with the external Auditor, including their appointment and the evaluation of scope, effectiveness, independence and objectivity of their audit.	The Auditor has attended one meeting of the Committee and has had contact with the Chairman of the Audit and Risk Committee on a number of occasions throughout the year. The scope of the audit was discussed at the planning stage along with the staffing and timing of audit procedures to ensure that an effective audit could be undertaken. The Committee has also reviewed the independence and objectivity of the Auditor and has considered the effectiveness of the audit.

RISK MANAGEMENT AND INTERNAL CONTROLS

RISKS

The Directors have conducted a robust assessment of the principal risks faced by the Group. A description of these risks including those that would threaten its business model, future performance, solvency or liquidity, together with the procedures employed to manage or mitigate them, are described in the Strategic Report on pages 18 and 19.

INTERNAL CONTROLS

The Board is responsible for the internal financial control systems of the Group and for reviewing their effectiveness. It has contractually delegated to external agencies the services the Group requires, but the Directors are fully informed of the internal control framework established by the Investment Manager and the Administrator to provide reasonable assurance on the effectiveness of internal financial control in the following areas:

- income flows, including rental income;
- expenditure, including operating and finance costs;
- capital expenditure, including pre-acquisition diligence and authorisation procedures;
- dividend payments, including the calculation of Property Income Distributions;
- the maintenance of proper accounting records; and
- the reliability of the financial information upon which business decisions are made and which is used for publication, whether to report net asset values or used as the basis for the Annual Report.

As the Group has evolved, the Investment Manager and Administrator have developed the system of internal controls covering the processes listed above which they have subsequently presented in the form of a risk register and which they have discussed with the Committee.

Committee members receive and consider quarterly reports from the Investment Manager, giving full details of the portfolio and of all aspects of the financial position of the Group. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Investment Manager reports in writing to the Board on operations and compliance issues prior to each meeting, and otherwise as necessary. The Investment Manager reports directly to the Audit and Risk Committee concerning the internal controls applicable to the Investment Manager's investment and general office procedures. Following the appointment of the Depositary in February 2016, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring, the Audit and Risk Committee also receive a quarterly report from the Depositary. This report would detail any material irregularities the Depositary detected whilst undertaking their cash flow monitoring, ownership verification and compliance oversight services to the Group.

In addition, the Board keeps under its own direct control, through the Investment and Property Valuation Committee, all property transactions.

The review procedures detailed above have been in operation during the year and the Board is satisfied with their effectiveness. The procedures are designed to manage rather than eliminate risk and, by their nature, can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has reviewed the need for an internal audit function. It has decided that the systems and procedures employed by the Investment Manager and the Administrator provide sufficient assurance that a sound system of internal control, which safeguards the Group's assets, is maintained. An internal audit function specific to the Group is therefore considered unnecessary.

THE AUDITOR

As part of the review of auditor independence and effectiveness, Grant Thornton UK LLP (Grant Thornton) has confirmed that they are independent of the Group and have complied with relevant auditing standards. In evaluating Grant Thornton's performance, the Audit and Risk Committee has taken into consideration the standing, skills and experience of the firm and of the audit team.

The Committee assessed the effectiveness of the audit process through the quality of the formal reports it received from Grant Thornton at the planning and conclusion of the audit, together with the contribution which Grant Thornton made to the discussion of any matters raised in these reports or by Committee members. The Committee also took into account any relevant observations made by the Investment Manager and the Administrator. The Committee is satisfied that Grant Thornton provides an effective independent challenge in carrying out its responsibilities.

Following professional guidelines, the audit principal rotates after five years. The current audit principal is in the first year of his appointment, following the retirement of the previous incumbent. The appointment of Grant Thornton has not been put out to tender since the Company's launch in 2014. On this basis and having considered the effectiveness of the audit, the Audit and Risk Committee has recommended the continuing appointment of Grant Thornton to the Board. Grant Thornton's performance will continue to be reviewed annually taking into account all relevant guidance and best practice.

In relation to the provision of non-audit services by the auditor, it has been agreed that all non-audit work to be carried out by the auditor must be approved in advance by the Audit and Risk Committee and any special projects must also be approved in advance so as not to compromise the independence of Grant Thornton as auditor. A separate team within Grant Thornton has the responsibility for completing the non-audit work. There were not any non-audit services provided by Grant Thornton during the year ended 30 September 2016.

Service provided (excluding VAT)	Fee (£'000)
Fees payable to the Group's auditor for the audit of the Group's annual accounts	61
Total	**61**

ANNUAL REPORT AND FINANCIAL STATEMENTS

The Board of Directors is responsible for preparing the Annual Report and Financial Statements. The Audit and Risk Committee considers the form and content of the Annual Report and Financial Statements, any issues which may arise and any specific areas which require judgement. The Audit and Risk Committee considered certain significant issues during the year. These are noted in the table below:

Matter	Audit and Risk Committee action
Valuation and existence of the investment property portfolio The Group's property portfolio accounted for 92.7% of its total assets as at 30 September 2016. Although valued by an independent firm of valuers, Knight Frank LLP (Knight Frank), the valuation of the investment property portfolio is inherently subjective, requiring significant judgement by the valuers. Errors in the valuation could have a material impact on the Group's net asset value. Further information about the property portfolio and inputs to the valuations are set out in Note 9 to the Consolidated Financial Statements.	The Investment Manager liaises with the valuers on a regular basis and meets with them prior to the production of each quarterly valuation. The Audit and Risk Committee reviewed the results of the valuation procedure throughout the year and discussed in detail the process of producing each of the quarterly valuations with the Investment Manager. The Committee discussed the September valuation with Knight Frank to ensure that it understood the assumptions underlying the valuation and the sensitivities inherent in the valuation and any significant area of judgement. The Committee also discussed with the Auditor the work performed to confirm the valuation and existence of the properties in the portfolio.
Income recognition Incomplete or inaccurate income recognition could have an adverse effect on the Group's net asset value, earnings per share, its level of dividend cover and compliance with REIT regulations.	The Audit and Risk Committee reviewed the Investment Manager's and Administrator's processes and controls around the recording of investment income. It also compared the final level of income received for the year to the budget and forecasts.
Calculation and payment of management fees Incorrect interpretation of the relevant provisions in the Investment Management Agreement (IMA) and/or incorrect calculation of the fees payable to the Investment Manager could result in an error in the financial statements and an incorrect payment to the Investment Manager.	The Committee has discussed the provisions in the IMA relating to the fee and the controls over fee payments. It has satisfied itself that the underlying calculations and assumptions which lie behind it are in accordance with the IMA, as is the timing of payment.

CONCLUSION WITH RESPECT TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The Audit and Risk Committee has concluded that the Annual Report and Financial Statements for the year ended 30 September 2016, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's business model, strategy and performance.

The Audit and Risk Committee has reported its conclusions to the Board of Directors. The Audit and Risk Committee reached this conclusion through a process of review of the document and enquiries of the various parties involved in the preparation of the Annual Report and Financial Statements.

Robert Dick
Chairman of the Audit and Risk Committee
12 December 2016

Directors' Remuneration Report

The Board comprises only independent non-executive Directors. The Group has no executive Directors or employees. For these reasons, it is not considered appropriate to have a separate Remuneration Committee. The full Board determines the level of Directors' fees.

STATEMENT BY THE CHAIRMAN

Full details of the Group's policy with regards to Directors' fees and fees paid during the year ended 30 September 2016 are shown below.

The Remuneration Policy, which was approved by shareholders at the Company's Annual General Meeting in March 2015 and which has not changed, will again be put to shareholders at the Annual General Meeting in 2018.

The Board considers the level of Directors' fees at least annually. With effect from 1 April 2016, Mr Archibald's fee was increased from £30,000 to £35,000 per annum which was thought to reflect more appropriately Mr Archibald's role and responsibilities. After consideration, the level of fees paid to the other Directors remained unchanged.

The Board has not received any direct communications from the Company's shareholders in respect of the levels of Directors' remuneration.

REMUNERATION POLICY

The Group's policy is that the remuneration of the Directors should reflect the experience of the Board as a whole, the time commitment required, and be fair and comparable with that of other similar companies. Furthermore, the level of remuneration should be sufficient to attract and retain the Directors needed to oversee the Group properly and to reflect its specific circumstances. There were no changes to the policy during the year and it is intended that this policy will continue to apply for the year ending 30 September 2017.

The fees for the Directors are determined within the limit set out in the Company's Articles of Association. The present limit is an aggregate of £200,000 per annum and may not be changed without seeking shareholder approval at a General Meeting. The fees are fixed and are payable in cash, monthly in arrears. Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.

It is the Board's policy that Directors do not have service contracts, but each new Director is provided with a letter of appointment. The Directors' letters of appointment are available on request at the Company's registered office during business hours and will be available for 15 minutes prior to and during the forthcoming Annual General Meeting. The terms of Directors' appointments provide that Directors should retire and be subject to re-election at the first Annual General Meeting after their appointment and, in accordance with the recommendations of the UK Corporate Governance Code, the Board has agreed that all Directors will seek re-election at least every three years. Although not required by the Company's Articles, the Board believe that it is best practice to stagger the re-election of the Directors and ensure that at least one Director retires by rotation at each Annual General Meeting. The Directors may therefore retire and seek re-election earlier than the latest date required under the terms of their appointment as set out below.

Director	Date of original appointment	Most recent date of re-election	Latest due date for re-election
William Hill	17/06/2014	24/03/2015	AGM 2018
Robert Dick	17/06/2014	22/03/2016	AGM 2019
Robin Archibald	17/06/2014	24/03/2015	AGM 2018*

* As set out on page 26, and in line with the policy above, Robin Archibald will retire by rotation and offer himself for re-election at the AGM in 2017.

ANNUAL REPORT ON DIRECTORS' REMUNERATION

DIRECTORS' EMOLUMENTS FOR THE YEAR

The Directors who served during the year received the following emoluments (excluding employers' NIC) in the form of fees:

	Basic fees 2016 £'000	**Additional fees 2016 £'000**	**Total amount salary & fees 2016 £'000**	Basic fees 2015* £'000	Additional fees 2015* £'000	Total amount salary & fees 2015* £'000
William Hill (Chairman)	**40**	**–**	**40**	32	8	40
Robert Dick (Audit and Risk Committee Chairman)	**35**	**–**	**35**	32	8	40
Robin Archibald	**33**	**–**	**33**	28	7	35
Ratan Engineer	**–**	**–**	**–**	19	–	19
Total	**108**	**–**	**108**	111	23	134

* From 28 October 2014, the date that the Company's shares were first admitted to listing.

Based on the current levels of basic fees and the Directors appointed at the date of this report, Directors' remuneration for the year ending 30 September 2017 would be as follows:

	Total amount salary & fees 2017 £'000	Total amount salary & fees 2016 £'000
William Hill (Chairman)	**40**	40
Robert Dick (Audit and Risk Committee Chairman)	**35**	35
Robin Archibald	**35**	33
Total	**110**	108

RELATIVE IMPORTANCE OF SPEND ON PAY

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distribution to shareholders.

DIRECTORS' SHAREHOLDINGS

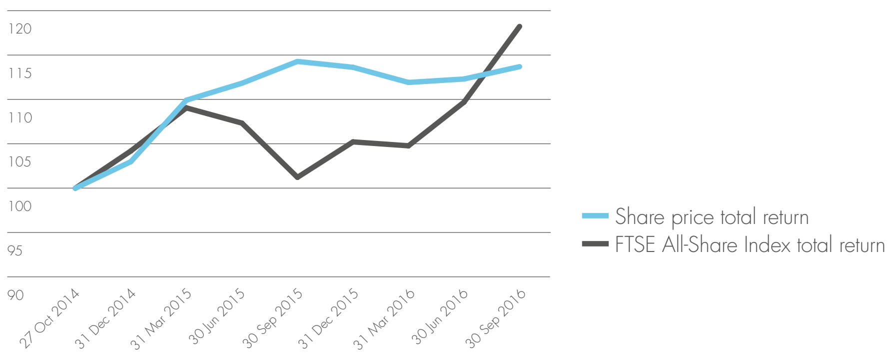
The Directors, including connected parties, who held office at the year end and their interests (all beneficial) in the Ordinary Shares of the Company as at 30 September 2016 and as at 30 September 2015 were as follows:

	Ordinary Shares 30 September 2016	Ordinary Shares 30 September 2015
William Hill	**50,000**	50,000
Robert Dick	**30,000**	30,000
Robin Archibald	**25,000**	25,000
Total	**105,000**	105,000

There were no changes in the interests of the Directors, including connected parties, between 30 September 2016 and 12 December 2016.

COMPANY PERFORMANCE

The Board is responsible for the Company's investment strategy and performance, whilst the management of the investment portfolio is delegated to the Investment Manager. The graph below compares, for the period from launch to 30 September 2016, the total return (assuming all dividends are reinvested) to ordinary shareholders compared to the FTSE All-Share Index. This index was chosen as it is considered an indicative measure of the expected return from an equity stock. A more detailed explanation of the performance of the Company for the year ended 30 September 2016 is given in the Strategic Report.



It is a company law requirement to compare the performance of the Company's share price to a single broad equity market index on a total return basis. However, it should be noted that constituents of the comparative index used above are typically larger in size than the Company and that the Company was not fully invested over the whole of the period under review. The Company does not have a benchmark index.

VOTING AT ANNUAL GENERAL MEETING

At the Company's Annual General Meeting, held on 24 March 2015, shareholders approved the Directors' Remuneration Policy. All votes were in favour of the resolution. An ordinary resolution for the approval of the Directors' Remuneration Policy is proposed every three years and will next be put to shareholders at the Annual General Meeting to be held in 2018.

At the Company's previous Annual General Meeting, held on 22 March 2016, shareholders approved the Annual Report on Directors' Remuneration for the year ended 30 September 2015. All votes were in favour of the resolution.

An ordinary resolution for the approval of this Annual Report on Directors' Remuneration will be put to shareholders at the forthcoming Annual General Meeting.

On behalf of the Board

William Hill
Chairman
12 December 2016

Independent Auditor's Report to the members of Ediston Property Investment Company plc

OUR OPINION ON THE FINANCIAL STATEMENTS IS UNMODIFIED

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

WHO WE ARE REPORTING TO

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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.

WHAT WE HAVE AUDITED

Ediston Property Investment Company plc's financial statements for the year ended 30 September 2016 comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'.

OVERVIEW OF OUR AUDIT APPROACH

- Overall Group materiality: £2,074,000 which represents 1.5% of the Group's net assets;
- We performed full scope audit procedures on both the Parent Company and EPIC (No. 1) Limited, the Parent Company's sole subsidiary; and
- Key audit risks were identified as recognition of revenue and the valuation of investment properties.

OUR ASSESSMENT OF RISK

In arriving at our opinions set out in this report, we highlight the following risks that, in our judgement, had the greatest effect on our audit:

Audit risk	How we responded to the risk
Recognition of revenue	
Revenue for the Group consists of rental income, recognised in accordance with International Accounting Standard (IAS) 18: 'Revenue'. This income is based on tenancy agreements as well as rental guarantee clauses contained in certain sale and purchase agreements. Included within these agreements are certain terms which increase the risk of error, including lease incentives. Incomplete or inaccurate revenue recognition could have an adverse impact on the Group's net asset value, earnings per share, its level of dividend cover and compliance with REIT regulations. We therefore identified recognition of revenue as a significant risk requiring special audit attention.	Our audit work included, but was not restricted to: – agreeing rental income to signed tenancy agreements and sale and purchase agreements; – creating an expectation of rental income taking into account any lease incentives and rental guarantees, and comparing to rental income recognised in the financial statements; – comparing our expectation to the rental income recognised in the financial statements and seeking explanations for any differences greater than our defined acceptance range; and – considering the Group's revenue recognition policy in the context of our substantive testing, to confirm that the policy has been correctly applied and that it is in accordance with IAS 18: 'Revenue'. The Group's accounting policy on revenue recognition is shown in Note 1(b) to the Consolidated Financial Statements. The Audit and Risk Committee identified income recognition as a significant issue in its report on page 33, where the Committee also described the action that it has taken to address this issue.

Audit risk	How we responded to the risk
Valuation of investment properties	
The Group's investment property portfolio is required to be held at fair value under IAS 40 'Investment Property'. The valuation of the properties within this portfolio is inherently subjective due to the specific factors affecting each property. Knight Frank LLP were appointed as the independent, external valuer (the 'valuer'). The valuer takes into account property-specific information such as the current tenancy profile and applies assumptions for other inputs such as yields and estimated market rent. The existence of significant estimation uncertainty, coupled with the clearly material value of the properties, gives rise to this being an area of key audit focus. We therefore identified valuation of investment properties as a significant risk requiring special audit attention.	Our audit work included, but was not restricted to: – obtaining the year end valuations for each property from the independent valuer, ensuring that the valuation approach for each was appropriate and in line with standard industry practice, and that any factual inputs were accurate by comparing the rental data used in the valuer's calculations to the rental schedule prepared by management; – creating an expectation of the value of each property based on rental yield, and comparing our expected yields in the relevant markets with those used by the valuer to establish any properties where the assumptions used were considered to be outliers when compared to the published benchmarks; any outliers were discussed with the valuer to determine whether they were an indicator of misstatement; – attending a meeting with the valuer at which the valuations of all properties, and the assumptions and data contained therein were discussed in detail to understand for example why particular rental yields were used and the appropriateness of rental data used in calculations, taking into account property-specific factors; and – exercising professional scepticism by challenging the valuer on the assumptions that they applied to each property. The Group's accounting policy on investment properties is shown in Note 1(F) to the Consolidated Financial Statements and related disclosures are included in Note 9. The Audit and Risk Committee identified valuation and existence of the investment property portfolio as a significant issue in its report on page 33, where the Committee also described the action that it has taken to address this issue.

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

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 in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the Group financial statements as a whole to be £2,074,000 which is 1.5% of net assets. This benchmark is considered the most appropriate because of the nature of the Group as a Real Estate Investment Trust, where stakeholders are most interested in the net asset value (NAV) as opposed to its profitability.

Materiality for the current year is higher than the level that we determined for the period ended 30 September 2015 as a result of the increase in net assets in the year.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the Group financial statements. We also determined a lower level of specific materiality for certain areas such as the revenue column of the Consolidated Statement of Comprehensive Income, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit and risk committee to be £104,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

A description of the generic scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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

We are independent of the Group in accordance with the Auditing Practices Board's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with those Ethical Standards.

Our audit approach was based on a thorough understanding of the Group's business and is risk-based and, in particular, included:

- an evaluation of the components of the Group by the Group audit team based on a measure of materiality considered as a percentage of Group assets, revenues and profit before taxes, to assess the significance of the component and to determine the planned audit response. Our assessment was that the sole subsidiary was a significant component;
- a full scope audit performed by the Group audit team for the Parent Company and its sole subsidiary;
- evaluation of the Group's internal controls environment including its IT systems and controls; and
- a substantive approach using professional judgement to determine the extent of testing required over each balance in the financial statements.

OTHER REPORTING REQUIRED BY REGULATIONS

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

UNDER THE COMPANIES ACT 2006 WE ARE REQUIRED TO REPORT TO YOU IF, IN OUR OPINION:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

UNDER THE LISTING RULES, WE ARE REQUIRED TO REVIEW:

- the Directors' statements in relation to going concern and longer-term viability, set out on pages 44 and 29 respectively; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

UNDER THE ISAS (UK AND IRELAND), WE ARE REQUIRED TO REPORT TO YOU IF, IN OUR OPINION, INFORMATION IN THE ANNUAL REPORT IS:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

IN PARTICULAR, WE ARE REQUIRED TO REPORT TO YOU IF:

- we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable; or
- the Annual Report does not appropriately disclose those matters that were communicated to the Audit and Risk Committee which we consider should have been disclosed.

We have nothing to report in respect of any of the above matters.

We also confirm that we do not have anything material to add or to draw attention to in relation to:

- the Directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in the financial statements about whether they have considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements; and
- the Directors' explanation in the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

WHAT THE DIRECTORS ARE RESPONSIBLE FOR:

As explained more fully in the Statement of Directors' Responsibilities set out on page 30, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

WHAT WE ARE RESPONSIBLE FOR:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Paul Flatley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
12 December 2016

Consolidated Statement of Comprehensive Income
For the year ended 30 September 2016

		Year ended 30 September 2016			Year ended 30 September 2015		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Revenue							
Rental income		**11,323**	**–**	**11,323**	5,901	–	5,901
Total revenue		**11,323**	**–**	**11,323**	5,901	–	5,901
Unrealised gain on revaluation of investment properties	9	**–**	**231**	**231**	–	8,907	8,907
Total income		**11,323**	**231**	**11,554**	5,901	8,907	14,808
Expenditure							
Investment Manager fee	2	**(1,309)**	**–**	**(1,309)**	(942)	–	(942)
Other expenses	3	**(958)**	**–**	**(958)**	(520)	–	(520)
Total expenditure		**(2,267)**	**–**	**(2,267)**	(1,462)	–	(1,462)
Profit before finance costs and taxation		**9,056**	**231**	**9,287**	4,439	8,907	13,346
Net finance costs							
Interest receivable	4	**65**	**–**	**65**	64	–	64
Interest payable	5	**(1,553)**	**–**	**(1,553)**	(517)	–	(517)
Profit before taxation		**7,568**	**231**	**7,799**	3,986	8,907	12,893
Taxation	6	**–**	**–**	**–**	–	–	–
Profit and total comprehensive income for the year		**7,568**	**231**	**7,799**	3,986	8,907	12,893
Basic earnings per share	8	**5.90p**	**0.18p**	**6.08p**	4.15p	9.28p	13.43p

The total column of this statement represents the Group's Consolidated Statement of Comprehensive Income, prepared in accordance with IFRS.

The supplementary revenue return and capital return columns are prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement are derived from continuing operations.

No operations were acquired or discontinued in the year. The Group commenced business on 27 October 2014.

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Financial Position
As at 30 September 2016

	Notes	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Non-current assets			
Investment properties	9	**177,534**	133,033
		177,534	133,033
Current assets			
Trade and other receivables	11	**3,940**	3,584
Cash and cash equivalents	12	**9,967**	40,985
		13,907	44,569
Total assets		**191,441**	177,602
Non-current liabilities			
Loan	13	**(51,783)**	(39,458)
		(51,783)	(39,458)
Current liabilities			
Trade and other payables	14	**(2,327)**	(1,558)
Total liabilities		**(54,110)**	(41,016)
Net assets		**137,331**	136,586
Equity and reserves			
Called up equity share capital	16	**1,283**	1,283
Share premium		**34,898**	34,898
Capital reserve – investments held		**9,138**	8,907
Capital reserve – investments sold		**–**	–
Special distributable reserve		**85,115**	89,035
Revenue reserve		**6,897**	2,463
Equity shareholders' funds		**137,331**	136,586
Net asset value per Ordinary Share	15	**107.07p**	106.49p

The accompanying notes are an integral part of these financial statements.

Company number: 09090446.

The Financial Statements on pages 40 to 57 were approved by the Board of Directors on 12 December 2016 and signed on its behalf by:

William Hill
Chairman

Consolidated Statement of Changes in Equity

For the year ended 30 September 2016

	Notes	Share capital account £'000	Share premium £'000	Capital reserve – investments held £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2015		1,283	34,898	8,907	89,035	2,463	136,586
Profit and total comprehensive income for the year		–	–	231	–	7,568	7,799
Transactions with owners recognised in equity:							
Dividends paid	7	–	–	–	(755)	(6,299)	(7,054)
Transfer from special reserve		–	–	–	(3,165)	3,165	–
As at 30 September 2016		**1,283**	**34,898**	**9,138**	**85,115**	**6,897**	**137,331**

For the year ended 30 September 2015

	Notes	Share capital account £'000	Share premium £'000	Capital reserve – investments held £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2014		1	49	–	–	–	50
Profit and total comprehensive income for the year		–	–	8,907	–	3,986	12,893
Transactions with owners recognised in equity:							
Issue of Ordinary Share capital	16	1,282	129,593	–	–	–	130,875
Issue costs		–	(2,523)	–	–	–	(2,523)
Cancellation of share premium		–	(92,221)	–	92,221	–	–
Dividends paid	7	–	–	–	(838)	(3,871)	(4,709)
Transfer from special reserve		–	–	–	(2,348)	2,348	–
As at 30 September 2015		**1,283**	**34,898**	**8,907**	**89,035**	**2,463**	**136,586**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cash Flow
For the year ended 30 September 2016

	Notes	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Cash flows from operating activities			
Profit before tax		**7,799**	12,893
Adjustments for:			
Interest receivable		**(65)**	(64)
Interest payable		**1,553**	517
Unrealised revaluation gains on property portfolio		**(231)**	(8,907)
Operating cash flows before working capital changes		**9,056**	4,439
Increase in trade and other receivables		**(356)**	(3,584)
Increase in trade and other payables		**539**	1,558
Net cash inflow from operating activities		**9,239**	2,413
Cash flows from investing activities			
Purchase of investment properties		**(41,353)**	(119,658)
Capital expenditure		**(2,781)**	(4,468)
Net cash outflow from investing activities		**(44,134)**	(124,126)
Cash flows from financing activities			
Loan drawn down, net of costs	13	**12,257**	39,439
Issue of Ordinary Share capital		**–**	130,925
Issue costs of Ordinary Share capital		**–**	(2,523)
Dividends paid		**(7,011)**	(4,709)
Interest received		**65**	64
Interest paid		**(1,434)**	(498)
Net cash inflow from financing activities		**3,877**	162,698
Net (decrease)/increase in cash and cash equivalents		**(31,018)**	40,985
Opening cash and cash equivalents		**40,985**	–
Closing cash and cash equivalents	12	**9,967**	40,985

The accompanying notes are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

1. ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

Basis of Accounting

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, applicable legal and regulatory requirements of the Companies Act 2006 and the Disclosure Guidance and Transparency Rules and Article 4 of the IAS Regulation. The accounts have been prepared on a historical cost basis, except for investment property valuations that have been measured at fair value.

The notes and financial statements are presented in pounds sterling (being the functional currency and presentational currency for the Company) and are rounded to the nearest thousand except where otherwise indicated.

Going Concern

Under the UK Corporate Governance Code, the Board needs to report whether the business is a going concern. In considering this requirement, the Directors have taken the following into account:

- the Group's forecast for the next two years, in particular the cash flows, borrowings and occupancy rate;
- the ongoing ability to comply comfortably with the Group's financial covenants (details of the loan covenants are included in the Strategic Report on page 17 and in Note 13;
- the risks included on the Group's risk register that could impact on the Group's liquidity and solvency over the next 12 months (details of risks are included in the Strategic Report on pages 18 to 19); and
- the risks on the Group's risk register that would be a potential threat to the Group's business model (details of risks are included in the Strategic Report on pages 18 to 19).

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic Report also includes the Group's risks and risk management processes.

Having due regard to these matters and after making appropriate enquiries, the Directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Board continues to adopt the going concern basis in preparing these Consolidated Financial Statements.

Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end date and the amounts reported for revenue and expenses during the period. The nature of the estimation means that actual outcomes could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Key Estimates

The only significant source of estimation uncertainty relates to the investment property valuations. The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation techniques. The properties have been valued on the basis of 'Fair Value' and VPGA1 Valuations for Inclusion in Financial Statements, which adopt the definition of Fair Value as adopted by the International Accounting Standards Board. In line with the recommendation of the European Public Real Estate Association, all properties have been deemed to be Level 3 under the fair value hierarchy classification set out below. This is described in more detail in the accounting policy on page 47 and in Note 9. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The fair value measurement for the assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability. Value is the Directors' best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or a similar instrument. As explained in more detail in Note 9, all investment properties are included in Level 3.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred.

1. ACCOUNTING POLICIES continued

(A) BASIS OF PREPARATION continued

Key Judgements

Key judgements relate to the treatment of compliance with REIT status and property acquisitions where different accounting policies could be applied. These are described in more detail below, or in the relevant notes to the financial statements.

Compliance with REIT Status

As disclosed in Note 6, the Group has been approved as a group REIT. As a result, the Group does not pay UK corporation tax on its profits and gains from qualifying rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal. In order to retain group REIT status certain ongoing criteria must be maintained and these are set out within accounting policy (E) regarding taxation.

The Directors intend that the Group should continue as a group REIT for the foreseeable future, with the result that deferred tax is not recognised on temporary differences relating to the property rental business. Should the ongoing criteria not continue to be met, the corporation tax payable by the Group may be significantly higher.

Property Acquisitions and Business Combinations

The Group acquires real estate either as individual properties or as the acquisition of a portfolio of properties. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business or a property. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Goodwill on business combinations is measured as the fair value of the consideration transferred less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, this is recognised immediately in the Consolidated Statement of Comprehensive Income. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

When the acquisition of a property portfolio, or subsidiary, does not represent a business, it is accounted for as an acquisition of an investment property. Given the nature of the transactions undertaken during the year and the prior year which consisted of the acquisition of individual properties and the transfer of a portfolio of assets without the additional transfer of significant activities, operations or employees, and the fact they are held as investment properties, all acquisitions have been determined to be the purchases of investment properties and the accounting treatment followed is that set out in Note 1(f) on page 47.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except that the following new standards have been adopted in the current year with no material impact on the financial statements:

– IAS 24 'Related Party Disclosures'
  The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The necessary disclosures are included in Note 17.

– IAS 40 'Investment Property'
  The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e. property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

1. ACCOUNTING POLICIES continued

(A) BASIS OF PREPARATION continued

Changes in Accounting Policies continued

The following new standards and interpretations have been issued by the IASB but are not effective for the current accounting year and have not been adopted early:

– IFRS 9 'Financial Instruments'
  In July 2014, the IASB published the final version of IFRS 9 'Financial Instruments' which replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. The IFRS 9 requirements represent a change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortised cost and fair value. A financial asset would be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, and the asset's contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets would be measured at fair value. The standard also introduces new requirements for hedge accounting and new requirements to address the impairment of financial assets.

  The standard will be effective for annual periods beginning on or after 1 January 2018, and is required to be applied retrospectively with some exemptions. The Group is yet to assess IFRS 9's full impact but it is not currently anticipated that this standard will have any material impact on the Group's financial statements as presented for the current year.

– IFRS 15 'Revenue from Contracts with Customers'
  In May 2014, the IASB published the final version of IFRS 15 'Revenue from Contracts with Customers'. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 does not apply to lease contracts within the scope of IAS 17 'Leases' or, from its date of application, IFRS 16 'Leases' (see below).

  The standard will be effective for annual periods beginning on or after 1 January 2018. The Group is yet to assess IFRS 15's full impact but it is not currently anticipated that this standard will have any material impact on the Group's financial statements as presented for the current year.

– IFRS 16 'Leases'
  In January 2016, the IASB published the final version of IFRS 16 'Leases'. IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

  IFRS 16 applies to annual reporting periods beginning on or after 1 January 2019. The Group is yet to assess IFRS 16's full impact but it is not currently anticipated that this standard will have any material impact on the Group's financial statements as presented for the current year.

The Group does not consider that the future adoption of any new standards, in the form currently available, will have any material impact on the financial statements as presented.

Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and all of its subsidiaries drawn up to 30 September 2016. Subsidiaries are those entities, including special purpose entities, controlled by the Company and are detailed in Note 10. Control exists when the Company is exposed, or has rights, to variable returns from its investment with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

In preparing the Consolidated Financial Statements, intra-Group balances, transactions and unrealised gains or losses have been eliminated in full. Uniform accounting policies are adopted for all companies within the Group.

(B) REVENUE RECOGNITION

Rental Income

Rental income excluding VAT arising on investment properties is accounted for in the Statement of Comprehensive Income on a straight-line basis over the terms of the individual leases.

Lease incentives including rent-free periods and payments to tenants, are allocated to the Statement of Comprehensive Income on a straight-line basis over the lease term or on another systematic basis, if applicable. Where income is recognised in advance of the related cash flows, an adjustment is made to ensure that the carrying value of the relevant property, including accrued rent disclosed separately within 'trade and other receivables' does not exceed the external valuation.

The Group may from time to time receive surrender premiums from tenants who break their leases early. To the extent they are deemed capital receipts to compensate the Group for loss in value of property to which they relate, they are credited to capital reserves. All other surrender premiums are recognised within rental income in the Statement of Comprehensive Income.

Amounts drawn down from escrow which arise from rent-free periods are accounted for on an accruals basis and recognised as rental income within the Statement of Comprehensive Income over the length of the time that the rental guarantee exists as it pertains to vacant space and/or rent-free periods.

1. ACCOUNTING POLICIES continued

(B) REVENUE RECOGNITION continued

Interest Income

Interest income is accounted for on an accruals basis.

Service Charges and Expenses Recoverable from Tenants

Where service charges and other expenses are recharged to tenants, the expense and the income received in reimbursement are offset within the Statement of Comprehensive Income and are not separately disclosed, as the Directors consider that the Group acts as agent in this respect. Service charges and other property-related expenses that are not recoverable from tenants are recognised in expenses on an accruals basis.

(C) OTHER EXPENSES

Expenses are accounted for on an accruals basis. The Group's investment management and administration fees, finance costs and all other expenses are charged to revenue through the Statement of Comprehensive Income.

Amounts drawn down from escrow which arise from non-recoverable expenses relating to vacant space are recognised as a deduction from expenses.

(D) DIVIDENDS PAYABLE

Dividends are accounted for in the period in which they are paid.

(E) TAXATION

The Group is a REIT and is thereby exempt from tax on both rental profits and chargeable gains. In order to retain REIT status, certain ongoing criteria must be maintained. The main criteria are as follows:

- at the start of each accounting period, the assets of the tax-exempt business must be at least 75% of the total value of the Group's assets;
- at least 75% of the Group's total profits must arise from the tax-exempt business;
- at least 90% of the tax-exempt rental business profits must be distributed in the form of a Property Income Distribution; and
- the Group must hold a minimum of three properties with no single property exceeding 40% of the portfolio value.

The Directors intend that the Group should continue as a REIT for the foreseeable future, with the result that deferred tax is not recognised on temporary differences relating to the property rental business which is within the REIT structure.

Taxation on any profit or loss for the period not exempt under UK-REIT regulations comprises current and deferred tax. Taxation is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws enacted or substantively enacted at the year end date.

Deferred 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 calculated using rates and laws enacted or substantively enacted by the end of the period expected to apply. Deferred 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 tax relating to items recognised directly in equity is recognised in equity and not in profit or loss.

(F) INVESTMENT PROPERTIES

Investment properties consist of land and buildings which are not occupied for use by or in the operations of the Group or for sale in the ordinary course of business but are held to earn rental income together with the potential for capital and income growth.

Investment properties are initially recognised at cost, being the fair value of consideration given, including transaction costs associated with the investment property. Any subsequent capital expenditure incurred in improving investment properties is capitalised in the period incurred and included within the book cost of the property.

After initial recognition, investment properties are measured at fair value, with gains and losses recognised in the Statement of Comprehensive Income. Fair value is based on an open market valuation provided by Knight Frank LLP, Chartered Surveyors at the year end date using recognised valuation techniques appropriately adjusted for unamortised lease incentives, lease surrender premiums and rental adjustments.

The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (including lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the balance sheet date.

Investment property is derecognised when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. On derecognition, gains and losses on disposals of investment properties are recognised in the Statement of Comprehensive Income and transferred to the Capital Reserve – investments sold. Recognition and derecognition occurs on the completion of a sale.

1. ACCOUNTING POLICIES continued

(G) CASH AND CASH EQUIVALENTS
Cash and cash equivalents consist of cash in hand and short term deposits in banks with an original maturity of three months or less.

(H) TRADE AND OTHER RECEIVABLES
Rents receivable, which are generally due for settlement at the relevant quarter end, are recognised and carried at the original invoice amount less an allowance for any uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(I) INTEREST-BEARING LOANS AND BORROWINGS
All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of arrangement costs associated with the borrowing. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost; any difference is recognised in the Statement of Comprehensive Income over the period of the borrowing using the effective interest method. Amortised cost is calculated by taking into account any loan arrangement costs and any discount or premium on settlement.

(J) PROPERTY ACQUISITIONS
Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or the acquisition of an asset.

Where such acquisitions are not judged to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred taxation arises. Otherwise, acquisitions are accounted for as business combinations.

(K) RESERVES

Share Premium
The surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable.

Capital Reserves
The following are accounted for in the capital reserve – investments sold:
- realised gains and losses arising on the disposal of investment properties.

The following are accounted for in the capital reserve – investments held:
- increases and decreases in the fair value of investment properties held at the period end.

Revenue Reserve
The net profit/(loss) arising in the revenue column of the Statement of Comprehensive Income is added to or deducted from this reserve which is available for paying dividends. Where the Company's revenue reserve is insufficient to fund the dividends paid, a transfer is made to this reserve from the special distributable reserve.

Special Distributable Reserve
On 21 January 2015, an application to Court was successfully made for the cancellation of the initial share premium account which allowed the balance of the share premium account at that date to be transferred to the special distributable reserve. This reserve is available for paying dividends and buying back the Company's shares.

Capital Management
The Group's capital is represented by the Ordinary Shares, share premium, capital reserves, revenue reserve and special distributable reserve. The Group is not subject to any externally-imposed capital requirements.

The capital of the Group is managed in accordance with its investment policy, in pursuit of its investment objective. Capital management activities may include the allotment of new shares, the buy back or re-issuance of shares from treasury, the management of the Group's discount to net asset value and consideration of the Group's net gearing level.

There have been no changes in the capital management objectives and policies or the nature of the capital managed during the year.

2. INVESTMENT MANAGER'S FEE

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Investment Manager's fee	**1,309**	942
Total	**1,309**	942

With effect from 24 February 2016, and as envisaged at the time of the launch of the Group, Ediston Investment Services Limited was appointed as the Company's Alternative Investment Fund Manager (AIFM) and Investment Manager, with the property management arrangements of the Company continuing to be delegated to Ediston Properties Limited. The Investment Manager is entitled to a fee calculated as 0.95% per annum of the net assets of the Group up to £250 million and 0.75% per annum of the net assets of the Group over £250 million.

Prior to 24 February 2016, R&H Fund Services (Jersey) Limited had been the Company's AIFM and Investment Manager, with the property management arrangements of the Company having been delegated to Ediston Properties Limited. The commercial terms of the Investment Management Agreement were unchanged from those set out above.

The Investment Management Agreement may be terminated by either party by giving not less than 12 months' notice. The agreement may be terminated earlier by the Group provided that a payment in lieu of notice, equivalent to the amount the Investment Manager would otherwise have received during the notice period, is made. The Investment Management Agreement may be terminated immediately without compensation if the Investment Manager: is in material breach of the agreement; is guilty of negligence, wilful default or fraud; is the subject of insolvency proceedings; or there occurs a change of Key Managers to which the Board has not given its prior consent.

3. OTHER EXPENSES

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Direct operating expenses for investment properties:		
– from which income is received	**157**	23
– from which income is not received	**–**	–
Administration fee	**134**	99
Valuation and other professional fees	**254**	50
Directors' fees	**108**	134
Auditor's remuneration for:		
– statutory audit	**61**	63
– audit-related services	**–**	10
Listing and registrar fees	**44**	22
Public relations	**38**	36
Other	**162**	83
Total	**958**	520

The valuer of the investment properties, Knight Frank LLP, has agreed to provide valuation services in respect of the property portfolio. The valuation agreement states that fees will be payable quarterly in arrears based on quarterly rates of £500 per property.

4. INTEREST RECEIVABLE

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Deposit interest	**65**	64
Total	**65**	64

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Loan interest	**1,485**	498
Amortisation of loan set-up costs	**68**	19
Total	**1,553**	517

6. TAXATION

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Total tax charge	**–**	–

A reconciliation of the corporation tax charge applicable to the results at the statutory corporation tax rate to the charge for the year is as follows:

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Profit before taxation	**7,799**	12,893
UK tax at a rate of 20.0% (2015: 20.5%)	**1,560**	2,643
Effects of:		
REIT exempt profits	**(1,514)**	(817)
REIT exempt gains	**(46)**	(1,826)
Total tax charge	**–**	–

The Company served notice to HM Revenue & Customs that the Company, and its subsidiary, qualified as a Real Estate Investment Trust with effect from 31 October 2014. Subject to continuing relevant UK-REIT criteria being met, the profits from the Group's property rental business, arising from both income and capital gains, are exempt from corporation tax.

7. DIVIDENDS

Dividends paid as distributions to equity shareholders during the year were:

	Year ended 30 September 2016		Year ended 30 September 2015	
	Pence per share	**£'000**	Pence per share	£'000
In respect of the prior year:				
Tenth interim dividend	**0.4583**	**588**	–	–
In respect of the current year:				
First interim dividend	**0.4583**	**588**	0.9685	923
Second interim dividend	**0.4583**	**588**	0.4583	435
Third interim dividend	**0.4583**	**588**	0.4583	435
Fourth interim dividend	**0.4583**	**588**	0.4583	435
Fifth interim dividend	**0.4583**	**588**	0.4583	435
Sixth interim dividend	**0.4583**	**588**	0.4583	435
Seventh interim dividend	**0.4583**	**588**	0.4583	435
Eighth interim dividend	**0.4583**	**588**	0.4583	588
Ninth interim dividend	**0.4583**	**588**	0.4583	588
Tenth interim dividend	**0.4583**	**587**	–	–
Eleventh interim dividend	**0.4583**	**587**	–	–
Total	**5.4996**	**7,054**	4.6349	4,709

A twelfth interim dividend for the year to 30 September 2016, of 0.4587 pence per share, was paid on 31 October 2016 to shareholders on the register on 21 October 2016. It is the policy of the Directors to declare and pay dividends as interim dividends. The Directors do not therefore recommend a final dividend.

7. DIVIDENDS continued

A first interim dividend for the year to 30 September 2017, of 0.4583 pence per share, was paid on 30 November 2016 to shareholders on the register on 11 November 2016. A second interim dividend for the year to 30 September 2017 of 0.4583 pence per share will be paid on 30 December 2016 to shareholders on the register on 9 December 2016.

8. EARNINGS PER SHARE

	Year ended 30 September 2016		Year ended 30 September 2015	
	£'000	**Pence per share**	£'000	Pence per share
Revenue earnings	**7,568**	**5.90**	3,986	4.15
Capital earnings	**231**	**0.18**	8,907	9.28
Total earnings	**7,799**	**6.08**	12,893	13.43
Average number of shares in issue		**128,263,931**		95,982,833

9. INVESTMENT PROPERTIES

Freehold and leasehold properties	**As at 30 September 2016 £'000**	As at 30 September 2015 £'000
Opening book cost	**124,126**	–
Opening unrealised appreciation	**8,907**	–
Opening fair value	**133,033**	–
Purchases	**41,353**	119,658
Capitalised costs	**2,917**	4,468
Unrealised gains on investment properties	**3,749**	10,524
Unrealised losses on investment properties	**(3,518)**	(1,617)
Closing book cost	**168,396**	124,126
Closing unrealised appreciation	**9,138**	8,907
Closing fair value	**177,534**	133,033

Changes in the valuation of investment properties:

	Year ended 30 September 2016 £'000	Year ended 30 September 2015 £'000
Unrealised gains on investment properties	**3,749**	10,524
Unrealised losses on investment properties	**(3,518)**	(1,617)
Total unrealised gain on revaluation of investment properties	**231**	8,907

At 30 September 2016, the properties were valued at £181,410,000 (2015: £136,400,000) by Knight Frank LLP (Knight Frank), in their capacity as external valuers. The valuation was undertaken in accordance with the RICS Valuation – Professional Standards VPS4 (1.5) Fair Value and VPGA1 Valuations for Inclusion in Financial Statements, which adopt the definition of Fair Value adopted by the International Accounting Standards Board. Fair value is based on an open market valuation (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), provided by Knight Frank on a quarterly basis, using recognised valuation techniques as set out in the Group's accounting policies. The difference between the Knight Frank valuation of £181,410,000 (2015: £136,400,000) and the closing fair value of investment properties disclosed above of £177,534,000 (2015: £133,033,000) consists of lease incentives granted to tenants totalling £3,876,000 (2015: £3,367,000), which are separately recorded in the accounts as current assets within 'trade and other receivables' (see Note 11).

The Group is required to classify fair value measurements of its investment properties using a fair value hierarchy, in accordance with IFRS 13 'Fair Value Measurement'. In determining what level of the fair value hierarchy to classify the Group's investments within, the Directors have considered the content and conclusion of the position paper on IFRS 13 prepared by the European Public Real Estate Association (EPRA), the representative body of the publicly listed real estate industry in Europe. This paper concludes that, even in the most transparent and liquid markets, it is likely that valuers of investment property will use one or more significant unobservable inputs or make at least one significant adjustment to an observable input, resulting in the vast majority of investment properties being classified as Level 3.

9. INVESTMENT PROPERTIES continued

Observable market data is considered to be that which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. In arriving at the valuation Knight Frank will have to make adjustments to observable data of similar properties and transactions to determine the fair value of a property and this will involve the use of considerable judgement.

Considering the Group's specific valuation process, industry guidance, and the level of judgement required in the valuation process, the Directors believe it appropriate to classify the Group's assets within Level 3 of the fair value hierarchy.

All leasehold properties are carried at fair value rather than amortised over the term of the lease. The same valuation criteria are therefore applied to leasehold as freehold properties. All leasehold properties have more than 100 years remaining on the lease term.

The Group's investment properties, which are all commercial properties, are considered to be a single class of assets. There have been no changes to the valuation technique used through the period, nor have there been any transfers between levels.

The key unobservable inputs made in determining the fair values are:

– estimated rental value (ERV): the rent at which space could be let in the market conditions prevailing at the date of valuation; and
– net equivalent yield: the equivalent yield is defined as the internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review, but with no further rental growth.

Information on these significant unobservable inputs is disclosed below:

	30 September 2016		30 September 2015	
Significant unobservable input	**Range**	**Weighted average**	Range	Weighted average
Estimated rental value per sq ft per annum	**£6 – £28**	**£16**	£6 – £28	£16
Net equivalent yield	**4.9% – 8.3%**	**6.5%**	5.0% – 8.8%	6.4%

The Estimated Rental Value ('ERV') for the total portfolio is not materially different from the passing rent which is disclosed on page 2.

A decrease in the investment yield applied to the portfolio by 0.25% will increase the fair value of the portfolio by £8.4 million (2015: £6.1 million), and consequently increase the Group's reported income from unrealised gains on investments. An increase in yield by 0.25% will decrease the fair value of the portfolio by £7.7 million (2015: £5.3 million) and reduce the Group's income.

10. INVESTMENT IN SUBSIDIARIES

EPIC (No.1) Limited is a wholly owned subsidiary of Ediston Property Investment Company plc and is incorporated in England and Wales (Company Number: 09106328). EPIC (No.1) Limited was incorporated on 27 June 2014 and began trading on 5 May 2015. On 5 May 2015, the ownership of the property portfolio held by the Company at that date was transferred to EPIC (No.1) Limited. The net asset value of EPIC (No.1) Limited as at 30 September 2016 was £135.1 million (2015: £97.9 million) and the book cost was £123.7 million (2015: £91.2 million). The profit of EPIC (No.1) Limited for the year to 30 September 2016 was £8.2 million (2015: £6.7 million).

11. TRADE AND OTHER RECEIVABLES

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Lease incentives	**3,876**	3,367
Rent receivable	**30**	81
Other debtors and prepayments	**34**	136
Total	**3,940**	3,584

12. CASH AND CASH EQUIVALENTS

All cash balances at the year end were held in cash, current accounts or deposit accounts.

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Cash and cash equivalents	**9,967**	40,985
Total	**9,967**	40,985

13. LOAN

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Principal amount outstanding	**52,420**	40,000
Set-up costs	**(723)**	(561)
Amortisation of loan set-up costs	**86**	19
Total	**51,783**	39,458

In May 2015, the Group entered into a £40 million secured 10-year term loan arrangement with Aviva Commercial Finance Limited. In February 2016, the Group borrowed an additional £12.42 million, also from Aviva Commercial Finance Limited. The final maturity date of both loans is May 2025. The interest rate on the original £40 million loan is fixed at 3.09% for the period of the loan as long as the loan-to-value ratio is maintained below 40%, increasing to 3.19% if the loan-to-value ratio is 40% or higher. The interest rate on the second tranche of borrowings of £12.42 million is fixed at 2.95%, increasing to 3.05% if the loan-to-value is 40% or higher. The Company's weighted average cost of borrowings was therefore 3.06% at 30 September 2016 (2015: 3.09%). The loans are secured over EPIC (No.1) Limited's current property portfolio.

Under the financial covenants relating to the loans the Group has to ensure that for EPIC (No.1) Limited:
- The Historic Interest Cover and Projected Interest Cover, each being the passing rental income as a percentage of finance costs and generally calculated over a period of 12 months to/from the calculation date, is at least 300%.
- The Loan-to-Value Ratio, being the adjusted value of the loan as a percentage of the aggregate market value of the relevant properties, must not exceed 50%.

Breach of the financial covenants, subject to various cure rights, may lead to the loans falling due for repayment earlier than the final maturity date stated above. The Group has complied with all the loan covenants during the year.

The fair value of the loans based on a marked-to-market basis, being the yield on the Treasury 5% 2025 plus the appropriate margin, was £57,500,000 as at 30 September 2016 (2015: £40,817,000).

Under the terms of early repayment relating to the loans, the cost of repaying the loans on 30 September 2016 would have been approximately £60,839,000, including repayment of the principal (2015: £42,561,000).

14. TRADE AND OTHER PAYABLES

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Rental income received in advance	**723**	542
VAT payable to HMRC	**361**	33
Investment Manager's fees payable	**327**	314
Loan interest payable	**224**	173
Other payables	**692**	496
Total	**2,327**	1,558

The Group's payment policy is to ensure settlement of supplier invoices in accordance with stated terms.

15. NET ASSET VALUE

The Group's net asset value per Ordinary Share of 107.07 pence (2015: 106.49 pence) is based on equity shareholders' funds of £137,331,000 (2015: £136,586,000) and on 128,263,931 (2015: 128,263,931) Ordinary Shares, being the number of shares in issue at the year end.

The net asset value calculated under IFRS above is the same as the EPRA net asset value at 30 September 2016 and 30 September 2015.

16. CALLED-UP EQUITY SHARE CAPITAL

Allotted, called-up and fully paid Ordinary Shares of 1 pence par value	Number of shares	£'000
Opening balance as at 30 September 2015	128,263,931	1,283
Closing balance as at 30 September 2016	**128,263,931**	**1,283**

The Company did not issue, buyback or resell any Ordinary Shares during the year (2015: the Company issued 128,213,931 Ordinary Shares raising gross proceeds of £130,875,000). The Company did not hold any shares in treasury. Under the Company's Articles of Association, the Company may issue an unlimited number of ordinary shares.

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

17. RELATED PARTY TRANSACTIONS

The Directors are considered to be related parties. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Group. There are no other key management personnel, as the entity has no employees except for the Directors.

The Directors of the Group received fees for their services. Total fees for the year were £108,000 (2015: £134,000) of which £nil (2015: £23,000) remained payable at the year end.

Ediston Properties Limited, being the AIFM and Investment Manager, received £1,309,000 in relation to the year (2015: £942,000) of which £327,000 (2015: £314,000) remained payable at the year end.

R&H Fund Services (Jersey) Limited, being the AIFM and Investment Manager to 24 February 2016 (see Note 2), received £5,000 in relation to the year (2015: £15,000) of which £nil (2015: £15,000) remained payable at the year end.

18. CONTINGENT ASSETS AND LIABILITIES

The Group acquired the units in a Jersey Property Unit Trust on 7 November 2014. Prior to the sale of the units to the Group, the seller transferred a property to another group entity by way of a distribution in specie for nil consideration. The Group has indemnified the seller should any Stamp Duty Land Tax (SDLT) arise as a result of that property transfer. Both the Seller's and the Group's tax advice is that there is a low probability of an SDLT liability on the transaction.

19. OPERATING SEGMENTS

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 unified business, being property investment, and in one geographical area, the United Kingdom, and that therefore the Group has no segments. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance is the total return on the Group's net asset value. As the total return on the Group's net asset value is calculated based on the net asset value per share calculated under IFRSs as shown at the foot of the Consolidated Statement of Financial Position, the key performance measure is that prepared under IFRSs. Therefore no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

The view that the Group is engaged in a single unified business is based on the following considerations:

- one of the key financial indicators received and reviewed by the Board is the total return from the property portfolio taken as a whole;
- there is no active allocation of resources to particular types or groups of properties in order to try to match the asset allocation of an index or benchmark; and
- the management of the portfolio is ultimately delegated to a single property manager, Ediston Properties Limited.

20. FINANCIAL INSTRUMENTS

Consistent with its objective, the Group holds UK commercial property investments. In addition, the Group's financial instruments comprise cash and receivables and payables that arise directly from its operations. The Group does not have exposure to any derivative instruments.

The Group is exposed to various types of risk that are associated with financial instruments. The most important types are credit risk, liquidity risk, interest rate risk and market price risk. There is no foreign currency risk as all assets and liabilities of the Group are maintained in pounds sterling.

The Board reviews and agrees policies for managing the Group's risk exposure. These policies are summarised below and have remained unchanged for the period under review. These disclosures include, where appropriate, consideration of the Group's investment properties which, whilst not constituting financial instruments as defined by IFRSs, are considered by the Board to be integral to the Group's overall risk exposure.

20. FINANCIAL INSTRUMENTS continued

The following table summarises the Group's financial assets and liabilities into the categories required by IFRS 7 'Financial Instruments: Disclosures':

	As at 30 September 2016		As at 30 September 2015	
	Held at fair value through profit or loss £'000	**Financial assets and liabilities at amortised cost £'000**	Held at fair value through profit or loss £'000	Financial assets and liabilities at amortised cost £'000
Financial assets				
Trade and other receivables	**–**	**3,940**	–	3,584
Cash and cash equivalents	**–**	**9,967**	–	40,985
	–	**13,907**	–	44,569
Financial liabilities				
Loan	**–**	**(51,783)**	–	(39,458)
Trade and other payables	**–**	**(2,327)**	–	(1,558)
	–	**(54,110)**	–	(41,016)

Apart from the Aviva loans, as disclosed in Note 13, the fair value of financial assets and liabilities is not materially different from their carrying value in the financial statements.

CREDIT RISK

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group. At the reporting date, the Group's financial assets exposed to credit risk amounted to £9,997,000 (2015: £41,066,000), consisting of cash of £9,967,000 (2015: £40,985,000) and rent receivable of £30,000 (2015: £81,000).

In the event of default by a tenant if it is in financial difficulty or otherwise unable to meet its obligations under the lease, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. These expenses could include legal and surveyor's costs in re-letting, maintenance costs, insurances, rates and marketing costs and may have a material adverse impact on the financial condition and performance of the Group and/or the level of dividend cover. The Board receives regular reports on concentrations of risk and any tenants in arrears. The Investment Manager monitors such reports in order to anticipate, and minimise the impact of, defaults by occupational tenants.

Where there are concerns over the recoverability of rental income, the amounts outstanding will be fully provided for. There was a provision of £10,000 at 30 September 2016 (2015: nil). There were no other financial assets which were either past due or considered impaired at 30 September 2016 or at 30 September 2015.

All of the Group's cash was placed with The Royal Bank of Scotland plc (RBS) as at 30 September 2016 and 30 September 2015. Bankruptcy or insolvency of the bank holding cash balances may cause the Group's ability to access cash placed with them to be delayed, limited or lost. RBS is rated by all the main rating agencies. Should the credit quality or the financial position of the bank currently employed significantly deteriorate, cash holdings would be moved to another bank. As at 30 September 2016, Standard & Poor's credit rating for RBS was A-2 and Moody's was P-2. There has been no change in the fair values of cash or receivables as a result of changes in credit risk in the current or prior periods.

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 Group's investments comprise commercial properties.

Property and property-related assets in which the Group invests are not traded in an organised public market and may be illiquid. As a result, the Group may not be able to liquidate quickly its investments in these properties at an amount close to their fair value in order to meet its liquidity requirements.

The Group's liquidity risk is managed on an ongoing basis by the Investment Manager and monitored on a quarterly basis by the Board. In order to mitigate liquidity risk the Group has a comprehensive 10-year cash flow forecast that aims to have sufficient cash balances, taking into account projected receipts for rental income and property sales, to meet its obligations for a period of at least 12 months.

At the reporting date, the maturity of the financial assets was:

Financial assets as at 30 September 2016

	Three months or less £'000	**More than three months but less than three years £'000**	**More than three years £'000**	**Total £'000**
Cash and cash equivalents	**9,967**	**–**	**–**	**9,967**
Rent receivable	**30**	**–**	**–**	**30**
Total	**9,997**	**–**	**–**	**9,997**

20. FINANCIAL INSTRUMENTS continued

LIQUIDITY RISK continued

Financial assets as at 30 September 2015

	Three months or less £'000	More than three months but less than three years £'000	More than three years £'000	Total £'000
Cash and cash equivalents	40,985	–	–	40,985
Rent receivable	81	–	–	81
Total	41,066	–	–	41,066

At the reporting date, the financial liabilities on a contractual maturity basis were:

Financial liabilities as at 30 September 2016

	Three months or less £'000	**More than three months but less than three years £'000**	**More than three years £'000**	**Total £'000**
Loan	**–**	**–**	**52,420**	**52,420**
Interest payable on loan	**403**	**4,413**	**9,193**	**14,009**
Other payables	**1,380**	**–**	**–**	**1,380**
Total	**1,783**	**4,413**	**61,613**	**67,809**

Financial liabilities as at 30 September 2015

	Three months or less £'000	More than three months but less than three years £'000	More than three years £'000	Total £'000
Loan	–	–	40,000	40,000
Interest payable on loan	312	3,400	8,334	12,046
Other payables	843	–	–	843
Total	1,155	3,400	48,334	52,889

The tables above detail the total payments due to Aviva, including interest payable, in connection with the loans as detailed in Note 13.

INTEREST RATE RISK

Some of the Group's financial instruments will be interest-bearing. They are a mix of both fixed and variable rate instruments with differing maturities. As a consequence, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rate. The Group's exposure to floating interest rates gives cash flow interest rate risk and its exposure to fixed interest rates gives fair value interest rate risk.

The following table sets out the carrying amount of the Group's financial instruments that are exposed to interest rate risk:

	As at 30 September 2016		As at 30 September 2015	
	Fixed rate £'000	**Variable rate £'000**	Fixed rate £'000	Variable rate £'000
Cash and cash equivalents	**–**	**9,967**	–	40,985
Loan	**51,783**	**–**	39,458	–

20. FINANCIAL INSTRUMENTS continued

INTEREST RATE RISK continued

Variable rate

When the Group retains cash balances, they will ordinarily be held on interest-bearing deposit accounts. The Group's policy is to hold cash in variable rate or short term fixed rate bank accounts. Exposure varies throughout the year as a consequence of changes in the composition of the net assets of the Group arising out of the investment and risk management policies.

An increase of 0.50% in interest rates would have increased the reported profit for the year and the net assets at 30 September 2016 by £50,000 (2015: £205,000), a decrease of 0.50% in interest rates would have had an equal and opposite effect. These calculations are based on the variable rate balances at the respective balance sheet date and are not representative of the year as a whole, nor reflective of actual future conditions.

Fixed rate

Considering the effect on the loan balance, it is estimated that an increase of 0.50% in interest rates as at the balance sheet date would have decreased its fair value by approximately £2.1 million (2015: £1.6 million) and a decrease of 0.50% would have increased its fair value by approximately £2.2 million (2015: £1.7 million). As the loan balance is recognised in the consolidated financial statements at amortised cost, this change in fair value would not have resulted in a change in the reported profit for the year, nor the net assets of the Group at the year end.

MARKET PRICE RISK

The management of market price risk is part of the investment management process and is typical of a property investment company. The portfolio is managed with an awareness of the effects of adverse valuation movements through detailed and continuing analysis, with an objective of maximising overall returns to shareholders. Investments in property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subject to substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the valuation date. Such risk is minimised through the appointment of external property valuers. The basis of valuation of the property portfolio is set out in detail in the accounting policies.

Any changes in market conditions will directly affect the profit and loss reported through the Statement of Comprehensive Income. Details of the Group's investment property portfolio held at the balance sheet date are disclosed in Note 9. A 10% increase in the value of the investment properties held as at 30 September 2016 would have increased net assets available to shareholders and increased the net income for the year by £17.8 million (2015: £13.3 million); an equal and opposite movement would have decreased net assets and decreased the net income by an equivalent amount.

The calculations are based on the investment property valuations at the respective balance sheet date and are not representative of the year as a whole, nor reflective of future market conditions.

21. CAPITAL COMMITMENTS

The Group did not have any contractual commitments to refurbish, construct or develop any investment property, or for repair, maintenance or enhancements as at 30 September 2016 (2015: nil).

22. LEASE LENGTH

The Group leases out its investment properties under operating leases. These properties are measured under the fair value model as the properties are held to earn rentals. All leases are non-cancellable with a weighted average unexpired lease term of 7.9 years (2015: 8.6 years).

The minimum lease payments based on the unexpired lessor lease length at the year end were as follows (based on actual rentals):

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Less than one year	**11,952**	8,587
Between two and five years	**44,143**	28,341
Over five years	**47,191**	35,600
Total	**103,286**	72,528

The largest single tenant at the year end accounted for 15.2% (2015: 20.7%) of the passing rental income.

23. POST-BALANCE SHEET EVENTS

Subsequent to the year end, the Company has issued a further 500,000 Ordinary Shares raising gross proceeds of £545,000.

Company Statement of Financial Position
As at 30 September 2016

	Notes	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Non-current assets			
Investment in subsidiary undertaking	3	**123,680**	91,200
Investment properties	4	**–**	–
		123,680	91,200
Current assets			
Trade and other receivables	5	**169**	9,854
Cash and cash equivalents	6	**2,873**	29,446
		3,042	39,300
Total assets		**126,722**	130,500
Current liabilities			
Trade and other payables	7	**(777)**	(635)
Total liabilities		**(777)**	(635)
Net assets		**125,945**	129,865
Equity and reserves			
Called up equity share capital	8	**1,283**	1,283
Share premium		**34,898**	34,898
Capital reserve – investments sold		**4,649**	4,649
Special distributable reserve		**85,115**	89,035
Revenue reserve		**–**	–
Equity shareholders' funds		**125,945**	129,865
Net asset value per Ordinary Share	9	**98.2p**	101.25p

The accompanying notes are an integral part of these financial statements.

Company number 09090446.

The Company financial statements on pages 58 to 62 were approved by the Board of Directors on 12 December 2016 and signed on its behalf by:

William Hill
Chairman

Company Statement of Changes in Equity

For the year ended 30 September 2016

	Notes	Share capital account £'000	Share premium £'000	Capital reserve – investments sold £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2015		1,283	34,898	4,649	89,035	–	129,865
Profit and total comprehensive income for the year		–	–	–	–	3,134	3,134
Transactions with owners recognised in equity:							
Dividends paid	2	–	–	–	(755)	(6,299)	(7,054)
Transfer from special reserve		–	–	–	(3,165)	3,165	–
As at 30 September 2016		**1,283**	**34,898**	**4,649**	**85,115**	**–**	**125,945**

For the year ended 30 September 2015

	Notes	Share capital account £'000	Share premium £'000	Capital reserve – investments sold £'000	Special distributable reserve £'000	Revenue reserve £'000	Total equity £'000
As at 30 September 2014		1	49	–	–	–	50
Profit and total comprehensive income for the year		–	–	4,649	–	1,523	6,172
Transactions with owners recognised in equity:							
Issue of Ordinary Share capital	8	1,282	129,593	–	–	–	130,875
Issue costs		–	(2,523)	–	–	–	(2,523)
Cancellation of share premium		–	(92,221)	–	92,221	–	–
Dividends paid	2	–	–	–	(838)	(3,871)	(4,709)
Transfer from special reserve		–	–	–	(2,348)	2,348	–
As at 30 September 2015		**1,283**	**34,898**	**4,649**	**89,035**	**–**	**129,865**

The accompanying notes are an integral part of these financial statements.

Notes to the Company Financial Statements

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

The Company Financial Statements have been prepared in accordance with FRS 101: Reduced Disclosure Framework and applicable legal and regulatory requirements of the Companies Act 2006.

The accounts have been prepared on a historical cost basis. The notes and financial statements are presented in pounds sterling (being the functional currency and presentational currency for the Company) and are rounded to the nearest thousand except where otherwise indicated.

The major accounting policies of the Company are set out below and have been applied consistently throughout the current and prior year.

The results of the Company have been included in the Group's Consolidated Financial Statements as presented on pages 40 to 57. The accounting policies adopted are consistent with those adopted by the Group as stated in Note 1 of the Consolidated Financial Statements. The only additional policy applied is in relation to investments in subsidiary undertakings and this is set out below.

This is the first year that the Company has adopted FRS 101 and its date of transition was 1 October 2014. There were no transitional adjustments required on first time adoption.

The Company has taken advantage of the following exemptions permitted under FRS 101:
- an exemption from preparing the Company cash flow statement and related notes;
- an exemption from listing any new or revised standards that have not been adopted or providing information about their likely impact; and
- an exemption from disclosing transactions between the Company and its wholly-owned subsidiary.

Shareholders were informed about the Company's intention to use the above disclosure exemptions in the Annual Report and Accounts 2015 and no objections were received. A shareholder holding, or shareholders holding in aggregate, 5% or more of the total allotted shares in Ediston Property Investment Company plc may serve objections to the future use of the disclosure exemptions on Ediston Property Investment Company plc, in writing, to its registered office (Broadgate Tower, 20 Primrose Street, London EC2A 2EW) to be received not later than 90 days prior to the end of Company's relevant reporting period.

GOING CONCERN

The financial statements are prepared on the going concern basis as explained for the Consolidated Financial Statements on page 44.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are stated at cost less, where applicable, any provision for impairment.

CAPITAL MANAGEMENT

The Company's capital is represented by the Ordinary Shares, Share Premium, Capital Reserves, Revenue Reserve and Special Distributable Reserve and is managed in line with the policies set out for the Group on page 48.

COMPANY PROFIT FOR THE FINANCIAL YEAR AFTER TAX

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The profit after tax for the year was £3,134,000 (2015: £6,172,000).

The Company does not have any employees (2015: nil). Details of the Directors' fees paid during the year are disclosed in the Group's Remuneration Report and in Note 3 to the Consolidated Financial Statements. All of the Directors' fees were paid by the Parent Company, although £97,000 was subsequently reallocated to the subsidiary to reflect the work completed by the Directors in relation to the property assets held by that Company.

Audit fees in relation to the Parent Company only were £35,000 (2015: £55,000), excluding VAT. There were no non-audit fees paid to Grant Thornton LLP by the Company during the year.

2. DIVIDENDS

Details of dividends paid by the Company are included in Note 7 to the Consolidated Financial Statements.

3. INVESTMENTS IN SUBSIDIARIES

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Opening balance	**91,200**	–
Additions	**32,480**	91,200
Closing balance	**123,680**	91,200

The Company has a single equity investment in a wholly owned subsidiary, EPIC (No.1) Limited. See Note 10 to the Consolidated Financial Statements on page 52. During the year ended 30 September 2016, the Company subscribed in cash for a further 32,480,000 shares in EPIC (No.1) Limited.

4. INVESTMENT PROPERTIES

Freehold and Leasehold Properties	**As at 30 September 2016 £'000**	As at 30 September 2015 £'000
Opening fair value	**–**	–
Purchases	**–**	84,284
Capitalised costs	**–**	2,267
Sales proceeds	**–**	(91,200)
Realised gain on sale	**–**	4,649
Closing fair value	**–**	–

On 5 May 2015, the Company transferred its portfolio of investment properties to its wholly-owned subsidiary. The Company did not hold any investment properties at either 30 September 2015 or 30 September 2016.

5. TRADE AND OTHER RECEIVABLES

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Amount due from subsidiary undertaking	**134**	9,739
Other receivables and prepayments	**35**	115
Total	**169**	9,854

6. CASH AND CASH EQUIVALENTS

All cash balances at the year end were held in cash, current accounts or deposit accounts.

7. TRADE AND OTHER PAYABLES

	As at 30 September 2016 £'000	As at 30 September 2015 £'000
Investment Manager's fees payable	**327**	314
Tax withheld on dividends paid	**155**	111
Other payables	**295**	210
Total	**777**	635

The Company's payment policy is to ensure settlement of supplier invoices in accordance with stated terms.

8. SHARE CAPITAL

Allotted, called-up and fully paid Ordinary Shares of 1 pence par value	Number of shares	£'000
Opening balance as at 30 September 2015	128,263,931	1,283
Closing balance as at 30 September 2016	**128,263,931**	**1,283**

The Company did not issue, buyback or resell any Ordinary Shares during the year (2015: the Company issued 128,213,931 Ordinary Shares raising gross proceeds of £130,875,000).

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

9. NET ASSET VALUE

The Company's net asset value per Ordinary Share of 98.2 pence (2015: 101.25 pence) is based on equity shareholders' funds of £125,945,000 (2015: £129,865,000) and on 128,263,931 (2015: 128,263,931) Ordinary Shares, being the number of shares in issue at the year end.

10. OPERATING SEGMENTS

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Company is engaged in a single unified business, being property investments, and in one geographical area, the United Kingdom, and that therefore the Company has no segments. Full details are provided in Note 19 to the Consolidated Financial Statements on page 54.

11. FINANCIAL INSTRUMENTS

The Company's risks associated with financial instruments and the policies for managing its risk exposure are consistent with those detailed in Note 20 to the Consolidated Financial Statements on pages 54 to 57.

With regards to the categorisation required by IFRS 7 'Financial Instruments: Disclosures' all of the Company financial assets and liabilities are categorised as 'financial assets and liabilities at amortised cost'. The Company's financial assets consist of trade and other receivables and cash and cash equivalents. The Company's financial liabilities consist of trade and other payables.

At the reporting date, the Company's financial assets exposed to credit risk amounted to £3,007,000 (2015: £39,185,000), consisting solely of the Company's cash balance of £2,873,000 (2015: £29,446,000) and a current account balance due from its wholly owned subsidiary of £134,000 (2015: £9,739,000).

The maturity of the Company's financial liabilities (on a contractual maturity basis) at 30 September 2016 was as follows:

	Three months or less £'000	**More than three months but less than three years £'000**	**More than three years £'000**	**Total £'000**
Other payables	**777**	**–**	**–**	**777**

The maturity of the Company's financial liabilities (on a contractual maturity basis) at 30 September 2015 was as follows:

	Three months or less £'000	More than three months but less than three years £'000	More than three years £'000	Total £'000
Other payables	635	–	–	635

The Company's only financial instrument exposed to interest rate risk at 30 September 2016 was its cash balance of £2,873,000 (2015: £29,446,000) which received a variable rate of interest. An increase of 0.50% in interest rates would have increased the reported profit for the year, and the net assets at year end, by £14,000 (2015: £147,000). A decrease of 0.50% in interest rates would have had an equal and opposite effect. These calculations are based on the variable rate balances at the respective balance sheet date and are not representative of the year as a whole, nor reflective of actual future conditions.

12. RELATED PARTY TRANSACTIONS

Other than transactions between the Company and its wholly-owned subsidiary, in relation to which the Company has adopted the permitted exemption allowed by FRS 101, related party transactions are the same for the Company as for the Group. For details refer to Note 17 of the Consolidated Financial Statements on page 54. The fees payable to the Directors and the Investment Manager are initially paid by the Company, but may be re-allocated, in whole or in part, to the Subsidiary.

Shareholder Information

TAX STRUCTURE

Ediston Property Investment Company plc is tax resident in the UK and is a Real Estate Investment Trust (REIT) under Part 12 of the Corporation Tax Act 2010, subject to continuing compliance with the REIT rules and regulations. The main REIT rules with which the Group must comply are set out in the section entitled 'Compliance with REIT Status' on page 45.

A REIT does not suffer UK corporation tax on the profits (income and capital gains) derived from its qualifying property rental businesses in the UK and elsewhere (the Tax-Exempt Business), provided that certain conditions are satisfied. Instead, distributions in respect of the Tax-Exempt Business will be treated for UK tax purposes as UK property income in the hands of shareholders (see further below for details on the UK tax treatment of shareholders in a REIT). A dividend paid by the Company relating to profits or gains of the Tax-Exempt Business is referred to in this section as a Property Income Distribution (PID).

However, UK corporation tax remains payable in the normal way in respect of income and gains from the Company's business (generally including any property trading business) not included in the Tax-Exempt Business (the Residual Business). Dividends relating to the Residual Business are treated for UK tax purposes as normal dividends. Any normal dividend paid by the Company is referred to as a Non-PID Dividend.

Distributions to shareholders are likely to include both PID and Non-PID Dividends as calculated in accordance with specific attribution rules. The Company provides shareholders with a certificate setting out how much, if any, of their dividends is a PID and how much is a Non-PID dividend. A breakdown of the dividends paid in relation to the years ended 30 September 2015 and 30 September 2016 is set out below.

Distribution	Ex-dividend Date	Payment Date	PID (per share)	Non-PID (per share)	Total (per share)
In relation to the year ended 30 September 2015					
First interim	29/01/15	06/02/15	0.7144p	0.2541p	0.9685p
Second interim	19/02/15	27/02/15	0.4583p	–	0.4583p
Third interim	19/03/15	31/03/15	0.4583p	–	0.4583p
Fourth interim	16/04/15	30/04/15	0.2406p	0.2177p	0.4583p
Fifth interim	14/05/15	29/05/15	0.4583p	–	0.4583p
Sixth interim	11/06/15	30/06/15	0.4583p	–	0.4583p
Seventh interim	09/07/15	31/07/15	0.0485p	0.4098p	0.4583p
Eighth interim	13/08/15	28/08/15	0.4583p	–	0.4583p
Ninth interim	10/09/15	30/09/15	0.4583p	–	0.4583p
Tenth interim	22/10/15	30/10/15	0.1509p	0.3074p	0.4583p
Total in relation to the year ended 30 September 2015			**3.9042p**	**1.1890p**	**5.0932p**
In relation to the year ended 30 September 2016					
First interim	12/11/15	30/11/15	0.4583p	–	0.4583p
Second interim	10/12/15	31/12/15	0.4583p	–	0.4583p
Third interim	21/01/16	29/01/16	0.1768p	0.2815p	0.4583p
Fourth interim	11/02/16	29/02/16	0.4583p	–	0.4583p
Fifth interim	10/03/16	31/03/16	0.4583p	–	0.4583p
Sixth interim	21/04/16	29/04/16	0.4583p	–	0.4583p
Seventh interim	12/05/16	31/05/16	0.4583p	–	0.4583p
Eighth interim	09/06/16	30/06/16	0.4583p	–	0.4583p
Ninth interim	21/07/16	29/07/16	0.4583p	–	0.4583p
Tenth interim	11/08/16	31/08/16	0.4583p	–	0.4583p
Eleventh interim	08/09/16	30/09/16	0.4583p	–	0.4583p
Twelfth interim	20/10/16	31/10/16	0.4587p	–	0.4587p
Total in relation to the year ended 30 September 2016			**5.2185p**	**0.2815p**	**5.5000p**

UK TAXATION OF PIDS

A PID is, together with any property income distribution from any other REIT company, treated as taxable income from a UK property business. No dividend tax credit will be available in respect of PIDs. However, the basic rate of income tax (currently 20%) will be withheld by the Company (where required) on the PID unless the shareholder is entitled to receive PIDs without income tax being deducted at source and they have notified the Registrar of this entitlement sufficiently in advance of a PID being paid.

Shareholders who are individuals may, depending on their particular circumstances, either be liable to further UK income tax on their PID at their applicable marginal income tax rate, incur no further UK tax liability on their PID, or be entitled to claim repayment of some or all of the UK income tax withheld on their PID.

Corporate shareholders who are resident for tax purposes in the UK will generally be liable to pay UK corporation tax on their PID and if income tax is withheld at source, the tax withheld can be set against their liability to UK corporation tax or against any income tax which they themselves are required to withhold in the accounting period in which the PID is received.

UK TAXATION OF NON-PID DIVIDENDS

Under current UK legislation, most individual shareholders who are resident in the UK for taxation purposes receive a tax-free dividend allowance of £5,000 per annum and any dividend income (including Non-PID Dividends) in excess of this allowance is subject to income tax.

UK resident corporate shareholders (other than dealers and certain insurance companies) are not liable to corporation tax or income tax in respect of UK dividends provided that the dividends are exempt under Part 9A of the Corporation Tax Act 2009.

UK TAXATION OF CHARGEABLE GAINS IN RESPECT OF ORDINARY SHARES IN THE COMPANY

Any gain on disposal (by sale, transfer or redemption) of Ordinary Shares by shareholders resident in the UK for taxation purposes will be subject to capital gains tax in the case of an individual shareholder, or UK corporation tax on chargeable gains in the case of a corporate shareholder.

For the purposes of calculating chargeable gains, the following table sets out the price at which the Company has issued shares since launch:

Date of Issuance	Share price (per share)
27 October 2014	100.0p
8 July 2015	108.0p

The statements on taxation above are intended to be a general summary of certain tax consequences that may arise in relation to the Company and shareholders. This is not a comprehensive summary of all technical aspects of the taxation of the Company and its shareholders and is not intended to constitute legal or tax advice to investors.

The statements relate to the UK tax implications of a UK resident individual investing in the Company (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK for tax purposes. The statements are based on current tax legislation and HMRC practice, both of which are subject to change at any time, possibly with retrospective effect.

Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company.

CONTACTS

Investor relations

Information on Ediston Property Investment Company plc, including the latest share price: www.ediston-reit.com

Registrar:
Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

T: 0370 707 1079
E: www.investorcentre.co.uk/contactus

Enquiries about the following administrative matters should be addressed to the Company's registrar:

- Change of address notification.
- Lost share certificates.
- Dividend payment enquiries.
- Dividend mandate instructions. Shareholders may have their dividends paid directly into their bank or building society accounts by completing a dividend mandate form. Tax vouchers, where applicable, are sent directly to shareholders' registered addresses.
- Amalgamation of shareholdings. Shareholders who receive more than one copy of the Annual Report are invited to amalgamate their accounts on the share register.

Shareholders can view and manage their shareholdings online at www.investorcentre.co.uk, including updating address records, making dividend payment enquiries, updating dividend mandates and viewing the latest share price. Shareholders will need their Shareholder Reference Number (SRN), which can be found on their share certificate or a recent dividend tax voucher, to access this site. Once signed up to Investor Centre, an activation code will be sent to the shareholder's registered address to enable the shareholder to manage their holding.

FINANCIAL CALENDAR 2016/17

January 2017	Announcement of Net Asset Value as at 31 December 2016
1 March 2017	Annual General Meeting
April 2017	Announcement of Net Asset Value as at 31 March 2017
May 2017	Publication of Half Yearly Report for the six months to 31 March 2017
July 2017	Announcement of Net Asset Value as at 30 June 2017
October 2017	Announcement of Net Asset Value as at 30 September 2017
December 2017	Publication of Annual Report for the year to 30 September 2017
January 2018	Announcement of Net Asset Value as at 31 December 2017

It is the intention of the Board that dividends will continue to be announced and paid monthly.

HISTORIC RECORD

	Total assets less current liabilities £'000	Shareholders' funds £'000	Property portfolio £'000	EPRA net asset value per share p	Share price p	Premium/ (discount) %	EPRA earnings per share p	Dividends per share p	Ongoing charges* %
27 October 2014 (launch)	93,171	93,171	76,700	98.07	100.0	1.9	–	–	–
30 September 2015	176,044	136,586	136,400	106.49	109.5	2.8	4.15	5.09	1.4
30 September 2016	**189,114**	**137,331**	**181,410**	**107.07**	**103.4**	**(3.4)**	**5.90**	**5.50**	**1.5**

* Excludes direct operating expenses for investment properties as these are variable in nature and tend to be specific to lease events occurring during the period.

WARNING TO SHAREHOLDERS – BEWARE OF SHARE FRAUD

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment.

If you are approached by fraudsters please tell the Financial Conduct Authority (FCA) by using the share fraud reporting form at www.fca.org.uk/consumers where you can find out more about investment scams. You can also call the FCA Consumer Helpline on 0800 111 6768. If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

Glossary of Terms

AIC	Association of Investment Companies. This is the trade body for Closed-end Investment Companies (www.theaic.co.uk).
AIFMD	Alternative Investment Fund Managers Directive. Issued by the European Parliament in 2012 and 2013, the Directive requires the Company to appoint an Alternative Investment Fund Manager (AIFM). The Board of Directors of a Closed-ended Investment Company, nevertheless, remains fully responsible for all aspects of the Company's strategy, operations and compliance with regulations.
AIFM	Alternative Investment Fund Manager – the entity that provides portfolio management and risk management services to the Company and which ensures the Company complies with the AIFMD. The Company's AIFM is Ediston Investment Services Limited.
Basic Total Earnings per Share	Total profit after taxation divided by the weighted average number of Ordinary Shares in issue during the period.
Break Clause/Option	A clause in a Lease which provides the landlord or tenant with an ability to terminate the Lease before its contractual expiry date.
Closed-end Investment Company	A company with a fixed issued ordinary share capital which is traded on a stock exchange at a price not necessarily related to the Net Asset Value of the company and where shares can only be issued or bought back by the company in certain circumstances. This contrasts with an open-ended investment company, which has units not traded on an exchange but issued or bought back from investors at a price directly related to the Net Asset Value.
Company	Ediston Property Investment Company PLC (Company number 09090446). The Annual Report and Accounts of the Company consolidate the results of its subsidiary undertaking, details of which are contained in Note 10 to the Consolidated Financial Statements, collectively referred to as 'the Group'. References throughout this document to 'the Company' may also encompass matters relevant to the subsidiary undertaking.
Contracted Rent	The annualised rent adjusting for the inclusion of rent subject to rent-free periods.
Covenant Strength	This refers to the quality of a tenant's financial status and its ability to perform the covenants in the Lease.
Depositary	Under AIFMD rules, the Company must appoint a Depositary, whose duties in respect of investments, cash and similar assets include: safekeeping; verification of ownership and valuation; and cash monitoring. The Depositary's oversight duties include, but are not limited to, oversight of share buy backs, dividend payments and adherence to investment limits. The Company's Depositary is Augentius Depositary Limited.
Discount (or Premium) of Share Price to NAV	If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.
Dividend	The income from an investment. The Company currently pays dividends to shareholders monthly.
Dividend Cover	Realised profit for the period, excluding exceptional items, divided by dividends declared for the period.
Dividends per Share	Dividends declared for the year.
Dividend Yield	Calculated using the annual dividend compared to the share price at the year end.
EPRA	The European Public Real Estate Association, the industry body for European REITs.
EPRA Cost Ratio (including direct vacancy costs)	The ratio of net overheads and operating expenses against gross rental income (with both amounts excluding ground rents payable). Net overheads and operating expenses relate to all administrative and operating expenses.
EPRA Cost Ratio (excluding direct vacancy costs)	The ratio calculated above, but with direct vacancy costs removed from net overheads and operating expenses balance.
EPRA Earnings per Share	Recurring earnings from core operational activities. A key measure of a company's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings.
EPRA NAV	NAV adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model. Makes adjustments to the IFRS NAV to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long term investment strategy. At 30 September 2016 and 30 September 2015, the EPRA NAV was the same as the IFRS NAV.
EPRA NAV Total Return	The growth in EPRA NAV plus dividends reinvested, and this can be expressed as a percentage of EPRA NAV per share at the start of the year.

EPRA Net Asset Value (NAV) per Share	EPRA NAV at the year end divided by the number of Ordinary Shares in issue at that date.
EPRA Net Asset Value (NAV) per Share increase	EPRA NAV at 30 September 2016 minus the NAV at 30 September 2015. This is then divided by the opening EPRA NAV to compute the percentage increase in the period.
EPRA Net Initial Yield	The annualised rental income based on cash rents passing at the year end less non-recoverable property expenditure expressed as a percentage of the gross market value of the property portfolio.
EPRA Topped Up Net Initial Yield	Calculated by adjusting the EPRA Net Initial Yield in respect of the expiration of rent free periods or other unexpired lease incentives such as discounted or step rents.
EPRA Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space expressed as a percentage of the ERV of the whole portfolio. The vacancy rate excludes those properties which are under development or major refurbishment.
Equivalent Yield	The internal rate of return of the cash flow from the property, assuming a rise to ERV at the next review but with no further rental growth.
Escrow	Funds placed in custody or trust until a certain condition has been fulfilled. For example, amounts provided by the seller of a property to cover rent-free periods or vacant units and generally held by a legal firm and released to the Group gradually over the length of the rent-free or vacant period in order to compensate the Group for the anticipated rental shortfall for an agreed period subsequent to purchase.
Estimated Rental Value (ERV)	The estimated annual market rental value of a property as determined by the Company's External valuer. This will normally be different from the actual rent being paid.
External valuer	An independent external valuer of a property. The Company's External valuer is Knight Frank LLP and detailed information regarding the valuation of the Company's properties is included in the accounting polices and Note 9 to the Consolidated Financial Statements.
Fixed and Minimum Uplift Rents	Rents subject to fixed uplifts at an agreed level on agreed dates stipulated within the Lease, or rents subject to contracted minimum uplifts at specified review dates.
Gearing	Unlike open-ended investment companies, Closed-end Investment Companies have the ability to borrow to invest. This term is used to describe the level of borrowings that an Investment Company has undertaken. The higher the level of borrowings, the higher the gearing ratio.
Increase/decrease in NAV	The movement in NAV in the period, shown in total and as a movement per share. Expressed in whole numbers and as a percentage.
Investment Manager	The Company's Investment Manager, pursuant to the Investment Managers' Delegation Agreement, is Ediston Properties Limited. The Investment Manager is responsible for the day-to-day management of the Company and advises the Group on the acquisition of its investment portfolio and on the development, management and disposal of UK commercial assets in its portfolio.
Loan to Value	Debt outstanding and drawn at the period end expressed as a percentage of the fair value of all property assets.
Lease	A legally binding contract between a landlord and a tenant which sets out the basis on which the tenant is permitted to occupy a property, including the Lease length.
Lease Incentive	A payment used to encourage a tenant to take on a new Lease, for example by a landlord paying a tenant a sum of money to contribute to the cost of a tenant's fit-out of a property or by allowing a rent-free period.
Lease Re-gear	This term is used to describe the renegotiation of a Lease during the term and is often linked to another Lease event; for example, a Break Clause/Option or Rent Review.
Lease Surrender	An agreement whereby the landlord and tenant bring a Lease to an end other than by contractual expiry or the exercise of a Break Clause/Option. This will frequently involve the negotiation of a surrender premium by one party to the other.
Net Assets (or Shareholders' Funds)	This is calculated as the value of the investments and other assets of an Investment Company, plus cash and debtors, less borrowings and any other creditors. It represents the underlying value of an Investment Company at a point in time.
Net Asset Value (NAV) per Ordinary Share (or 'IFRS NAV')	This is calculated as the net assets of the Group calculated under its accounting policies as set out on pages 44 to 48 divided by the number of shares in issue, excluding those shares held in treasury. This is the number disclosed at the foot of the Consolidated Statement of Financial Position on page 41. At 30 September 2016 and 30 September 2015, the IFRS NAV was the same as the EPRA NAV.

Net Income	The net income from a property after deducting ground rent and non-recoverable expenditure.
Net Initial Yield	The initial Net Income from a property at the date of purchase, expressed as a percentage of the gross purchase price including the costs of purchase.
Non-PID	Non-Property Income Distribution. The dividend received by a shareholder of the Company arising from any source other than profits and gains of the Tax Exempt Business of the Group. This is similar to a dividend paid by any other company resident in the UK. From 6 April 2016, individual shareholders who are resident in the UK for taxation purposes are entitled to a tax free dividend allowance of £5,000 per annum. Any dividend income (including Non-PID Dividends but excluding PIDs) in excess of this allowance is subject to income tax. UK resident corporate shareholders (other than dealers and certain insurance companies) are not liable to corporation tax or income tax in respect of UK dividends provided that the dividends are exempt under Part 9A of the Corporation Tax Act 2009.
Ongoing Charges	All operating costs incurred by the Company, expressed as a proportion of its average Net Assets over the reporting year. The costs of buying and selling investment properties and the costs of buying back or issuing Ordinary Shares are excluded.
Ordinary Shares	The main type of equity capital issued by conventional Investment Companies. Shareholders are entitled to their share of both income, in the form of dividends paid by the Company, and any capital growth.
PID	Property Income Distribution. A dividend received by a shareholder of the Company in respect of profits and gains of the tax exempt business of the Group. Such distributions are taxable as profits of a UK property business and, in the case of a shareholder, are chargeable to UK income tax at their highest marginal rates in the case of UK resident individuals or to UK corporation tax in the case of UK resident companies.
Premium (or discount) of share price to NAV	If the share price is less than the Net Asset Value per share, the shares are trading at a discount. If the share price is greater than the Net Asset Value per share, the shares are trading at a premium.
REIT	Real Estate Investment Trust. A company which complies with Part 12 of the Corporation Tax Act 2010. Subject to the continuing relevant UK-REIT criteria being met, the profits from the property business of a REIT, arising from both income and capital gains, are exempt from corporation tax.
Rent Review	A periodic review of rent during the term of a Lease, as provided for within a Lease agreement.
Reversion	Increase in rent estimated by the Company's External valuer, where the passing rent is below the ERV. The increases to rent arise on rent reviews and lettings.
Share Price	The value of a share at a point in time as quoted on a stock exchange. The Company's Ordinary Shares are quoted on the Main Market of the London Stock Exchange.
Share Price Total Return	The percentage change in the share price assuming dividends are reinvested to purchase additional Ordinary Shares.
SORP	Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the AIC.
Surrender Premium	The amount received from tenants who break their leases early, or paid to tenants in order to reclaim vacant possession of the property.
Total Assets	This is calculated as the value of the investment properties and other assets of the Company, plus cash and debtors.
Total Return	The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.
UK Corporate Governance Code	A code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. All companies with a Premium Listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts.
Voids	The amount of rent relating to properties which are unoccupied and generating no rental income. Stated as a percentage of ERV.
WAULT (Weighted Average Unexpired Lease Term)	The average lease term remaining to first break, or expiry, across the portfolio weighted by contracted rental income (including rent-frees). The calculation excludes properties allocated as developments.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of Ediston Property Investment Company plc will be held at 39 George Street, Edinburgh EH2 2HN on 1 March 2017 at 12.00 p.m. for the purposes of considering and, if thought fit, passing the following resolutions, of which resolutions 1 to 6 inclusive will be proposed as ordinary resolutions, and resolutions 7 to 9 inclusive will be proposed as special resolutions:

ORDINARY RESOLUTIONS

1. That the Annual Report and Accounts for the year ended 30 September 2016 be received.

2. That the Directors' Remuneration Report for the year ended 30 September 2016 be approved.

3. That Grant Thornton UK LLP be re-appointed as the Company's auditor and that the Directors be authorised to determine their remuneration.

4. That Robin Archibald, who retires by rotation, be re-elected as a Director of the Company.

5. That the Company's dividend policy be approved.

6. That, in accordance with section 551 of the Companies Act 2006, the Directors be generally and unconditionally authorised to exercise all powers of the Company to allot shares in the capital of the Company and to grant rights to subscribe for or to convert any security into shares in the Company (Securities) up to an aggregate nominal amount of £141,090 or, if less, the aggregate nominal amount equal to 10% of the Company's issued share capital immediately prior to the passing of this resolution, provided that this authority shall, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting of the Company or on 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before such expiry, make offers or agreements which would or might require Securities to be allotted and the Directors may allot Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

SPECIAL RESOLUTIONS

7. That, subject to the passing of resolution 6, the Directors be given the general power, pursuant to section 570 of the Companies Act 2006 (the 'Act'), to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority under section 551 of the Act either conferred by resolution 6 or by way of a sale of treasury shares as if section 561 of the Act did not apply to any such allotment, 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 expiry of 15 months from the passing of this resolution, whichever is the earlier, unless renewed, varied or revoked by the Company prior to or on such date, and save that the Company may, before such expiry, make offers or agreements 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 notwithstanding that the power conferred by this resolution has expired; and
   (b) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £141,090 or, if less, the aggregate nominal amount equal to 10% of the nominal value of the issued share capital of the Company immediately prior to the passing of this resolution.

8. To authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares of £0.01 each provided that:
   (a) the maximum aggregate number of Ordinary Shares that may be purchased is 19,301,713 Ordinary Shares or, if less, 14.99% of the issued Ordinary Share capital of the Company immediately prior to the passing of this resolution (excluding treasury shares);
   (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is £0.01;
   (c) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:
      (i) 105% of the average market value of an Ordinary Share in the Company for the five business days prior to the day the purchase is made; and
      (ii) the higher of the last independent trade and the highest current independent bid on the London Stock Exchange; and
   (d) unless previously varied, revoked or renewed, the authority hereby conferred shall expire at the conclusion of the Company's next Annual General Meeting or on 15 months from the passing of this resolution, whichever is the earlier, save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.

9. That, the Company be and is hereby generally and unconditionally authorised to hold general meetings (other than Annual General Meetings) on 14 clear days' notice, such authority to expire at the conclusion of the next Annual General Meeting of the Company or 15 months from the passing of this resolution, whichever is the earlier.

By order of the Board
R&H Fund Services Limited
Company Secretary

Registered office:
Broadgate Tower
20 Primrose Street
London
EC2A 2EW
12 December 2016

NOTES

1. Only those shareholders registered in the Company's register of members at 6.00 p.m. on 27 February 2017 or, if the meeting is adjourned, 6.00 p.m. on the day two working days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

   Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006 (the 'Act'), can be found at www.ediston-reit.com.

3. As a member you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. A proxy does not need to be a shareholder of the Company but must attend the meeting to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. You may not use any electronic address provided either in this notice or any related documents (including the financial statements and proxy form) to communicate with the Company for any purpose other than those expressly stated.

4. Shareholders can:
   (a) appoint a proxy and give proxy instructions by returning the enclosed proxy form by post (see Note 5); or
   (b) if a CREST member, register their proxy appointment by utilising the CREST electronic proxy appointment service (see Note 6).

   Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting and vote in person, your proxy appointment will automatically be terminated.

5. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:
   (a) completed and signed;
   (b) sent or delivered to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and
   (c) received by Computershare Investor Services PLC no later than 12.00 p.m. on 27 February 2017 or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting.

   In the case of a shareholder which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form. If you have not received a proxy form and believe that you should have one, or if you require additional proxy forms, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (T: 0370 707 1079).

6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC (ID 3RA50) no later than 12.00 p.m. on 27 February 2017 or, in the event of an adjournment of the meeting, 48 hours before the adjourned meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

   CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member, or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

NOTES continued

7. A corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

8. As at 6.00 p.m. on 12 December 2016, the Company's issued share capital comprised 128,763,931 Ordinary Shares of £0.01 each. Each Ordinary Share carries the right to one vote at a General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 6.00 p.m. on 12 December 2016 is 128,763,931.

   The website referred to in Note 2 will include information on the number of shares and voting rights.

9. Under section 319A of the Act, any member attending the meeting has a right to ask questions. The Company must answer any question you ask relating to the business being dealt with at the meeting unless:
   (a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   (b) the answer has already been given on a website in the form of an answer to a question; or
   (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

10. Under section 338 of the Act, a member or members meeting the qualification criteria set out in Note 13 below may, subject to certain conditions, require the Company to circulate to members notice of a resolution which may properly be moved and is intended to be moved at that meeting. The conditions are that:
    (a) the resolution must not, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise);
    (b) the resolution must not be defamatory of any person, frivolous or vexatious; and
    (c) the request: (i) may be in hard copy form or in electronic form, (ii) must identify the resolution of which notice is to be given by either setting out the resolution in full or, if supporting a resolution sent by another member, clearly identifying the resolution which is being supported, (iii) must be authenticated by the person or persons making it, and (iv) must be received by the Company not later than six weeks before the meeting to which the request relates.

11. Under section 338A of the Act 2006, a member or members meeting the qualification criteria set out at Note 13 below may require the Company to include in the business to be dealt with at the Annual General Meeting a matter (other than a proposed resolution) which may properly be included in the business (a matter of business). The request must have been received by the Company not later than 18 January 2017. The conditions are that the matter of business must not be defamatory of any person, frivolous or vexatious. The request must identify the matter of business by either setting it out in full or, if supporting a statement sent by another member, clearly identify the matter of business which is being supported. The request must be accompanied by a statement setting out the grounds for the request. Members seeking to do this should write to the Company providing their full name and address.

12. Under section 527 of the Act, a member or members meeting the qualification criteria set out at Note 13 below may have the right to request the Company to publish on its website a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website:
    (a) it may not require the shareholders making the request to pay any expenses incurred by the Company in complying with the request;
    (b) it must forward the statement to the Company's auditors no later than the time the statement is made available on the Company's website; and
    (c) the statement may be dealt with as part of the business of the meeting.

    The request must:
    (a) be in writing to R&H Fund Services Limited at 20 Forth Street, Edinburgh EH1 3LH;
    (b) either set out the statement in full or, if supporting a statement sent by another shareholder, clearly identify the statement which is being supported;
    (c) be authenticated by the person or persons making it; and
    (d) be received by the Company at least one week before the meeting.

13. In order to be able to exercise the members' rights in Note 10 to Note 12, the relevant request must be made by:
    (a) a member or members having a right to vote at the meeting and holding at least 5% of total voting rights of the Company; or
    (b) at least 100 members having a right to vote at the meeting and holding, on average, at least £100 of paid-up share capital.

14. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person), you may have a right under an agreement between you and the shareholder of the Company who has nominated you to have information rights (Relevant Shareholder) to be appointed or to have someone else appointed as a proxy for the meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Shareholder to give instructions to the Relevant Shareholder as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Shareholder (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you. The statement of the rights of members in relation to the appointment of proxies in Notes 3 and 4 above does not apply to a Nominated Person.

NOTES continued

15. Any person holding 3% or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his proxy will need to ensure that both he and his proxy comply with their respective disclosure obligations under the UK Disclosure Guidance and Transparency Rules.

16. Copies of the Directors' letters of appointment are available for inspection at the Company's registered office during normal business hours and at the place of the meeting from at least 15 minutes prior to the meeting until the end of the meeting.

Corporate Information

DIRECTORS
Mr William Hill (Chairman)
Mr Robin Archibald
Mr Robert Dick*

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Registered in England and Wales

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INVESTMENT MANAGER
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ADMINISTRATOR AND COMPANY SECRETARY
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