
CORUM PROPERTY INVESTMENTS LIMITED

REGISTERED NUMBER: 47257

**ANNUAL REPORT AND CONSOLIDATED FINANCIAL
STATEMENTS**

For the period 1 October 2013 to 31 March 2015

CORUM PROPERTY INVESTMENTS LIMITED

Annual Report and Consolidated Financial Statements

For the period 1 October 2013 to 31 March 2015

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CORUM PROPERTY INVESTMENTS LIMITED

Company Summary

For the period 1 October 2013 to 31 March 2015

Corporate Statement

Corum Property Investments Limited was a Guernsey authorised closed-ended property investment and development company until 3 November 2015. Post year end, the Company completed on the sale of all but one of its properties and returned £10,820,138 to its shareholders. As a result the company no longer satisfied the requirements to be a Guernsey authorised closed ended collective investment scheme and with effect from 3 November 2015 the Company is no longer authorised.

It invests in commercial real estate, primarily in the United Kingdom, with a focus on income producing commercial assets where active asset management can enhance value; and on development opportunities in the same sectors.

Key features of the year under review

- Good progress was made towards the objective of selling the Company's assets and returning funds to shareholders. In the quarter ended December 2014 shares to the value of £11,043,000 were redeemed.
- Properties were sold for £23.0 m and debt of £14.5m repaid leaving the Company debt free.
- Heads of terms were agreed for the sale of the offices at Basingstoke, Cardiff, Leeds and Luton although contracts were only exchanged after the period end and the sales completed on 24 September 2015.
- The property at Welwyn Garden City was sold subject to achieving satisfactory planning for a residential and care home development. Planning applications have been submitted but permission has not yet been granted. As a result the directors have valued the property at £750,000 on the basis of an unconditional third party offer and of not receiving the permissions, therefore this property has not valued on a sales agreement value.
- The shares in and loans to the company owning the property at Maidenhead were sold in September 2015.
- After the period end the above two sales were completed and a further distribution of £10,820,138 was made to shareholders at the end of September 2015.
- To facilitate the ongoing orderly sale of the last property, the life of the Company was extended at an EGM for a further period of one year from 30 September 2015.

CORUM PROPERTY INVESTMENTS LIMITED

Investment Adviser's Report

For the period 1 October 2013 to 31 March 2015

Introduction

The focus for the period under review has been to dispose of the portfolio at best value within the time constraint of meeting the desire of shareholders to end the life of the Company by 30 September 2015. Market conditions other than in central London proved mixed and limited progress was made in filling vacancies and extending leases in the office portfolio. As it was not possible to meet the target of liquidation by 30 September 2015 the life of the Company has been extended by a further year.

Portfolio Update

Acquisitions

There were no property acquisitions during the period.

Disposal programme

The disposal programme progressed well during the period with the following outcomes

Office Portfolio

Contracts for the sale of the property at Welwyn Garden City were exchanged in July 2014, conditional upon the achievement of satisfactory planning. At period end planning had not been granted but the indications from the planners are that the applications are being considered favourably.

Approval was granted under Permitted Development Rights to convert the office building in Maidenhead to 23 residential apartments. The existing lease terminated at the end of December 2014 and work on the conversion commenced on 30 March 2015. After the period end, the board approved the sale of this property based on a valuation by Savills and the sale completed in September 2015.

In September 2014 Heads of Terms were agreed to sell the four office buildings at Basingstoke, Cardiff, Leeds and Luton. The sale and purchase agreement was entered into on 15 July 2015 with the sale being exchanged and completed on 24 September 2015.

Schools portfolio

The sale of the two school properties in central London benefited from the exceptional demand for Central London investment properties and we were able to achieve a considerable premium to our asking price.

Retail portfolio

The Aldridge property was sold to the tenant, JD Wetherspoon plc.

The sale of the district retail centre development in Taunton was a little disappointing with higher than expected yields and lack of investment demand in outlying areas. A small loss was realised on the overall development cost.

Car Showroom portfolio

The two properties continued to trade well and our work in re-gearing and extending leases enabled us to achieve a sales price above our valuation.

Strategy

The life of the fund was extended by 12 months from September 2015.

At the time of writing this report, all assets with the exception of Welwyn Garden City have been disposed of and we continue to progress our planning applications for that property.

Subsequent to period end there has been a re-alignment of the shareholder base and we intend conducting a strategic review with shareholders.

CORUM PROPERTY INVESTMENTS LIMITED

Directors' Report

For the period 1 October 2013 to 31 March 2015

The Directors present their annual report and audited consolidated financial statements (the 'financial statements') of Corum Property Investments Limited (the 'Company') and entities under its control (together the 'Group') for the period 1 October 2013 to 31 March 2015.

Incorporation and principal activities

The Company was incorporated as an authorised closed-ended Guernsey registered investment company with limited liability on 28 June 2007 and was subject to the Authorised Closed-Ended Investment Scheme Rules 2008 until 3 November 2015 when authorisation was revoked. The ordinary shares are listed on the Bermuda Stock Exchange ('BSX').

The Group is a property investment and development group. The Group operates internationally, with primary focus on the United Kingdom. The Company was established to acquire properties in its target markets with development and active management potential and to hold them as long term investments.

Financial Report

The period commenced with the intention of selling all the Company's assets and return cash to investors by the end of the one year extension granted to September 2014. However it became apparent towards July 2014 that this would not be possible and that further time was required.

Approval from shareholders was thus obtained to extend the life of the Company for a further year to September 2015 and to change the accounting year end from September to March. Despite the focus on disposing of assets, market conditions and the need to optimise values meant that the process was not completed by the end of March 2015 and further approval was granted by shareholders to extend the life of the Company to September 2016.

Rent for the 18 months at £3.60m was up £835,000 on the prior year, but pro-rata down by 13% as properties were sold during the course of the reporting period.

Total costs were static pro-rata, reflecting a small increase offset by sales.

Net finance costs decreased reflecting the repayment of debt following the sale of properties. There were no borrowings at the period end.

All the company's debt was repaid at the times of the sale of the schools portfolio, the motor retail portfolio and the two retail developments. The Company redeemed 4,699 ordinary shares in October 2014 and a further 6,344 ordinary shares in December 2014. Both redemptions took place at £1,000 per ordinary share and a total of £11,043,000 was returned to shareholders.

Net assets attributable to shareholders at 31 March 2015 are summarised as follows:

	31/03/2015	30/09/2013
	£'000	£'000
Cash and accrued interest	1,429	3,562
Investment portfolio	11,435	37,125
Development portfolio	-	-
Net trade liabilities	(649)	(2,106)
Secured Deposits (Prior period: Borrowings (net of secured deposits))	5	(14,352)
Net asset value attributable to shareholders of the Company	<u><u>12,220</u></u>	<u><u>24,229</u></u>

CORUM PROPERTY INVESTMENTS LIMITED

Directors' Report (continued)

For the period 1 October 2013 to 31 March 2015

Year ahead and post reporting date events

Contracts for the sale of the four office buildings at Basingstoke, Cardiff, Leeds and Luton were exchanged on 15 July 2015 and the sale completed on 24 September 2015.

The shares in and loans to Stratton III S.à.r.l., which owns the property at Maidenhead, were sold to Corum Advisers Limited (a company controlled by Robert Cohen, a director of the Company) on 11 September 2015. This sale was at a valuation provided by Savills and shareholders had been given the right to participate in the purchase on similar terms.

Subsequent to these two disposals, the Company redeemed a further 7,294 ordinary shares at £1,000 per share and paid a dividend of £7,500 per share on the remaining shares, thus returning a further £10,820,138 to shareholders on 28 September 2015.

Extension to Life of Company

The Company was incorporated with an initial termination date of 28 September 2013, extendable by two periods of one year each. At the Company's EGM on 5 October 2015 shareholders voted to extend the life of the Company by one year from 30 September 2015. The Directors aim to liquidate the company by the end of September 2016 unless Shareholders require to continue the life of the Company.

Guernsey Authorised Closed-Ended Investment Scheme

As the Company no longer meets the requirements to have a spread of investments, its authorisation under section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, was revoked on 3 November 2015.

Going concern

The Directors are of the view that the orderly sale of the portfolio will continue and the Company has sufficient working capital to fund its activities and without any borrowings. As at the date of this report the Company's property at Welwyn Garden City has been sold subject to planning approval. As the life of the Company has only been extended to 30 September 2016, the Group financial statements have been prepared on the basis that the Group is not a going concern.

Results and dividends

The results of the Group are stated on page 11. The Directors do not propose a dividend for the period (2013: Nil).

Directors

The Directors of the Company who served during the year and to the date of approving this report were as follows:

<i>Name</i>	<i>Appointed</i>
Gerald Rubenstein	02 July 2007
Angus Mackay	02 July 2007 (deceased 03 June 2015)
Robert Cohen	02 July 2007
David Gil	02 July 2007
Brett Allen	12 October 2009

It is with a deep sense of bereavement that the Directors note the passing of Angus Mackay after a short illness borne with his usual cheer and optimism. His energy and wise counsel will be sorely missed.

CORUM PROPERTY INVESTMENTS LIMITED

Directors' Report (continued)

For the period 1 October 2013 to 31 March 2015

Directors' interests

The following Directors held indirect beneficial and non-beneficial interests in the ordinary shares of the Company at 31 March 2015:

	<i>Number of ordinary shares</i>	<i>% held</i>
Gerald Rubenstein	2,109	27.17
Angus Mackay	764	9.83
Robert Cohen	273	3.52

David Gil and Brett Allen are Directors of Corum Investment Advisers Limited which acts as the Investment Adviser to the Company. Gerald Rubenstein and Robert Cohen have indirect beneficial interests in the equity of Corum Investment Advisers Limited.

Angus Mackay was both a Director of, and had a beneficial interest in the equity of, Corum Investment Advisers Limited, until the date of his death on 3 June 2015.

Directors' remuneration

During the period, the Directors received the following remuneration in the form of fees from the Company:

	31/03/2015	30/09/2013
	£	£
David Gil	11,250	7,500
Brett Allen	9,000	6,000
	<u>20,250</u>	<u>13,500</u>

Substantial shareholdings

Investors with holdings of more than 3 per cent of the issued shares of the Company as at 28 January 2016 were as follows:

<i>Name of investors</i>	<i>Number of ordinary shares</i>	<i>% held</i>
Corum Advisers Limited	197	41.96
Vestacor Limited	166	35.34
Isaac Stone Limited	75	15.95

Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards ('IFRS') as adopted by the European Union, Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

CORUM PROPERTY INVESTMENTS LIMITED

Directors' Report (continued)

For the period 1 October 2013 to 31 March 2015

Directors' responsibilities (continued)

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for the system of internal control and for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors further confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- each Director has taken all the steps he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

The auditor of the Company, BDO Limited, has expressed its willingness to continue in office.

By order of the Board

Brett Allen

29 January 2016

Independent Auditor's report to the Members of Corum Property Investments Limited

We have audited the consolidated financial statements of Corum Property Investments Limited for the period ended 31 March 2015 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work is 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.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement within the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 March 2015 and of the group's loss for the period from 1 October 2013 to 31 March 2015;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

Emphasis of matter - Going Concern

Without modifying our opinion, we draw attention to note 2(b) in the financial statements which explains that the financial statements have not been prepared on a going concern basis.

Independent Auditor's report to the Members of Corum Property Investments Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations, which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

BDO Limited
CHARTERED ACCOUNTANTS
Place du Pré
Rue du Pré
St Peter Port
Guernsey
Date: 29 January 2016

CORUM PROPERTY INVESTMENTS LIMITED

Consolidated Statement of Comprehensive Income

For the period 1 October 2013 to 31 March 2015

	Notes	For the period 1 October 2013 to 31 March 2015 £	For the year ended 30 September 2013 £
Rental income	4	3,595,887	2,761,014
Property operating expenses	5	(1,198,299)	(825,641)
Net rental income		2,397,588	1,935,373
Net (deficit)/surplus on revaluation of investment property	9	(5,800,000)	214,384
Profit/(loss) on disposal of investment property	9	2,993,592	(1,474,486)
Reversal of impairment of loans	7	650,000	100,000
Administrative expenses	6	(359,902)	(347,815)
Exchange gains/(losses)		4,209	(886)
Operating (loss)/profit		(114,513)	426,570
Net finance costs	7	(840,091)	(962,747)
Loss before tax		(954,604)	(536,177)
Taxation		(11,239)	2,587
Loss for the period/year		(965,843)	(533,590)
Other comprehensive income for the period/year		-	-
Total comprehensive loss for the period/year		(965,843)	(533,590)
Loss per ordinary share - basic and diluted	8	(59.46)	(28.37)

All items in the above statement are derived from continuing operations.
The notes on pages 15 to 32 are an integral part of these financial statements.

CORUM PROPERTY INVESTMENTS LIMITED

Consolidated Statement of Financial Position

As at 31 March 2015

	Notes	31 March 2015 £	30 September 2013 £
Assets			
Non-current assets			
Investment property	9	-	37,125,000
Trade and other receivables	12	-	63,598
		<u>-</u>	<u>37,188,598</u>
Current assets			
Investment property held for sale	10	11,435,357	-
Trade and other receivables	12	130,827	325,404
Restricted deposits	13	5,000	252,658
Cash and cash equivalents	14	1,428,833	3,561,984
		<u>13,000,017</u>	<u>4,140,046</u>
Total assets		13,000,017	41,328,644
Liabilities			
Current liabilities			
Trade and other payables	15	779,792	2,495,380
Bank borrowings	16	-	11,492,989
		<u>779,792</u>	<u>13,988,369</u>
Non-current liabilities			
Bank borrowings	16	-	3,005,041
Long-term loans	17	-	106,166
		<u>-</u>	<u>3,111,207</u>
Total liabilities		779,792	17,099,576
Net assets		12,220,225	24,229,068
Equity			
Share capital	18	1,376	2,481
Share premium	19	7,763,224	18,805,119
Retained earnings	20	4,455,625	5,421,468
		<u>12,220,225</u>	<u>24,229,068</u>
Total equity		12,220,225	24,229,068
Net asset value per share	21	1,573.88	1,288.27

These financial statements were approved and authorised for issue by the board on 29 January 2016 and signed on its behalf by:

Brett Allen

The notes on pages 15 to 32 are an integral part of these financial statements.

CORUM PROPERTY INVESTMENTS LIMITED

Consolidated Statement of Changes in Equity

For the period 1 October 2013 to 31 March 2015

For the period ended 31 March 2015	Share Capital £	Share Premium £	Retained earnings £	Total £
At 1 October 2013	2,481	18,805,119	5,421,468	24,229,068
Total comprehensive loss for the period	-	-	(965,843)	(965,843)
Share redemptions (notes 18 and 19)	(1,105)	(11,041,895)	-	(11,043,000)
At 31 March 2015	1,376	7,763,224	4,455,625	12,220,225

For the year ended 30 September 2013	Share Capital £	Share Premium £	Retained earnings £	Total £
At 1 October 2012	2,481	18,805,119	5,955,058	24,762,658
Total comprehensive loss for the year	-	-	(533,590)	(533,590)
At 30 September 2013	2,481	18,805,119	5,421,468	24,229,068

The notes on pages 15 to 32 are an integral part of these financial statements.

CORUM PROPERTY INVESTMENTS LIMITED

Consolidated Statement of Cash Flows

For the period 1 October 2013 to 31 March 2015

		For the period 1 October 2013 to 31 March 2015	For the year ended 30 September 2013
	Notes	£	£
Cash flows from operating activities			
Loss before tax		(954,604)	(536,177)
Adjustments for:			
Amortised tenant incentives		27,170	32,640
Bank interest income	7	(5,176)	(1,573)
Finance costs		742,085	846,882
Amortisation of financing costs		103,182	117,438
(Profit)/loss on disposal of investment property	9	(2,993,592)	1,474,486
Reversal of impairment of loans and gain on loan not repayable	7	(650,000)	(100,000)
Impairment of loan	17	(20,607)	-
Net deficit/(surplus) on revaluation of investment property	9	5,800,000	(214,384)
Tax paid		(11,239)	(11,378)
		<u>2,037,219</u>	<u>1,607,934</u>
Decrease in trade and other receivables		127,824	49,786
(Decrease)/increase in trade and other payables		(1,548,408)	1,145,694
Net cash inflow from operating activities		<u>616,635</u>	<u>2,803,414</u>
Cash flows from investing activities			
Disposal of investment property	9	23,006,455	3,501,791
Investment property improvement costs	9	(123,220)	(479,396)
Investment property under construction acquisition and improvement costs	11	-	(1,700,191)
Loan repayments received	7	650,000	100,000
Net cash inflow from investing activities		<u>23,533,235</u>	<u>1,422,204</u>
Cash flows from financing activities			
Bank interest received	7	5,176	1,573
Proceeds from bank borrowings		-	1,435,597
Repayment of long term loan		(75,000)	-
Reduction in share capital and premium		(11,043,000)	-
Decrease in restricted deposits		247,658	(355)
Repayment of bank borrowings and long term loans		(14,498,030)	(3,569,632)
Loan interest paid		(919,825)	(846,600)
Net cash outflow from financing activities		<u>(26,283,021)</u>	<u>(2,979,417)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(2,133,151)</u>	<u>1,246,201</u>
Cash and cash equivalents at beginning of the period/year		<u>3,561,984</u>	<u>2,315,783</u>
Cash and cash equivalents at end of the period/year	14	<u>1,428,833</u>	<u>3,561,984</u>

The notes on pages 15 to 32 are an integral part of these financial statements.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

1. *General information*

Corum Property Investments Limited ("the Company"), its subsidiaries and special purpose entities (together "the Group") form a property investment and development group. The Group is active internationally but with a primary focus on the United Kingdom. The Company was established to acquire properties in its target markets with development and active management potential and to hold them as long term investments.

The Company is incorporated and domiciled in Guernsey. The Company has its primary listing on the Bermuda Stock Exchange.

The Company was an authorised closed ended investment fund until 3 November 2015 when authorisation was revoked. The Company was incorporated in Guernsey as a company limited by shares on 28 June 2007, with an initial termination date of 30 September 2013, extendable by two periods of one year each. At the Company's EGM on 5 October 2015 Shareholders voted to extend the life of the Company by one year to 30 September 2016. The Directors do not intend to propose to Shareholders any further extension of the life of the Company.

These consolidated financial statements (the 'financial statements') were approved and authorised for issue by the Board of Directors on 29 January 2016.

2. *Summary of significant accounting policies*

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently from incorporation.

a) *Basis of preparation*

Statement of Compliance

The financial statements of the Group show a true and fair view, have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, which comprise standards and interpretations approved by the International Accounting Standards Board ('IASB') and comply with the Companies (Guernsey) Law, 2008.

The financial statements have been prepared in Sterling, which is the presentational currency of the Group, and under the historical cost convention, except for the revaluation of investment property.

b) *Going concern*

The Directors are of the view that the orderly sale of the portfolio will continue and the Company has sufficient working capital to fund its activities and without any borrowings. As at the date of this report the Company's property at Welwyn Garden City has been sold subject to planning approval. As the life of the Company has only been extended to 30 September 2016, the Group financial statements have been prepared on the basis that the Group is not a going concern.

c) *New accounting policies effective and adopted*

Presentation of financial statements

At the date of authorisation of these financial statements, the following Standards, which have not been applied in these financial statements, were in issue but not yet effective. Management are of the opinion that these statements will not have a significant impact on the financial statements:

- IAS 27 (amended), "Separate Financial Statements" (amendments effective for periods commencing on or after 1 January 2016);
- IAS 28 (amended), "Investments in Associates and Joint Ventures" (amendments effective for periods commencing on or after 1 January 2016);
- IFRS 9, "Financial Instruments (effective for periods commencing on or after 1 January 2018);
- IFRS 10, "Consolidated Financial Statements" (effective for periods commencing on or after 1 January 2014);
- IFRS 11, "Joint Arrangement" (effective for periods commencing on or after 1 January 2014);
- IFRS 12, "Disclosure of Interests in Other Entities" (effective for periods commencing on or after 1 January 2014);

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

2. Summary of significant accounting policies (continued)

c) New accounting policies effective and adopted (continued)

Presentation of financial statements (continued)

The following amended standards have been applied for the first time in these financial statements:

- IFRS 13, "Fair Value Measurement" (effective for accounting periods commencing on or after 1 January 2013);

The adoption of these standards and amendments has had no material impact on the financial statements of the Group.

d) Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, including special purpose vehicles ("SPVs") controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefit from its activities.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The Company consolidated proportionately for joint ventures. Under proportionate consolidation, the statement of financial position of the venture included its share of the assets that it controlled jointly and its share of the liabilities for which it was jointly responsible. The statement of total comprehensive income of the venture included its share of the income and expenses of the jointly controlled entity.

When necessary, adjustments are made to the financial statements of subsidiaries, SPVs and joint ventures to bring the accounting policies used in line with those used by the Group.

All intra-group transactions and balances are eliminated on consolidation.

e) Foreign currency translation

(i) Functional and presentation currencies

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group entity are expressed in Sterling, which is the functional currency of the Company and the presentation currency for the Group's financial statements.

(ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses, resulting from the settlement of such transactions and from the translation, at period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive income.

f) Operating (loss)/profit

Operating (loss)/profit includes revenue and net gains and losses on revaluation of investment property, as reduced by administrative expenses and operating costs, but excludes finance income and finance costs.

g) Expenses

All expenses are accounted for on an accruals basis and are included within operating (loss)/profit, except for expenses that are incidental to the disposal of an investment, which are deducted from the disposal proceeds.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

2. Summary of significant accounting policies (continued)

h) **Taxation**

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 (as amended), and is charged an annual exemption fee of £600. This has increased to £1,200 per annum from 1 January 2015.

The interest received from bank deposits in the United Kingdom is subject to 20% withholding tax. The Company's subsidiaries in Luxembourg and the BVI hold UK properties, are registered under the Non-Resident Landlord Scheme and therefore do not pay withholding tax on rental income. The subsidiaries are liable for paying UK income tax on the net trading income of the UK properties. Aggregate tax losses carried forward as at 5 April 2015 are £6,374,390 (5 April 2014: £5,522,968).

i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition or construction of property are added to the costs of those assets until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

j) **Investment property**

Investment property is being held for sale and treated under IFRS 5 as non-current assets.

Property that is held for long-term rental yields, for long-term capital appreciation, or both, is classified as investment property. Investment property is measured initially at cost, including related transaction costs.

After initial recognition, investment property is carried at fair value. The fair values, whether determined by an independent valuer or an internal valuer, are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. Changes in fair values are recorded in the statement of comprehensive income.

Investment property held for sale

The investment properties held for sale have been accounted for under IFRS 5 and treated as current assets. The fair value of the Group's investment property at 31 March 2015 is shown at Directors' valuation. The valuation on the Stratton II properties at Basingstoke, Leeds, Luton and Cardiff has been based on the sales values achieved subsequent to the year end and these values have been used. The property at Maidenhead has been sold to Corum Advisers Limited post year end and the valuation is based on the sale value achieved which was determined by an independent valuation by Savills. The property at Welwyn Garden City has been sold subject to achieving satisfactory planning. The property has been valued at £750,000 based on an unconditional third party offer and that planning has not been received at the period end, therefore this property has not been valued on a sales agreement. Planning applications have been submitted but permission has not yet been granted.

k) **Rental income**

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

Premiums received to terminate leases are recognised in the statement of comprehensive income when they arise.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

2. Summary of significant accounting policies (continued)

l) **Determination and presentation of operating segments**

The Board has considered the requirements of IFRS 8. The Board, as a whole, has been determined as constituting the chief operating decision maker ('CODM') of the Company. The key measure of performance used by the CODM is the Company's performance and it allocates resources based on the total return of each individual investment within the Company's portfolio, as opposed to geographic regions or nature of property. As a result, the Board is of the view that the Company is engaged in a single segment of business, being investment in property and property related investments. There were no changes in the reportable segments during the year.

During the period the Company had 4 tenants who each exceeded 10% of the total rent roll value. The rent received from these 4 tenants was £772,848; £432,267; £419,431; £427,500 which amounted to an aggregate total of £2,052,046 (30 September 2013: Aggregate total £1,623,634).

All of the Group's investment properties are located in the United Kingdom.

m) **Financial instruments**

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. The Group offsets financial assets and financial liabilities if the Group has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

The carrying value of financial assets and financial liabilities measured at amortised cost is determined using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or liability or where appropriate, a shorter period.

Unless otherwise indicated, the carrying amounts of the Group's financial assets and liabilities are a reasonable approximation of their fair values.

Financial assets

The Group's financial assets comprise only trade and other receivables and cash and cash equivalents. The Group has no financial assets at fair value through profit and loss.

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material. They are included in current assets, except for maturities greater than 12 months after the year end, which are classified as non-current assets.

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

De-recognition of financial assets

A financial asset (in whole or in part) is de-recognised either:

- when the Group has transferred substantially all the risks and rewards of ownership and when it no longer has control over the asset or a portion of the asset; or
- when the contractual right to receive cash flow from the asset has expired.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

2. Summary of significant accounting policies (continued)

Financial liabilities

The Group's financial liabilities comprise only trade and other payables and borrowings. The Group has no financial liabilities at fair value through profit and loss.

Trade payables and other short term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method. The effect of discounting on these financial instruments is not considered to be material.

Borrowings were recognised initially at fair value. Subsequent to initial recognition, interest-bearing borrowings were stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated statement of total comprehensive income over the period of the borrowings on an effective interest basis.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

n) **Impairment**

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such impairments directly reduce the carrying amount of the impaired asset and are recognised against the relevant income category in the statement of total comprehensive income.

The Group considers evidence of impairment for receivables at a specific asset level. All individually significant receivables are assessed for specific impairment.

o) **Share capital**

Share capital is classified as equity where there is no obligation to transfer cash or other assets.

3. Significant accounting judgements and key sources of estimation uncertainty

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below.

Investment property

The fair values of investment property are shown at Directors' valuation.

The investment properties held for sale have been accounted for under IFRS 5 and treated as current assets. The fair value of the Group's investment property at 31 March 2015 is shown at Directors' valuation. The valuation on the Stratton II properties at Basingstoke, Leeds, Luton and Cardiff has been based on the sales values achieved subsequent to the year end and these values have been used. The property at Maidenhead has been sold to Corum Advisers Limited post year end and the valuation is based on the sale value achieved which was determined by an independent valuation by Savills. The property at Welwyn Garden City has been sold subject to achieving satisfactory planning. The property has been valued at £750,000 based on an unconditional third party offer and that planning has not been received at the period end, therefore this property has not been valued on a sales agreement. Planning applications have been submitted but permission has not yet been granted.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

4. Gross rental income

Rental income was received for renting out investment property in the year.

The Group leases out its investment property solely under operating leases. Leases are typically for terms between 5 and 15 years, but may range up to 30 years.

The future aggregate minimum rentals receivable under non-cancellable operating leases are as follows:

	31/03/2015	30/09/2013
	£	£
No later than 1 year	810,467	2,877,576
Later than 1 year and no later than 5 years	1,022,785	6,840,696
Later than 5 years	-	11,638,572
	<u>1,833,252</u>	<u>21,356,844</u>

Rents on properties sold post year end have been included in the above and should not change as the current rental agreements remained in place.

5. Property operating expenses

	For the period 01/10/13 to 31/03/15	For the year ended 30/09/2013
	£	£
Asset management fees - third parties	15,881	13,860
Asset management and investment advisory fees	605,703	370,250
Irrecoverable VAT on direct expenses	2,241	1,434
Letting fees: agent and legal	51,435	35,314
Marketing and promotion	1,825	5,690
Professional fees	32,387	28,872
Property maintenance and repairs	91,187	55,868
Property management fees	19,418	24,884
Rates, insurance and service charges	378,222	289,469
	<u>1,198,299</u>	<u>825,641</u>

6. Administrative expenses

	For the period 01/10/13 to 31/03/15	For the year ended 30/09/2013
	£	£
Administration fees	145,843	84,121
Advisory and structural fees	-	56,421
Auditor's remuneration	20,600	20,390
Directors' remuneration	20,250	13,500
D&O Insurance	7,225	4,250
Investment Adviser's fees	124,241	118,051
Legal and professional fees - general	13,900	36,452
Statutory fees	21,047	9,115
Sundry expenses	6,796	5,515
	<u>359,902</u>	<u>347,815</u>

The Group has no employees. The Directors are the only key management personnel of the group.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

7. Net gains and losses on financial assets and financial liabilities not at fair value through profit and loss

	For the period 01/10/13 to 31/03/15 £	For the year ended 30/09/2013 £
Finance income	5,176	1,573
Finance costs	(845,267)	(964,320)
Total interest income and expense	(840,091)	(962,747)
Recovery of loans and receivables	650,000	100,000
	<u>(190,091)</u>	<u>(862,747)</u>

The loan with City & Docklands previously written off in prior periods has now been recovered and the Company has received full and final settlement.

8. Loss per ordinary share - basic and diluted

	For the period 01/10/13 to 31/03/15 £	For the year ended 30/09/2013 £
--	--	--

The calculation of the loss per share is based on the following data:

Net loss attributable to the owners of the parent Company	<u>(965,843)</u>	<u>(533,590)</u>
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>16,244</u>	<u>18,807</u>
Loss per ordinary share	<u>(59.46)</u>	<u>(28.37)</u>

The Company has issued Performance Shares which, under the terms of the Prospectus, are entitled to 20% of any returns to the holders of Ordinary Shares in excess of an IRR of 10% per annum. As at year end, the IRR per annum achieved since 1 October 2007 is 7.56% (30 September 2013: 4.31%) and hence no dilution has taken place. In the event that future profits are such that the cumulative IRR exceeds 10% there would be dilution of future earnings attributable to the Ordinary Shares.

9. Investment property

	For the period 01/10/13 to 31/03/15 £	For the year ended 30/09/2013 £
Fair value at the beginning of the period/year	37,125,000	38,193,387
Property improvements at cost	123,220	479,396
Transfer from investment property under construction	-	3,214,110
Disposal proceeds during the period/year	(23,006,455)	(3,501,791)
Realised profits/(losses) on disposals in the period/year	2,993,592	(1,474,486)
Revaluation in the period/year	(5,800,000)	214,384
Transfer to investment property held for sale	<u>(11,435,357)</u>	<u>-</u>
Fair value at the end of the period/year	<u>-</u>	<u>37,125,000</u>
Disclosed as:		
Non-current assets	<u>-</u>	<u>37,125,000</u>

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

10. Investment property held for sale	For the period 01/10/13 to 31/03/15 £	For the year ended 30/09/2013 £
Fair value at the beginning of the period/year	-	-
Transfer from investment property	(11,435,357)	-
Fair value at the end of the period/year	<u>(11,435,357)</u>	<u>-</u>
Disclosed as:		
Current assets	<u>(11,435,357)</u>	<u>-</u>

The fair value of the Group's investment property at 31 March 2015 is shown at Directors' valuation, all investment property held for sale falls into the level 3 category of the fair value hierarchy as all inputs for the assets and liabilities are not based on observable market data. The valuation on the Stratton II properties at Basingstoke, Leeds, Luton and Cardiff has been based on the sales values achieved subsequent to the year end and these values have been used. The property at Maidenhead has been sold to Corum Advisers Limited post year end and the valuation is based on the sale value achieved which was determined by an independent valuation by Savills. The property at Welwyn Garden City has been sold subject to achieving satisfactory planning. The property has been valued at £750,000 based on an unconditional third party offer and that planning has not been received at the period end, therefore this property has not been valued on a sales agreement. Planning applications have been submitted but permission has not yet been granted. All the properties have been included in investment properties held for sale under current assets.

In the prior year the fair value of the Group's investment property was shown at Directors' valuation. This valuation is based on the fair value valuation by Savills, BNP Paribas Real Estate and CBRE. Savills, BNP Paribas Real Estate and CBRE are independent valuers and their valuation basis has been market value as defined by the Royal Institution of Chartered Surveyors ('RICS') Approval and Valuations Standards.

Direct operating expenses recognised in profit and loss include nil (30 September 2013: £34,067) relating to investment property which was unlet.

11. Investment property under construction	For the period 01/10/13 to 31/03/15 £	For the year ended 30/09/2013 £
Cost at the beginning of the year	-	1,513,919
Build and professional costs in the year	-	1,700,191
Sale proceeds of surplus land	-	-
Realised gain on disposal in the year	-	-
Transfer to investment property	-	(3,214,110)
Cost at the end of the year	<u>-</u>	<u>-</u>

12. Trade and other receivables	31/03/2015 £	30/09/2013 £
Trade receivables	54,030	212,134
Prepayments	39,707	30,027
VAT recoverable	17,090	9,705
Prepaid finance expenses	-	103,182
Amortised rent-free incentive	-	27,169
Other receivables	20,000	6,785
	<u>130,827</u>	<u>389,002</u>

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

12. Trade and other receivables (continued)

Disclosed as:

Non-current assets

- 63,598

Current assets

130,827 325,404

13. Restricted deposits

Restricted deposits

31/03/2015 30/09/2013

5,000 252,658

This relates to an amount held by MD Insurance Services Limited as an escrow account for a Housebuilders warranty provided to a Group Subsidiary (2013: relates to an amount held by Aviva Plc that is blocked and held as security for an amount due to the lender.)

14. Cash and cash equivalents

Cash at bank

31/03/2015 30/09/2013

£ £

1,428,833 3,561,984

15. Trade and other payables

Trade payables

Retentions

Deferred rental income

VAT payable

Interest on long-term liability

Tax payable

Accruals

31/03/2015 30/09/2013

£ £

288,157 359,178

3,206 34,081

164,785 653,689

22,082 774,323

- 167,180

94 94

301,468 506,835

779,792 2,495,380

Trade creditors and accruals include amounts outstanding for trade purchases. The Group has financial risk management policies in place to ensure that all payables are paid within credit time frame.

16. Bank borrowings

Aviva Plc

Svenska Handelsbanken AB

Clydesdale Bank

Disclosed as:

Current liabilities

Non-current liabilities

31/03/2015 30/09/2013

£ £

- 11,242,989

- 1,498,042

- 1,756,999

- 14,498,030

- 11,492,989

- 3,005,041

The Aviva Plc loan was secured by certain investment properties, but has been repaid in the period.

The Aviva Plc loan was divided into an interest only loan of £10,505,000 and an amount of £737,989 that was to be amortised over the period of the loan. The interest rate was fixed at 6% throughout the term of the loan. It had a termination date of 25 September 2014 and was repaid during the period.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

16. Bank borrowings (continued)

The Svenska Handelsbanken AB loan was secured by investment property, but has been repaid in the period.

Svenska Handelsbanken AB loan, payable by Corum II Limited, carried an interest rate of LIBOR plus a margin of 2.65% throughout the period of the loan. Interest payments were due on a quarterly basis. The quarterly capital repayments were due based on a 10 year repayment profile with the balance of the loan repayable in full at the maturity date, 30 November 2015, but has been repaid in the period.

Corum (IV) Properties Limited had agreed a £1.9 million loan facility from Clydesdale Bank PLC for the development of the project in Norton Fitzwarren, which was completed during the previous period. This facility has a final maturity date of 18 December 2016. The Company had provided a parent company guarantee (limited to £200,000 plus costs) for Corum (IV) Properties Limited's liability to the bank. The loan of £1,756,999 at 30 September 2013 was secured by investment property with a value of £3,500,000 and carried an interest rate of LIBOR plus a margin of 3.25%, the loan has been repaid in the period.

17. Long-term loans

	31/03/2015	30/09/2013
	£	£
Lightstone Properties plc - Halbeath	-	58,549
Lightstone Properties plc - Durham	-	27,010
Fitzwarren Developments Ltd	-	20,607
	<u>-</u>	<u>106,166</u>

Lightstone Properties plc ('Lightstone') was the asset manager of the Halbeath and Durham investments.

Halbeath loan

Lightstone subscribed £50,000 to an Unsecured Redeemable Variable Rate Mezzanine B Loan Note in Corum II Limited. The Loan Note bore interest at an average rate at which the Company earned interest on such loans to Corum II Limited as were utilised for the Halbeath acquisition. The Loan Note was repayable on 14 December 2015 provided the Borrower had sold the Property. The property has been sold and the loan repaid during the period.

The loan had earned an average interest rate of 7.7% per annum in the previous year. In addition Lightstone were entitled to a profit share of 1/46 of the residual profit on the Halbeath investment, after all the loans from the Company and its own loan had earned a hurdle rate of 12.5%.

Durham Loan

Lightstone subscribed £25,000 to an Unsecured Redeemable Variable Rate Mezzanine B Loan Note in Corum II Limited. The Loan Note bore interest at the average rate at which the Company earned interest on such loans to Corum II Limited as are utilised for the Durham acquisition. The Loan Note is repayable on 8 December 2016 provided the Borrower has sold the Property. The Property has been sold and the loan repaid during the period.

The loan had accrued average interest at 6.0% per annum in the previous year. In addition Lightstone were entitled to a profit share of 25/657 of the residual profit on the Durham investment, after all the loans from the Company and its own loan had earned a hurdle rate of 12.5%.

Fitzwarren Loan

Fitzwarren Developments Limited was the Development Manager of the Norton Fitzwarren district centre. Its expenditure prior to the Group's acquisition of the land had been capitalised as a long term loan to Corum (IV) Properties Limited. This loan bore no interest and only became repayable upon the ultimate sale of the property. At the repayment date it will also be entitled to a profit share on any returns in excess of a 10% IRR earned on the project. The loan was only repayable if the sale of the Norton Fitzwarren property exceeded the total costs and certain priority returns incorporated in the loan agreement. As these targets were not achieved, the loan was not repayable and has been written off.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

18. Share capital

	31/03/2015	30/09/2013
Authorised share capital:	£	£
100,000 ordinary shares of 10p each	10,000	10,000
100 management shares of £1 each	100	100
1,000 performance shares of £1 each	1,000	1,000
Total	<u>11,100</u>	<u>11,100</u>
	31/03/2015	30/09/2013
Issued and fully paid share capital:	£	£
7,764 (30 September 2013: 18,807) ordinary shares of 10p each	776	1,881
100 management shares of £1 each	100	100
500 performance shares of £1 each	500	500
Total	<u>1,376</u>	<u>2,481</u>

Ordinary shares carry no right to fixed income but are entitled to dividends as declared from time to time. Each share is entitled to one vote at meetings of the Company.

The holders of management shares have no rights to receive nor participate in any dividend or other distributions out of the profits of the Company. The holders have the right to receive notice of and attend and vote at the general meeting of the Company only if there are no ordinary shares in issue.

The holders of performance shares are entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company available for dividend and resolved to be distributed by the Directors subject to certain performance criteria being met. The holders have no right to receive notice of nor attend nor vote at any general meeting of the Company.

The Company redeemed 4,699 shares on 22 October 2014 and a further 6,344 shares on 8 December 2014, both redemptions at £1,000 per share pro-rata to each shareholders' holding rounded down to the nearest whole number. These redemptions represented 25% and 45% respectively of the number of ordinary shares in issue immediately preceding the redemption in each case. The redemption at £1,000 per share was the original subscription price per share and was hence a return of original capital to shareholders. These redemptions have been made on the basis of property sales.

Subsequent to the reporting date, the Company redeemed 7,293,825 shares representing 93.944% of each investor's residual holding such that each investor will retain 2.5% of the original number of shares for which they originally subscribed. The redemption included fractional shares and each share was redeemed at £1,000 per share which is the original subscription price per share. After this redemption the Company had 470.175 ordinary shares in issue. The capital distribution was made on 28 September 2015. This redemption has been made on the basis of property sales.

The Company resolved to pay a dividend of £7,500 per share outstanding, calculated on the number of shares in issue immediately after the share redemption on 28 September 2015. The dividend was paid on 28 September 2015.

19. Share premium

	31/03/2015	30/09/2013
	£	£
Premium arising on issue of ordinary shares	<u>7,763,224</u>	<u>18,805,119</u>

The share premium reduction was due to the return of capital made on 22 October 2014 and 17 December 2014 as stated in note 18.

The Company made a return of capital and dividend payment on 28 September 2015 further reducing the share premium as stated in note 18.

20. Retained Earnings

Retained earnings may be applied in any manner in which the Company's profits available for distribution are able to be applied, including purchase of the Company's own Shares and the payment of dividends.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

21. Net asset value per ordinary share

The calculation of the net asset value per ordinary share is based on the following data:

	31/03/2015	30/09/2013
	£	£
Net asset value attributable to ordinary shareholders	<u>12,219,625</u>	<u>24,228,468</u>
Number of ordinary shares	<u>7,764</u>	<u>18,807</u>
Net asset value per ordinary share	<u><u>1,573.88</u></u>	<u><u>1,288.27</u></u>

22. Investment in subsidiaries

The financial statements of the Group consolidate the results, assets and liabilities of the subsidiary companies listed below:

Name	Country of Incorporation	Beneficial interest	Share capital
Direct			
Corum (IV) Properties Limited	British Virgin Islands	100%	1,000
Corum II Limited	British Virgin Islands	100%	50
Corum (Aldridge) Limited	British Virgin Islands	100%	100
Corum UK Holdings 1 Limited	British Virgin Islands	100%	125,000
Indirect			
Stratton II S.à.r.l.	Luxembourg	100%	273,600
Stratton III S.à.r.l.	Luxembourg	100%	169,640

23. Investment in joint ventures

The Group has not invested in any new joint venture entities during the period to 31 March 2015. At 30 September 2013, the Group had an investment in the following joint venture entity:

Name	Country of incorporation	Beneficial Interest
Trifolkes Stona LLP	United Kingdom	50%

The Group's share of the assets, liabilities, income and expenses of the previously owned jointly controlled entity which was disposed of during the period, at 31 March 2015 and 30 September 2013 and for the years then ended is included in the financial statements, and is as follows:

	31/03/2015	30/09/2013
	£	£
Current assets	-	740,747
Non-current assets	<u>-</u>	<u>-</u>
	-	740,747
Current liabilities	-	(738,010)
Non-current liabilities	<u>-</u>	<u>-</u>
	-	(738,010)
Net asset value	<u><u>-</u></u>	<u><u>2,737</u></u>

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

23. Investment in joint ventures (continued)	For the period 01/10/13 to 31/03/15	For the year ended 30/09/2013
	£	£
Finance income	-	292
Loss on disposal of investment property	-	(1,482,027)
Net surplus on revaluation of investment property	-	742,777
Property operating expenses	-	(34,067)
Administrative expenses	-	(17,424)
Loss for the period from operations	-	(790,449)
Finance costs	-	(60,438)
Loss for the year	-	(850,887)

Trifolkes Stona LLP, a limited liability partnership, held an investment property, which was disposed of during the prior year. Corum II Limited (in voluntary liquidation), was a wholly owned subsidiary of Corum Property Investments Limited, was a 50% member of the LLP. The other 50% member was Folkes Holdings Limited.

The joint venture was wound up and struck off the register in May 2014. Corum II Limited was placed in voluntary liquidation on 28 April 2015.

24. Capital risk management

The capital structure of the Company consists of debt which includes interest bearing borrowings, cash and cash equivalents, equity attributable to shareholders of the Company which comprise of share capital, share premium and retained earnings.

The Group is now disposing of assets and in wind-down, its is the objective of the Company to maximise returns for the shareholders and to liquidate the portfolio in a timely and orderly manner.

The Group manages its capital structure and will make adjustments to it in light of changes in economic conditions. In order to maintain or adjust its capital structure the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell net assets to reduce debt.

The life of the Company has been extended only to 30 September 2016 and is therefore not a going concern, management will continue to monitor, forecast and prepare actual cash flows in order for the Company to meet its ongoing expenses and liabilities.

The Group monitors capital on the basis of the gearing ratio. Fund gearing, calculated as net debt (bank borrowing less bank balances) divided by total assets (excluding bank balances), was nil as at 31 March 2015 (30 September 2013: 28.51%). The debt to equity ratio, calculated as net debt divided by total equity plus subordinated minority shareholder loan, was nil (30 September 2013: 43.90%). The Articles place no limit on the amount of borrowings the Group may incur, but restricts the Group to borrowing up to a maximum of 80% of the gross market value of total assets of the Group. The Company is not subject to externally imposed capital requirements.

The Group continues to monitor capital and debt requirements in the context of the termination date of the Company and disposal of the portfolio.

25. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial or operational decisions. The Company had no ultimate or immediate controlling party at the period end. Post the year end, Corum Advisers Limited a company owned by Robert Cohen a director of Corum Property Investments Limited purchased shareholdings from other shareholders and at the date of signing these financial statements Corum Advisers Limited now holds a shareholding of 41.96% and is ultimately the controlling party.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

25. *Related party transactions (continued)*

Companies controlled by some of the directors received via direct and indirect shareholdings, distributions and dividends totalling £3,905,078 as at the year end and post year end received £4,110,147.

Corum Investment Advisers Limited ('CIAL') is the Investment Adviser to the Company under the terms of the Investment Advisor Agreement and is thus considered a related party of the Company. During the period the Group paid CIAL and its nominees transaction fees of nil (30 September 2013: £61,940) and Investment Adviser's fees of £729,944, split in these financial statements between asset management and investment advisory fees (note 5) and administration fees (note 6) (30 September 2013: £488,301). At the year end there was an outstanding balance due to CIAL of £95,188 (30 September 2013: £30,503).

David Gil and Brett Allen, Directors of the Company, are directors of CIAL. David Gil received £11,250 (30 September 2013: £7,500) and Brett Allen received £9,000 (30 September 2013: £6,000) for their services as Directors of the Company. Gerald Rubenstein and Robert Cohen, Directors of the Company, have an indirect beneficial interest in CIAL. Angus Mackay was a Director of the Company and of CIAL until the date of his death on 3 June 2015. He had waived his remuneration for his service as Director of the Company for the period. Mr Mackay had also had a beneficial interest in CIAL until this date.

The Board of the Company at their meeting on 3 September 2015 authorised the directors of Corum UK Holdings 1 Limited (a wholly owned subsidiary of the Company) to sell its shares in and loans to Stratton III S.à.r.l. (the Group company whose only property asset was the Maidenhead property). The Directors of Corum UK Holdings 1 Limited ("CUKH1") were further authorised to enter into the Sale and Purchase Agreement between CUKH1 and Corum Advisers Limited, a company owned by Robert Cohen, a director of the Company. The agreed consideration for the shares was £111,837 which was the NAV of Stratton III S.à.r.l. at 31 August 2015, valuing the Maidenhead property at £1.6m per the valuation provided by Savills and all other assets and liabilities at their current value. The consideration for the group loans was their face value of £1,233,517.

26. *Financial Instruments risk exposure and management*

In common with other businesses, the Group is exposed to risks that arise from use of financial instruments. The notes below describe the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. The Board of Directors is of the opinion that the carrying amounts of all financial assets and financial liabilities approximate their fair values.

The principal financial instruments used by the Group and Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables (excluding VAT recoverable)
- Cash and cash equivalents
- Trade and other payables (excluding VAT and deferred rental income)
- Bank borrowings
- Long term loans

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

26. Financial Instruments risk exposure and management (continued)

Categories of financial assets and financial liabilities

	31/03/2015	30/09/2013
	£	£
Non-current financial assets:		
Loans and receivables:		
Trade and other receivables	-	20,000
Current financial assets:		
Loans and receivables:		
Trade and other receivables	91,120	208,624
Restricted deposits	5,000	252,658
Cash and cash equivalents	1,428,833	3,561,984
Non-current financial liabilities:		
Financial liabilities measured at amortised cost		
Bank borrowings	-	3,005,041
Long-term loans	-	106,166
Current financial liabilities:		
Financial liabilities measured at amortised cost		
Trade and other payables	779,792	2,495,380
Bank borrowings	-	11,492,989

The Board of Directors and Investment Adviser are responsible for overseeing the measurement and control of all aspects of risk management and hold regular meetings in order to do so.

Credit risk

Various risk management models are in place which help to identify and monitor key risks both at individual investment level and at a Group level. The risk management policies apply equally to the Group and the Company. Further details regarding these policies are set out below.

Credit risk is the risk that the counterparty to a financial instrument will fail to meet obligations, causing a loss to the Group. Credit risk arises on cash, trade and other receivables and loans.

Cash and cash equivalents represent the majority of the Group's financial assets. The majority of the cash and cash equivalents at year end date is held with Lloyds Bank plc (formerly Lloyds TSB Bank plc), Royal Bank of Scotland International Limited, Investec Bank (Channel Islands) Limited and HSBC plc. The credit risk associated with the holding of cash and cash equivalents and receivables is managed by the Administrator and is reviewed by the Investment Adviser and the Board of Directors on a regular basis.

The loans were monitored on a monthly basis by the Investment Adviser and by the Board of Directors on a regular basis. All loans have now been repaid and no loans are outstanding.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

26. Financial Instruments risk exposure and management (continued)

Credit risk, continued

The table below shows the exposure to risk with the major counterparties at the year end date:

31 March 2015	Credit rating symbols	Rating	Carrying Amount
Counterparty			£
Investec Bank (Channel Islands) Limited	Fitch	BBB	201,883
Royal Bank of Scotland International Limited	Fitch	F2	178,577
Lloyds Bank plc (formerly Lloyds TSB Bank plc)	Fitch	F1	815,222
HSBC Bank plc	Fitch	F1+	200,000
Société Générale Bank & Trust	Fitch	F1	33,151

30 September 2013	Credit rating symbols	Rating	Carrying Amount
Counterparty			£
Investec Bank (Channel Islands) Limited	Fitch	F3	185,969
Royal Bank of Scotland International Limited	Fitch	F1	993,247
Royal Bank of Scotland plc	Fitch	F1	33,095
Lloyds Bank plc (formerly Lloyds TSB Bank plc)	Fitch	F1	1,431,248
HSBC Bank plc	Fitch	F1+	6,682
Barclays Bank plc	Fitch	F1	2,070
Clydesdale Bank	Fitch	F1	104,496
Svenska Handelsbanken AB	Fitch	F1+	756,697
Société Générale Bank & Trust	S&P	A	48,480
Aviva plc	S&P	A-	252,658

The maximum exposure to credit risk in respect of the financial assets equates to their carrying value as shown above.

The following table analyses the Group's financial assets into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2015	1 month to 1			
Maturities of these financial assets:	< 1 month	year	1 to 5 years	Total
	£	£	£	£
Cash and cash equivalents	1,428,833	-	-	1,428,833
Restricted deposits	-	-	5,000	5,000
Trade receivables	-	91,120	-	91,120
	<u>1,428,833</u>	<u>91,120</u>	<u>5,000</u>	<u>1,524,953</u>

30 September 2013	1 month to 1			
Maturities of these financial assets:	< 1 month	year	1 to 5 years	Total
	£	£	£	£
Cash and cash equivalents	3,561,984	-	-	3,561,984
Restricted deposits	-	252,658	-	252,658
Trade receivables	-	208,624	20,000	228,624
	<u>3,561,984</u>	<u>461,282</u>	<u>20,000</u>	<u>4,043,266</u>

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

26. Financial Instruments risk exposure and management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet financial liability obligations as they fall due. The Group's liquidity risk is managed by the Investment Adviser in accordance with policies and procedures established by the Board.

The following table analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31 March 2015		1 month to 1		
Contract maturities of financial liabilities:	< 1 month	year	1 - 5 years	Total
	£	£	£	£
Trade and other payables	-	779,792	-	779,792
Total	-	779,792	-	779,792

30 September 2013		1 month to 1		
Contract maturities of financial liabilities:	< 1 month	year	1 - 5 years	Total
	£	£	£	£
Trade and other payables	-	2,495,380	-	2,495,380
Bank borrowings	-	11,492,989	3,005,041	14,498,030
Long term loans	-	-	106,166	106,166
Total	-	13,988,369	3,111,207	17,099,576

The carrying amounts of the financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk, and other price risks.

The Group has no major exposure to market risk.

CORUM PROPERTY INVESTMENTS LIMITED

Notes to the Financial Statements

For the period 1 October 2013 to 31 March 2015

26. Financial Instruments risk exposure and management (continued)

Cash flow and fair value interest rate risk

The majority of the Group's financial assets are interest bearing in the form of cash. Interest rate risk arises in the Group predominantly from the holding of cash and cash equivalents. Cash is predominantly held on short term deposit and the Board reviews interest rates on a quarterly basis.

The Group's interest rate profile is shown in the table below:

Interest Rate Profile	As at 31 March 2015		As at 30 September 2013	
	%	£	%	£
Trade and other receivables				
Non-interest bearing	-	91,120	-	228,624
Cash and cash equivalents				
Fixed	-	-	-	-
Variable	0.01%	1,433,833	0.06%	3,814,642
Financial liabilities at amortised cost - trade and other payables				
Non-interest bearing trade and other payables	-	615,007	-	1,841,691
Deferred rental income	-	155,514	-	653,689
Bank borrowings				
Variable	-	-	3.76%	1,756,999
Variable	-	-	3.17%	1,498,042
Variable	-	-	-	-
Fixed	-	-	6.00%	11,242,989

For the Group, an increase of 50 basis points in interest rates would result in an increase in pre-tax profit of £7,169 (30 September 2013: decrease of £2,798) and a decrease of 50 basis points in interest yields would result in a decrease in pre-tax profits of £7,169 (30 September 2013: increase of £2,798).

Due to the insignificant risk exposure to foreign exchange no sensitivity analysis has been performed.

27. Events after the reporting date

Corum (IV) Properties Limited was placed into voluntary liquidation on 28 April 2015 due to the realisation of the Company's assets and liabilities.

Corum II Limited was placed into voluntary liquidation on 28 April 2015 due to the realisation of the Company's assets and liabilities.

Corum (Aldridge) Limited was placed into voluntary liquidation on 28 April 2015 due to the realisation of the Company's assets and liabilities.

On 28 September a distribution of £10,820,138 was made to shareholders representing 93.94% of the shares in issue.

Corum UK Holdings 1 Limited, as the holding company of Stratton III S.à.r.l. sold its shares to Corum Advisers Limited as referred to in note 25. The agreed consideration for the shares was £111,837 which was the NAV of Stratton III S.à.r.l. at 31 August 2015, valuing the Maidenhead property at £1.6m per the valuation provided by Savill's and all other assets and liabilities at their current value. The consideration for the group loans was their face value of £1,233,517.

Stratton II S.à.r.l. completed the sale of the offices at Basingstoke, Cardiff, Leeds and Luton on 24 September 2015 at a value of £9,000,000.

CORUM PROPERTY INVESTMENTS LIMITED

Key Parties

Registered Office

Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

Administrator, Secretary and Registrar

Praxis Funds Services Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

Investment Adviser

Corum Investment Advisers Limited
Sarnia House
Le Truchot
St Peter Port
Guernsey GY1 1GR

Legal Advisor to the Company (as to Guernsey Law)

Mourant Ozannes
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP

Listing Sponsor

Reid Listing Services Limited
Argyle House
41a Cedar Avenue
Hamilton HM12
Bermuda

Auditor

BDO Limited
Place Du Pre
Rue du Pre
St Peter Port
Guernsey GY1 3LL

Annual Sponsor

Capital G BSX Services Limited
25 Reid Street
4th Floor
Hamilton HM11
Bermuda

Principal Bankers

Investec Bank (Channel Islands) Limited
Royal Bank of Scotland International Limited
Lloyds TSB plc