THE LOCAL AUTHORITIES' PROPERTY FUND ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2025

CCLA

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*Collectively, these comprise the Manager's Report.
^Audited.

References to "CCLA" refer to the CCLA Group, comprising CCLA Investment Management Limited and CCLA Fund Managers Limited.

Disability Discrimination Act 1995
Extracts from the Annual Report and Unaudited Financial Statements are available in large print and audio formats.

STRUCTURE OF THE FUND
for the year ended 31 March 2025

Structure and management
The Local Authorities' Property Fund (the "Fund") is established under a Scheme approved by HM Treasury under Section 11 of the Trustee Investments Act 1961 together with the Trust Deed dated 6 April 1972 as amended by supplemental trust deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019 (the 'Scheme').

The Local Authorities' Mutual Investment Trust (the "Trustee") is a company limited by guarantee. It does not have share capital and acts as the Trustee and Operator of the Fund.

The Trustee is controlled by members and officers of a council appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Association, The Welsh Local Government Association and Unitholders represented by the Trustee.

The Members of the Council meet regularly to receive reports and monitor the progress of the Fund.

The Fund is an open-ended, unregulated collective investment scheme. It is classified as an Alternative Investment Fund under the Alternative Investment Fund Managers Directive ("AIFMD"). It is domiciled in the United Kingdom and subject to appropriate UK laws and regulations.

CCLA Fund Managers Limited ("CCLA FM"), an authorised full-scope UK Alternative Investment Fund Manager ("AIFM"), has been appointed by the Trustee as the Manager of the Fund. The Manager has appointed CCLA Investment Management Limited ("CCLA IM") as the Investment Manager of the Fund under an Investment Management Agreement dated 22 July 2014. The Manager has delegated to the Investment Manager the fund management, administration and secretarial functions of the Fund. CCLA FM is a wholly owned subsidiary of CCLA IM.

The Trustee has delegated to CCLA IM the registrar functions of the Fund under a Registrar Agreement dated 1 October 1998. CCLA FM and CCLA IM are both authorised and regulated by the Financial Conduct Authority ("FCA"). As at 31 March 2025 the Trustee owns 13.41% of the ordinary share capital of CCLA IM.

HSBC Bank plc, an AIFMD authorised Depositary, has been appointed in accordance with the AIFMD requirements as the Depositary of the Fund. The primary functions of the Depositary are cash flow monitoring, safekeeping of assets and oversight of operational functions.

STRUCTURE OF THE FUND
for the year ended 31 March 2025

Investment objectives
The Fund provides facilities exclusively for local authorities and other public sector organisations to invest in commercial and industrial property on a collective basis so as to obtain a spread of risk with constant expert property management. The Fund aims to provide investors with a high level of income and long-term capital appreciation.

Investment policy
The Fund's powers of investment are not restricted either to particular types of property or, subject to the consent of HM Treasury, to specific parts of the world. However, it is the present policy to confine investment to commercial and industrial properties and property pooled funds within the United Kingdom.

A suitable spread is maintained between different types of property and geographic location. Overriding importance is attached to location, standard of construction and to covenant quality of the tenants. The portfolio is kept under constant review with the object of disposing of any property if appropriate returns have not been achieved or if future growth prospects diminish unacceptably. Properties are regularly inspected to ensure that the tenants comply with maintenance and other contractual obligations. Finance may be provided for suitable property developments.

Any proposed amendment to the investment objective or policy of the Fund must be approved by HM Treasury and sanctioned by a special resolution of the Trustee.

Comparator benchmark
The benchmark covers the investment performance of 17 property funds valued at £16.90bn as at 31 March 2025, ranging in size from £236m to £3.17bn.

A MSCI Direct Property Benchmark is also used to review and monitor the performance of the Fund's property portfolio. This provides an appropriate and durable index for measuring the performance of the Fund's property assets and details can be supplied on application to the Manager.

Eligible contributors
Units of the Fund can only be issued to and owned by local authorities in the United Kingdom which are entitled to receive distributions from the Fund tax exempt.

STRUCTURE OF THE FUND
for the year ended 31 March 2025

Subscription dates
Investment in the Fund may be made by a local authority on any month end valuation date. Withdrawals from the Fund are subject to a notice period of at least 180 days. Unit holders will receive the price ruling when the redemption request is processed. The Fund may, however, at its discretion, defer the processing of any application or withdrawal for a period, as it may deem fit, to allow time for the purchase or sale of properties to utilise funds, meet the withdrawals or to protect the interest of the Unitholders in the Fund, if required.

Borrowing powers
The Trustee believes that the management of a property portfolio is facilitated by the exercise of a limited power to borrow and the Scheme provides for borrowings of up to 25% of the value of the Fund.

This power could also be used to accommodate timing differences between the availability of funds for investment and the making of suitable property purchases. However, the Fund has no borrowings, and it has no borrowing facilities available.

The Fund does not use any financial instruments or derivatives for the purpose of interest rate hedging or for any other purpose.

REPORT OF THE TRUSTEE
for the year ended 31 March 2025

We have pleasure in presenting our report of the Fund to the Unitholders of the Fund.

Responsibilities of the Trustee
The Trustee is responsible for approving the Fund's property investment strategy, monitoring diversification, suitability and risk, reviewing the performance of the Fund and approving its distribution payments. In addition, we have monitored the administration, expenses and property valuations of the Fund.

The Trustee meets four times in each calendar year to undertake the responsibilities detailed above.

Controls and risk management
CCLA FM has a risk management framework which provides a methodology for the assessment, mitigation and reporting of risk, ensuring a high quality of risk management and control is maintained for all funds under the Manager's control. The effectiveness of risks and controls is assessed by the directors of the Manager, with the help of the Risk and Compliance function, on a continuing basis. The Trust receives and considers relevant operational risk information from the Manager.

Compliance with Trust Deed and Management Agreement
Following our regular meetings and consideration of the reports and papers we have received, we are satisfied that the Manager, to whom we have delegated the administration and management of the Fund, has complied with the terms of the Scheme and the Management Agreement.

On 10 July 2025, it was announced that CCLA would be acquired by Jupiter Fund Management plc ('Jupiter'), subject to regulatory approval. CCLA will become part of Jupiter, retaining the CCLA branding, investment, and client service approach.

CCLA's teams will continue to focus on delivering investment returns and outstanding client service to all CCLA clients regardless of their size. CCLA also retains its mission, its stewardship activities, and its drive to build a better world. At the same time however, CCLA stands to benefit from Jupiter's strength and resources. Jupiter's investment capabilities, including its 100 plus investment professionals, will add support to CCLA's existing investment team and product range.

CCLA remains committed to serving churches, charities and local authorities.

R Kemp CBE
Chairman of The Local Authorities' Mutual Investment Trust
24 September 2025

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

UK property investment steadied in 2024. Performance improved, compared to the challenges in previous years. Signs of a property recovery became more decisive. Together with falling interest rates and the prospect of more liquidity, this came as a relief to investors. As a result, capital values stabilised, and even grew modestly, particularly in the final months of the year. Property income remained stable, so total returns increased.

However, wider economic uncertainty didn't go away. In fact, it grew worse in the first quarter of 2025, reminding investors that risks remain part of the outlook. Despite some gains, the year ended on a slightly disappointing note, with a mixed outlook. This renewed uncertainty caused delays to investment decisions. As a result, property values held onto their gains, but their growth slowed.

It was a better year for UK property funds, including the Local Authorities Property Fund, as per the table below. Encouragingly, the Fund continued to produce competitive total returns. It outperformed its benchmark again and continued to beat it over the longer term, including three-, five-, and ten-year periods.

Total return against benchmark to 31 March 2025 (after expenses)

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Performance (after expenses) the comparator benchmark				
The Local Authorities' Property Fund	**+7.19**	**-2.07**	**+3.48**	**+4.77**
Benchmark	+6.35	-3.39	+2.51	+4.38

Source: CCLA, MSCI/AREF UK Quarterly Property Funds Digest Q1 2025

Past performance is not a reliable indicator of future returns.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

The Fund is focused on distributing income as the foundation of its returns. This focus works well, especially when capital growth is uncertain. Unitholders receive a variable amount of income each year, subject to property market conditions, how we manage the portfolio and the portfolio's income growth.

In the year under review, the Fund paid income of 13.903p per unit. This produced a net income return of 5.1%, much higher than the benchmark's 3.7%. That higher income helped performance when market conditions and the prospects for growth in capital values are uncertain. Most of the Fund's total return of 7.15%[1] came from income, and this helped it outperform the benchmark's return of 6.35%.

In addition to the return from income, capital values improved in the 12 months under review. The Fund's capital return rose to 1.9%. Lower interest rates boosted confidence, although investors remained cautious due to economic uncertainty. Valuers stayed conservative, and costs linked to property maintenance and refurbishment, particularly in the office sector, weighed on returns. However, the Fund's larger positions in retail warehouses and industrial assets helped performance. Actively managed properties made a clear difference. As the year went on, property values became more stable across the board, especially in locations and sub-sectors with rising rents, like distribution warehouses.

On the downside, some parts of the portfolio continued to hold back performance. Valuers remained cautious about offices, and the Fund invested capital in several office and warehouse refurbishment and development projects. These investments affected short-term returns, but we expect them to support income and capital growth in the year ahead as conditions improve.

By the end of the twelve-month period, the Fund had grown slightly to £1.040 billion, up from £1.031 billion at the start of the year under review. Property valuations stabilised and began to rise, even as capital spending increased through asset management projects. Despite some redemptions from unitholders, liquidity needs were modest and handled well.

Investor outflows slowed in the second half of the year, with net outflows for the full year coming to £12.8 million. In response, we sold two properties for a total of £27 million. Another property was sold in June 2025 for £6.5 million, £0.5 million over its valuation at the year end. Properties sold or currently for sale represent a range of property types, to maintain the balance and quality of the portfolio. As of 31 March 2025, the Fund held £58 million in cash, or 5.5% of total assets. Future redemption notices logged at the year end, subject to 180 days notice period, were low, at £7.5 million.

[1] The fund's total return of 7.15% is calculated by multiplying factors based on income return and capital appreciation.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

Strategy
The economic and financial environment remains uncertain. The UK property market continues to undergo long-term change. In this context, the Fund's strategy is to stay well-positioned to face a range of risks. Those risks vary widely between properties, in an imperfect asset class like commercial property, and they depend on location, building quality, lease terms (especially how much of the lease is unexpired) and other details. The Fund focuses on generating income. Income is a large part of its total return, especially when capital growth is uncertain, as in the current environment.

It follows that pro-actively managing properties can be a key performance driver, key to controlling risk, and protecting both value and income. We aim to avoid relying on debt to increase returns. Instead, we look to add value through asset quality and careful management. Fundamentally, we aim for the Fund's portfolio to be diversified, with exposure to strong sub-sectors, avoiding volatility or difficulties in specific properties.

The Fund has high exposure to industrial warehouse assets, and a significant allocation to retail warehouses. These sectors offer reliable income, growth potential, and stability, which has helped performance and liquidity over time.

When suitable opportunities arise, we are also looking to grow our exposure to the 'Other' category. This segment includes a range of uses (residential, student housing, hotels, health care, car showrooms and leisure) with attractive long-term income features such as long leases and inflation-linked rent reviews. Most of these kinds of properties offer strong long-term income and will further diversify the portfolio.

We remain cautious about traditional sub-sectors such as shops and offices, which still face structural challenges. However, well-located, high-quality shops and offices in prime locations have better prospects.

Market Review
The past 12 months were more positive, but still cautious, for UK property investment. Uncertainty continued to affect the pace and strength of the recovery, but the sector began to stabilise. That allowed investor sentiment to improve steadily as the year progressed and confidence in the outlook to grow.

Property values stopped falling during the period under review. And, by the end of 2024, they had even started rising for some specific properties and sectors. Once again, industrial warehouses and retail property boosted returns. Investors became more optimistic and started to believe a full recovery was near. Yields began to peak which, together with rent increases, supported growth in capital values. When combined with the property sector's regular income, total returns became comfortably positive. Performance improved quarter by quarter, which resulted in respectable returns by the end of the year under review.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

According to the MSCI Quarterly Capital Index for All Property, capital growth peaked in the fourth quarter of 2024, but the rate of growth slowed in the first quarter of 2025. The slowdown was expected, given fresh concerns about the broader economic outlook and its potential impact on the UK property market. Despite that, the overall picture for the 12 months under review remained encouraging. Over the 12 months to 31 March 2025, capital growth reached 1.5%, which is up from 0.4% for the 12 months to 31 December 2024. With income included, the total return for the MSCI Quarterly Capital Index for All Property for the 12-month period, ending 31 March 2025, was 6.5%. Retail and industrial properties delivered standout performances, with returns of 9.6% and 9.2% respectively. Offices continued to lag but at least moved back into positive territory, with a return of 1.5%, even though capital values in that sector continued to decline.

The market stuttered at times, reflecting ongoing uncertainty. However, investors grew more confident that prices had bottomed out and were starting to recover, underpinned by a series of interest rate cuts, with more expected to follow. This helped lift sentiment and brought a broad range of investors back into the market. Transaction activity increased, but remained concentrated in specific sectors. Investors at the larger-scale end of the market took a step back in early 2025, to reassess the economic outlook and how it might affect future deals.

In 2024, UK property investment had its best performance since 2022. Total transaction volume across all sectors reached £46.3 billion, up 24% from 2023. Still, overall transaction volume fell back to below its long-term average in the first quarter of 2025. According to Lambert Smith Hampton's UK Investment Transactions Report, £13.1 billion of assets were sold in the fourth quarter of 2024, dropping 36% to £9.3 billion in the first quarter of 2025. Overseas investors led the market throughout the year, showing the long-term appeal of UK property. By year-end, however, US investors had pulled back and European interest picked up in their place. The overall number of transactions stayed close to average levels, but the absence of larger deals reduced overall volume. Positively, this focus in activity at the mid-market level bodes well for liquidity, for both buyers and sellers.

Within different property sub-sectors, the 'living' category – which includes hotels and various residential types – had a record year in 2024,although volumes dipped in early 2025. When those 'living' sub-sectors are excluded, deal volume in the traditional core sectors in 2024 was the lowest since 2011. By contrast, the office market had a difficult year overall but began to show signs of improvement toward year-end. This suggested that investors were starting to get a clearer understanding of the risks and challenges in that sector. Industrial warehouses continued to record strong rental growth, creating opportunities for higher income when leases revert. Along with retail warehouse assets, industrial property remained popular with many types of investors.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

Activity

The Fund did not make new acquisitions during the year, but there was a lot of activity within the existing portfolio. Selling properties was an important focus, both to meet liquidity needs and to adjust the portfolio in line with long-term strategy. Actively managing assets and lease events also remained essential to protect rental income and capital values.

Over the 12-month period, the Fund sold two properties, adding to cash reserves. One was an industrial warehouse in Ellesmere Port, sold for £18.5 million. The other was an office property in Crawley, intended for redevelopment, which sold for £9.5 million. Although the investment market was quiet and uncertain, both sales achieved prices above the most recent valuations. In our view, these assets had limited future performance potential, so the timing was right to exit.

By the end of the year under review, five more properties were in the process of being sold, including three offices. If all these transactions progress to completion, they will raise around £25 million. This shows that market conditions improved during the year, even for more challenged assets. Appetite for offices, in particular, picked up where valuations had adjusted.

We continued to manage the properties in the portfolio actively. This included lease renewals, building improvements, and capital projects. These efforts aim to maintain and improve these properties and their investment quality. Environmental upgrades and improved building specifications help support rental values and boost capital growth. However, these investments can weigh on performance in the short term – especially when market conditions are weak and while space remains vacant. The benefits often take time to show and may come through in the following year.

This year, several major projects required significant capital investment. One was the refurbishment of a vacant office at Edinburgh Park, which will continue another 12 months after the year under review. We also completed a major upgrade of an empty industrial warehouse in Huntingdon, Cambridgeshire. Marketing is under way to find a new tenant. In London, at Imperial House on Kean Street, the serviced office provider Knotel went into liquidation, handing back the space. This office now needs to be refurbished and re-let. Other, smaller upgrades and re-purposing projects across the portfolio also required management attention and capital spending.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

These projects come with challenges, but the potential rewards are significant, in terms of income and capital value. A strong example this year was Maidenhead Retail Park. The largest unit on the park, paying the highest rent, was occupied by Homebase (HHGL), which went into administration – posing a major income risk for the Fund. However, demand for the space was high and several tenants were keen to secure this unit. As a result, we managed to agree a new 20-year lease with Marks and Spencer for the whole unit. We increased the rent by 50%, and this drove a 39% rise in the valuation of this property over the year, one of the Fund's biggest holdings.

Other letting successes also supported income growth. We signed new leases on previously vacant retail warehouse units in Canterbury and Wakefield, and on offices in Nottingham. On the Beckton Retail Park in East London, the Fund's largest holding, short-term leasing continued, to maximise income while we plan a major redevelopment of the site. While less headline-grabbing, other smaller lettings in multi-let office buildings in central London and in industrial estates in Enfield and Orpington helped the Fund meet income targets.

As is typical in an actively managed portfolio, there were also new vacancies. The most notable was the Edinburgh office mentioned earlier, which created a temporary loss of substantial rental income. On a more positive note, several rent reviews were completed during the year, delivering higher rents – mainly in the industrial and retail warehouse sectors. The strongest results came from industrial properties, where rent growth has been consistent. At Cardinal Distribution Park in Huntingdon, notably, the rent paid by DHL rose by 38% following a review. In other areas, rent reviews are tied to inflation. At a retail warehouse in Nottingham used for car auctions, the rent increased by 22%, based on the increase in the Retail Price Index.

New vacancies always carry risk – especially after lease expiries or when properties are upgraded. At the end of the year, the Fund's investment vacancy rate was 11.4%, helped by several new lettings. By contrast, the average vacancy rate in the MSCI Monthly Index rose to 12.1%. Project development-related vacancy rate stood at 5.8%. This reflects the scale of ongoing refurbishment, redevelopment and re-purposing work across the portfolio, which is currently a feature of office assets.

Outlook

The recovery in 2024 turned out weaker than expected. Uncertainty in the wider economy and financial system continued to hold back a sustainable rebound in UK property investment. That said, the last quarter of 2024 produced a strong finish. Prices rose, deal volumes increased, and overall performance improved, both in absolute terms as well as compared to other asset classes.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

Threats to the outlook started to re-emerge in the fourth quarter, as policymakers faced fresh challenges with interest rates and government spending. The return of US trade tensions, including tariff threats under Trump's policy signals, also added pressure. Investors had hoped for clear progress on interest rates, economic growth, and political stability. These remain key to building momentum in the property market and reducing uncertainty around prices.

The first quarter of 2025 was more difficult. Financial instability has dominated headlines and weighed on investor sentiment. But this has overshadowed some quiet progress in the UK property market. While the UK isn't immune to global risks – especially in sectors linked to trade or consumer demand – the property sector here is relatively well shielded. The reaction from the market so far has been as expected. There's been no major shock, and the sector still looks resilient. What we're seeing now is, effectively, further delay as market conditions recover, and investor confidence and activity grows. For now, stability is a positive result for a sector that generates steady income. With risks more evenly spread, the UK property market may even look like a safe haven for investors in the short term. This creates a favourable environment for sentiment and deal activity to bounce back later in the year.

There is reason to feel optimistic about prices and transaction volumes in 2025. We expect the performance of UK property investment to improve, in line with consensus forecasts by researchers and consultants. Risks are more balanced, now that yields have risen and valuations have fallen from their 2022 levels. Structural, society-wide changes in how people use retail and office space still pose challenges. But sector-specific risks like falls in valuation and falling rents are easing, and the outlook for property is better understood. In our analysis, yields are now at or near their peak. That opens the door to better returns in the years ahead, even for offices.

Market sentiment is improving as investors expect interest rates to fall. The rate cuts that started in 2024 have continued into 2025, and more are expected. However, inflation worries and movements in bond yields have made the pace of rate cuts less clear. Thoughts of 'higher for longer' interest rates have returned, which may cause some investors to hold back. That said, most of the UK property sector is not directly affected by global tariff policies, so the market remains relatively steady.

In many sub-sectors, the occupier market is strong, helped by better-than-expected economic performance. This is helping rents to grow and, in turn, supports valuations. Industrial warehouses remain popular, and even in the office sector, the best-quality space is still in short supply, which keeps demand firm.

Overall, the UK property market is still moving into a better phase, even if the path ahead may be uneven. Recent events, though, remind us of the risks.

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2025

Even if capital values stay flat and further yield shifts are uncertain, income should make up the bulk of total returns in 2025. Active management is key. It adds value and boosts performance, even when risks to specific properties are high and outcomes vary across properties and segments. The past year has shown how important it is to drive income and manage properties well, and the outlook is no different. Investing only for capital gains still looks risky at this stage of the cycle. On the positive side, now that the market correction appears to be mostly over, we see considerable opportunity to find value that is backed by ongoing rental growth.

Association of Real Estate Funds
The Fund complies with the minimum requirements of the Associatoin of Real Estate Funds (AREF) Code of Practice, which is a voluntary Code which aims to encourage members of AREF to adopt best practice whenever possible.

The Code is publicly available and published on the AREF's website: www.aref.org.uk.

P Hannam
Head of Property
CCLA Investment Management Limited
22 September 2025

Risk warning
Investors should consider the risk factors identified in the Scheme Information. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after the valuation point.

The performance of the fund could be affected adversely by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the fund is dependent to a large extent upon the occupancy levels of any property owned by the fund and the rents paid by these tenants.

Rental revenues and property values are affected by changes in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The Fund's units are intended only for long term investment and are not suitable for money liable to be spent in the near future. The units are realisable only on each monthly valuation date and a period of delay may be imposed for redemption of units depending on the Fund's liquidity. Redemptions are subject to a notice period of 180 calendar days and which can be increased to up to six months if so determined by the Manager. The units are realisable only on each monthly dealing day.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Report on the audit of the financial statements
Opinion
In our opinion the financial statements of The Local Authorities Property Fund (the 'Fund'):

- give a true and fair view of the state of the Fund's affairs as at 31 March 2025 and of the net revenue and the net capital gains for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" and the Trust Deed.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the cash flow statement;
- the distribution table; and
- the individual notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 and the Trust Deed.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Depositary and Manager
As explained more fully in the Statement of Depositary Responsibilities and Report of the Depositary, and the Statement of Trustee and Manager Responsibilities, the Depositary is responsible for the safeguarding the property of the Fund and the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

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

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

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

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as Real Estate specialists and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investment properties. Investment properties constitute more than 90% of the net asset value (NAV) of the Fund and are a key measure of performance. Our specific procedures performed to address this are described below:

- involved our real estate specialists to assess the key inputs and assumptions that are used to derive the fair value of a sample of investment properties and agreed the price to the report provided by the valuation specialists appointed by management;
- assessed the professional competence of management's specialists and reviewed the scope of their work; and
- agreed 100% of the Fund's property portfolio at the year end to a confirmation received directly from the depositary.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the management and the manager concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Use of our report
This report is made solely to the Fund's unitholders, as a body, in accordance with the Trust Deed. Our audit work has been undertaken so that we might state to the Fund's unitholders 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 Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow
24 September 2025

REPORT OF THE VALUERS

Dear Sirs,

The Local Authorities' Property Fund
Property valuation as at 31 March 2025

In accordance with your instructions received from The Local Authorities' Property Fund ("the Fund") to value all the property investments owned by the Fund ("the Properties") on a monthly basis, we have valued the Properties as at 31 March 2025. The valuation has been prepared on the basis of Fair Value, in accordance with the current edition of the RICS valuation-Professional Standards published by the Royal Institution of Chartered Surveyors (RICS). We understand that our valuation is required for unit pricing and financial statements purposes. Our report is addressed to the Fund.

We are of the opinion that the aggregate Fair Values of all the properties held by the Fund as at 31 March 2025 is £994,150,000 (Nine Hundred and Ninety Four Million, One Hundred and Twenty Five Thousand Pounds).

Details of the basis of our valuation and the individual properties are set out in our valuation report, addressed to CCLA, dated 8th April 2025.

Yours faithfully,

Knight Frank LLP
22 September 2025

SUMMARY RISK INDICATOR

The UK PRIIPs Regulation requirements set out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the recommended holding period (RHP).

The Manager has classified The Local Authorities' Property Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes investment in the Fund for the RHP of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Property is recognised as an illiquid asset and is thus most suited to long-term investment.
Whilst, investors can request redemption at any time, all such requests are subject to a minimum notice period of 180 days. The Fund normally deals on the last day of each month. The Fund does not include any protection from future market performance, so you could lose some or all your investment.

Property can be an illiquid asset class and the Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the Fund to meet redemptions and, in agreement with the Trustee, may suspend the buying and selling of units in the Fund due to stressed market conditions. Where an investor makes an application to sell or cancel units the Manager may, with the agreement of the Trustee, arrange to transfer Fund property out of the Fund in place of payment in cash for the units, but only if it is judged by the Manager not to disadvantage the remaining investors.

A more detailed description of risk factors that apply to this product is set out in the latest Scheme Information, which is available on the Manager's website or by request.

* With effect from 17 October 2022 and until further notice, the Manager has exercised its discretion (as provided for in the Scheme Particulars) to extend the redemption notice period from 90 days to 180 days.

COMPARATIVE TABLE

Change in net assets per Unit

	Income Units				
	Year to 31.03.2025 pence per Unit	Year to 31.03.2024 pence per Unit	Year to 31.03.2023 pence per Unit	Year to 31.03.2022 pence per Unit	Year to 31.03.2021 pence per Unit
Opening net asset value per Unit	**273.90**	285.04	342.44	291.21	293.85
Return before operating charges	**23.33**	6.35	(41.75)	65.89	13.48
Operating charges	**(3.62)**	(3.19)	(3.36)	(3.44)	(3.50)
Return after operating charges	**19.71**	3.16	(45.11)	62.45	9.98
Distributions on income Units	**(13.90)**	(14.30)	(12.29)	(11.22)	(12.62)
Closing net asset value per Unit	**279.71**	273.90	285.04	342.44	291.21
Performance					
Return after charges**	**7.20%**	1.11%	(13.17%)	21.45%	3.40%
Gross yield***	**4.92%**	4.84%	3.99%	3.04%	4.03%
Other information					
Closing net asset value (£'000)	**1,039,540**	1,030,707	1,189,677	1,427,774	1,192,676
Closing number of Units	**371,647,745**	376,304,050	417,369,030	416,943,212	409,662,787
Prices (pence per Unit)** **					
Highest Unit price (offer)	**301.41**	308.72	387.73	368.46	313.45
Lowest Unit price (bid)	**271.34**	272.73	283.80	289.98	278.22
Annual management charge*	**0.62%**	0.63%	0.64%	0.63%	0.62%
Other costs	**0.12%**	0.07%	(0.01%)	0.02%	0.26%
Total expense ratio (TER)	**0.74%**	0.70%	0.63%	0.65%	0.88%
Property expense ratio (PER)	**0.58%**	0.42%	0.35%	0.39%	0.31%
Real estate expense ratio (REER) (TER+PER)	**1.32%**	1.12%	0.98%	1.04%	1.19%

All of the above figures are ratios set against the Fund's average net assets calculated over the period.

* The Annual Management Charge is 0.65% (plus VAT, which is recoverable) of the net asset value of the Fund and is charged to income. The month end valuation forms the basis of the charge for the following month.

** The return after charges has been calculated in accordance with the Statement of Recommended Practices' prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed on the Report of the Fund Manager.

*** The gross yield is calculated as the sum of the gross of tax, net of expenses income distributed over the previous 12 months expressed as a percentage of the offer price at the year end.

PORTFOLIO ANALYSIS
at 31 March 2025

Tenure

	31.03.25		31.03.2024	
	£'000	%	£'000	%
Freehold or heritable	**887,400**	**89.26**	893,325	90.24
Leasehold	**106,750**	**10.74**	96,600	9.76
	994,150	**100.00**	989,925	100.00

Above balances represent value of the investment properties as per note 7 as well as rent free assets and lease incentives recorded within debtors.

Tenants' unexpired lease terms

	31.03.25	31.03.2024
Unexpired term	%*	%*
Over 10 years	**18.97**	16.09
5-10 years	**16.48**	23.35
Under 5 years	**64.55**	60.56
	100.00	100.00
Investment Void	**11.87**	9.46
Void	**5.85**	3.17
Total Void Rate	**17.72**	12.63

Lease termination is calculated at first break clause, if any.

* Percentage of total revenue from contracted leases plus estimated rental values of unlet units/developments.

Use of Capital

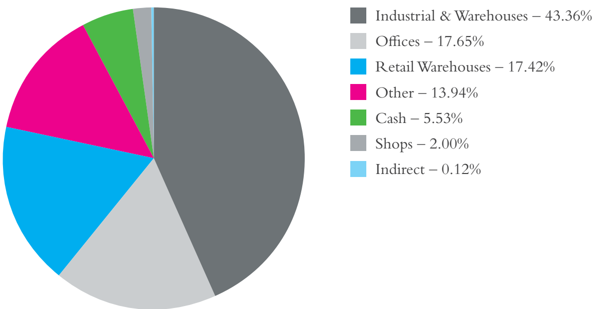
	31.03.25		31.03.2024	
	£'000	%	£'000	%
Completed properties	**994,150**	**95.63**	989,925	96.05
Indirect investments	**1,120**	**0.11**	1,288	0.12
Net other assets	**44,270**	**4.26**	39,444	3.83
	1,039,540	**100.00**	1,030,657	100.00

PORTFOLIO ANALYSIS
at 31 March 2025

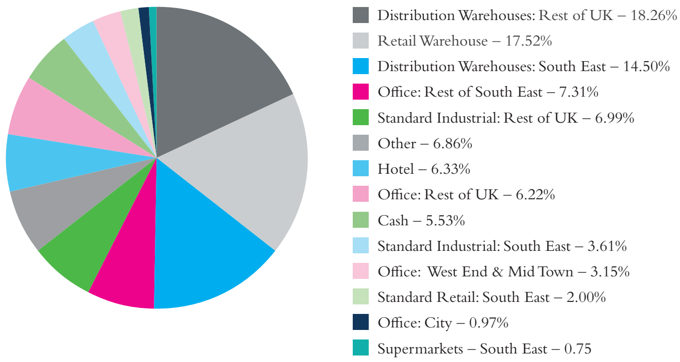
Largest top ten property holdings

Property		% of Fund
London, Beckton Retail Park	Retail Warehouse	6.19
London, 1 Goodman's Yard	Other	4.28
Leeds, 27 Industrial Estate	Offices	3.82
London, 3 Cathedral Street	Offices	3.72
London, Imperial House	Retail & Office	3.63
Bristol, Gallagher Retail Park	Retail Warehouse	3.32
Maidenhead, Retail Park	Retail Warehouse	3.32
Coventry, Torrington Avenue	Industrial	3.22
London, 5 Pickett's Lock Lane	Industrial	3.07
Bolton, Great Bank Road	Industrial	2.89

Asset by type



Geographical distribution



Portfolio turnover rate

The portfolio turnover rate gives an indication of how frequently assets are purchased and sold by the Fund.

	31.03.2025	31.12.2024
Portfolio turnover rate	**0.00%**	0.08%

The portfolio turnover rates are calculated by the total sales or purchases (excluding cash), whichever is less, divided by average monthly assets during the year

PORTFOLIO STATEMENT
at 31 March 2025

Properties

Total in valuation ranges	31.03.2025 £'000	31.03.2025 % of Fund	31.03.2024 £'000	31.03.2024 % of Fund
Valued between £0 and £5m 10 properties	**32,125**	**3.09**	31,350	3.04
Valued between £5 and £10m 21 properties	**161,475**	**15.53**	167,150	16.22
Valued between £10 and £25m 23 properties	**401,050**	**38.58**	430,025	41.73
Valued at over £25m 11 properties	**399,500**	**38.43**	361,400	35.07
Other investments	**1,120**	**0.11**	1,288	0.12
Net other assets/(liabilities)	**44,270**	**4.26**	39,444	3.82
	1,039,540	**100.00**	1,030,657	100.00

OWNERSHIP OF THE FUND
at 30 September 2024

	31.03.2025 Number of investors	31.03.2025 Number of Units in issue	31.03.2025 % of Units in issue	31.03.2024 Number of investors	31.03.2024 Number of Units in issue	31.03.2024 % of Units in issue
Less than 1%	**229**	**195,950,873**	**52.72**	238	200,607,178	53.31
1% or greater but less than 2%	**13**	**64,987,388**	**17.49**	13	64,987,388	17.27
2% or greater but less than 4%	**9**	**90,829,593**	**24.44**	9	90,829,593	24.14
4% or greater but less than 8%	**1**	**19,879,891**	**5.35**	1	19,879,891	5.28
	252	**371,647,745**	**100.00**	–	–	–
Held by the largest investor	**1**	**19,879,891**	**5.35**	1	19,879,891	5.28
Held by top 5 investors	**5**	**68,124,774**	**18.33**	5	68,124,774	18.10

PROPERTY PORTFOLIO
at 31 March 2025

Standard Retail

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
84, 85 & 86 East St CHICHESTER	Mountain Warehouse Ltd	10 yrs 07.12.23	5 yrs	2028/ 2033	210,000	0–5
22 and 23 Gentleman's Walk NORWICH	The White Company (U.K.) Ltd	10 yrs 13.02.25	0 yrs	2030	162,500	0–5
89-89A Broad Street READING	Excelity Ltd	10 yrs 27.09.23	5 yrs	2028/ 2033	55,000	0–5
	Waterstones Booksellers Ltd	10 yrs 24.06.16	5 yrs	2021/ 2026	270,000	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Offices

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
The Arena BRACKNELL	Epicor Software (UK) Ltd	11 yrs 01.01.16	5 yrs	2026/ 2027	534,664	10–25
	Eli Lilly and Company Ltd	10 yrs 07.04.20	5 yrs	2025/ 2030	1,085,021	
	Southern Electric Power Distribution	99 yrs 22.07.20	0 yrs	2119	–	
Kings Orchard BRISTOL	Bevan Brittan LLP	20 yrs 14.03.07	5 yrs	2027	2,033,000	10–25
Lakeview East & West DARTFORD	Kuehne & Nagel	10 yrs 26.10.23	5 yrs	2029	247,588	
	Launch Diagnostics Ltd	10 yrs 26.10.23	5 yrs	2028/ 2033	247,588	
9-10 Lochside Place EDINBURGH	Ooni Ltd	10 yrs 20.09.22	5 yrs	2027/ 2032	449,050	5–10
	Ecojet Airlines Ltd	5 yrs 30.07.24	0 yrs	2029	78,590	
	Dalkia Operations Ltd	16 yrs 21.01.16	0 yrs	2027/ 2032	48,994	
	Computacenter Plc	10 yrs 27.04.20	5 yrs	2025/ 2030	133,043	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Offices *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Edinburgh Park EDINBURGH	Vacant					5–10
1 Park Row LEEDS	Pinset Masons LLP	30 yrs 30.07.99	5 yrs	2024/ 2029	1,720,000	10–25
Vanwall Business Park MAIDENHEAD	Preact Ltd	10 yrs 19.10.18	5 yrs	2023/ 2028	97,254	
Castle Boulevard NOTTINGHAM	GTT EMEA Ltd	10 yrs 01.12.15	0 yrs	2025	338,626	5–10
	Telefonica UK Ltd	15 yrs 08.03.01	0 yrs	2016	18,186	
	AM Trust Management Services Ltd	10 yrs 03.02.25	5 yrs	2030/ 2035	271,974	
	Entain Holdings (UK) Ltd	10 yrs 03.01.23	5 yrs	2028/ 2033	313,880	
Trinity Park SOLIHULL	Vacant					0–5
Warwick Technology Park WARWICK	Vacant					0–5
3 Longwalk Road LONDON	Marks & Spencer Plc	16 yrs 29.09.10	5 yrs	2021/ 2026	2,600,000	10–25

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Offices/Shops

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Imperial House LONDON	Wasabi Co Ltd	10 yrs 09.09.22	5 yrs	2027/ 2032	100,000	>25
	Coco Di Mama Ltd	5 yrs 17.05.23	0 yrs	2028	77,500	
	SV London Ltd	10 yrs 31.01.19	5 yrs	2024/ 2029	30,700	
	Live Ramp UK Ltd	3 yrs 26.06.24	0 yrs	2027	372,260	
	Agatha Christie Ltd	10 yrs 25.03.22	5 yrs	2027/ 2032	140,382	
	St Luke's Communications Ltd	5 yrs 09.07.20	0 yrs	2025	243,250	
	Kenny Wax Ltd	10 yrs 19.07.21	5 yrs	2026/ 2031	209,453	
	AC Priggen & TP Gale	10 yrs 09.01.18	0 yrs	2028	1,500	
	DX Network Services Ltd	10 yrs 26.07.15	0 yrs	2025	1,500	
	St Luke's Communications Ltd	3 yrs 07.03.22	0 yrs	2025	7,000	
	SV London Ltd	5 yrs 24.10.23	0 yrs	2028	3,000	
	SV London Ltd	10 yrs 24.08.18	5 yrs	2023/ 2028	4,770	
	SV London Ltd	9 yrs 02.09.19	5 yrs	2023/ 2028	2,700	
	SV London Ltd	10 yrs	5 yrs	2023/	8,660	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Offices/Shops *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
34 Threadneedle Street LONDON	Replete Ltd	30 yrs 29.09.07	5 yrs	2022/ 2037	106,500	5–10
	Replete Ltd	24 yrs 19.07.13	5 yrs	2023/ 2037	55,350	
	Korea Money Brokerage Corporation	5 yrs 08.08.24	0 yrs	2029	51,531	
	W T Partnership Ltd	5 yrs 06.07.22	0 yrs	2027	64,000	
3 Cathedral Street LONDON	Nero Holdings Ltd	10 yrs 26.02.22	5 yrs	2027/ 2032	150,000	>25
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2022/ 2032	148,925	
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2022/ 2032	351,843	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2022/ 2032	660,699	
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2022/ 2032	660,100	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2022/ 2032	575,368	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2022/ 2032	76,980	
	James Roberts and Sarah Lygo Robert	75 yrs	0 yrs	2085	10	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Offices/Shops *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
157-159 Fenchurch Street LONDON	Hawes & Curtis Ltd	2 yrs 13.07.21	0 yrs	2023	300,000	10–25
	EE Ltd	10 yrs 23.07.15	5 yrs	2020/ 2025	4,428	
	Central Bank of the Republic of Turkey	10 yrs 10.08.20	5 yrs	2025/ 2030	128,586	
	IF P & C Insurance Ltd	5 yrs 24.08.24	0 yrs	2029	62,160	
	Codestone Solutions Ltd	5 yrs 20.01.25	0 yrs	2030	76,038	
	API software Ltd	5 yrs 05.08.24	0 yrs	2029	66,386	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Aker Solutions Village ABERDEEN	MW Wirth Ltd	10 yrs 20.12.17	0 yrs	2027	310,000	0–5
The Boulevard ASHFORD	Menzies Distribution Ltd	10 yrs 25.03.16	5yrs	2026	283,500	10–25
	L'Artisan Du Chocolat Ltd	10 yrs 13.09.21	5 yrs	2026/ 2031	410,500	
Unit 16 Junction Six BIRMINGHAM	Pointbid Logistics Systems Ltd	10 yrs 04.11.19	5 yrs	2029	830,368	10–25
Great Bank Road BOLTON	Tesco Stores Ltd	11 yrs 01.01.17	0yrs	2028	1,914,000	>25
Plot 5 Interlink Park COALVILLE	MTS Logistics Ltd	5 yrs 15.05.20	0 yrs	2028	466,050	5-10
Torrington Avenue COVENTRY	Peugeot Motor Company Plc	15 yrs 13.12.13	3 yrs	2022/ 2028	1,752,887	>25
	Western Power Distribution	99 yrs 14.09.22	0 yrs	2121		
Unit 4 500 Purley Way CROYDON	Vacant					10–25
Cardinal North HUNTINGDON	Vacant					10–25
Cardinal North HUNTINGDON	DHL Supply Chain Ltd	10 yrs 25.05.17	5 yrs	2027	1,600,000	>25
Stadium Gate LEEDS	Mailing and Marketing Solutions Ltd	20 yrs 11.02.19	5 yrs	2029/ 2039	490,000	5-10

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Leeds 27 Industrial Estate	AAH Pharmaceuticals	10 yrs 22.03.24	0 yrs	2029/ 2034	600,000	>25
LEEDS	Morley Glass & Glazing Ltd	15 yrs 17.05.16	5 yrs	2026/ 2031	233,000	
	Apleona HSG Ltd	5 yrs 25.09.20	5 yrs	2025	180,000	
	Aptar UK Ltd	5 yrs 09.07.20	0 yrs	2025	209,000	
	Nobia Holdings UK Ltd	5 yrs 07.08.20	0 yrs	2025	292,127	
	Nobia Holdings UK Ltd	5 yrs 07.08.20	0 yrs	2025	360,250	
Watermill Business Centre	Chevron Distribution Ltd	10 yrs 23.09.20	5 yrs	2025/ 2030	52,650	10–25
LONDON	Transport for London	15 yrs 12.12.22	5 yrs	2022/ 2037	150,000	
	Security Fibres UK Ltd	10 yrs 23.06.21	5 yrs	2026/ 2031	129,300	
	Eyre & Elliston Ltd	10 yrs 11.05.16	5 yrs	2026	46,000	
	Riel Chyc (UK) Ltd	5 yrs 29.08.20	0 yrs	2025	45,110	
	The Blinking Lamp Co. Ltd	10 yrs 17.05.24	5 yrs	2029/ 2034	71,663	
	Eurocell Building Plastics Ltd	5 yrs 29.09.21	0 yrs	2026	44,600	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Watermill Business Centre	Security Fibres UK Ltd	5 yrs 07.06.22	0 yrs	2027	53,680	
LONDON *(continued)*	Baker Crafts Ltd	5 yrs 24.06.24	0 yrs	2029	48,020	
	P Fitzsimmons Ltd	10 yrs 29.11.21	5 yrs	2026/ 2031	28,575	
	Mega Packaging Ltd	6 yrs 13.03.23	3 yrs	2026/ 2029	32,000	
	Bushfire Ltd	5 yrs 25.03.21	0 yrs	2026	29,000	
	Print4uk Ltd	5 yrs 01.11.21	0 yrs	2026	50,960	
	Comex 2000 (UK) Ltd	5 yrs 22.06.21	0 yrs	2026	59,500	
	Nu Vending Ltd	10 yrs 20.10.21	5 yrs	2026/ 2031	55,250	
	Stars Day Services Ltd	5 yrs 01.06.22	0 yrs	2027	52,920	
5 Pickett's Lock Lane LONDON	Abra Wholesales Ltd	15 yrs 02.09.11	5 yrs	2026	1,135,000	>25

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
3310 Hunter Boulevard LUTTERWORTH	DHL Supply Chain Ltd	10 yrs 16.01.19	0 yrs	2029	1,366,225	10–25
Garamonde Drive MILTON KEYNES	Whittan Industrial Ltd	25 yrs 17.10.17	5yrs	2027/ 2042	1,208,172	10–25
Motherwell Bridge MOTHERWELL	MB Engineering Services Ltd	25 yrs 19.04.07	5 yrs	2027/ 2032	155,797	0–5
	MB Engineering Services Ltd	25 yrs 19.04.07	5 yrs	2027/ 2032	116,848	
	MB Aerospace Ltd	25 yrs 19.04.07	5 yrs	2027/ 2032	233,694	
Brackmills Business Park	Stertil UK Ltd	10 yrs 25.03.24	5 yrs	2029/ 2034	129,200	5–10
NORTHAMPTON	In 'N' Out Centres Ltd	10 yrs 17.04.24	5 yrs	2029/ 2034	171,030	
	Howden Joinery Ltd	5 yrs 09.05.22	5 yrs	2027	116,413	
Corner Rhosili & Kilvey Road NORTHAMPTON	Johnson & Starley Ltd	15yrs 25.03.16	5 yrs	2026/ 2031	396,006	5–10
Brackmills 192 NORTHAMPTON	Uniserve Holdings Ltd	10 yrs 04.05.18	5 yrs	2028	1,400,000	10–25

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Cray Avenue ORPINGTON	Nicholls & Clarke Ltd	10 yrs 13.02.23	5 yrs	2028/ 2033	95,627	10–25
	Tile Giant Ltd	25 yrs 29.09.05	5 yrs	2025/ 2030	58,025	
	Bathroom and Plumbing Superstore Ltd	12 yrs 16.10.18	0 yrs	2025/ 2030	44,800	
	Crown Paints Ltd	26 yrs 29.09.05	0 yrs	2026/ 2031	44,713	
	Carpets 4 Less Ltd	10 yrs 29.09.20	5 yrs	2025/ 2030	97,463	
	Carpets 4 All Ltd	15 yrs 10.07.08	5 yrs	2028/ 2038	149,500	
	Toolstation Ltd	15 yrs 05.10.23	5 yrs	2028/ 2033	76,986	
	Giant Floors Ltd	5 yrs 13.11.20	0 yrs	2025	30,627	
	Hamilton Villiers Ltd	4 yrs 12.12.23	0 yrs	2027	37,587	
	Ranebrook Windows Ltd	5 yrs 01.04.22	0 yrs	2027	34,370	
	Teamframes Ltd	13 yrs 30.10.14	5 yrs	2024/ 2027	28,560	
	Fresh Eric's Cakes Company Ltd	10 yrs 22.12.15	5 yrs	2025	48,438	
	Trade Spray Services Ltd	20 yrs 24.10.11	0 yrs	2026/ 2031	49,221	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
1 Ivatt Way PETERBOROUGH	GXO Logistics UK II Ltd	15 yrs 28.09.18	5 yrs	2028/ 2033	1,289,515	10–25
Alpha Park ST NEOTS	Applehill Properties Ltd	5 yrs 02.07.20	0 yrs	2025	1,219,900	10–25
Wellingborough Road SYWELL	Premium Warehousing Ltd	16 yrs 07.02.17	5 yrs	2027/ 2033	1,088,300	10–25
Wakefield Eurohub WAKEFIELD	Verallia UK Ltd	10 yrs 19.01.17	5 yrs	2027	1,073,846	10–25
Grandstand WARRINGTON	Topgrade Sportwear Ltd	3 yrs 29.09.23	0 yrs	2026	318,000	5–10
70 Sinclair Drive WELLINGBOROUGH	IFCO Systems UK Ltd	10 yrs 12.02.18	5 yrs	2028	756,250	10–25

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Retail Warehouses

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Goodliffe Park BISHOPS STORTFORD	Wickes Building Supplies Ltd	42 yrs 29.09.89	5 yrs	2026/ 2031	517,110	5-10
Gallagher Retail Park BRISTOL	B&Q Plc	33 yrs 29.09.98	5 yrs	2026/ 2031	1,730,000	>25
	Currys Group Ltd	5 yrs 01.02.24	0 yrs	2029	292,600	
Wincheap Retail Park CANTERBURY	Next Holdings Ltd	10 yrs 07.10.24	5 yrs	2029/ 2034	335,214	5-10
	Boots UK Ltd	10 yrs 12.04.16	5 yrs	2021/ 2026	143,700	
	Hobbycraft Trading Ltd	10 yrs 16.06.23	5 yrs	2028/ 2033	185,259	
Tewkesbury Road CHELTENHAM	HHGL Ltd	15 yrs 05.03.21	5 yrs	2026/ 2036	500,000	5-10
Victoria Street North GRIMSBY	CDS (Superstores International) Ltd	20 yrs 25.03.15	5 yrs	2035	357,107	0-5
Birstall Retail Park LEEDS	CDS (Superstores International) Ltd	10 yrs 21.06.19	0 yrs	2029	429,390	5-10
Beckton Retail Park LONDON	Iceland Food Ltd	10 yrs 15.07.13	5 yrs	2018/ 2023	125,000	>25
	Kacha Bazar International Ltd	11 yrs 22.11.17	5 yrs	2028	234,000	
	Multi-Tile Ltd	10 yrs 29.09.12	5 yrs	2022	135,000	
	Kacha Bazar International Ltd	8 yrs 09.11.20	5 yrs	2028	150,000	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Retail Warehouses *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
Beckton Retail Park LONDON *(continued)*	Kacha Bazar International Ltd	5 yrs 10.07.23	0 yrs	2028	323,000	
	TJ Morris Ltd	15 yrs 09.09.13	5 yrs	2028	300,000	
	Selco Trade Centres Ltd	4 yrs 04.01.24	0 yrs	2028	442,603	
	Dreams Ltd	20 yrs 29.09.03	5 yrs	2018/ 2023	150,000	
	Lituanica UK Ltd	15 yrs 17.07.08	5 yrs	2013/ 2023	120,000	
	Kacha Bazar International Ltd	9 yrs 20.09.19	5 yrs	2028	107,579	
	Matalan Retail Ltd	5 yrs 07.02.21	0 yrs	2026	316,360	
	Lituanica UK Ltd	1 yr 17.07.23	0 yrs	2028	11,000	
Stafferton Way MAIDENHEAD	Halfords Ltd	20 yrs 24.06.05	5 yrs	2025	195,000	>25
	Pure Gym Ltd	10 yrs 10.10.22	5 yrs	2027/ 2032	267,000	
	Hobbycraft Trading Ltd	10 yrs 06.03.23	5 yrs	2028/ 2033	125,760	
	Pets at Home Ltd	21 yrs 31.07.06	5 yrs	2027	135,244	
	Marks & Spencer Plc	20 yrs 28.11.24	5 yrs	2029/ 2044	1,125,000	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Retail Warehouses *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
27 Tollbar Way SOUTHAMPTON	TJX UK	15 yrs 08.06.15	5 yrs	2025/ 2030	742,847	10–25
Albion Mills Retail Park WAKEFIELD	Pure Gym Ltd	15 yrs 21.03.25	5 yrs	2030/ 2040	175,000	5–10
	Wickes Building Supplies Ltd	25 yrs 25.05.05	5 yrs	2015/ 2030	602,325	

* Date in the past indicates that the review has not been settled yet.

PROPERTY PORTFOLIO
at 31 March 2025

Other

Property	Tenant	Term/ from	Lease review period	Next review/ expiry*	Rent £	Mkt value range £m
14 West Street BRIGHTON	Travelodge Hotels Ltd	41 yrs 20.12.07	5yrs	2027/ 2048	1,469,594	10–25
Bickley road BROMLEY	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	518,556	5–10
Locomotive Way DERBY	Derby College	20 yrs 20.10.09	5yrs	2029	1,086,228	5–10
Mobberley Road KNUTSFORD	R Stratton & Co Ltd	50 yrs 24.06.08	5yrs	2028/ 2058	467,109	5–10
A10 Great Cambridge Road LONDON	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	804,769	10–25
1 Goodman's Yard LONDON	Travelodge Hotels Ltd	40 yrs 15.12.08	5yrs	2028/ 2048	2,675,209	>25
Duke of Wellington Avenue LONDON	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	385,380	5–10
Queens Drive NOTTINGHAM	Car Shops Ltd	20 yrs 22.05.19	5 yrs	2024/ 2039	1,338,370	10–25
52–55 Friar St & 12 Greyfriars READING	Sainsbury's Supermarkets Ltd	20 yrs 29.09.18	5 yrs	2023/ 2038	485,000	5–10
Maidstone Road SIDCUP	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	510,064	5–10

* Date in the past indicates that the review has not been settled yet.

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2025

	Note	Year ended 31.03.2025 £'000	Year ended 31.03.2025 £'000	Year ended 31.03.2024 £'000	Year ended 31.03.2024 £'000
Income					
Net capital gains/(losses)	*2*		**21,569**		(46,135)
Revenue	*3*	**67,843**		74,066	
Expenses	*4*	**(15,921)**		(15,673)	
Net revenue before taxation		**51,922**		58,393	
Taxation	*5*	**(40)**		(60)	
Net revenue after taxation			**51,882**		58,333
Total return before distributions			**73,451**		12,198
Distribution	*6*		**(51,882)**		(58,333)
Change in net assets attributable to unitholders from investment activities			**21,569**		(46,135)

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 March 2025

	Year ended 31.03.2025 £'000	Year ended 31.03.2025 £'000	Year ended 31.03.2024 £'000	Year ended 31.03.2024 £'000
Opening net assets attributable to Unitholders		**1,030,707**		1,189,677
Amounts receivable on issue of Units	**58**		145	
Amounts payable on cancellation of Units	**(12,794)**		(112,980)	
		(12,736)		(112,835)
Change in net assets attributable to Unitholders from investment activities		**21,569**		(46,135)
Closing net assets attributable to Unitholders		**1,039,540**		**1,030,707**

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

BALANCE SHEET
at 31 March 2025

	Note	31.03.2025 £'000	31.03.2025 £'000	31.03.2024 £'000	31.03.2024 £'000
ASSETS					
Investment assets	7		**985,596**		979,547
Debtors	8	**14,362**		19,621	
Cash and bank balances	9	**15,390**		13,720	
Cash equivalents	9	**56,219**		48,068	
Total other assets			**85,971**		81,409
Total assets			**1,071,567**		1,060,956
LIABILITIES					
Creditors	10	**19,586**		16,296	
Distribution payable on income Units		**12,441**		13,953	
Total liabilities			**32,027**		30,249
Net assets attributable to Unitholders			**1,039,540**		1,030,707

The financial statements on pages 42 to 58 were approved on behalf of the Trustee by R Kemp CBE, Chairman, on 22 September 2025.

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2025

		31.03.2025		31.03.2024	
	Note	£'000	£'000	£'000	£'000
Net revenue for the year			**51,882**		**58,333**
Net cash inflow from operating activities					
Decrease in accrued revenue		**307**		1,273	
Decrease/(increase) in debtors		**4,952**		(2,785)	
Increase/(decrease) in creditors		**3,290**		(157)	
			8,549		(1,669)
Net cash flow from investment activities					
Capital expenses		**(11,315)**		(53)	
Payments to acquire investments		**–**		(931)	
Proceeds on disposal of investments		**26,835**		83,702	
			15,520		82,718
Net cash inflow from financing activities					
Issue of Units	*15*	**58**		145	
Cancellation of Units	*15*	**(12,794)**		(112,980)	
Distributions paid		**(53,394)**		(57,197)	
			(66,130)		(170,032)
Increase/(decrease) in cash			**9,821**		(30,650)

	31.03.2025 £'000	31.03.2024 £'000
Net cash and cash equivalents at beginning of the year	**61,788**	92,438
Movement during the year	**9,821**	(30,650)
Net cash and cash equivalent at the end of the year	**71,609**	61,788

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with FRS 102 and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the Investment Association in May 2014, as amended in June 2017, and the Trust Deed and is considered appropriate for at least 12 months from the date of the approval of these financial statements.

(b) Financial assets and liabilities

The Company records financial assets and liabilities when an agreement is made. They are initially recorded at their fair value.

Financial assets are checked for any losses.

Receivables and payables are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method, less any allowance for credit losses.

Assets and liabilities are removed when the rights or obligations end or are passed on.

(c) Revenue recognition

Rental revenue and interest on bank deposits are accrued on a monthly basis. Dividends on unit trusts are accrued on the dates when the investments are first quoted ex-dividend.

In accordance with FRS 102 the rent free period is recognised on a straight line basis over the entire term of the lease. Lease incentives in the form of capital contributions are also shown as capital debtors and are amortised over the shorter of the entire term of the lease or to the period when the first market break option takes place.

(d) Expenses

During the year, the Manager's periodic charge, paid by the Trustee to the Manager and recharged to the Fund, was deducted from revenue of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.65% p.a. plus VAT. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. The audit, insurance, property valuation fees and direct property fees are paid either directly by the Fund or by the Trustee and recharged to the revenue of the Fund before distribution.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1. Accounting policies *(continued)*

(e) Distributions

Distributions are prepared quarterly and paid one month after each quarter end. Each month the revenue is applied to unitholders in the Fund and no revenue is included in the unit price. A net distribution is paid after deduction of expenses.

(f) Capitalised costs

All costs associated with buying, selling and the development of properties are charged to capital. Other expenses, subsequent to initial recognition, reflecting servicing, refurbishment, including the replacement of major part, or redevelopment, including the property valuation fees payable to BNP Paribas Real Estate and Knight Frank LLP, are deducted from revenue.

These costs are added to the carrying value which is then subject to re-measurement to fair value at the next balance sheet date, or expensed. Where costs are capitalised, the change in fair value recognised in profit or loss will be affected by a similar amount.

(g) Basis of valuation

Freehold and leasehold properties are valued each month, on the basis of Fair Value in accordance with the current RICS Appraisal and Valuation Standards (The Red Book) is advised by Knight Frank LLP, Chartered Surveyors. Additions to the portfolio are valued externally after acquisition. The UK Retail Warehouse Fund is valued monthly as advised by Nuveen Property Management (Jersey) Limited. (Please refer to note 18 for more details).

(h) Unit pricing policy

The Fund follows AREF's fund pricing recommendations and is priced at the Standard (NAV). Any adjustments around the Mid price (Bid/Offer) would follow AREF's fund pricing recommendations as required.

(i) Cash equivalents

The manager has treated some assets as Cash equivalents for the purpose of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily covertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater that the rate of a three month high quality government bond.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

1. **Accounting policies** ***(continued)***

(j) Estimation uncertainty

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

There are no critical judgements used and the source of estimation uncertainty is discussed in note 18.

(k) Currency

The functional and presentational currency of the company is Great British Pound (GBP). There were no foreign transactions translated to GBP.

2. **Net capital gains**

	31.03.2025 £'000	31.03.2024 £'000
The net capital gains during the period comprise:		
Unrealised gains/(losses) on investment properties*	**25,676**	(31,084)
Unrealised gains on collective investment schemes*	**427**	43
Realised losses on investment properties*	**(4,156)**	(14,686)
Realised losses – other	**(378)**	(408)
Net capital gains/(losses)	**21,569**	(46,135)

* Where net realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

3. **Revenue**

	31.03.2025 £'000	31.03.2024 £'000
Rental revenue	**61,452**	64,667
Interest on the Public Sector Deposit Fund	**2,460**	4,450
Service charge income	**2,279**	2,738
Other revenue	**1,084**	1,437
Bank Interest	**568**	735
Income from collective investment schemes	**–**	39
	67,843	74,066

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

4. Expenses

	31.03.2025 £'000	31.03.2024 £'000
i) Property expenses:		
Services charge expenses	**4,658**	4,795
Property ground rent and empty rates	**1,584**	1,141
Other property outgoings	**1,245**	686
Property legal and professional fees	**694**	797
Property valuation fees	**142**	155
Property repairs and maintenance	**104**	190
	8,427	7,764

	31.03.2025 £'000	31.03.2024 £'000
ii) Management expenses:		
Payable to The Local Authorities' Mutual Investment Trust:		
Manager's periodic charge – see note 1(c)	**6,390**	7,292
Bad debt	**798**	270
Investment Property Database fee	**105**	74
Audit fee	**84**	87
Legal fees	**42**	93
Miscellaneous expenses	**27**	30
Insurance fee	**25**	46
Depositary fee	**15**	15
Taxation fees	**8**	2
	7,494	7,909
Total expenses	**15,921**	15,673

The above expenses include irrecoverable VAT where applicable.

5. Taxation

The Fund has been approved as an Exempt Unauthorised Unit Trust ("EUUT") under Regulation 3 of the Unauthorised Unit Trusts (Tax) Regulations 2013 (the "UUT Regulations"). Under the UUT Regulations, the Fund. as an EUUT is exempt from capital gains tax on its chargeable gains.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

5. Taxation *(continued)*

With regard to income arising to the Fund, such income will be treated as income of the Trustee and not of the unitholders, and will be chargeable to income tax at the basic rate. Under Regulation 18 of the UUT Regulations, where unitholders are treated as receiving income from an EUUT in respect of a period of account, the trustees are treated as making a deemed payment of the same amount on the final day of the period of account. Relief is available for the deemed payment against the income of the EUUT that is subject to income tax in the Trustees' hands.

	31.03.2025 £'000	31.03.2024 £'000
Income tax	**40**	60

Income tax is calculated as follows:		
Net taxable revenue at 20%	**40**	60
Income tax	**40**	60

6. Distribution

Distributions

Distributions take account of revenue received on the issue of Units and revenue deducted on the cancellation of Units, and comprise:

	31.03.2025 £'000	31.03.2024 £'000
30 June – interim distribution	**14,082**	14,058
30 September – interim distribution	**12,868**	15,612
31 December – interim distribution	**12,863**	14,710
31 March – final distribution	**12,069**	13,953
Distribution for the year	**51,882**	58,333

Net revenue for the year	**51,882**	58,333
Net distribution for the year	**51,882**	58,333

Details of the distribution per Unit are set out in the distribution table on page 58.

There were no unclaimed distributions as at 31 March 2025 (31.03.2024, £nil)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

7. Investment property

	31.03.2025 £'000	31.03.2024 £'000
Market value at the start of the year	**979,547**	1,108,400
Unrealised gains on revaluation	**26,103**	(31,041)
Capitalised expenses	**11,315**	53
Acquisitions at cost	**–**	931
Disposals at cost	**(31,369)**	(98,796)
Market value at the end of the year	**985,596**	979,547
Historical cost at the end of the year	**1,087,624**	1,107,676

8. Debtors

	31.03.2025 £'000	31.03.2024 £'000
less than a year:		
Rents receivable	**2,328**	6,270
Property payments recoverable	**1,227**	1,077
Prepayments	**912**	330
Accrued interest	**217**	203
Due from The Local Authorities' Mutual Investment Trust	**–**	26
Accrued Revenue	**4**	–
Other debtors	**–**	50
	4,688	7,956
more than a year:		
Unamortised rent free periods	**6,575**	8,259
Unamortised lease incentives	**3,099**	3,406
	9,674	11,665
	14,362	19,621

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

9. Cash and bank balances and Cash equivalents

	31.03.2025 £'000	31.03.2024 £'000
Cash in the Public Sector Deposit Fund	**56,000**	48,000
Restricted cash	**219**	68
Total cash equivalents	**56,219**	48,068
Cash at bank	**15,390**	13,720
Total cash	**71,609**	61,788

10. Creditors

	31.03.2025 £'000	31.03.2024 £'000
Rent received in advance	**12,783**	13,883
VAT payable	**1,255**	1,604
Year end redemptions	**4,099**	–
Accrued expenses	**1,426**	809
Due to The Local Authorities' Mutual Investment Trust	**23**	–
	19,586	16,296

11. Financial instruments

The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year and the comparative year.

Market price risk

Whilst the value of direct property is independently valued on a monthly basis, such valuations are a matter of the valuer's opinion and such values may or may not be achieved on disposal. The Fund seeks to minimise the impact of these risks by maintaining a well diversified property portfolio, both geographically and by sector.

At 31 March 2025, if the value of investment held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would increase or decrease respectively by approximately £49,280,000 (31.03.2024: 46,437,000).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

11. Financial instruments ***(continued)***

Financial assets

All cash and bank balances earn interest at a floating rate based on either SONIA or base rate. Debtors and creditors of the Fund do not pay or receive interest.

Financial liabilities

Under the Scheme of the Fund, the Manager may borrow a maximum of 25% of the value of the property of the Fund to assist with investing in, improvements to, or the managing of property and the short-term financing of, or meeting payments to be made out of the Fund.

Liquidity risk

By their very nature, direct properties are less liquid and therefore the investments may not be readily realisable. The Fund's liquidity may be affected by unexpected or high levels of redemptions. Under these circumstances, a period of notice of up to six months may be imposed for the redemption of units. The units are realisable only on each monthly dealing day.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, revenue and short term debtors and creditors are denominated in sterling.

Interest rate risk

The majority of the Fund's assets are direct property investments and therefore do not pay interest or have maturity dates. As a consequence any changes in interest rates will not significantly affect the Fund, except in so far as they affect rental levels generally. The Fund also invests in cash deposits, the revenue of which may be affected by changes to interest rates. A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

11. Financial instruments ***(continued)***

Interest rate risk (continued)

The total exposure at 31 March 2025 was:

Currency	**Floating rate financial assets* £'000**	**Fixed rate financial assets £'000**	**Financial assets not carrying interest £'000**	**Total £'000**
Sterling	**71,609**	**–**	**999,935**	**1,071,544**

Currency	**Floating rate financial liabilities** £'000**	**Fixed rate financial liabilities £'000**	**Financial liabilities not carrying interest £'000**	**Total £'000**
Sterling	**–**	**–**	**32,004**	**32,004**

31 March 2024

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	61,788	–	999,168	1,060,956

Currency	Floating rate financial liabilities** £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	30,249	30,249

* The floating rate financial assets of the Fund earn interest at rates based on either SONIA, base rate or the interest rate of The Public Sector Deposit Fund.

** All financial liabilities are due to be settled within one year or on demand.

There were no derivatives held by the Fund as at 31 March 2025 (31.03.2024, £nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

12. Commitments and contingent liabilities

There were no contingent liabilities as at 31 March 2025 (31.03.2024, £nil). At 31 March 2025 there were no redemption notices outstanding (31.03.2024, nil units).

13. Trustee remuneration

The Trustee is controlled by the Members of the Council who receive no remuneration from the Fund.

14. Related party transactions

CCLA FM the Manager, charges an annual management charge for the management of LAPF to LAMIT, the Trustee of LAPF. CCLA IM is a parent company of the Manager (CCLA FM) and both these companies are related parties of both, LAPF and LAMIT. There were no outstanding balances due to or from CCLA FM and CCLA IM as of 31.03.2025 (31.03.2024, £nil).

The annual charge is paid by LAMIT on behalf of LAPF. LAMIT receives reimbursement from LAPF to cover these management expenses. LAMIT holds shares in CCLA IM and the dividends received by LAMIT in respect of these sharesmay be used to offset the reimbursement. In the year to 31.03.2025 LAMIT contributed £341,000 of its dividend income towards these costs (31.03.2024, £341,000). The amounts received by LAMIT from LAPF in respect of the recharges were £7,852,867 (31.03.2024, £9,015,971). There was an oustanding balance of £22,813 due from LAPF to LAMIT (31.03.2024, £25,854 due from LAMIT).

15. Turnover of Units

The number and net asset value of units in the Fund issued, cancelled and transferred in the year to 31 March 2025 was as follows:

	Number of Units	Value £'000	% of NAV
Units issued	19,541	58	0.01%
Units cancelled	4,675,846	12,794	1.23%

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

15. Turnover of Units *(continued)*

Year to 31 March 2024 was as follows:

	Number of Units	Value £'000	% of NAV
Units issued	47,883	145	0.01%
Units cancelled	41,112,863	112,980	10.96%

16. Reconciliation of net cash flow to movement in cash balances

	31.03.2025 £'000	31.03.2024 £'000
Net cash and cash equivalents at beginning of the year	**61,788**	92,438
Movement during the year	**9,821**	(30,650)
Net cash and cash equivalents at the end of the year	**71,609**	61,788

17. Unitholders' funds – reconciliation of Units

	31.03.2025 Income Units	31.03.2024 Income Unit
Opening number of Units at beginning of period	**376,304,050**	417,369,030
Units issued in period	**19,541**	47,883
Units cancelled in period	**(4,675,846)**	(41,112,863)
Closing number of Units at end of period	**371,647,745**	376,304,050

18. Fair value of financial assets and financial liabilities

The fair value of investment property has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

18. Fair value of financial assets and financial liabilities *(continued)*

For the year ended 31 March 2025:

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment property	**–**		**994,150**	**994,150**
Indirect investments			**1,120**	**1,120**
	–	**–**	**995,270**	**995,270**

For the year ended 31 March 2024:

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment property	–		989,925	989,925
Indirect investments			1,288	1,288
	–	–	991,213	991,213

In respect of financial assets and liabilities other than investments, there is no material difference between their value, as shown on the balance sheet, and fair value.

Investment property is held at fair value. The fair value of all investments are derived from valuation techniques using non-observable data.

The Fund's freehold and leasehold investment properties were independently valued by Knight Frank LLP, Chartered Surveyors, acting in the capacity of external valuers. As described in note 1(f), the valuation was to fair value in accordance with the Professional Standards of The Royal Institution of Chartered Surveyors (the 'Red Book').

In Knight Frank's opinion the adoption of either a Fair Value or a Market Value basis does not result in any material difference in values.

Valuation:
The properties have been valued on the basis of Fair Value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2025

18. Fair value of financial assets and financial liabilities *(continued)*

The properties have been valued on the basis of Fair Value in accordance with the RICS Valuation – Professional Standards VPS4 (7.1) Fair Value and VPGA1 Valuations for Inclusion in Financial Statements, which adopt the definition of Fair Value used by the International Accounting Standards Board:

"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."

Knight Frank's valuations have been undertaken using appropriate valuation methodology and their professional judgement. The Valuer's opinion of Fair Value was primarily derived using recent comparable market transactions on arm's length terms where available and appropriate valuations techniques (The Investment method).

They have assumed there to be good and marketable titles to the properties. The properties have been valued individually, not as part of a portfolio. No allowance has been made in the valuations for expenses of realisation or for taxation which may arise in the event of a disposal and valuations are expressed exclusive of any VAT that may become chargeable.

Valuations reflect usual deductions in respect of purchaser's costs and, in particular, full liability for UK Stamp Duty as applicable at the valuation date. Save as otherwise disclosed, it has been assumed for the purpose of the valuations that the relevant interests in the properties are free of mortgage, charge or other debt security and no deduction has been made for such charge or debt.

The Manager discusses these valuations with Knight Frank LLP at least once every quarter to assess them.

There are no critical judgements used and the source of estimation uncertainty has been considered.

19. Post Balance Sheet Event

Property in Cheltenham (Former Homebase) has been sold on 11 June 2025 for total consideration of £6.5m.

There were £7.5m redemptions logged at the year end, subject to 180 days notice period.

DISTRIBUTION TABLE
for the year ended 31 March 2025

Period ended	Date paid/payable	Dividends paid/payable pence per Unit 2025	2024
Income Units			
30 June	31 July	**3.74**	3.35
30 September	31 October	**3.44**	3.74
31 December	31 January	**3.45**	3.59
31 March	30 April	**3.28**	3.62
		13.91	14.30

The distributions for income Units were paid in the same year, apart from the distribution declared on 31 March, which is payable on 30 April in the subsequent year.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee and Manager
The Trustee of the Fund is required by the Trust Deed to prepare accounts which give a true and fair view of the financial position of the Fund at the end of each half-yearly accounting period and the movement in net assets for the period then ended, together with the information set out in clause 15(1) of the Trust Deed. In preparing these accounts the Trustee is required to:

- select accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by The Investment Association (IA) in May 2014;
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the accounts, as prepared, comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on a going concern basis that the Fund will continue in operation unless it is inappropproate to presume this.

The Trustee has delegated to the Manager the day-to-day management, accounting and administration as permitted by the Trust Deed and the Manager is required to carry out these duties in accordance with the terms of the Trust Deed

The Trustee is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Under AIFMD the Manager acquired certain additional responsibilities including, ensuring compliance with AIFMD and that any delegation by the Manager is in accordance with AIFMD.

Should the Manager wish to retire, the Manager can only be discharged from its duties under the Scheme following the appointment of a replacement Manager who is eligible under AIFMD to act as Manager of the Fund.

In accordance with COLL 4.5.8BR, the Annual Report and the audited financial statements were approved by the board of directors of the Manager of the Scheme and authorised for issue on 22 September 2025.

STATEMENT OF DEPOSITARY RESPONSIBILITIES AND REPORT OF THE DEPOSITARY
for the year ended 31 March 2025

Responsibilities in Respect of the Scheme
The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Fund's Scheme Particulars.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of the assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the assets under management and the net asset value per share of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- that the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme Particulars in relation to the investment and borrowing powers applicable to the Fund.

Report of the Depositary to the Unitholders of the The Local Authorities' Property Fund ("the Scheme") for the Period Ended 31 March 2025

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Scheme Particulars of the Company and as required by the AIFMD.

Yours sincerely

Claire Sewell
Associate Director Trustee & Depositary
22 September 2025

AIFMD DISCLOSURES (UNAUDITED)

Manager Remuneration
The Manager has no employees, but delegates the performance of its services to employees of its parent company, CCLA Investment Management Limited.

Recharges for the services of CCLA IM to the Manager are levied in respect of the year ending on 31 March each year. The recharge for the year to 31 March 2025 was £37,160,00. A recharge of £36,649,000 was levied in the year to 31 March 2024.

The average number of full time equivalent staff of CCLA IM, including temporary staff, for the year ended 31 March 2025 was 184 (year ended 31 March 2024: 185).

During the year ended 31 March 2025 and the prior year, remuneration was paid to CCLA IM staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 March 2025			Year to 31 March 2024		
	Fixed remuneration £000	**Variable remuneration £000**	**Total £000**	Fixed remuneration £000	Variable remuneration £000	Total £000
Identified staff	**1,116**	**1,838**	**2,954**	1,035	981	2,017
Other staff	**17,678**	**6,850**	**24,528**	18,065	584	18,649
Total	**18,794**	**8,688**	**27,482**	19,101	1,565	20,666

Remuneration above is the total remuneration for CCLA IM; it is not possible to separate the element of that relating only to this Fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Fund.

TRUSTEE AND MANAGER

Members of the Council and the Trust

Chairman
R Kemp CBE
M Evemy
T Andrews
J Robbins

Local Government Association
R Kemp CBE (Acting Chairman)
R Love
G Macgregor
B Ingram
C West
R Woodley

Northern Ireland Local Government Officers' Superannuation Committee
T Andrews

Convention of Scottish Loacl Authorities
G Macgregor

Welsh Local Government Association
C Weaver

National Association of Local Councillors
K Stevens

The Manager/Alternative Investment Fund Manager (AIFM)

CCLA Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority
One Angel Lane
London EC4R 3AB
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk

Investment Manager, Adminstrator and Registrar
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Telephone: 0207 489 6000
Client Service:
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Email: clientservices@ccla.co.uk
www.ccla.co.uk

Executive Directors of the Manager
D Sloper (Chief Executive)
E Sheldon (Chief Operating Officer)
J Berens

Non-Executive Directors of the Manager
J Bailie (Chair)
N McLeod-Clarke
R Fuller

Head of Property
P Hannam

Company Secretary
J Fox (retired 31 March 2025)
M Mochalska (appointed 31 March 2025)

Chief Risk Officer
J-P Lim

Third party Advisers

External Property Valuer
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London W1U 8AN

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5 Aldermanbury Square
London EC2V 7BP

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8 Canada Square, London E14 5HQ

Banker
HSBC Bank plc
8 Canada Square
London E14 5HQ

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DLA Piper Scotland LLP
Collins House
Rutland Square
Edinburgh
EH1 2AA

Independent Auditors
Deloitte LLP
110 Queen Street
Glasgow G1 3BX

ABOUT CCLA

Founded in 1958, CCLA look after the investments of more charities than any other asset manager in the UK. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This requires us to provide a supportive and stable environment for our staff and deliver trusted, responsibly managed and strongly performing products and services to all organisations, irrespective of their size.

CCLA

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