

11 November 2021

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No 596/2014 as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended). This announcement has been authorised for release by the Board of Directors.

Home REIT plc (the "Company")

Annual results for the period ended 31 August 2021

Strong performance since IPO with deployment of proceeds ahead of schedule, dividend targets met and tangible social impact delivered

The Board of Home REIT plc (ticker: HOME) is pleased to report its maiden annual results for the period from incorporation on 19 August 2020 to 31 August 2021.

Strategy

The Company seeks to contribute responsibly to the alleviation of homelessness in the UK, delivering a tangible social impact whilst targeting inflation-protected income and capital returns, by funding the acquisition and creation of a diversified portfolio of high-quality, well located accommodation assets across the UK.

The Company's portfolio delivers much needed, tailored accommodation for vulnerable, homeless people, providing critical and sustainable housing solutions for people fleeing from domestic abuse, those faced with homelessness due to poverty, people suffering from drug and alcohol abuse and mental health issues, prison leavers and ex-servicemen.

There is a critical need for further accommodation for the homeless in the UK, due to an increasing homeless population and a lack of available and affordable high-quality, fit-for- purpose stock to address the problem. Local housing authorities are under a statutory duty to secure accommodation for individuals who are unintentionally homeless and in priority need but current accommodation for the homeless is limited in quantum and often sub-standard and uneconomical.

The Company focuses on responsibly investing in and creating well-located properties that provide a sustainable low level of rent for the tenant and that are expected to deliver savings to local authorities and other providers of accommodation to the homeless via lower rents versus more expensive alternative accommodation.

Highlights

Strong financial performance and IPO objectives met

- The Company and its subsidiaries (the "Group") acquired 711 investment properties within the period, which were independently valued on 31 August 2021 at £328 million, representing an increase of approximately 4.5 per cent above the aggregate acquisition price (including acquisition costs). The properties have been valued on an individual basis. No portfolio premium has been applied

- The net asset value ("NAV") and EPRA net tangible asset ("NTA") per ordinary share ("Share") increased to 105.0 pence as at 31 August 2021, an increase of 7.2 per cent from the 98.0 pence (after share issue expenses) at the time of the Company's IPO in October 2020, reflecting the discount

achieved on off market acquisitions, early mover advantage in this sector, and yield compression in the wider long - lease sector

- In October 2020, Home REIT plc (the "Company") raised gross proceeds of £240 million in its initial public offering ("IPO") followed by an oversubscribed follow-on equity issue in September 2021, raising gross proceeds of £350 million. The Company is listed on the Official List of the Financial Conduct Authority and was admitted to trading on the premium segment of the main market of the London Stock Exchange on 12 October 2020

- In relation to the period, the Company paid or declared dividends totalling 2.5 pence per Share, in line with our initial target dividend for the first financial period. Taken together with the increase in NAV/NTA referenced above, the Company has delivered a NAV total return of 8.9 per cent. since IPO. From 1 September 2021, the Company will target a minimum annual dividend of 5.5 pence per Share

- Profit before tax for the period of £21 million

- Long term 12 - year debt facility of £120 million secured with Scottish Widows at an all - in fixed rate of 2.07 per cent per annum for the term. This provides a widespread (378 basis points) between the current average net initial property purchase yield of 5.85 per cent and the 2.07 per cent per annum fixed rate of the debt

Diversified portfolio delivering clear social impact

- Net IPO proceeds fully and responsibly deployed within five months, in line with the Company's investment strategy and ahead of the stated target at launch

- 3,846 beds provided across 711 properties acquired at an attractive average net initial property yield of 5.85 per cent (including acquisition costs)

- Low and sustainable average weekly rents of £90 per bed vs £225 average estimated weekly B&B rate per bed in England, providing an average 60 per cent estimated saving to local authorities with fit-for-purpose, high quality accommodation

- The typical building size in the portfolio comprises 3 to 4 bed houses or small 7 bed apartment blocks

- Assets are broadly diversified geographically across 81 different local authorities in the UK as well as across different sub sectors within homeless accommodation, ranging from drug and alcohol abuse, domestic abuse, prison leavers, general needs poverty and those with mental health issues

- Let to 21 different registered charities, housing associations, community interest companies and other regulated organisations, which have a proven operating track record in providing low - cost accommodation to homeless people. They also provide care, support, training, and rehabilitation at the properties to provide vulnerable homeless people with the skills and confidence to reintegrate back into society, a fundamental pillar of the Group's strategy

- As per the structure highlighted on the diagram in the Annual Report, all the rent payable by Home REIT's tenants is funded by support from local and central government

- The portfolio is 100 per cent let and income producing with a long weighted average unexpired lease term ("WAULT") of 24.3 years

- 100 per cent of the income is index - linked

· The Company has not seen any impact to its own rent collection levels as a result of the COVID - 19 pandemic and rent collection rates through the period were 100 per cent

Post period highlights

Dividends

- The Company paid its third interim dividend of 0.84 pence per Share on 22 October 2021. Dividends distributed in relation to the financial year to August 2021 equal 2.5 pence per share, in line with initial targets. The Board is targeting a minimum total dividend of 5.5 pence per Share for the financial year ending 31 August 2022, in line with the Company's stated target at launch.

Further fundraise

- In September 2021, the Company raised gross proceeds of £350 million through a significantly oversubscribed issue of new ordinary shares.

Acquisitions

- Since 31 August 2021, the Company has acquired 539 new assets totalling £229 million (net of purchase costs) across various geographical locations in London, North West, South West, South East, East, Midlands, Yorkshire, North East regions of England and North Wales region.
- These properties provide over 2,679 further beds for vulnerable homeless people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, general needs poverty and those with mental health issues.

Lynne Fennah, Chairman of Home REIT plc, commented:

“In just over a year since listing, Home REIT has produced an admirable performance, meeting, and in some areas exceeding, the objectives set out at IPO. In this short time the Company has helped many charity and operating partners provide much needed, effective support to homeless people across the UK; offered local authorities a stable, cost effective and fit-for-purpose solution to their statutory obligation to provide homes for those in need; and has also delivered on behalf of its shareholders, whose support was gratefully received in September’s oversubscribed equity raise.”

“Unfortunately, as the UK emerges from the pandemic, the requirement for good quality accommodation for homeless people is only set to grow. However, the Investment Manager has proven its ability to effectively and responsibly source and deliver properties in line with the investment strategy and with a pipeline of potential further acquisitions identified, we believe the Company is well positioned to continue to deliver meaningful social impact.”

For further information, please contact:

Alvarium Home REIT Advisors Limited

Jamie Beale
Gareth Jones

Via FTI Consulting below

Alvarium Securities Limited

Mark Thompson
Eddie Nissen
Oliver Kenyon

+44 (0)20 7016 6711
+44 (0)20 7016 6713
+44 (0)20 7016 6704

FTI Consulting (Communications Adviser)

HomeREIT@fticonsulting.com

Claire Turvey
Eve Kirmatzis
Ellie Perham-Marchant
Oliver Harrison

+44 (0)20 3727 1000

The Company's LEI is: 213800A53AOVH3FCGG44.

About Home REIT plc:

Home REIT plc seeks to contribute to the alleviation of homelessness in the UK, whilst targeting inflation-protected income and capital returns, by funding the acquisition and creation of a diversified portfolio of high-quality accommodation assets across the UK which are dedicated to providing accommodation to homeless people. The accommodation assets are let or pre-let on very long (typically 20 to 30 years) leases, containing inflation-linked or fixed uplift rent review provisions, to registered charities, housing associations, community interest companies and other regulated organisations which have a proven operating track record in providing low-cost accommodation to homeless people and which receive housing benefit or comparable support from local or central government to fund the provision of such accommodation to homeless people.

There is a critical need for further accommodation for homeless people in the UK, due to an increasing homeless population and a lack of available and affordable high-quality, fit-for-purpose stock to address the problem. Local housing authorities are under a statutory duty to secure accommodation for individuals who are unintentionally homeless and in priority need but current accommodation for homeless people is limited in quantum and often sub-standard and uneconomical.

The Company focuses on investing in and creating well-located properties that provide a sustainable level of rent for the tenant. Within the homeless accommodation assets, there is a focus on care, support, training and rehabilitation to provide vulnerable homeless people with the skills and confidence to find long-term accommodation and enable them to reintegrate back into society. Savings are expected to be made to local authorities and other providers of accommodation to homeless people via lower rents versus more expensive alternative accommodation.

The Company is listed on the premium segment of the Official List of the UK Financial Conduct Authority and its Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, premium segment, on 12 October 2020.

Company presentation for investors and analysts

A company presentation for investors and analysts will take place on Thursday 11 November at 9.00am (UK). Those wishing to register should contact FTI Consulting on the details above.

Annual Report and Accounts

Hard copies of the Annual Report and Accounts or a notification of availability will be sent to shareholders. The Annual Report and Accounts will be made available on the Company's website at www.homereituk.com. In accordance with Listing Rule 9.6.1, copies of these documents will be submitted to the UK Listing Authority via the National Storage Mechanism and will be available for viewing shortly at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

Annual General Meeting

The Company's Annual General Meeting will be held at the offices of Stephenson Harwood LLP at 1 Finsbury Circus, London, EC2M 7SH on 27 January 2022 at 10.00 a.m.

The Notice of the Annual General Meeting is set out in the Annual Report and Accounts for the period ended 31 August 2021.

Alternative performance measures

The Group uses alternative performance measures including the European Public Real Estate Association ("EPRA") best practice recommendations to supplement IFRS as the Board considers that these measures give users of the financial statements a better understanding of the underlying performance of the Group's property portfolio.

The EPRA measures are widely recognised and used by public real estate companies and investors and seek to improve transparency, comparability and relevance of published results in the sector.

Reconciliations between EPRA measures and the IFRS financial statements can be found in Note 22.

Definitions of alternative performance measures are given in the key performance indicators and EPRA performance measures sections.

Chairman's statement

Dear Shareholder

I am pleased to present the maiden annual results for the Group for the period from its incorporation to 31 August 2021 (the "Period"). Home REIT plc (the "Company" or "Home REIT") commenced business operations on 12 October 2020 when its ordinary shares ("Shares") were admitted to trading on the premium segment of the main market of the London Stock Exchange, with gross proceeds of £240 million having been raised in the Company's IPO, followed by an oversubscribed follow-on equity issue in September 2021 raising gross proceeds of £350 million from a broad range of investors.

The Company has performed strongly since its launch despite the constraints created by the COVID-19 pandemic, delivering on our stated objectives and in many areas exceeding our original expectations at IPO. The Company is advised by Alvarium Home REIT Advisors Limited (the "Investment Adviser"), whose principals have built a successful track record in this sector and they continue to draw on their strong network of relationships, extensive experience and market intelligence.

This allows the Company to source attractive investments and, coupled with the Investment Adviser's robust capital discipline, create value for our shareholders whilst also achieving significant positive social impact for some of the most vulnerable members of society, through providing critically needed accommodation to those at risk of homelessness.

In accordance with the Company's investment policy, the net proceeds of the IPO have been carefully invested in a portfolio of high quality, well located properties let on very long, inflation - linked leases to a wide range of tenants across a diverse range of sub - sectors within homelessness.

Our high quality properties are let at a low and sustainable rental level, on new, long term, full repairing and insuring ("FRI") leases to specialist registered homeless charities, housing associations, community interest companies and other regulated organisations, which have a proven operating

track record in providing low - cost accommodation to homeless people. Crucially, they also provide care, support, training and rehabilitation at the properties to provide vulnerable homeless people with the skills and confidence to find long - term accommodation and enable them to reintegrate back into society. Providing long term security of tenure to Home REIT's tenants is essential to rehabilitating vulnerable individuals and helping to break the cycle of homelessness seen in short term accommodation, a fundamental pillar of our social impact strategy.

All of the rent payable by Home REIT's tenants is funded through support from local and central government and the rents received under these leases are subject to annual upward - only rent reviews, index - linked to the Consumer Prices Index, subject to an annual collar and cap of one per cent. and four per cent., respectively.

As at 31 August 2021, the Group's portfolio consisted of 3,846 beds across 711 properties let to 21 tenants. Across the Group's assets, the average net initial purchase yield was 5.85 per cent, the WAULT was 24.3 years and 100 per cent of the income was index linked. The portfolio is 100 per cent let and income producing.

The Group's portfolio has been independently valued by Knight Frank LLP in accordance with the RICS Valuation Professional Standards. As at 31 August 2021, the Group's portfolio had a market value of £328 million, representing an increase of approximately 4.5 per cent above the aggregate acquisition price (including acquisition costs). The properties have been valued on an individual basis. No portfolio premium has been applied.

The NAV and EPRA NTA per share increased to 105.0 pence as at 31 August 2021, an increase of 7.2 per cent from the 98.0 pence (after share issue expenses) at the time of the Company's IPO in October 2020.

The asset value growth reflects: (i) the discount achieved on off - market acquisitions; (ii) early mover advantage in this sector; and (iii) yield compression in the wider long - lease sector.

The profit before tax of the Group for the Period was £21 million.

Dividends

The Company paid its third interim dividend of 0.84 pence per Share on 22 October 2021. Dividends distributed in relation to the financial year to August 2021 equal 2.5 pence per share, in line with initial targets. The Board is targeting a minimum total dividend of 5.5 pence per Share for the financial year ending 31 August 2022, in line with the Company's stated target at launch.

Social Impact

The Company's portfolio of 711 properties at 31 August 2021 provides 3,846 beds for people who would otherwise be homeless, at rental levels that are low and sustainable for the Company's tenants. All of the Company's properties make a genuine impact to the people they house and for the communities in which they are located.

The Company's assets provide a safe and comfortable environment for vulnerable people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, prison leavers, general needs poverty and those with mental health issues. By offering stable housing and pastoral care to these vulnerable people, they have the opportunity to develop the necessary confidence and skills ultimately to reintegrate back into society.

The tragic reality of the knock - on economic effects caused by COVID - 19 means there is expected to be a greater number of individuals who will become homeless (the Office for Budget Responsibility is currently forecasting an additional two million unemployed in the UK). As a result, the underlying demand, and indeed the need, within society for the Company and its properties will very likely only increase.

Financing

On 11 December 2020, the Group entered into a new, 12 - year, interest only, £120 million (35 per cent LTV) loan agreement with Scottish Widows at an all - in fixed rate of 2.07 per cent per annum, expiring in December 2032. This provides a widespread (378 basis points) between the current average net initial property yield of 5.85 per cent and the 2.07 per cent per annum fixed rate. The loan was fully drawn down on 26 February 2021.

The Group is in the process of finalising the terms of an additional fixed rate, fixed term, interest only debt £130m facility with an annuity lender. We look forward to updating Shareholders on this in due course.

Corporate Governance

The Group benefits from a strong board with substantial real estate, financial, commercial and sector experience and has established appropriate committees (including Audit Committee and Management Engagement Committee), which meet on a regular basis.

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of the Company's business, strategy and development.

The AIFM and the Investment Adviser

Home REIT appointed Alvarium Fund Managers (UK) Limited as its alternative investment fund manager (the "AIFM"). Home REIT and the AIFM have appointed the Investment Adviser to provide certain services in relation to Home REIT and its portfolio, including sourcing and advising on investments for acquisition by Home REIT and due diligence in relation to proposed investments.

The Investment Adviser has provided the Group with access to investment opportunities at attractive pricing through the Investment Adviser's long - established industry contacts and extensive knowledge of the sector.

The Investment Adviser has achieved a prominent position in developing and acquiring long income properties and this expertise and network of contacts provides the Group with access to off - market transactions and specialised funding opportunities.

Post - balance sheet matters

Since 31 August 2021, the Company has acquired 539 new assets totalling £229 million (net of purchase costs) across various geographical locations in London, North West, South West, South East, East, Midlands, Yorkshire, North East regions of England and North Wales region.

These properties provide over 2,679 further beds for vulnerable homeless people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, general needs poverty and those with mental health issues.

COVID - 19 Update

In these uncertain times, the Company's portfolio remains robust with secure long - dated inflation linked income underpinned by built property assets with a low spread to vacant possession value. This is a factor of low and sustainable starting rents set for the Company's housing provider tenants, often below rental levels for alternative uses, such as private rented sector or student accommodation, yielding low capital values on entry. The Company has not seen any impact to its own rent collection levels and rates of recovery through the Period were 100 per cent.

The Company's income stream is covered by statutory protected housing benefit that is paid by local authorities which have a legal obligation to house individuals that are homeless or vulnerable to homelessness and is ultimately funded from central UK Government. Each of the Company's assets provides safe and high - quality accommodation to those amongst the most vulnerable in our society.

The resulting economic downturn in the UK due to COVID-19, and the end of government support measures, means that a greater number of individuals will likely become homeless and, as a result, the underlying demand and indeed the need within society for the Company and its properties will increase. The Company is working hard on deploying further pipeline assets to ensure this increased demand can be met.

The Investment Adviser is reassured that the UK Government has put supporting vulnerable people at the top of the political and financial agenda as it tackles the current disruption and impact on the nation's health. This central response has been reflected at a community level and the Company has seen inspiring action and collaboration between its tenants and local authorities as they ensure that the people living in the Company's properties continue to receive responsible care and support with the minimum of disruption. This has required huge levels of personal commitment from care workers and housing managers for which the Company is extremely grateful.

Rental Collection

The Investment Adviser notes that many of the Company's peer group in the long income space have made announcements or written to their investors regarding rent collection levels, reflecting the unprecedented impact that COVID - 19 has had and continues to have on many commercial tenants.

As stated above, the Company has not seen any impact to its own rent collection levels and rates of recovery through the Period were 100 per cent.

Outlook

The Board has been encouraged by the strong performance since the Company's IPO in October 2020, deploying the proceeds into a high quality sustainable portfolio of assets, diversified by sub sector, strong tenants and geography, at attractive yields and in line with the Company's investment policy.

Alongside this deployment, the Investment Adviser has leveraged its network of relationships to develop an attractive pipeline of further potential acquisitions. This has already led to the oversubscribed follow-on issue of shares in September 2021 and we look forward to updating Shareholders on the deployment of this capital into new acquisitions. The Company has put in place a

Placing Programme until 1 September 2022 in order to give the Investment Adviser the flexibility to pursue the Company's investment objective.

The Group is already delivering excellent returns to shareholders through a secure, diversified and growing index - linked income stream as well as attractive capital appreciation across its long - let portfolio, reflecting the Investment Adviser's disciplined and value - led approach to investments.

What matters most is that the Company is helping to improve the lives of homeless people or those at risk of homelessness and therefore I am pleased to be able to reflect on the tangible social impact that the Company has made to some of the most vulnerable in society. Working with our tenant partners to provide critically needed accommodation for people at risk of homelessness, the Company now provides homes for almost 4,000 people across the UK. In July 2021, The Good Economy Partnership Limited independently explored the Company's positive social impact in a report published on our website. We look forward to Good Economy's next report, where it will deepen its assessments of partner organisations and the outcomes experienced by the Company's residents.

The Company is continuing to build responsibly on this sustainable growth momentum and we remain confident about delivering further value for shareholders and wider stakeholders and achieving significant positive social impact in the next financial period to 31 August 2022 and beyond and fulfilling our longer - term ambitions.

Finally, I would like to thank all our shareholders for their support since the Company's launch and I look forward to updating you on the Company's further progress in due course.

Lynne Fennah

Chair of the Board of Directors

10 November 2021

Investment Adviser's report

Home REIT plc is a real estate investment trust (REIT) targeting attractive inflation - protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre - let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on very long - term and index - linked leases.

The Company is listed on the Official List of the Financial Conduct Authority and was admitted to trading on the premium segment of the main market for listed securities of the London Stock Exchange in October 2020.

The Group has effectively executed its investment strategy with the dual objectives of delivering inflation - protected income and capital returns underpinned by a portfolio of secure, long - let and index - linked property assets, diversified by sub - sectors within homelessness, tenant and geography, whilst achieving significant positive social impact.

As at 31 August 2021, the Group's portfolio consisted of 3,846 beds across 711 properties let to 21 tenants. Across the Group's assets, the average net initial purchase yield was 5.85 per cent, the WAULT to first break was 24.3 years and 100 per cent of the income was index linked. The portfolio is 100 per cent let and income producing.

This has been a successful and active period for the Group, and we are well positioned to continue to deliver on the Company's investment strategy and target returns to the Company's investors through our robust, long established relationships and experience in the sector, underpinned by our value - led approach to investments.

Demand drivers

The fundamentals driving the continued growth and performance of the Company are:

- the critical need for further accommodation for homeless people in the UK, due to an increasing homeless population and a lack of available and affordable, high quality, fit for purpose, stock to address the problem;
- the statutory duty¹ placed on local authorities to secure accommodation for people who are unintentionally homeless and in priority need and to provide meaningful help to any person who is homeless or at risk of becoming homeless irrespective of any priority need status; and
- the increasing, unsustainable cost borne by local authorities in providing accommodation to homeless people. The severe shortage of fit for purpose housing stock means that local authorities often house individuals in unsuitable bed and breakfast hotels and guesthouses, which are significantly more expensive than housing an individual in one of the Company's properties.

The Company's pipeline has been developed principally through relationships with charities, local authorities, housing associations and high - quality developers. The Company will continue to identify the areas in the UK where the need for more homeless accommodation is most acute and work with its contacts to source and develop new high - quality assets in these areas.

Investment rationale and summary

Government funding for each individual user generally represents the full cost of care and housing benefit and is paid from the Department of Work and Pensions to the relevant local authority, which then passes funds directly to the Company's tenants.

While we have a close and engaged relationship with our tenant partners, the Company does not undertake responsibility for the operations of the care for the individual user, which is provided by a professional care provider in this sector.

The income flow to the Company is funded through the provision of 'exempt' housing benefit paid directly to the tenants from the relevant local authority. Such exempt status prevents local authorities from restricting the level of rent recoverable by tenants via housing benefit and enables such tenants to recover the full costs of providing additional support and services to residents.

Rental levels are set at a sustainable level with significant headroom between property rent and housing benefit allowance received from the local authority. The headroom between core lease rent and housing benefit is represented by the management charge and the cost of intensive housing management/buildings upkeep associated with homelessness provision.

Across the Company's portfolio to date, the average rent payable by the charity is circa 45 per cent of the total housing benefit received per property, providing a robust 2.25x portfolio rent cover for our tenants. In addition, rents are pre - agreed with local authorities and the leases provide for a cap (at

4 per cent per annum) on the inflation linked annual rent reviews to ensure that rents grow in a sustainable manner.

Homelessness

The UK is in the grip of a housing emergency according to the housing and homelessness charity, Shelter.² Recent figures published by the Ministry of Housing, Communities & Local Government show that local authorities in England owed a statutory duty to prevent or relieve homelessness to over 288,000 households in England between Q2 2019 and Q2 2020. These figures are 15 per cent higher than the year before.³ In Q4 2020, the homeless charity Crisis estimated that 1 in 185 people in England were living without a home.⁴ Shelter's emergency helpline received 25,000 calls from people in England in Q4 2020 with a new person calling every minute during October and November.⁵

Since the outbreak of the COVID - 19 pandemic at the end of Q1 2020, over 90,000 people have called the charity's free national helpline with 65 per cent of callers already experiencing homelessness or at risk of becoming homeless, 19 per cent requiring urgent help to find temporary homeless accommodation and 18 per cent seeking help to stay in their current home. In Q1 2021, there were 632 mortgage repossessions and rental evictions, meaning that a household was made homeless every three-and-a-half hours. In Q3 2021, it was reported that 564,000 people are in rent arrears, 190,000 owner-occupied homes are in financial difficulty and 4.3 million people are behind on household bills, drastically highlighting the number of people who are at risk of homelessness as government supports such as furlough end.⁶

The number of rough sleepers identified across England has increased by 52 per cent since 2010, with an estimated 2,688 people sleeping on the streets on a single night in Q3 2020.⁷ There is widespread debate as to the true accuracy of rough sleeping statistics; the Mayor of London published figures estimating that as many as 4,227 people were seen sleeping on the streets in London in Q2 2020, representing a 33 per cent increase on the same period in 2019.⁸ Rough sleeping in London has risen year-on-year and is continuing to rise despite the Government's 'Everyone In' scheme which provided emergency accommodation during the COVID-19 pandemic. During Q2 2021, rough sleeping increased by 25 per cent in London.⁹

Many people only associate homelessness with "rough" sleeping on the streets. The reality, however, is that sleeping rough is the most extreme form of homelessness. Most homeless people, although not sleeping rough, have no permanent home, stay with relatives and friends or reside in temporary accommodation, such as bed and breakfast hotels, hostels, night shelters and refuges.

Crisis recently estimated that 95 per cent of homeless households in England are hidden from view; trapped in insecure, temporary accommodation or moving from sofa to sofa.¹⁰ There is no national figure for how many people are homeless in the UK due to the devolved nations' differing recording methods. Many homeless people are not picked up by these recording methods and Crisis estimates that as many as 62 per cent of single homeless people do not show up in official homeless statistics.¹¹

Homelessness has a devastating impact on individuals' lives, significantly affecting their physical and mental health. Compared to the general population, homeless people are 17 times more likely to experience abuse and violence and nine times more likely to take their own life.¹²

The Office for National Statistics ("ONS") recently published figures revealing that homeless deaths in England and Wales increased by 7.2 per cent between 2018 and 2019 with 778 homeless people dying on the streets or in temporary accommodation in 2019. This represents a 61.4 per cent increase in deaths among homeless people since the ONS started recording in 2013.¹³ The majority of deaths

were attributed to drug - related poisoning, suicide and alcohol - specific causes. The average age at death was 46 years for men and 43 years for women.¹⁴ Separately, the Museum of Homelessness recently estimated that 976 homeless people died on the streets or in temporary accommodation in the UK in 2020, representing a 37 per cent increase on the number of deaths noted in the same study carried out in 2019.¹⁵

For the last five years homelessness has been rising year on year in England. A household became homeless in England every four minutes between Q1 2018 and Q1 2019¹⁶ and there was an 11 per cent increase in the number of people sleeping rough or in temporary accommodation in England from Q2 2016 to Q1 2019.¹⁷ In a two-year period, the number of households residing in temporary accommodation in England has increased by 18 per cent to exceed 95,000.¹⁸

The number of families with dependent children placed in B&B - style accommodation increased from 630 at the end of March 2010 to 1,440 at the end of Q2 2020.¹⁹ As shown below, the biggest regional increase in homelessness in England has been in the North West. In this region alone, the Company has provided over 3,846 beds at the reporting date, offering safe, clean, modern and suitable accommodation to otherwise homeless individuals. The Company aims to continue to significantly invest in areas where homelessness is a growing problem in order to increase the availability of high quality, fit for purpose housing stock.

Regional Trends	Homelessness in England at Q2 2019	% change since Q2 2016
South East	24,195	27%
South West	7,127	0%
East	16,696	18%
East Midlands	4,818	50%
West Midlands	23,715	64%
Yorks & Humber	2,654	16%
North East	1,061	4%
North West	9,038	117%
London	170,068	4%

Source: Shelter; *This is England: A Picture of Homelessness*; December 2019

Tackling Homelessness in the UK

Homelessness is caused by a complex interplay between a person's individual circumstances and adverse external factors. Examples of these factors are:

- a lack of affordable housing;
- mental health illnesses;
- alcohol and drug dependency;
- relationship breakdowns;
- domestic abuse (out of the domestic abuse victims supported by the charity Women's Aid between 2018-2019, 44 per cent women sofa-surfed, 14 per cent stayed in local authority emergency accommodation, 7 per cent slept rough and 4 per cent stayed in a B&B, hostel or hotel)²⁰;
- eviction by private landlords; and
- institutional backgrounds such as being in care, leaving the armed forces or prison.

A December 2020 report published by the Ministry of Housing, Communities and Local Government provides insights into the experiences of people sleeping rough. The findings are based on interviews with over 550 respondents, all of whom had slept rough within the last year. The report found that 82 per cent of those surveyed had a mental health vulnerability, 83 per cent had a physical health need, and 60 per cent had a substance misuse need. Before experiencing rough sleeping, 91 per cent had stayed in a form of short - term homeless accommodation and 71 per cent had sofa surfed.²¹

Between 2018 and 2019, 11,483 people were released from prison into homelessness and in Q2 2020, an estimated 13 per cent of people released from prison did not have a home to go to.²² In a 2019 paper, the Ministry of Justice estimated that the social and economic cost of re - offending is in excess of £18 billion a year.²³

41 per cent of single homeless people surveyed by Crisis had previously served a prison sentence²⁴ and data obtained by the Guardian newspaper from the Ministry of Justice shows that 66.6 per cent of prisoners who identify as homeless reoffend within a year of release.²⁵ The Institute for Policy Research has estimated that a 20 per cent reduction in reoffending could be achieved via the provision of stable housing to a prison leaver.²⁶

Local authorities are under a statutory duty to secure accommodation for families or individuals who are unintentionally homeless and in priority need. They also have a duty to provide meaningful help to any person who is homeless or at risk of becoming homeless irrespective of their priority need status.²⁷ Current accommodation for homeless people is limited in quantum and often sub - standard and uneconomical. Poor quality privately rented housing stock or expensive bed and breakfast hotels are frequently being utilised by local authorities to manage increasing demands for accommodation. Between Q1 2011 and Q2 2018 the number of households placed in temporary accommodation in England increased by 65 per cent²⁸ and between Q3 2019 and the end of Q2 2020, the total number of households accommodated in bed and breakfasts in England increased by 60 per cent.²⁹

The current lack of purpose - built accommodation for homeless people is felt acutely by local authorities. A research project commissioned by Crisis, reveals that the fastest - growing component of homelessness is households living in unsuitable temporary accommodation; the proportion of homeless situations attributable to such accommodation increased 260 per cent between 2010 and 2018.³⁰

This reflects the growing pressure on local authorities as increased demand has faced a static or falling supply of accommodation. Analysis published by Shelter reveals that local authorities across England spent over £1bn on temporary accommodation (such as hostels, bed and breakfast hotels and private rentals) in 2018 - 19, with spending on bed and breakfast accommodation increasing 111 per cent since 2014.³¹

Local Authority spending on Bed & Breakfast and temporary accommodation in England³²

Homeless Households at Q3 2020	Number of households in B&Bs	10,330
	Increase since Q3 2011	206 per cent
Q1 2019 – Q1 2020	Amount spent on B&B accommodation	£410,380,000
	Proportion of overall spending on temporary accommodation	34 per cent
Q1 2015 – Q1 2020	Increase in amount spent on B&B accommodation over five years	123 per cent

Figures released by the Ministry of Housing, Communities & Local Government in October 2020 show a further 16 per cent annual increase in the number of households accommodated in B&Bs with 8,180 households living in bed and breakfast accommodation at the end of Q1 2020.³³

Delivering attractive growing income and capital growth

The Group's investment properties acquired within the period were independently valued on 31 August 2021 Knight Frank LLP at £328 million, representing an increase of approximately 4.5 per cent above the aggregate acquisition price (including acquisition costs). The properties have been valued on an individual basis. No portfolio premium has been applied.

The NAV and EPRA NTA per share has increased to 105.0 pence as at 31 August 2021, an increase of 7.2 per cent from the 98.0 pence (net of share issue costs) at the time of the Company's IPO in October 2020.

The asset value growth reflects, inter alia:

- the discount achieved on off market acquisitions;
- early mover advantage in growth sectors where yields have compressed; and
- yield compression in the wider long-lease sector in recent months, resulting from increased demand.

Portfolio Overview

The headline statistics for the Period are:

Top 10 tenants	Rental exposure	Contracted rent (£m)
Lotus Sanctuary CIC	12.6%	£2.3
Dawson Housing Limited	9.5%	£1.7
Big Help Project	9.2%	£1.7
CG Community Council	8.3%	£1.5
Circle Housing and Support CIC	7.5%	£1.4
Noble Tree	7.1%	£1.3
Gen Liv UK CIC	7.1%	£1.3
One CIC	6.9%	£1.3
Bloom Social Housing CIC	6.6%	£1.2
Dovecot and Princess Drive Community Association	6.2%	£1.1

Operational statistics:

Beds	3,846
Properties	711
Average net initial yield	5.85%
WAULT to first break	24.3 years
Index - linked income or fixed uplifts	100%
Tenants	21
Sub sectors	6
Local authority diversification	81

Home REIT fully deployed the net proceeds of its £240 million IPO within five months of listing, acquiring high quality, well located assets with a long WAULT to first break of 24.3 years - one of the longest in the real estate sector. The assets have been let to a wide range of tenants with robust financials and a proven long - term operating track record across a diverse range of homeless sub sectors and locations.

100 per cent of the Group's assets contain rent reviews linked to CPI inflation thus providing strong inflation - protected income across the Group's portfolio.

As at 31 August 2021:

- 100 per cent of assets, by value, had caps and collars of 1 per cent and 4 per cent
- 100 per cent of assets, by value, had annual rent reviews

All of the assets acquired by the Group benefit from triple net, full repairing and insuring leases. These lease agreements oblige the tenants to pay all taxes, building insurance, other outgoings and repair and maintenance costs on the property, in addition to the rent and service charge, therefore avoiding any property cost leakage for the Group.

Building characteristics

Home REIT has 711 properties across 81 local authority areas. The typical building in the portfolio comprises 3 to 4 bed houses or small 7 bed blocks of apartments.

As with all properties Home REIT acquires, a full independent building condition survey is carried out prior to acquisition. As a result, over £100 million of transactions have been rejected by the Investment Adviser for not meeting the Company's standards with regards to the rent levels, building location, including proximity to public transport, layout/suitability and/or reputation of the selling party.

All of the buildings in the Company's portfolio are of traditional construction with no system built or clad properties. All of the Company's assets are suitable for all types of residential accommodation, ensuring strong residual land value and alternative use options.

Strategies for delivering value and growth

The Investment Adviser employs a number of techniques to secure assets for the Group at an attractive initial yield, without compromising on the asset quality, security of income or lease length, including:

- opportunistic investments across a large population of assets to find value;
- targeting smaller lot sizes generally, which are below the radar of most institutions;
- acquiring the vast majority of its assets through off-market purchases identified via the Investment Adviser's extensive contacts and deep network of relationships, driven by its reputation for speed and certainty of transacting;
- avoiding over-heated locations where yields are at historic lows;
- repeat business with longstanding counterparty relationships, including developers, vendors and agents; and
- early mover advantage in sector.

Strong residual land value and alternative use options

In addition to robust tenants and long, index - linked leases, the Group targets assets underpinned by strong residual land value and alternative use options which will preserve capital values. For example, the Group has acquired properties:

- with low starting rents;
- which are of strategic importance to the housing provider tenant;
- with strong underlying local authority demand; and
- located in areas with a large population and close to local amenities and transport links.

Market opportunity - rental growth

Inflation has historically outpaced open market rent reviews and it has been steadily increasing since 2016. As set out below, the anticipated continuing outperformance of inflation over open market rental growth forecasts is expected to prove advantageous to the Group's rental growth.

The HM Treasury Forecasts for the Economy (Medium term forecasts, August 2021) shows an average CPI growth forecast of 2.3 per cent per annum from 2020 to 2025 (see below). The Investment Property Forum UK Consensus Forecasts Report (Summer, 2021) shows an average open market rental growth forecast of 1.1 per cent per annum from 2021 to 2025 (see below), which is materially lower than the above mentioned HM Treasury RPI and CPI growth forecasts.

Open market rental growth forecast

Year	Open market rental growth p.a.
2021	-0.7%
2022	1.2%
2023	1.6%
2024	1.6%
2025	1.6%
Average growth forecast p.a.	1.1%

Source: Investment Property Forum UK Consensus Forecasts (Summer 2021)

CPI forecast

Year	CPI p.a.
2021	2.2%
2022	2.8%
2023	2.2%
2024	2.1%
2025	2.0%
Average growth forecast p.a.	2.3%

Source: HM Treasury Forecasts for the UK Economy (Medium term forecasts, August 2021)

With higher inflation and more subdued open market rental growth, strategically the Company has taken advantage of this economic reality through acquiring inflation - linked leases. To date 100 per cent of the Company's rental income is linked to CPI. This allows for higher rental growth via rental increases in line with inflation. This climate of continuing inflation together with the fixed low cost of debt (as detailed below) which the Group has secured, is expected to allow for:

- higher rental growth via rental increases in line with inflation;
- enhanced dividend yield due to substantial free cash flows generated via the 378 bps spread between triple-net rental income (5.85 per cent average NIY) and low fixed cost of debt (2.07 per cent p.a.), rising to potentially 536 bps by expiry of the 12-year loan facility; and
- capital growth through: (i) the capitalisation of rental increases following rent reviews; (ii) acquiring mispriced assets where the seller is driven by factors other than price; and (iii) the net purchase price on off market assets being at a discount and therefore, providing scope for 'natural' yield compression.

Debt finance

The Group entered into a new, 12 - year interest - only, fixed - rate, £120 million term loan agreement with Scottish Widows on 11 December 2020 (the "Facility"). The loan was fully drawn down on 26 February 2021.

The Facility is repayable in December 2032 and has a fixed all - in rate payable of 2.07 per cent per annum, for the duration of the 12 - year loan term.

This fixed interest rate is 378 basis points lower than the Group's average net initial purchase yield on property acquisitions of 5.85 per cent and this spread is expected to rise to approximately 536 bps by expiry of the 12 - year loan facility (see below). The rate of 2.07 per cent is highly accretive to the Group's anticipated future dividend and mitigates potential interest rate and refinancing risks for the 12 - year period.

The Facility is secured against the assets acquired by the Group utilising the equity raised on admission in October 2020 and debt drawn down from the Facility.

The full drawing of the Facility reflects a loan - to - value ratio of 33 per cent. As set out in the Group's investment policy, the Group will maintain a conservative level of aggregate borrowings with a maximum level of aggregate borrowings of 35 per cent of the Group's gross assets.

As at the date of this report, the Group is in the process of finalising the terms of an additional fixed rate, fixed term, interest only debt £130 million facility with an annuity lender.

Responsible investment

The Good Economy Report

In July 2021, the Company instructed The Good Economy Partnership Limited, a leading social advisory firm specialising in impact measurement, management and reporting, to carry out the first annual independent assessment of the Company's performance against its impact objectives and expected outcomes and to report its findings to the Board (the "Good Economy Report").

See the Company's website (<https://www.homereituk.com/>) for the full Good Economy Report.

The Company's impact objectives are to:

1. address the social need of those experiencing homelessness;
2. fund high quality homes;
3. form quality partnerships;
4. increase supply of accommodation; and

5. provide good value for money.

Based on the findings of the Good Economy Report, the Board is satisfied that the Company has, to date, met its impact objectives as follows:

Social need

The Company provides long-term accommodation to address the social need of those who are unintentionally homeless or at risk of homelessness. As at May 2021, the Company's properties provided homes for 3,035 people. Residents include people fleeing domestic violence, in poverty and suffering from mental health issues, as well as prison leavers.

The Company's growth is based on local need, as identified by local authorities and their not-for-profit housing partners. As at the date of the Good Economy Report, 79 per cent. of the Company's properties were in the 40 per cent. of local authorities with the highest rates of statutory homelessness in England.

Quality homes

The Company invests in both self-contained flats and Houses of Multiple Occupancy ("HMOs"). However, it will typically only invest in HMOs with fewer than 10 beds and rejects properties that it considers too large and not fit-for-purpose. The Company ensures that its homes are of good quality. As at the date of the Good Economy Report, the Company had invested £18.7 million in repurposing and redeveloping its properties (such costs being included within the purchase price paid).

In addition, the Company ensures that schemes are located centrally. As at the date of the Good Economy Report, the Company's properties were on average 196 meters from the nearest transport hub.

All of the Company's properties meet the Minimum Level of Energy Efficiency (EPC E). Even so, the Company aims to improve their energy efficiency and plans to improve all EPC E-graded properties within six months of acquisition and will monitor whether this is achieved.

Quality partnerships

The quality and strength of the Company's operating partners is critical to its positive impact creation. The management team of the Investment Adviser has assessed the market and decided to partner with and support the growth of organisations that have strong local authority support and which welcome the leasing model as a means of expanding their provision of homelessness accommodation.

As at the date of the Good Economy Report, the Company worked with 17 not-for-profit partners. Most of these are relatively small organisations and some have scaled up significantly since working with the Company and have now expanded into new locations.

The management team of the Investment Adviser is fully aware of difficulties that some specialist supported housing organisations encountered after scaling up rapidly using lease-based models and has put in place measures to mitigate this type of risk. The Investment Adviser's policies and processes ensure rigorous due diligence and ongoing monitoring and support of partners. Partners provide a minimum of three hours of support per resident per week. This aims to help residents' transition into living independently.

Increase supply

All of the Company's homes have been newly repurposed as social sector housing and are typically converted from private housing.

The Company has been able to grow by working with dynamic housing partners who have been able to scale up their housing provision significantly since starting partnering with the Company.

Value for money

The Board believes that the Company provides excellent value for money for its housing partners and good value for money for the taxpayer.

Historically, the Company's housing partners have rented properties at private market rates before leasing them to local authorities. Since the Company charges at or near the Local Housing Allowance (LHA), its housing is significantly more affordable for its partners.

Placing residents in the Company's properties is significantly cheaper for local authorities than B&B alternatives. For example, as at the date of the Good Economy Report, in Nottingham, the average rent charged to housing partners was £90 per week per bed, which compared to an average of £225 per week for a B&B.

What matters most is that the Company is helping to improve the lives of those who are homeless or at risk of homelessness. The Good Economy will deepen its assessment of partner organisations and the outcomes experienced by the Company's residents in the next impact report. To date, the residents that The Good Economy have spoken to were very satisfied with the quality of accommodation and the support from the housing partners is helpful and valued.

Outlook

We are very pleased with the Group's strong performance during what was a very active period, underlining our ability to successfully source and execute on attractively priced, very long - let and index - linked property assets leased to robust tenants, while also meeting a critical social need that is unfortunately ongoing.

We remain confident about continuing to deliver both a tangible social impact and attractive inflation - protected income and capital growth to the Company's shareholders sustainable over the short and longer term, through our diversified high quality portfolio, our growing pipeline of attractive investments and our expanding partnership base.

Case studies

CASE STUDY: ELAINE

TGE spoke to Elaine, a resident for one month at Lotus Sanctuary, living in a shared flat. Coming out of prison and having previously been placed in very poor accommodation, she found Lotus Sanctuary to be a refreshing surprise, the type of place she was hoping for but didn't expect to get.

Her previous experience of resettlement was completely different, being moved around a lot and placed in a poor quality city guest house with a toxic environment of widespread drug use and violence – somewhere she “never should have been put”. In contrast, Elaine has appreciated the increased stability and support her home at Lotus has provided, allowing her to feel safe and secure.

The quality of accommodation was a pleasant surprise for Elaine, having her own space and shower, and even a TV. She spoke of the flat as “lovely and homely” and highlighted the care that goes into selecting a mix of residents with different backgrounds for each flat, which she has found helpful as an ex-drug user.

The city centre location is also highly convenient. Elaine described the support she's received since moving in as 'brilliant', as the Lotus Sanctuary staff held the room for her and fought for her to be somewhere that would work for her.

Having a welcoming and stable home has allowed Elaine to start thinking about moving to a single flat (also within Lotus Sanctuary) before living independently, and to feel like she's able to work towards something.

CASE STUDY – ANNA

Anna has experienced a huge positive difference in her mental health and wellbeing since moving to her Home REIT home - 5 months prior. Before moving in, Anna experienced street homelessness and drug problems. She spoke of this time as the lowest point of her life and herself as 'close to giving up'. Anna initially lived in a shared apartment, before progressing recently to a studio flat. She described her new home and the support from staff as 'life-saving', now feeling safe and at home in her flat, which she spoke of as not only a nice building but also as having all the amenities needed.

The support Anna has received has been invaluable in helping her health improve. TGE heard that her previous experiences had made it more difficult for her to open up and trust staff, as she felt she had lost the flow of being around people. Anna has benefitted from the persistence and accessibility of staff and how support has been tailored to meet her needs. She described the staff as 'helping to break her walls down and to trust', and her self-assessment of outcomes has improved from low when initially moving in to 'top of the scale'.

Having a stable home and increased mental wellbeing has allowed Anna to reconnect with her family and kids again and start to look forward to transitioning into her own house with her children again once she is ready. The city-centre location has been convenient to see her brother and family locally, who are letting her back into their lives and proud of her progress. As she didn't finish school, she has been using this time to increase her education and training, with courses in English, Maths and IT as well as soon learning to drive. Anna hopes to start an apprenticeship soon, and is making the most of this time to increase her career opportunities before becoming a mother again.

CASE STUDY – ESME

Coming out of care, Esme was sofa-surfing for a year and moving around a lot after being kicked out by her carer. Her experience of her new home has been highly positive. The support from staff has helped her start applying for further training and jobs. Esme spoke of the staff as able to "help me with anything – it's crazy how much they can help", and has appreciated their accessibility. She has started applying for jobs and hopes to work in the care sector.

Esme described her home as a "beautiful place" that is nice, friendly and clean. The relationships she has built have been important to her, speaking of the support as "a big family where everyone cares for each other". The other accommodation options offered to her had a very different feel, whereas she noted that "people are happy" in her current building. She has been pleased with the progress she has made with her cooking and hopes to move into her own flat or house when she is able.

Alvarium Home REIT Advisors Limited

10 November 2021

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The Investment Adviser

The Investment Adviser comprises property, legal and finance professionals with significant experience in real estate. The team has capitalised and transacted over £2 billion of commercial and residential property assets with a particular focus on accessing secure, long-let and index-linked UK real estate through both forward funding and built asset structures.

The core management team (whose details are set out below) is supported by a team of other finance, legal, property and compliance professionals and administrative support staff. The key individuals responsible for executing the Company's investment strategy are:

Jamie Beale (Partner/Fund Manager)

Jamie has significant experience in both public and private real estate markets, specialising in the long income, social housing and forward funding commercial real estate space.

Prior to joining Alvarium, Jamie spent six years in the City of London as a real estate lawyer where he acted for leading developers and property funds on a variety of deals, ranging from large scale residential developments to substantial commercial property transactions.

Jamie co-founded a private social impact real estate fund in 2018, which has grown to become one of the largest social impact funds in Europe.

Gareth Jones (Partner/Fund Manager/CFO)

Gareth has been active across various disciplines across UK equities and fund management market for over 10 years after beginning his career qualifying as a chartered accountant with Ernst & Young.

Having performed as a CFO for both public and private companies Gareth went into fund management in 2014, overseeing the finance function for a newly established social housing private equity fund. Prior to joining Alvarium in 2018, he was a director at a listed social housing fund.

Charlotte Fletcher (Partner/Head of Transactions)

Charlotte is a qualified solicitor with responsibility for managing and implementing transactions. Prior to joining the team, Charlotte trained and practised within the commercial real estate team at Travers Smith LLP, where she advised property funds, developers and lenders on a range of matters, including commercial and residential development and forward funding, acquisitions and disposal, re-financing and landlord and tenant work.

Investment objective and policy

Investment objective

The investment objective of the Company is to deliver inflation-protected income and capital growth over the medium term for shareholders through funding the acquisition and creation of high-quality homeless accommodation across the UK let on long-term index-linked leases.

Investment policy

The Company will target inflation-protected income and capital returns by investing in a diversified portfolio of accommodation for people facing homelessness, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on very long-term and index-linked leases.

The Company will invest in these assets directly or through holdings in special purpose vehicles and will seek to acquire high-quality properties, taking into account the following key investment considerations:

- the properties will provide high-quality accommodation to homeless people and vulnerable individuals in need of housing;
- each property should demonstrate strong residual land value characteristics;
- very long unexpired lease terms (typically 20 to 30 years to expiry or first break);
- all leases to be 'triple net, full repairing and insuring leases'; and
- rent reviews to be inflation-linked or contain fixed uplifts.

The Company will be dedicated to tackling homelessness in the UK and will target a wide range of subsectors within homelessness including, but not limited to, women fleeing domestic violence, people leaving prison, individuals suffering from mental health or drug and alcohol issues and foster care leavers.

The Company will seek to only acquire assets let or pre-let to robust tenants on long leases (typically 20 to 30 years to expiry or first break), with index-linked or fixed rental uplifts, in order to provide security of income and low cost of debt. The Company will only invest in assets with leases containing regular upward-only rent reviews. These reviews will typically link the growth in rents to an inflation index such as CPI (with potentially a minimum and maximum level) or alternatively may have a fixed annual growth rate.

The Company will neither undertake any direct development activity nor assume direct development risk. However, the Company may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. In such circumstances, the Company will seek to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease.

Where the Company invests in forward funded developments:

- the Company will not acquire the land until full planning consent and tenant pre-lets are in place;
- the Company will pay a fixed price for the forward funded purchase, covering land, construction cost and developer's profit;
- all cost overruns will be the contractual responsibility of the developer/contractor; and
- if there is a delay to completion of the works, this will primarily be a risk for the developer/contractor, as they will pay the Company interest/rent until practical completion occurs.

The Company may utilise derivative instruments for efficient portfolio management. The Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases as part of the Company's portfolio management.

The Company will not invest in other investment funds.

Investment restrictions

The Company will invest and manage its assets with the objective of spreading risk. In order to achieve a portfolio that is diversified by property, tenant and location, the Company will be subject to the following investment restrictions:

- the value of no single property, at the time of acquisition, will represent more than 5 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 35 per cent. loan to value;
- the aggregate maximum exposure to any one tenant will not be greater than 15 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 35 per cent. loan to value;
- the aggregate maximum exposure to properties located within the boundary of any one local authority will not be greater than 15 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 35 per cent. loan to value;
- the aggregate maximum exposure to forward funded developments will not be greater than 20 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 35 per cent. loan to value; and
- the aggregate maximum exposure to any single contractor in connection with any forward funded developments will not be greater than 10 per cent. of the higher of: (i) Gross Asset Value; or (ii) where the Company has not yet become fully geared, Gross Asset Value adjusted on the assumption that the Company's property portfolio is geared at 35 per cent. loan to value.

The investment limits detailed above will apply once the Gross Issue Proceeds are fully invested and will be calculated at the time of investment.

The Directors are focused on delivering capital growth over the medium term and intend to reinvest proceeds from future potential disposals in assets in accordance with the Company's investment policy. However, should the Company fail to re-invest the proceeds or part proceeds from any disposal within 12 months of receipt of the net proceeds, the Directors intend to return those proceeds or part proceeds to shareholders in a tax efficient manner as determined by the Directors from time to time.

Cash held for working capital purposes or received by the Company pending reinvestment or distribution will be held in sterling only and invested in cash, cash equivalents, near cash instruments and money market instruments.

The Directors currently intend at all times to conduct the affairs of the Company so as to enable it to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

The Company will at all times invest and manage its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not at any time conduct any trading activity which is significant in the context of the business of the Company as a whole.

Borrowing policy

The Company will seek to utilise borrowings to enhance equity returns.

The level of borrowing will be on a prudent basis for the asset class, and will seek to achieve a low cost of funds, whilst maintaining flexibility in the underlying security requirements and the structure of the Company.

The Directors intend that the Company will maintain a conservative level of aggregate borrowings with a maximum level of aggregate borrowings of 35 per cent. of the Company's Gross Asset Value at the time of drawdown of the relevant borrowings.

Debt will be secured at the asset level and potentially at the Company or SPV level, depending on the optimal structure for the Company and having consideration to key metrics including lender diversity, debt type and maturity profiles.

In the event of a breach of the investment policy and investment restrictions set out above, the Directors, upon becoming aware of such breach, will consider whether the breach is material, and if it is, notification will be made to a Regulatory Information Service.

No material change will be made to the investment policy without the approval of shareholders by ordinary resolution at a general meeting, which will also be notified by a regulatory information service announcement.

ESG report

This Environmental, Social and Governance Policy applies to Home REIT plc (the "Company") and all its subsidiary companies (both directly and indirectly held) (together, the "Group").

The Board of Directors, together with the Investment Adviser (together, "we") have a responsibility to conduct the Company's investment business in a socially responsible way and, in managing a social impact fund, we recognise that our investors may have the same values.

We seek to provide shareholders with regular, attractive income, together with capital growth over the medium term in accordance with the Company's investment policy and objective which this policy does not alter or supersede. This policy documents the Company's commitment to and process of carrying out investing activity at the lowest possible cost to, or indeed to the benefit of, the environment whilst fulfilling the key objective of providing housing for homeless people.

ENVIRONMENTAL

We recognise that our investment activities directly and indirectly impact the environment. We are committed to managing those environmental impacts in the most effective and responsible manner and seek continuously to improve our level of environmental performance.

Where consistent with the Board's fiduciary responsibilities, we will encourage the Company's tenants to reduce the carbon footprint of assets coming under their control by virtue of their leases and will explore ways in which the Company can support its tenants to meet this objective.

Where appropriate, we engage specialist consultants to evaluate the sustainable characteristics of properties as part of our pre-acquisition due diligence, identifying risks to future financial performance and exploring opportunities to create additional value or to improve environmental performance. We will also endeavour to assess the impact of new acquisitions on the overall environmental performance of the Company.

We will not ordinarily acquire buildings that fall short of our minimum standards unless we are able to demonstrate that affordable improvements can be made. We will not ordinarily acquire buildings, for example, with an Energy Performance Certificate rating of less than D without having an affordable plan in place to improve the rating during the period of the Company's ownership.

Where making a forward commitment to acquire new developments, we will use our influence to encourage the tenant, developer and its contractors to consider sustainability-related issues in the design, construction and fit-out of buildings. We expect the environmental performance of new developments to exceed the minimum standards laid down by building regulations and planning policy.

We expect all new buildings to have Energy Performance Certificates rated at C or higher and that the design will incorporate enhanced insulation, advanced energy efficiency and a suitable range of water-saving features.

Aside from managing assets in an environmentally responsible manner, we see sustainability as both a threat and as an opportunity. There is a risk that the future value of some properties may be adversely affected by issues of sustainability. We have systems in place to enable us to monitor and then manage these emerging risks as part of our overall approach to risk management.

Conversely, we believe that some assets may experience a positive change in value as a result of the move towards a lower carbon economy and we are always looking for opportunities to create added value through the creation of more sustainable assets when considering asset allocation and stock selection.

Issues

Sustainability is considered under these key headings:

- Financial performance
- CO₂ emissions
- Energy
- Accessibility
- Physical risks
- Water
- Waste
- Engagement

Some of these issues may have implications for the future financial performance of the Group. Others relate to “best practice” and social responsibility but we would not expect them to have an impact on the Group’s financial performance. Our policy is intended to:

- Promote environmental protection
- Promote pollution reduction
- Promote sustainable development
- Anticipate future policy impacts
- Identify risks from the physical impacts of climate change and develop mitigation strategies
- Promote reduction of waste

Due to the ever-changing nature of sustainability we will continue to improve and update the relevant criteria that are used within the investment process.

While keeping our focus on maximising individual assets’ financial performance, we account for our sustainability objectives by incorporating them into our business planning and reporting. By integrating such issues into the investment appraisal process we aim to minimise downside risks and capitalise on opportunities for enhancing returns wherever possible.

Financial Performance

We assess the likely implications of climate change related government policies on each individual asset and on the overall performance of the Group.

We identify properties where there is a risk of losing income from existing tenants through migration to properties with better environmental qualities and quantify the potential impact of lower than average tenant retention rates, longer voids and higher costs on projected income returns.

We ensure that risks from sustainability-related issues are consistent with our defensive strategy for investing and reducing over-exposure to sustainability-related risk, during asset allocation and stock selection decisions and in the day to day management of the portfolio.

We identify the cost of improvements that may be required, either to protect the future quality of an asset or as a result of statutory interventions and ensure that they are properly reflected in individual asset management plans.

We monitor the emerging impact of sustainability-related issues on values and will amend performance projections and offers for future transactions in the light of hard evidence as it emerges.

Energy

Energy is the most significant contributor to CO₂ emissions from the built environment and during the building of new forward-funded assets we are committed to promoting reduction of consumption.

The Company does not directly operate or manage its assets. Therefore, we have no direct control over the way that energy is used by our tenants and have no ability to improve energy efficiency as responsibility for buildings has been devolved to our tenants. Despite this, we will engage with our tenants to encourage the more efficient use of energy and to promote energy efficiency improvements.

Few tenants are obliged to provide details of consumption and large organisations are often unable to identify consumption at individual buildings where they are part of a large operational estate. Where appropriate, we undertake a high-level assessment of energy efficiency and identify ways in which energy efficiency can be improved. Where analysis suggests that energy savings are proportionate to costs, we invite tenants to undertake a more detailed assessment and identify ways in which energy efficiency can be improved.

Accessibility

We recognise that, after the consumption of energy, the most significant source of CO₂ emissions is from transport and that assets which are less accessible, based on the criteria set out below, may prove less desirable to occupiers for whom energy cost is a consideration and/or to those that share our values.

We consider the accessibility of all assets as part of our investment due diligence.

There is no common measure of accessibility, but our analysis is based on three factors:

- Distance from public transport: Over-reliance on private transport generates higher emissions than properties which are well served by public transport. Offices, residential and retail properties which are more than one kilometre from suitable public transport may be considered “inaccessible”.
- Congestion: Properties which rely on road transport should be within easy reach of the national motorway network and accessible from a major trunk road without being ensnared in stationary traffic. Properties which are more than a 15-minute drive-time from the nearest motorway or major trunk road may be considered “inaccessible”.
- Car parking: The adequate provision of car parking can be a major contributor to the value of properties. Under-provision, displacing vehicles into neighbouring streets, will have a negative impact on the quality of the surrounding area. Over-provision may encourage the unnecessary use of private transport. Buildings which differ +/- 20 per cent from local standards may be considered “inaccessible”.

Physical Risks

We recognise that some properties are at risk of flooding and that, in some locations, the risk of flooding may worsen over time as a result of climate change-related issues. In some cases, the risk is not reflected in current market values but that may change.

We identify which assets are at risk from flooding and forecast the extent to which values may be compromised. We can then ensure that the exposure of the Group is consistent with our appetite for risk.

On acquiring new assets, we have regard both to the impact of flood issues on the future performance of each asset and its impact on the overall exposure of the Group to flood-related risks.

Water

We recognise that water is a scarce commodity in some regions and that, over time, scarcity is likely to affect an increasing number of territories. We consider ourselves to be under an obligation to use all natural resources, including water, responsibly.

To this end, we promote the use of water-saving measures in buildings devolved to our tenants. We encourage our tenants to identify water saving measures that can be achieved at little or no cost.

We also have regard to water saving opportunities during the regular repair, refurbishment and replacement of water-related services.

Waste

We support the principle of “re-use, recycle, reduce” and its application to waste.

We encourage our tenants to recycle waste and to reduce waste sent to landfill sites.

Engagement

We recognise that the largest impact we can make on the environment is through influencing the behaviour of others – our developers, our service providers and our tenants.

We ensure all our counterparties are aware of our policy, objectives and targets and that relevant individuals have the knowledge and skills necessary to implement the strategy in their day-to-day roles. We provide appropriate training to our staff.

Through our procurement policies and practices, we encourage our counterparties to minimise the negative impact of their operations on the environment.

We engage with our tenants to encourage the sustainable management of areas under their direct control and in the way that common parts and shared services are used. We encourage tenants to make improvements to energy efficiency and, where appropriate, prepare high level “sustainable design guides” for tenants’ reference in preparing plans for fit outs and periodic refurbishments.

We identify tenants whose businesses are most influenced by sustainability-related issues and who have the most advanced Environmental Policies and explore ways in which tenants’ aspirations to reduce carbon emissions can be supported and encouraged.

SOCIAL

The Company is dedicated to fighting homelessness through addressing the severe shortage of suitable housing for homeless people and will target investments exclusively in the UK, focussing on the delivery of high-quality homeless accommodation. Each asset will be let to a specialist housing association/registered charity on full repairing and insuring leases and we will not be responsible for any repairing, management or maintenance obligations.

We have identified the major stakeholders in the Company’s business and endeavour to consider the impact of our decisions upon these.

Shareholders: As a public company listed on the London Stock Exchange, the Company is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed company must ensure that it treats all holders of the same class of shares

that are in the same position equally in respect of the rights attaching to such shares. We use our best endeavours to abide by the Listing Rules at all times.

Employees: As a real estate investment trust, the Company does not have any employees as all its functions are carried out by third party service providers. However, the Company has a Board of Directors comprised of non-executive directors who receive fixed fee remuneration. The Company's Board receive regular market and regulatory updates from its professional advisors such as the Investment Adviser, Broker and Company Secretary and attend seminars where required. Diversity is at the centre of the Company's recruitment policy and future director recruitment processes will reflect this.

Tenants: The Investment Adviser performs extensive due diligence before a tenant is selected, and during the tenancy agreement we maintain a constructive relationship. We take into account our tenants' changing needs and we use our expertise to assist them in any way within our ability.

Service Providers: A list of the Company's key service providers can be found in the Company's Prospectus. The Company conducts all its business through its key service providers. Before the engagement of a service provider, we ensure that our business outlook as well as our values are similar. The Company performs an annual evaluation of all of its key service providers to ensure inter alia that our values remain aligned.

GOVERNANCE

Our investing activities are overseen by the Investment Adviser, the Company's Board of Directors and the Company's AIFM, who work together to ensure proper execution of our investment strategy, consistent application of our policies, compliance with our procedures and compliance with local and regional regulatory requirements.

Compliance

The Company was incorporated and registered in England and Wales as a public company limited by shares. The Company is not authorised or regulated as a collective investment scheme by the FCA, however it is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The principal legislation under which the Company operates is the Companies Act 2006. The Directors intend, at all times, to continue to conduct the affairs of the Company to enable to continue to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

The Company seeks to comply with the AIC Code of Corporate Governance (the "AIC Code") and will report on its compliance with the AIC Code each year in its Annual Report.

Risk Management

Our governance model is designed to manage investment risk and operational risk.

Investment Risk

The Company at all times invests and manages its assets in a way that is consistent with its objective of spreading investment risk and in accordance with its published investment policy and will not at any time conduct any trading activity which is significant in the context of the business of the Company as a whole.

Operational Risk

The Investment Adviser endeavours to follow best practice recommendations as established by EPRA and assess operational risk on a continuous basis and report regularly to the Company's Board.

RESPONSIBLE INVESTMENT

The Good Economy

The Investment Adviser has commissioned The Good Economy, a leading social impact advisory firm, specialising in impact measurement, management and reporting to (i) further support the Company in developing its impact assessment methodology and (ii) carry out an independent review of the impact performance of the Company on an annual basis and publish a report detailing this review.

UN Principles of Responsible Investment

The Investment Adviser is a signatory to the UN-supported Principles of Responsible Investment ("PRI") which represent a global standard for asset owners, investment advisers and service providers to incorporate environmental, social, and corporate governance policies into investment practice. As a signatory to the PRI, the Investment Adviser is also required to report annually on its responsible investment activities and in accordance with the PRI's reporting framework. These reporting requirements aim to ensure signatories' accountability and transparency and facilitate feedback from which signatories can then develop and learn.

Signatories to the PRI recognise that they have a duty to act in the best long-term interests of their investors and, by applying the PRI, aim to align their investors with broader objectives of society. Therefore, where consistent with its fiduciary responsibilities, the Investment Adviser has committed to:

- Incorporate ESG issues into its investment analysis and decision-making processes.
- Be an active owner and incorporate ESG issues into ownership policies and practices.
- Seek appropriate disclosure on ESG issues by any entities in which it invests.
- Promote acceptance and implementation of the PRI within the investment industry.
- Work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the PRI.
- Report on activities and progress towards implementing the PRI.

UN Sustainable Development Goals

The United Nations Sustainable Development Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development. These goals are designed to act as a blueprint to achieve a better and more sustainable future for all.

As part of its investment objective, the Company is committed to contributing (whether directly or indirectly) to the implementation of the following goals:

- Goal 1: End poverty in all its forms everywhere
- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 10: Reduce inequality within and among countries
- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

- Goal 13: Take urgent action to combat climate change and its impacts

Ownership

The Company's Investment Adviser is the owner of this policy. It shall be subject to annual review. The Investment Adviser, in consultation with the Board of Directors of the Company, shall have authority to vary this policy whenever necessary or appropriate.

Key performance indicators

The Company's objective is to deliver attractive, low risk returns and positive social impact to shareholders, by executing its investment policy.

Set out below are the key performance indicators ("KPIs") that are used to track the Group's performance.

KPI and definition	Relevance to strategy	Performance	Results
<p>1. Total NAV return Total NAV return measures the change in the EPRA NTA and dividends during the period as a percentage of EPRA NTA at the start of the period. We are targeting a minimum of 8 per cent per annum over the medium term.</p>	Total NAV return measures the ultimate outcome of our strategy, which is to deliver value to our shareholders through our portfolio and to deliver a secure and growing income stream.	8.9 per cent	Performance ahead of expectations with medium term target of 8 per cent exceeded.
<p>2. Dividend per share Dividends paid to shareholders and proposed in relation to a period. Dividends declared post period end not included.</p>	The dividend reflects our ability to deliver a low risk but growing income stream from our portfolio and is a key element of our total NAV return. As the first interim dividend was paid post period end it is not reflected in this assessment.	1.66 pence	Performance in line with expectations. Post period end dividend declared of 0.84 pence per share takes total dividend paid in relation to period end of 2.5 pence per share.
<p>3. Adjusted earnings per share Post-tax Adjusted earnings per share attributable to shareholders. Calculation takes into account average shares in issue from</p>	The Adjusted earnings per share reflects our ability to generate income from our portfolio, which ultimately underpins our dividend payments.	2.9 pence	Performance ahead of expectations as initial target of 2.5 pence per share exceeded.

listing in October 2020 to period end.			
<p>4. Total expense ratio</p> <p>The ratio of total operating expenses, including management fees expressed as a percentage of the average net asset value.</p> <p>Note: this calculation excludes £75,000 of costs relating to the share premium cancellation as non-recurring. The annualised figure has been calculated commencing from the IPO date.</p>	<p>The total expense ratio is a key measure of our operational excellence. Maintaining a low-cost base supports our ability to pay dividends.</p>	1.41 per cent	<p>Performance in line with expectations with total expense ratio being below 1.5 per cent.</p>
<p>5. EPRA NTA</p> <p>The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to shareholders and calculated in accordance with EPRA guidelines. At the period end there were no differences between EPRA NTA and IFRS NAV.</p>	<p>The NTA reflects our ability to grow the portfolio and to add value to it throughout the life cycle of our assets.</p>	105.0 pence	<p>Performance ahead of expectations with a 7.2 per cent uplift in the period being the reason Total NAV return KPI was exceeded.</p>
<p>6. Pro-forma LTV</p> <p>The proportion of our total assets that is funded by borrowings. Calculated as gross borrowings as proportion of total assets adjusted for working capital. Our target maximum LTV is 35 per cent.</p>	<p>The LTV measures the prudence of our financing strategy, balancing the additional returns and portfolio diversification that come with using debt against the need to successfully manage risk.</p>	32.4 per cent	<p>Performance marginally ahead of expectations coming in below 35 per cent.</p>
<p>7. Weighted average unexpired lease term</p>	<p>The WAULT is a key measure of the quality of our portfolio. Long</p>	24.3 years	<p>Performance in line with expectations given the short</p>

The average unexpired lease term of the property portfolio weighted by annual passing rents. Our target WAULT is a minimum of 20-years.	lease terms underpin the security and predictability of our income stream.		timeframe between IPO and period end.
8. Percentage of contracted rents index-linked or fixed This takes the total value of contracted rents that contain rent reviews linked to inflation or fixed uplifts.	This measures the extent to which we are investing in line with our investment objective, to provide inflation-linked returns.	100 per cent	Performance in line with expectations.
9. Homeless beds created This takes into account the number of bed spaces created by Home REIT since inception.	This measures the extent of the impact our investment has on the homelessness issue in the UK.	3,846 beds	Performance in line with expectations.

EPRA performance measures

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of EPRA. We provide these measures to aid comparison with other European real estate businesses.

Reconciliations of EPRA Earnings and NAV measures are included in Notes 21 and 22 to the consolidated financial statements respectively.

Measure and Definition	Purpose	Performance
1. EPRA Earnings	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	2.9 pence
2. EPRA Net Tangible Assets ("NTA")	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	105.0 pence
3. EPRA Net Reinstatement Value ("NRV")	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	111.5 pence
4. EPRA Net Disposal Value ("NDV")	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	107.8 pence
5. EPRA Net Initial Yield ("NIY")	EPRA NIY is annualised net rents on investment properties as a percentage of the investment property valuation, less purchaser's costs.	5.32 per cent

6. EPRA ‘Topped-Up’ NIY	The ‘topped-up’ measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	6.4 per cent
7. EPRA Vacancy	A ‘pure’ (per cent) measure of investment property space that is vacant, based on ERV.	0 per cent
8. EPRA Cost Ratio	A key measure to enable meaningful measurement of the changes in a company’s operating costs.	27.0 per cent

Principal risks and uncertainties

The Prospectus issued in September 2021 includes details of risks faced by the business. The Board considers that the principal risks and uncertainties faced by the Group are as follows:

Risk	Mitigation
Global pandemic	
COVID-19 global pandemic – rapid spread of infectious disease has caused governments to implement policies to restrict travel and take other measures to prevent its spread, resulting in a slowdown to the economy, significant share price volatility, changes to the working habits for our key service providers, and unprecedented disruption to many of our tenants’ businesses.	<p>The Board monitors the business continuity position of each of our key service providers to ensure adequate procedures are in place to limit the impact on the Company.</p> <p>The Board, Investment Adviser and key members of the management team have been working remotely since inception. Regular communication is maintained between the Board, the Investment Adviser, tenants and key service providers.</p> <p>The Investment Adviser is closely monitoring the impact on our assets and on our tenants’ ability to meet rent obligations and regularly reports the position to the Board.</p> <p>The Board is committed to providing all relevant information to the market on a timely basis to foster good communication with our shareholders and other stakeholders.</p> <p>Further detail of this is given in the going concern section of the Annual Report.</p>
Investment strategy and operations	
The Company may not achieve its investment objective or return objective.	The Board regularly reviews the Company’s investment performance against its stated objective in relation to deployment, purchase yields achieved, debt finance costs/availability, dividends, and total shareholder return.
The Company has a limited operating history and targeted returns are based on estimates and assumptions subject to significant uncertainties and contingencies.	The Investment Adviser’s senior management team has extensive experience in executing real estate investments in strategies similar to that of the Company.
The Company may face delays in deployment of proceeds and may not be able to find suitable investments on acceptable terms.	The Investment Adviser has identified a strong pipeline of opportunities and continues to deploy capital well within original timescales and expected yields.

Real estate

Performance will be subject to the condition of property markets in the UK – a significant downturn in the underlying value of the Company’s investment property would impact shareholder returns and ability to meet banking covenants.

The Investment Adviser and the Board monitor the position on a regular basis.

Performance in terms of underlying Investment Property valuation and rent collection has remained robust throughout the COVID-19 pandemic.

The long-term nature of the asset class’s cash flows underpinned by central government support means volatility is kept to a minimum which is further underpinned by 100 per cent of the Company’s leases being indexed linked with a minimum uplift per annum of 1 per cent.

The Company’s current LTV is 32.4 per cent (against a maximum target of 35%) giving significant head room in relation to the default LTV banking covenant of 50 per cent.

The Group’s investments are illiquid and may be difficult to realise at a particular time which could put the Company’s Balance Sheet under strain.

The Company is expected and has planned to hold its investments on a long-term basis, and therefore it is unlikely that quick disposals will be required.

The Investment Adviser and the Board monitor the position on a regular basis maintaining a cash buffer on the Balance Sheet for any short-term requirements.

Current conditions and valuation, supported by recent transactions point to disposals at holding value or better if required.

Risk of tenants defaulting – dividends payable by the Group and its ability to service the Group’s debt will be dependent on the income from the properties it owns. Failure by one or more tenants to comply with their rental obligations could affect the ability of the Company to secure dividends and meet banking covenants associated with its borrowings.

The Group undertakes thorough due diligence before acquisition and acquires assets let to strong tenants with track records in servicing the sector giving confidence that they will be able to pay the rents as and when they are due. In addition, as part of the transaction, contingencies are put in place to further strengthen tenant balance sheets.

The credit quality of the tenants is assessed by the Investment Adviser on an initial and an ongoing basis.

The Investment Adviser and the Administrator monitor payments received to ensure any difficulties are raised in a timely fashion.

Property valuation is inherently subjective and uncertain – Valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in future.

The Group generally acquires properties with strong fundamentals that are of strategic importance to their tenants. The Group aims to hold assets for long-term income and embeds income growth into leases which contributes toward positive valuation movements.

An experienced Independent Valuer has been appointed to carry out bi-annual property valuations.

The performance of all third party service providers is regularly reviewed by the Board.

Other risks

The Company is reliant on the AIFM, the Investment Adviser and the Company's other key services providers – The Company relies on its key service providers, market intelligence, relationships and expertise. The performance of the Company is to a large extent dependent on the performance of the Investment Adviser and its other key service providers.

The Board has executed a long-term Investment Advisory Agreement securing the services of Investment Adviser until October 2025. The Board meets regularly with the Investment Adviser to promote a positive working relationship with its performance monitored against the Company's investment objective and investor expectations.

The Investment Advisory fee is based on a sliding scale of the Company's net asset value to align the Investment Adviser's interests with those of the shareholders.

The Board has appointed experienced service providers to provide key services to the Company.

Performance of the key service providers is also monitored by the Board and the Management Engagement Committee.

The Management Engagement committee will perform a formal periodic review process to consider the ongoing performance of the AIFM, the Investment Adviser and other key service providers.

Failure to comply with the REIT rules and other regulations may have a negative impact on the Company – If the Group fails to remain qualified as a REIT, the Group will be subject to UK corporation tax on some or all its property rental income and chargeable gains, which would reduce the earnings and amounts available for distribution to shareholders.

The AIFM and the Investment Adviser monitor compliance with the REIT regime. The Group has appointed experienced third-party tax advisers to assist with tax compliance matters with appropriate relevant experience.

Calculation of dividends is carried out by the Group's Administrator before review by the AIFM and/or Investment Adviser.

The performance of third party service providers is regularly reviewed by the Board.

Interest rate risk – returns targeted by the company are predicated on a modest level of debt being available on terms that are accretive to shareholder returns. If debt isn't available it will impact the ability for the Company to hit targets.

The Group entered into a new, 12-year interest-only, fixed-rate, £120 million term loan agreement with Scottish Widows on 11 December 2020 .

The Facility is repayable in December 2032 and has a fixed all-in rate payable of 2.07% per cent per annum, for the duration of the 12-year loan term. This long-term facility will provide the Company with stability during periods of interest rate fluctuation.

In relation to the new equity raise the Company is final legal due diligence to put in place a fixed rate, interest only facility on terms that will enable the Company to hit targets. This long-term facility will provide the Company with stability during periods of interest rate fluctuation.

Inflation risk – returns targeted by the Company are intended to broadly track inflation

100% per cent of the Company's rental income is linked to CPI annual rent reviews with caps and collars of 1 per cent. and 4 per cent respectively. Rental income will therefore track inflation up to the 4 per cent cap.

In times of deflation the 1 per cent collar will provide continuation of upward only rental growth.

Statement of directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss for the Group and the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union subject to any material departures disclosed and explained in the financial statements;
- prepare a directors' report, a strategic report and directors' remuneration report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the annual report and accounts, taken as a whole, are fair, balanced, and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The Group's financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group.
- The annual report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that they face.

Having taken advice from the Audit Committee, the Directors consider that the Annual Report and financial statements taken as a whole are fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Approval

This Directors' responsibilities statement was approved by the Board of Directors and signed on its behalf by:

Lynne Fennah

Chairman of the Board of Directors

10 November 2021

Consolidated statement of comprehensive income

	Note	19 August 2020 to 31 August 2021 £'000
Income		
Rental income	3	11,755
Total income		11,755
Operating expenses		
General and administrative expenses	4	(3,255)
Total expenses		(3,255)
Change in fair value of investment property	7	14,012
Operating profit for the period		22,512
Finance costs	5	(1,580)
Profit before taxation		20,932
Taxation	6	–
Comprehensive income for the period		20,932
Earnings per share – basic and diluted (pence per share)*	21	10.15

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Consolidated statement of financial position

	Note	As at 31 August 2021 £'000
Non-current assets		
Investment property	7	327,860
Total non-current assets		327,860
Current assets		
Trade and other receivables	9	1,406
Restricted cash	10	35,872
Cash and cash equivalents	10	6,218
Total current assets		43,496
Total assets		371,356
Non-current liabilities		
Bank borrowings	8	117,528
Total non-current liabilities		117,528
Current liabilities		
Trade and other payables	11	1,130
Total current liabilities		1,130
Total liabilities		118,658
Net assets		252,698
Capital and reserves		
Share capital	14	2,406
Special distributable reserve	16	229,360
Retained earnings		20,932
Total capital and reserves attributable to equity holders of the company		252,698

The consolidated financial statements were approved and authorised for issue by the Board of directors on 10 November 2021 and signed on its behalf by:

Marlene Wood
Director

Consolidated statement of changes in shareholders' equity

For the period from 19 August 2020 to 31 August 2021	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to
						e to

						owners of the company £'000
Profit and total comprehensive income attributable to shareholders		–	–	–	20,932	20,932
Transaction with owners:						
Dividend distribution		–	–	(3,993)	–	(3,993)
Share capital issued	14	2,406	238,164	–	–	240,570
Share issue costs	15	–	(4,811)	–	–	(4,811)
Cancellation of share premium	16	–	(233,353)	233,353	–	–
Balance at 31 August 2021		2,406	–	229,360	20,932	252,698

Consolidated statement of cash flow

	Note	For the period from 19 August 2020 to 31 August 2021 £'000
Cash flows from operating activities		
Profit before tax		20,932
Less: Change in fair value of investment property	7	(14,012)
Operating result before working capital changes		6,920
(Increase) in trade and other receivables	9	(1,406)
Increase in trade and other payables	11	1,130
Net cash flow from operating activities		6,644
Cash flows from investing activities		
Purchase of investment properties	7	(313,848)
Net cash used in investing activities		(313,848)
Cash flows from financing activities		
Proceeds from issue of share capital	14	2,406
Proceeds from issue of share premium	15	238,164
Share issue costs	15	(4,811)
Dividend distribution	17	(3,993)
Unamortised loan arrangement fee	8	(2,472)
Cash released from restricted cash account		84,128

Net cash generated from financing activities		313,422
Net increase in cash and cash equivalents		6,218
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of the period	10	6,218

Notes to the consolidated financial statements

1. General information

Home REIT PLC (the “Company”) is a closed-ended investment company, incorporated in England and Wales on 19 August 2020 and is registered as a public company limited by shares under the Companies Act 2006 with registered number 12822709. The Company commenced operations on 12 October 2020 when its shares commenced trading on the London Stock Exchange.

The Company intends to carry on business as a REIT with an investment objective to deliver inflation-protected income and capital growth over the medium-term for Shareholders through funding the acquisition and creation of high quality homeless accommodation across the UK let on long-term index-linked leases.

2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the period.

2.1 Basis of preparation of financial statements

This consolidated set of financial statements has been prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

The consolidated financial statements for the period from 19 August 2020 to 31 August 2021 have been audited by the Company’s Independent Auditor, BDO LLP. This consolidated financial statements do not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006.

The Independent Auditor’s report on the 31 August 2021 financial statements was unqualified, and did not contain statements under s498(2) or (3) of the Companies Act 2006. The comparative presentation is not required in the current period of commencement of operations.

The consolidated financial statements for the period ended 31 August 2021 have been prepared on a historical cost basis, as modified for the Group’s investment properties which are carried at fair value with changes presented in the statement of comprehensive income.

The consolidated financial statements are presented in Sterling, which is the Company’s presentation and functional currency, and values are rounded to the nearest thousand pounds, except where indicated otherwise.

Changes to accounting standards and interpretations

At the date of authorisation of the financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The Company has assessed the impact of these amendments and has determined that the application of these amendments and interpretations in current and future periods will not have a significant impact on its financial statements.

Description	Effective Date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2	1 January 2021

Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Annual Improvements to IFRSs (2018-2020 Cycle) – IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, IAS 41	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023

Going Concern

The Directors of the Company have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Groups has the resources to continue in business for at least a period of 12 months from the date when the financial statements are authorised for issue. Furthermore, as the Group has a robust Statement of Financial Position and lets properties on long-term index-linked leases which give rise to strong current and projected future cash flows, the Directors consider that any negative impact on the Group's financial position as a result of COVID 19 will be minimal.

The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about its future trading performance including the impact of COVID-19. Various forms of sensitivity analysis have been performed having a particular regard to the financial performance of its tenants, taking into account any discussions held with tenants surrounding operating performance and the current and ongoing rent collection levels achieved by the Group.

The Group's financial covenants have been complied with for all loans throughout the period and up to the date of approval of these financial statements.

The Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.2 Significant accounting judgements and estimates

The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Valuation of investment properties

The investment properties have been independently valued at fair value by Knight Frank LLP, the Independent Valuer, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment properties being valued. The valuations are the ultimate responsibility of the Board; please see note 7 for further information.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the presentation of these financial statements are set out below.

a Presentation and functional currency

The primary objective of the Company is to generate returns in Sterling, its capital-raising currency. The Company and the Group's performance is evaluated in Sterling. Therefore, the Directors consider Sterling as the currency that appropriately represents the economic effects of the underlying transactions, events, and conditions and the Company has therefore adopted it as the presentation and functional currency for its consolidated financial statements.

b Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, cash held by lawyers and short-term deposits with an original maturity of three months or less.

c Restricted cash

Restricted cash represents cash withheld by the lender on drawdown borrowings, as referred to in note 10, until certain security is provided to release the funds and, in consequence, does not form an integral part of the Group's cash as at the reporting date.

d Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure. The Company aims to ensure that sufficient capital is available for a programme of investment in a pipeline of assets and that these investments generate sufficient forecasted income such that dividends may be maintained to shareholders at the appropriate rate to ensure REIT status is preserved.

e Other payables and accrued expenses

Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

f Taxation

Taxation on the profit or loss for the period not exempt under UK REIT regulations would comprise of current and deferred tax. Tax would be recognised in the statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity in which case it would be recognised as a direct movement in equity. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

g Dividend payable to shareholders

Final dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

h Share issue costs

The costs of issuing or reacquiring equity instruments of the Company are accounted for as a deduction from equity.

i Leases – the Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Company has determined that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases. Properties leased out under operating leases are included in investment property in the statement of financial position. Rental income from operating leases is recognised on a straight-line basis over the expected term of the relevant leases.

j Business combinations

The Company adopted the amendments to IFRS 3 (effective 1 January 2020) in the current period. Under the amendments of IFRS 3, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business has been added. The Company opted to apply the concentration test in the period to all of its corporate acquisitions, concluding these to be treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses.

k Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the expected term of the relevant leases and is included in rental income in the statement of comprehensive income due to its operating nature.

For leases, which contain fixed or minimum uplifts, the rental income arising from such uplifts is recognised on a straight line basis over the lease term.

The Group's main source of revenue is rental income earned from its investment properties, which is excluded from the scope of IFRS 15.

2.4 Financial instruments

a Financial assets

The Company classifies its financial assets as fair value through profit or loss or amortised cost, depending on the purpose for which the asset was acquired and based on the business model test. There are no financial assets held at fair value through profit or loss. The Company's accounting policy for financial assets classified as amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. rent receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables (rental income) are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables.

Impairment provisions for other receivables are recognised based on the general approach within IFRS 9 and a loss allowance for lifetime expected credit losses is recognised if there has been a significant increase in credit risk since initial recognition of the financial asset.

The Company's financial assets measured at amortised cost comprise rent receivable, restricted cash and cash and cash equivalents in the statement of financial position. Cash and cash equivalents comprise cash in hand and deposits held at call with banks, it also includes cash held by lawyers for subsequent completions.

b Financial liabilities

The Company's accounting policy for financial liabilities is as follows:

Trade and other payables that are financial liabilities are initially recognised at fair value. Where a financing component is identified in respect of long-term payables the fair value is calculated with reference to an imputed interest rate and subsequently amortised using the effective interest rate method. Short term financial liabilities are carried at their expected settlement value.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

The Company's financial liabilities comprise of trade and other payables and borrowings.

c Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

d Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. For the interim accounts, the assessment of the probability of default and loss given default has been based on current and forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying

amount at the reporting date. Expected credit losses are recognised in other expenses in the statement of comprehensive income.

2.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially held at cost and then subsequently held at fair value. This valuation includes reference to the initial consideration given, including expenditure that is directly attributable to the acquisition of the investment property, and independent expert guidance. At mid-year and year-end, investment property is valued by an independent valuer and is stated at its fair value as at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the statement of comprehensive income.

The Group's accounting policy is to recognise acquisitions on the date of unconditional exchange, as the directors consider this to be the point where substantially all the risks and rewards of ownership of the properties have transferred and the outstanding amount payable to the seller at completion is included on the consolidated statement of financial position as a liability in trade and other payables.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is incurred in profit or loss in the period in which the property is derecognised.

2.6 Fair Value hierarchy

In accordance with IFRS 13, the Company recognises investment properties at fair value at each balance sheet date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. Please see note 7.

3. Rental income

	19 August 2020 to 31 August 2021 £'000
Rental income from investment property	10,677
Accretion effect of straight-lining rent	1,078
Total	11,755

Includes amounts receivable in respect of property rental income and is measured at the fair value of the consideration received or receivable. The future minimum rents receivable under non-cancellable operating leases are:

	£'000
Future minimum rents receivable in the period:	

Year 1	18,275
Year 2	18,458
Year 3	18,643
Year 4	18,829
Year 5	19,018
> 5 years	422,935
Total	516,518

20-year leases (with an option to renew for a further 5 years) were granted on the date of acquisition of the properties, with an annual CPI-linked rent review scheduled on the annual anniversary of the lease being granted. A collar of 1 per cent and a cap of 4 per cent is applicable to these reviews. Rental income is recognised on a straight-line basis over the expected term of the relevant lease.

4. General and administrative expenses

	£'000
Investment adviser fee	1,828
Auditor's fee for audit at 28 February	126
Auditor's fee for audit at 31 August	200
Non-audit fees	240
Board and Directors fee	150
Other administrative expenses	711
Total general and administrative expenses	3,255

Fees payable to the auditor of the Company relate to the Initial Accounts audit fees of £42,000 (including VAT). Fees payable to the interim review at the mid-year amounted to £30,000 (including VAT). Fees payable to the auditor of the Company in relation to the audit at 28 February 2021 amounted to £126,000 (including of VAT). The Company also incurred additional non-audit fees of £90,000 from the auditor related to the admission on the London Stock Exchange which have been treated as a reduction in Equity as share issue costs (see note 15).

In addition to the above, the auditor's fee in respect of the audit of these consolidated financial statements is £199,800 (including VAT).

5. Finance costs

	19 August 2020 to 31 August 2021 £'000
Loan interest	1,274
Non-utilisation fees	190
Amortisation of loan arrangement fees	116
Total finance costs	1,580

6. Taxation

The Group is a real estate investment trust (“REIT”) and as a result the profit and gains arising from the Group’s property rental business are exempt from UK corporation tax provided it meets certain conditions as set out in the UK REIT regulations. Profits arising from any residual activities (e.g. trading activities and interest income), after the utilisation of any available residual tax losses, are subject to corporation tax at the main rate of 19 per cent for the year.

	19 August 2020 to 31 August 2021 £’000
Current tax	–
Origination and reversal of temporary differences	–
Total deferred tax	–
Tax charge	–

Reconciliation of the total tax charge

The reconciliation of profit before tax multiplied by the standard rate of corporation tax for the half-year of 19 per cent to the total tax charge in the statement of comprehensive income is as follows:

	19 August 2020 to 31 August 2021 £’000
Profit before tax	20,932
Tax at the standard rate of UK corporation tax of 19 per cent	3,977
Effect of:	
REIT exempt income and gains	(1,315)
Revaluation of investment properties	(2,662)
Tax charge	-

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of the Corporation Tax Act 2010.

7. Investment property

	Freehold Investment Property £’000
Property acquisitions in the period	312,770
Accretion effect of straight-lining rent	1,078
Change in fair value of investment property	14,012
Fair value at 31 August 2021	327,860

The properties are held at fair value as determined by the independent valuer as at 31 August 2021. All corporate acquisitions during the period have been treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses (see note 2(j)).

The Company's investment policy targets inflation-protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on long-term and index-linked leases. The Company will neither undertake any direct development activity nor assume direct development risk.

The Company will focus on delivering capital growth by holding assets over the long term and therefore it is unlikely that the Company will dispose of any part of its portfolio. In the unlikely event that a part of the portfolio is disposed of, the Directors intend to reinvest proceeds from such disposals in assets in accordance with the Company's investment policy.

The following descriptions and definitions relating to valuation techniques and key observable inputs may also be used in determining fair values:

Valuation techniques: market value method

Under the market value method, the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Observable input: passing rent

The rent at which space could be let in the market conditions prevailing at the date of valuation. Passing rents are dependent upon several variables in relation to the Company's property. These include size, location, tenant covenant strength and terms of the lease.

Unobservable input: rental growth

The estimated average increase in rent based on both market estimations and contractual arrangements. A reduction of the estimated future rental growth in the valuation model would lead to a decrease in the fair value of the investment property and an inflation of the estimated future rental growth would lead to an increase in the fair value. No quantitative sensitivity analysis has been provided for estimated rental growth as a reasonable range would not result in a significant movement in fair value.

The Company classifies all assets measured at fair value as below:

Fair value hierarchy

As at 31 August 2021	Total £'000	Quoted prices in active markets (level 1) £'000	Significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
Assets measured at fair value:				
Investment property	327,860	—	—	327,860

Passing rent and yield range

Sector	Passing rent pa 31 August 2021 £'000	Passing rent pa range £'000	Valuation 31 August 2021 £'000	Valuation yield range %
Residential	18,275	3-365	327,860	5.25 per cent -5.78 per cent

The table below shows the sensitivities of measurement of the Group's investment property to certain inputs:

As at 31 August 2021	-5 per cent in passing rent £'000	+5 per cent in passing rent £'000	+25bps in net initial yield £'000	-25bps in net initial yield £'000
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Investment property	(16,393)	16,393	14,073	(15,395)
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Unobservable input: net initial yield

The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

Sensitivities of measurement of significant unobservable inputs

As set out within significant accounting estimates and judgements above, the Company's property portfolio valuation is open to judgements and is inherently subjective by nature.

8. Financial instruments

Set out below is a comparison of the book value and fair value of the Group's financial instruments where a difference exists. The fair value of financial instruments not included in the comparison is equal to book value.

	Book value £'000	Fair value £'000
Bank borrowings		
Term loan	120,000	113,468
Unamortised loan arrangement fees	(2,472)	-
Bank borrowings	117,528	113,468

The following table sets out the fair value of those financial liabilities measured at amortised cost where there is a difference between book value and fair value.

Borrowings	Date of valuation	Total £'000	Quoted prices in active markets Level 1 £'000	Significant observable inputs Level 2 £'000	Significant unobservable inputs Level 3 £'000
Borrowings	31 August 2021	113,468	-	113,468	-

The Group's borrowings comprise a £120 million fixed term loan facility with Scottish Widows Limited. The facility has an all-in rate of 2.07 per cent per annum for the duration of the loan term and is due for repayment in December 2032. The fair value of the loan is determined by comparing the discounted future cashflows using the mid-market swap rate on 31 August 2021 of 0.9456 per cent plus the implied margin that is unchanged since the date of fixing. The loan is considered to be a level 2 fair value measurement.

9. Trade and other receivables

	As at 31 August 2021 £'000
Tenant receivables	1,191
Prepaid expenses	215
Trade and other receivables	1,406

All trade and other receivable amounts are due within one year. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Directors analysed the expected credit loss and concluded there was no material exposure for the period ended 31 August 2021.

The following table sets out the maturity profile of trade and other receivables that are financial assets:

	As at 31 August 2021 £'000
30 days or fewer	742
31 to 60 days	234
61 to 90 days	408
91 days or more	22
Over one year	-
	1,406

10. Cash reserves

	As at 31 August 2021 £'000
Cash at bank	6,218
Cash and cash equivalents	6,218
Restricted cash (Note 12)	35,872
Total cash at bank	42,090

Restricted cash is money held in accounts to which the Group does not have immediate access and as such does not form part of the Group's short-term cash management. These amounts arise both when initially drawing on term-loans prior to the bank taking adequate security and where a securitised asset is disposed prior to the bank replacing the asset with adequate security. Security over owned properties is required to be provided before access to restricted cash is given. The purpose of the restricted cash is for further investment in the portfolio.

11. Trade and other payables

	As at 31 August 2021 £'000
Trade creditors	353
Accrued expenses	777
Total trade creditors and accrued expenses	1,130

All trade and other payables are due within one year. The Directors consider that the carrying amount of trade and other payables matches their fair value.

12. Bank borrowings

On 11 December 2020 the Group entered into a 12-year fixed-rate loan facility for £120 million with Scottish Widows; the Company acts as a guarantor to the loan facility. The Group considers and accounts for all

guarantees as insurance contracts. A financial guarantee is recognised where a contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due. The loan was fully drawn on 31 August 2021 of which a balance of £35.9m and was held in a restricted cash account at 31 August 2021.

13. Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and interest rate risk.

The AIFM and the Investment Adviser have risk management procedures and processes in place which enable them to monitor the risks of the Company. The objective in managing risk is the creation and protection of shareholder income and value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, impact assessment, and monitoring and subject to risk limits and other controls.

The principal financial risks facing the Company in the management of its portfolio are as follows:

Credit risk

Credit risk is the risk that a tenant or other counterparty will cause financial loss to the Company by failing to meet a commitment it has entered into with the Company.

It is the Company's policy to enter into banking arrangements with reputable financial institutions. The AIFM monitors the credit worthiness of banks used by the Company by review of credit ratings, financial statements and other public records and news on a regular basis.

In respect of investment property, in the event of a default by a tenant, the Company may suffer an income shortfall and additional costs in reletting the property. The distributions payable by the Company are dependent on the income from the underlying investment property. The receipt of any rental income due and payable in respect of the underlying property, and the possibility that tenants may default on their rental obligations, creates a consequential risk for the Company in that it could cause a decline in the Company's income available for distribution to shareholders. The Investment Adviser reviews the position of new tenants and monitors tenant exposure in accordance with the investment policy.

The table below shows the Company's exposure to credit risk:

	As at 31 August 2021 £'000
Cash and cash equivalents	6,218
Restricted cash	35,872
Tenant receivables	1,191
	43,281

Liquidity risk

The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of tenants to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available.

The following table details the Group's liquidity analysis in respect of its financial liabilities on contractual undiscounted payments:

	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
31 August 2021					
Bank borrowings and interest (Note 12)	620	1,881	9,950	135,640	148,091
Trade and other payables	1,130	–	–	–	1,130

	1,750	1,881	9,950	135,640	149,221
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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has reduced the interest rate risk on its external borrowing by fixing the rate of interest payable.

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group considers proceeds from share issuance, bank borrowings and retained earnings as capital. The Group will maintain a conservative level of aggregate borrowings with a maximum level of aggregate borrowings of 35 per cent of the Group's gross assets.

The Group has remained compliant with its banking covenants during the period and since the period end.

14. Share Capital

	As at 31 August 2021 Number	As at 31 August 2021 £'000
Ordinary shares of £0.01 each		
On incorporation	1	-
Further shares issued during the period	240,570,464	2,406
Issued and fully paid at period end	240,570,465	2,406

The Company was incorporated on 19 August 2020 when one ordinary share of £0.01 nominal value was issued for £1. On 3 September 2020, a further 50,000 redeemable preference shares of £1 each were issued at £1 per share (quarter paid up). The Company achieved admission to the premium listing segment of the Official List of the London Stock Exchange (the "IPO") on 12 October 2020.

At the date of the Company's IPO, the Company issued and allotted a further 240,570,464 ordinary shares of 1 pence nominal value each at £1 per share. Therefore, 240,570,465 ordinary shares have been issued and fully paid. The redeemable preference shares were redeemed at par and cancelled on the date of the IPO.

15. Share premium account

	As at 31 August 2021 £'000
Share premium arising on ordinary shares issued in relation to equity issuance	238,164
Share issue costs	(4,811)
Transfer to special distributable reserve (note 16)	(233,353)
Balance at end of period	-

In order to increase distributable reserves available for the payment of future dividends, the Company resolved on 3 September 2020 that, conditional upon Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the Issue be cancelled and transferred to a special distributable reserve.

The Court approved the cancellation of the share premium account on 8 December 2020 and the cancellation was registered with the Registrar of Companies on 9 December 2020 following which the cancellation of the share premium account became effective. Accordingly, the amount of £233,353,351 previously held in the share premium account has been cancelled and credited to a special distributable reserve. The Company may, at the discretion of the Board, pay all or any part of any future dividends out of this special distributable reserve, taking into account the Company's investment objective.

16. Special distributable reserve

	As at 31 August 2021 £'000
Balance at beginning of period	–
Transfer from share premium account (note 15)	233,353
Dividends distribution	(3,993)
Balance at end of period	229,360

17. Dividends

On 15 February 2021, the Company declared an interim dividend of 0.83 pence per ordinary share, which was paid on 19 March 2021 to shareholders on the register as at 26 February 2021. This dividend was paid as a property income distribution.

On 20 May 2021, the Company declared a dividend of 0.83 pence per ordinary share, which was paid on 25 June 2021 to shareholders on the register as at 4 June 2021. This dividend was paid as a property income distribution.

18. Related party transactions

AIFM

Under the terms of the Investment Management Agreement dated 22 September 2020, Alvarium Fund Managers (UK) Limited was appointed as the Alternative Investment Fund Manager (AIFM) to the Company. The AIFM acts as investment manager with responsibility for the management of the assets of the Company in accordance with the investment policy of the Company and the policies and directions of the Board and is regulated in the conduct of investment business by the FCA. Alvarium Fund Managers (UK) Limited is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the Broker and the Investment Adviser to the Company. Under the Investment Management Agreement, the AIFM receives a fee of £40,000 per annum. No performance fee is payable to the AIFM.

Corporate Broker

Alvarium Securities Limited ("Alvarium Securities") was appointed on 22 September 2020 to provide corporate broking services to the Company and is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Investment Adviser. Alvarium Securities is paid an annual retainer fee in the amount of £50,000 by the Company; the Company also incurred additional fees of £3,878,000 from Alvarium Securities in relation to the initial public offering and subsequent admission to the London Stock Exchange. These costs have been treated as a reduction in Equity as share issue costs.

Investment Adviser

On 22 September 2020 Alvarium Home REIT Advisors Ltd was appointed as the investment adviser to the Company by entering into the Investment Advisory Agreement with the Company. Under this agreement, the

Investment Adviser will advise the Company in relation to the management, investment and reinvestment of the assets of the Company. Alvarium Home REIT Advisors Ltd is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Broker to the Company.

The investment advisory fees shall be an amount calculated in arrears in respect of each month, in each case based upon the net asset value of the Company on the following basis:

- a One-twelfth of 0.85 per cent, per calendar month of net asset value up to and including £500 million;
- b One-twelfth of 0.75 per cent per calendar month of net asset value above £500 million up to and including £750 million; and
- c One-twelfth of 0.65 per cent per calendar month of net asset value above £750 million.

The Investment Advisory Agreement may be terminated on 12 months' written notice, such notice to expire on or at any time after the fifth anniversary of 12 October 2020. The Investment Advisory Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

Directors

Directors are entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. The initial fees are £36,000 for each Director and £50,000 for the Chairman per annum. The Chair of the Audit Committee receives an additional fee of £5,000 per annum. During the period ended 31 August 2021, Directors fees of £150,068 were paid, of which none was payable at the period end.

As detailed in the Prospectus, the Directors subscribed for the below Ordinary Shares at 100p per share during the Company's initial public offering and have therefore held (and continue to hold) beneficial interests in these shares since Admission.

	Number of Ordinary Shares held	per cent of Ordinary Shares in issue
Lynne Fennah	50,000	0.021
Simon Moore	36,000	0.015
Marlene Wood	20,000	0.008
Peter Cardwell	10,000	0.004

The above Directors were appointed on 3 September 2020. On incorporation on 19 August 2020 William Saunders and Alan Sauvain were appointed as Directors, and subsequently resigned as Directors on 3 September 2020.

19. Reconciliation of liabilities to cash flows from financing activities

	Borrowing (£m)s	Total (£m)
Balance on 19 August 2020	-	-
Bank borrowings drawn down	84.1	84.1
Bank borrowing held in restricted account	35.9	35.9
Loan arrangement fees paid	(£2.6)	(2.6)
Amortisation of loan arrangement fees	0.1	0.1
Balance at 31 August 2021	117.5	117.5

20. Contingent liabilities

At 31 August 2021 the Group had no contingent liabilities.

21. Earnings per share

Earnings per share per IFRS is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue since the Company was incorporated on 19 August 2020 to 31 August 2021. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the period.

	Period ended 31 August 2021
Earnings (£'000)	20,932
Weighted average number of ordinary shares in issue from 19 August 2020 to 31 August 2021	206,203,256
EPS (pence)	10.15

Adjusted EPS is a performance measure used by the Board to assess the Company's dividend payments and therefore the Board considers it to be relevant information for investors. The Adjusted EPS reflects the Company's ability to generate income from its portfolio and the Board considers disclosure of Adjusted EPS to be relevant information for investors (see key performance indicators).

22. Net asset value per share

Net asset value per share is calculated by dividing the consolidated net assets attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the reporting date. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current or comparative periods.

	Period ended 31 August 2021 £m
NAV	252.70
Number of ordinary shares (million)	240.57
NAV per share	105.04p

A reconciliation of IFRS NAV per share to the three EPRA NAV measures is shown below.

As at 31 August 2021	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
Net asset value	252,698	252,698	252,698
Fair value of debt	–	–	6,532
Real estate transfer tax	–	15,636	–
At 31 August 2021	252,698	268,334	259,230
Number of ordinary shares	240,570	240,570	240,570
Per share	105.04p	111.54p	107.76p

The Group consider EPRA NTA to be the most relevant NAV measure for the Group, EPRA NTA excludes the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

23. Segmental information

Operating segments are identified on the basis of internal financial reports about components of the Group that are regularly reviewed by the chief operating decision maker (which in the Group's case is the Board of Directors of the Company) in order to allocate resources to the segments and to assess their performance.

The internal financial reports contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the consolidated financial statements.

The Group's property portfolio comprises investment property. The Board considers that all the properties have similar economic characteristics. Therefore, in the view of the Board, there is one reportable segment.

All of the Group's properties are based in the UK and as such no geographical grouping is considered appropriate for segmental analysis.

During the period the Group had 1 tenant, which was considered to be a major customer, contributing more than 10 per cent of the Group's contractual annual passing rent.

		£'000
Major customers	13 per cent	2,297
Other tenants (each less than 10 per cent)	87 per cent	15,970
Rental income	100 per cent	18,267

24. Consolidated entities

The Company owns 100 per cent of the equity shares of all subsidiaries listed below and has the power to appoint and remove the majority of the Board of Directors of those subsidiaries. The relevant activities of the below subsidiaries are determined by the respective Directors based on simple majority votes. Therefore, the Board of the Company has concluded that the Company has control over all these entities and all these entities have been consolidated within this set of financial statements.

Name of entity	Principal activity	Country of incorporation	Ownership
Home Holdings 1 Limited	Property investment	UK	100%
Home Holdings 2 Limited	Property investment	UK	100%
Home Holdings 3 Limited	Property investment	UK	100%
Home Holdings 4 Limited	Property investment	UK	100%
Fox Alpha SPV Limited	Property investment	UK	100%
Fox Bravo SPV Limited	Property investment	UK	100%
FPI Co 417 Limited	Property investment	UK	100%
FPI Co 418 Limited	Property investment	UK	100%
FPI Co 419 Limited	Property investment	UK	100%
Grolar Developments SPV 9 Limited	Property investment	UK	100%
Grolar Developments SPV 11 Limited	Property investment	UK	100%

Pathway Homes Group (Exeter) Limited	Property investment	UK	100%
Pathway Homes Group (Luton) Limited	Property investment	UK	100%
Pathway Homes Group (Morecambe) Limited	Property investment	UK	100%
Pathway Homes Group (Plymouth) Limited	Property investment	UK	100%
Pathway Homes Group (Stoke) Limited	Property investment	UK	100%

25. Post balance sheet events

Issue of New Ordinary Shares

On 27 September 2021 the Company raised £350 million through an initial issue of 321,100,917 New Ordinary Shares at an issue price of 109 pence per New Ordinary Share.

Dividends

On 15 September 2021, the Company declared an ordinary dividend of 0.84 pence per ordinary share, which was paid on 22 October 2021 to shareholders on the register as at 24 September 2021.

Acquisitions and disposals

Since 31 August 2021, the Company has acquired 539 new assets totalling £229 million (net of purchase costs) across various geographical locations in London, North West, South West, South East, East, Midlands, Yorkshire, North East regions of England and North Wales region.

These properties provide over 2,679 further beds for vulnerable homeless people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, general needs poverty and those with mental health issues.

Restricted cash

As detailed in note 10, as at 31 August 2021, £120 million of cash was held in accounts to which the Group did not have immediate access. As at the date of signing these accounts £35.9 million of this cash remains restricted and £84.1 million has been utilised or is available for use by the Group.

26. Controlling parties

There is no ultimate controlling party of the Group.

Company statement of financial position

Company number: 12822709

	Note	As at 31 August 2021 £'000
Non-current assets		
Investment property	5	9,465
Investment in subsidiaries	4	10,390
Amounts due from subsidiaries	6	185,551
Total non-current assets		205,406
Current assets		
Amounts due from subsidiaries	6	26,279

Trade and other receivables	6	201
Cash and cash equivalents	7	68
Total current assets		26,548
Total assets		231,954
Non-current liabilities		
Amounts due to subsidiaries	8	1,750
Total non-current liabilities		1,750
Current liabilities		
Trade and other payables	8	589
Total current liabilities		589
Total liabilities		2,339
Net assets		229,615
Capital and reserves		
Share capital	9	2,406
Special distributable reserve		229,360
Retained earnings		(2,151)
Total capital and reserves attributable to equity holders of the company		229,615

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss and total comprehensive income attributable to the shareholders of the parent Company for the period from 19 August 2020 until 31 August 2021 amounted to £2.2million.

The company financial statements were approved and authorised for issue by the Board of directors on 10 November 2021 and signed on its behalf by:

Marlene Wood

Director

Company statement of changes in shareholders' equity

For the period from 19 August 2020 to 31 August 2021	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to owners of the company £'000
Loss for the period		–	–	–	(2,151)	(2,151)
Transaction with owners:						
Dividend distribution		–	–	(3,993)	–	(3,993)
Share capital issued	14	2,406	238,164	–	–	240,570
Share issue costs	15	–	(4,811)	–	–	(4,811)
Cancellation of share premium	16	–	(233,353)	233,353	–	–
Balance at 31 August 2021		2,406	–	229,360	(2,151)	229,615

Marlene Wood
Director

Notes to the company financial statements

1. Basis of preparation

This consolidated set of financial statements has been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Company is registered in England and Wales under company registration 12822709.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101 and therefore these financial statements do not include:

- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with wholly owned members of the Company.

The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the period.

2. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Valuation of investment properties

The Company's estimates in relation to its investment property are consistent with the Group for which details are given in Note 7 of the to the consolidated financial statements.

3. Principal accounting policies

The principal accounting policies adopted in the preparation of the Company financial statements are consistent with the Group which are described in Note 2. Policies adopted in the preparation of the Company's financial statements that are not included in the consolidated financial statements are given below:

4. Investment in subsidiaries

Investment in subsidiaries is included in the statement of financial position at cost less provision for impairment.

	As at 31 August 2021 £'000
Balance at beginning of period	–
Additions in the year	10,390
Balance at end of period	10,390

A list of Company's subsidiary undertakings is included in Note 23 to the consolidated financial statements.

5. Investment Property

	As at 31 August 2021 £'000
Property acquisitions in the period	8,980
Accretion effect of straight-lining rent	48
Change in fair value of investment property	437
Fair value at 31 August 2021	9,465

Detailed information about the valuation of investment property is included in Note 7 to the consolidated financial statements.

6. Trade and other receivables

	As at 31 August 2021 £'000
Amounts due from subsidiaries	185,551
Non-Current Assets	185,551

These amounts due related to the acquisition of Investment Properties on behalf of subsidiary companies during the period. The subsidiary companies have no intention of liquidating these Investment Properties within the next 12 months. The Directors do not expect this amount to be paid within one year.

	As at 31 August 2021 £'000
Amounts due from subsidiaries repayable on demand	25,399
Amounts due from subsidiaries	880
Prepaid expenses	201
Trade and other receivables	26,480

7. Cash and cash equivalents

	As at 31 August 2021 £'000
Cash held at bank	68

8. Trade and other payables

	As at

	31 August 2021 £'000
Amounts due to subsidiaries	1,750
Non-Current Liabilities	1,750

	As at 31 August 2021 £'000
Trade and other payables	589
Current liabilities	589

9. Share capital

	As at 31 August 2021 Number
Ordinary shares of £0.01 each	
On incorporation	1
Further shares issued during the period	240,570,464
Issued and fully paid at period end	240,570,465

Detailed information about the share capital of the Company is included in note 14.

10. Share premium account

	As at 31 August 2021 £'000
Share premium arising on ordinary shares issued in relation to equity issuance	238,164
Share issue costs	(4,811)
Transfer to special distributable reserve (note 16)	(233,353)
Balance at end of period	–

Detailed information about the share premium of the Company is included in Note 15 to consolidated financial statements.

11. Net asset value per share

Net asset value per share is calculated by dividing the consolidated net assets attributable to ordinary equity holders of the Company by the number of ordinary shares outstanding at the reporting date. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current or comparative periods.

	Period ended 31 August 2021
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NAV (£m)	228.85
Number of ordinary shares (million)	240.57
NAV per share (£)	0.95

12. Related party transactions

The Company has taken advantage of the exemption not to disclose transactions with other members of the Group as the Company financial statements are presented together with the consolidated financial statements.

Note 18 of the consolidated financial statements includes details of other related party transactions undertaken by the Company and its subsidiaries.

13. Ultimate controlling party

There is no ultimate controlling party of the Company.

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