Member of Swiss Life Asset Managers

Property Income Trust for Charities

For the year ended **31 December 2019**

Annual Report & Audited Accounts

Property Income Trust for Charities

Working with UK Charities since 2004

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Investors' Committee Chairman's Report

Nick Shepherd
Chairman

Commercial property markets in the UK were considerably more muted in 2019 than in most of the preceding five years, largely due to political uncertainty related to BREXIT and the slowing UK economy. Total return for the year (measured by the MSCI/AREF UK All Balanced Property Fund Index) was just 1.6%, although under the continuing careful stewardship of Mayfair Capital, the Property Income Trust for Charities (PITCH) total return was 2.5% for the year, once again delivering upper quartile performance relative to the Index, which has been the case over 1, 3, 5 and 10 years.

No doubt reflecting the sustained outperformance of PITCH over a considerable period (7.5% pa over 3 years and 8.6% pa over 5 years), we welcomed over £60m of new charity subscriptions in the Fund during the year from both existing and new investors. Importantly the yield on the Fund remains relatively high, 5.4%, meaning that this element of return is attractive to our investors.

The Investors' Committee, of which I am Chairman, meets regularly during the year to review the investment strategy prepared by our Fund Managers, Mayfair Capital; to review and approve individual sales, purchases and major management decisions; to discuss and guide the Fund Managers in relation to ethical and responsible property investment policies; and perhaps most importantly to review risk, both general and specific.

Risk has been high on the agenda during the year due to the political and economic uncertainties facing the UK, but also because of particular concerns surrounding some (non property) open ended funds. We have maintained a higher level of cash liquidity than usual as a prudent provision in case of redemption pressures. Significant other areas of risk are regularly addressed at our Committee meetings to ensure that the Fund reflects the general low risk appetite of our charity investors.

During the year the importance to the investment community of developing robust and sustainable ESG policies has become ever clearer. I believe that, under the leadership of Mayfair Capital, PITCH is well ahead of other funds in this respect. We have long had clear ethical investment guidelines, appropriate to our charity investor base, and our Fund Managers have themselves promoted, and continue to develop, responsible property investment principles across the portfolio.

From a governance viewpoint, the Committee was pleased to note that Mayfair Capital was awarded a Data Quality Award by MSCI for its dealings with PITCH in relation to performance measurement whilst the Fund also retained its Corporate Governance Quality Mark for full compliance with the AREF Code of Practice. Finally, PITCH was also nominated by AREF for its Outstanding Achievement Award covering governance, environmental and social impact and investor communication.

Covid-19 presents us all with significant challenges in 2020, and this is true also for PITCH. Throughout the year we shall need to navigate a fair and equitable path with our tenants in relation to their ability to pay rents according to their leases, and unquestionably we will face the prospect of higher voids in the portfolio. However, I am confident that the quality and sector bias of the portfolio will stand us in good stead, and that our Fund Managers are well placed to guide the portfolio sensitively over the course of the year. Further commentary on the impact to the Fund of the Covid-19 outbreak can be found in both the Fund Manager's Report (page 13) and Manager's Report (page 16).

I would like to take the opportunity to thank my fellow Committee members for their sound advice and wisdom during the year, and also Mayfair Capital for their hard work and commitment to the success of the Fund. With Brexit uncertainty also still present, 2020 promises to be just as challenging as 2019, but I am confident that the Fund Managers, working with the Investors' Committee, are well equipped to continue the responsible stewardship of The Property Income Trust for Charities to the advantage of all our investors.

April 2020

Fund Information

Fund objectives and key information

The Property Income Trust for Charities (PITCH) is a unit trust designed as a pooled property vehicle available to all UK Charities and EU Qualifying Charities.

The Fund was established to permit qualifying charities to co-invest in UK property in a manner that is tax efficient for both income and capital. It also has the advantage of allowing properties to be acquired free of Stamp Duty Land Tax (SDLT).

The Fund aims to deliver a relatively high and sustainable income yield whilst at least maintaining the capital value in real terms over the economic cycle by acquiring income producing properties in the UK with growth prospects together with properties where there is "embedded" value that can be extracted through active asset management. The Fund aims to diversify risk through tenant, sector and geographic spread throughout the UK. It will not undertake any speculative development activity although refurbishment of existing assets will be undertaken where appropriate.

The Fund operates both ethical and environmental policies and seeks to be a socially responsible investor. These features are embodied in the operations of the Fund.

Full particulars of the Fund can be found in the Trust Deed.

£660m

Gross asset value

Fund summary
As at 31 December 2019

Gross asset value	£660.03m
Net asset value	£584.83m
Bid price	£0.8626
Offer price	£0.8868

Paid distribution history 2019 (p.p.u)[1]

January	0.422	July	0.442
February	0.402	August	0.390
March	0.380	September	0.390
April	0.431	October	0.342
May	0.395	November	0.382
June	0.387	December	0.382

Performance in 2019
2.5% total return (as per MSCI/AREF)

Borrowings
£75.5m (11.44% LTV on GAV, 12.91% on NAV)

Property portfolio
54 direct properties and
1 indirect holding

[1] Pence per unit (p.p.u); distributions are quoted on a paid basis in line with MSCI/AREF reporting.

All information is correct as at 31 December 2019.

Further information is available on our website https://pitch.mayfaircapital.co.uk

Dealing in the Fund

Subscriptions and redemptions

Units in the Fund may be acquired on a monthly basis and redeemed on a quarterly basis. The Trust Deed contains provisions which enable the Manager to scale back or delay redemptions in certain circumstances. Matched trades are periodically available for larger redemptions.

Investors

Only registered and exempt charities in the UK may invest in the Fund since it is exempt from SDLT on all property purchases. EU charities are able to invest with approval from HMRC. Below is an analysis of unit issuance and redemptions during the year, including secondary market trades, together with an analysis of the unitholder base as at 31 December 2019.

Unitholder movement

	Year to 31 Dec 2019	Year to 31 Dec 2018
Issues and redemptions		
Units in issue at start of year	614,131,766	533,952,916
Units issued during the year	71,220,336	90,726,817
Units redeemed during year	15,943,015	10,547,967
Units in issue at end of year	669,409,087	614,131,766
Secondary market		
Matched trades	1,410,022	392,333
Matched trades as % of units in issue at end of year	0.21	0.06

Redemption notices outstanding
As at 31 December 2019

Number of notices	49
Number of units	4,217,872
Bid per unit	£0.8626
Value at bid	£3,638,336
Total units (%)	0.63%

The forty nine redemption notices outstanding as at 31 December 2019 were redeemed in January 2020. There were no circumstances under which redeeming investors were scaled back or where the Fund was unable to meet its redemption policy or obligations during the year.

Largest investors and percentage of units in issue by ownership band

Units in issue	Number of investors	Total holding (%)
< 1%	1,343	60.83
>= 1% but < 2%	11	15.24
>= 2% but < 4%	5	14.28
>= 4% but < 8%	2	9.65
>= 8%	0	0
Total	**1,361**	**100**
Largest Investor	1	5.11
Largest three investors	3	13.28
Largest five investors	5	19.19
Largest ten investors	10	29.38
Held by Investment Managers		56.57

Pricing

The Fund's bid and offer prices have been determined in accordance with the recommendation of The Association of Real Estate Funds except that fixed rate loans have been valued at amortised cost rather than fair value.

Fund Suspension

Following the Fund's 2019 financial year end dealing of units was temporarily suspended. As per section 20.11.2 (b) of the Trust Deed, this was due to the Fund's external valuers expressing 'material uncertainly' around the final asset valuation figures in their 31st March 2020 reports. Further details can be found in the Fund Managers report, page 13.

Expense ratios

The Fund calculates annual expense ratios as per AREF guidelines, against the Fund's Gross Asset Value (GAV) and Net Asset Value (NAV) both averaged over the prior 12 months, a summary of these ratios is shown below.

Expense Ratios

	GAV	NAV
Fund Management Expense Ratio	0.51%	0.58%
Fund Operating Expense Ratio	0.15%	0.16%
Total Expense Ratio	**0.65%**	**0.74%**
Property Expense Ratio	0.14%	0.16%
Real Estate Expense Ratio	**0.79%**	**0.90%**
Transaction Costs	0.13%	0.14%
Performance Fee Ratio	–	–

The Big Berry, Berry Hill Industrial Estate, Droitwich

Total Expense Ratio (TER) includes both direct fund management fees and additional fund operating costs such as third party administration and audit fees. Property Expense Ratio (PER) includes direct property costs not recoverable from tenants such as business rates on void units, general repairs and maintenance or aborted transaction costs. Real Estate Expense Ratio (REER) is the total of the fund's TER and PER. The Transaction Cost Ratio includes all professional fees and other costs directly incurred in the purchase and sales during the year. As the Fund does not accrue or pay any performance fee, no performance fee ratio has been calculated.

The portfolio turnover ratio highlights how often the Fund buys or sells property ignoring the impact of subscriptions or redemptions and displays this as a percentage of average yearly NAV. In 2019 the Fund's turnover ratio was 3.78%.

General information

Valuation
Cushman and Wakefield (C&W) is the external valuer to the Fund. C&W also carry out valuations for secured lending purposes when properties are acquired with the use of borrowings or for the Fund's acquisitions out of cash resources. Valuations are carried out on a monthly basis on the last working day of each month. Valuations are carried out in accordance with the Practice Statements contained within the RICS Valuation – Professional Standards 2014 UK Edition (the 'Red Book').

Investors' Committee
This Committee comprises of the following:

- Nick Shepherd, Chairman (re-elected June 2018)
- Lizzy Conder, University of London (appointed May 2019)
- Simon Summers, St Catharine's College, Cambridge (re-elected May 2016)
- David Palmer, Central Finance Board of the Methodist Church (appointed January 2017)
- Simon Skinner, The National Trust for Scotland (appointed May 2019)

Conflicts of interest
In accordance with its terms of reference, the Investors' Committee may advise the Trustee or the Manager on any conflict of interest issue.

Subject to the provision of the Trust Deed, the Manager may effect transactions with or for the Trustee in relation to which it has a conflict of interest, provided that any material interest must be managed and resolved in accordance with the Manager's conflicts of interest policy and the rules of the Financial Conduct Authority.

Risk management provisions
The parameters by which the Manager acts, through guidance from the Investors Committee, include risk management provisions that are designed to avoid concentration of risk through imposing constraints on the maximum exposure that the Trust may have to single properties, and tenants, as a source of income to the Trust. Accordingly:

- No one property will amount for more than 10% of the portfolio value at the time of purchase
- The three largest properties will not exceed 35% of portfolio value
- Excluding the UK Government (and related bodies) no one tenant will account for more than 10% of portfolio income
- Investments in other property funds are limited to 10% of total assets of the Trust

The Fund is in compliance with the above.

Fund Advisers

Trustee
Vistra Trust Corporation (UK) Limited
3rd Floor
11-12 St James's Square
London SW1Y 4LB

Manager
Mayfair Capital Investment Management Limited
55 Wells Street
London
W1T 3PT

Administration
Sanne Group (UK) Limited
21 Palmer Street
London
SW1H 0AD

Property Manager
JLL
30 Warwick Street
London W1B 5NH

External Valuers
Cushman and Wakefield
43-45 Portman Square
London W1H 6LY

Independent Auditors
Crowe UK LLP
Riverside House
40-46 High Street
Maidstone
Kent ME14 1JH

Lawyers
CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

Pinsent Masons LLP
1 Park Row
Leeds
West Yorkshire
LS1 5AB

Dentons UKMEA LLP
1 Fleet Place
London
EC4M 7WS

Performance Measurement
MSCI
Ten Bishops Square
London E1 6EG

Depository
National Westminster Bank PLC
135 Bishopsgate
London EC2M 3UR

Bankers
The Royal Bank of Scotland PLC
28 Cavendish Square,
London W1G 0DB

Santander UK PLC
2 Triton Square
Regent's Place
London NW1 3AN

Property management and accounting
Mayfair Capital Investment Management Limited has appointed JLL to undertake property management including rent collection, service charge administration and be the main point of contact with tenants on matters such as assignments and alterations. Asset management or added value initiatives remain the responsibility of Mayfair Capital Investment Management Limited.

JLL is remunerated by the Property Fund Manager but charge additional fees on multi-let properties where service charges are operated. Typically, these fees amount to 10% of the annual service charge budget for a property.

Fund administration
This role is outsourced to a third party provider, Sanne Group (UK) Limited.

Management of the fund

The roles and responsibilities of the management team are as follows:

James Thornton, Fund Director

James co-founded Mayfair Capital in 2002 and became Chief Executive in April 2014. James is Fund Director for PITCH and has 38 years' experience in UK commercial property. Given Mayfair's commitment to the charity sector, James is also Chairman of the Charity Investors' Group.

Simon Martindale, Fund Manager

Simon joined Mayfair Capital in 2012. He is responsible for formulating and implementing the PITCH investment strategy, investor reporting and portfolio analysis whilst also overseeing all acquisition, disposal and asset-management activities. He has over 14 years' experience in commercial property, previously working at DTZ (now Cushman & Wakefield) and Edward Symmons (now LSH).

James Lloyd, Head of Business Development and Marketing

James joined Mayfair Capital in 2009. He is responsible for all marketing and business development in the UK, with a particular focus on charities and endowments in relation to the marketing and investor relations for PITCH. James is aTrustee of two registered charities and on the Finance Committee for a Great XII Livery Company.

Clare Berthoud, Director, Business Development - UK Charities

Clare joined Mayfair Capital in April 2017, as Director, Business Development – UK Charities and works alongside James Lloyd focusing on PITCH. Clare previously spent 19 years working at two of the largest UK Charity Fund Managers managing and advising clients as a Senior Client Relationship Director and a Fund Manager. She is also a member of the University of Exeter's Endowment and Investment Group.

Deanna Oyin-Adeniji, Associate, Investor Relations and Marketing

Deanna joined Mayfair Capital in June 2019 and is responsible for liaising with and supporting PITCH investors, as well as the marketing of PITCH. She began her career at JPMorgan, where her role entailed building relationships with institutional investors, as part of the European, Middle East and Asia Client Onboarding team.

Scott Fawcett, Director of Asset Management

Scott joined Mayfair Capital in 2013 and is Director of Asset Management. He is responsible for implementing the asset management initiatives and supporting the investment activities of PITCH. Scott has over 22 years of experience in property markets previously with Drivers Jonas (became Deloitte Real Estate) and Matrix Securities.

Frances Spence, Director, Strategy and Risk

Frances joined Mayfair Capital in September 2013. Her role includes the economic and market-trend analysis integral to our strategic approach to investment. She is also responsible for reporting and monitoring investment risk. Frances has worked in commercial property research for over 10 years, beginning her career at Estates Gazette before spending several years in the EMEA research team at Jones Lang LaSalle.

Tim Cridland, Financial Controller

Tim joined Mayfair Capital in 2017 and is the company's Financial Controller. He provides support to the PITCH team and has oversight of the financial reporting, audit and administration of the fund. Tim has over 10 years of fund experience working previously at Real Star Group.

Further information on the Management Team can be found at:
https://pitch.mayfaircapital.co.uk/people/management-team

Fund Commentary

Property Fund Manager's report

Simon Martindale
Fund Manager

Best performing charity property fund over 3, 5 and 10 years*

Just as it had in previous years, 2019 came to be dominated by political events. Brexit, of course, was the common denominator giving rise to an eventful year including a prime ministerial resignation, a Conservative leadership campaign, the pro-rogueing of Parliament and finally, a General Election and new Conservative government.

Markets tend to react badly to such periods of uncertainty, and it was no surprise that GDP growth remained subdued recording 1.4% for the year, with business investment falling to all time lows. If it wasn't for labour markets continuing to defy expectation and rising real wage growth, economic output could have been far lower.

For real estate investors, this environment caused many investors to temporarily withdraw from the market with volumes down 37% on the previous year. This was particularly the case for Central London where volumes from Far Eastern investors, for so long so dominant in the Capital, fell by 56% mainly due to nervousness surrounding the UK political situation.

Despite this, GDP growth was still broadly supportive of property returns and this was reflected in robust occupational take up in the office, warehouse and alternative sectors. This meant that provided you were invested in the right areas of the market, it was possible to generate a reasonable return in 2019. The office and industrial sectors returned 5% and 7.2% respectively, whilst alternatives returned 5.3% after significant investment into the student and residential sectors. This reinforced the importance of prudent stock selection and sector positioning.

Retail, however, had another challenging year with several new administrations and CVAs including Jessops, Clintons, Mothercare, Debenhams, Jack Wills to name but a few. As a result, rental values in the sector continued their downward trajectory with the MSCI All Property Index recording negative capital growth of -12.1% over 12 months. Retail warehousing, particularly the non-fashion parks, remained a more resilient sub-sector where discount or convenience-based retailers continued to modestly expand therefore helping to prop up rental values.

The polarised performance of retail meant in overall terms it was a relatively disappointing year for property. The MSCI Quarterly UK All Property Index recorded a total return of 1.2%, well down on the 6.0% recorded in 2018. However, excluding the impact of retail, total returns were 5.6%.

This backdrop caused many investors to try to reduce their weightings to retail. For some, this proved an almost impossible task, as we saw in the Autumn with the well-publicised gating of the daily traded M&G Property Fund, which held over 40% in retail mostly in secondary shopping centres. On one hand this demonstrated the ongoing issue of trying to offer daily liquidity from investing in property, but also the dangers of failing to react quick enough to structural changes in markets.

* MSCI /AREF UK All Balanced Property Fund Index as at 31 December 2019

Property Fund Manager's report

PITCH, by contrast, continued to benefit from its sector positioning with over 83% invested in offices, warehousing and alternatives and only 11.9% in retail warehousing, comprised of entirely non-fashion discount/value retail parks, and 4.8% in High Street retail.

The Fund wasn't wholly immune to the troubles of the retail sector however, and in June, the Southport retail property let to Debenhams was announced for closure, in connection with the retailer's CVA. This resulted in an immediate valuation reduction, although as a relatively small lot size in the context of a large, diversified portfolio, its overall impact across the year was fairly modest.

PITCH's total return for the 12-month period was 2.5%, with overall valuation declines from retail offset by the Fund's relatively high income yield, the robust performance of its office, industrial and alternative assets and asset management. This 2019 return was below the Fund's total return objective, but PITCH has continued to deliver attractive returns over the economic cycle. By way of reference, the MSCI/AREF UK All Balanced Property Fund Index returned 1.6%, which was negatively impacted by its weighting to All Retail of 24%.

In response to falling retail valuations and the wider uncertainty posed by Brexit, we took the decision to increase the Fund's cash weighting during the latter part of 2019. This was to provide a 'hedge' against the impact of borrowings and provide liquidity in the event of enhanced redemptions. As a percentage of NAV, the cash weighting averaged 8.2% throughout the year. Despite the higher allocation to cash, the Fund distributed an attractive yield to investors of 5.4% over 12 months.

At the start of each year we carry out an annual hold-sell analysis to determine the likely future performance of individual assets and consider portfolio risk. This is a valuable exercise, particularly in view of the structural changes impacting markets and to ensure the Fund continues to hold a high performing portfolio of thematic property assets. Together with the Fund's Stamp Duty exemption, this analysis helps to ensure the Fund remains nimble to increase or decrease exposures to certain sectors of the market whilst also maximising returns to investors.

The hold-sell exercise led us to reshape the office portfolio with sales of four non-thematic investments: Opal Drive, Milton Keynes; Decimal Place, Amersham; Interface House, Wootton Bassett and Lambourne House in Cardiff. These assets were no longer deemed to be attractive to the modern occupier, with limited prospects for rental growth.

The sale proceeds were re-invested into a new high quality, energy efficient office at 3 Capital Quarter, Cardiff for £27m. This enhanced the portfolio composition offering a net yield to PITCH of 6.3% and a WAULT of just under ten years whilst also providing superior rental growth prospects. The yield on this investment was particularly attractive to PITCH due to the higher Stamp Duty rates payable in Wales, which is 6% over £250,000 (compared to 5% in England).

It was another successful year for asset management as we continued to engage closely with our tenants to understand their business needs and explore opportunities for tenancy enhancements. We completed several lease extensions, including at the warehouses in Tewkesbury and Huddersfield and offices in Cardiff (Oakleigh House) and Haydock. These initiatives added some £1.25m of valuation growth whilst also extending the portfolio lease length. What was also particularly pleasing was our ability to increase rents. In the case of Oakleigh House, this equated to an increase of 59% reflecting the shortage of office space in Cardiff city centre and strength of tenant demand. This was a trend seen across many regional office markets in 2019.

We completed two major refurbishments during the year. This included a complete refurbishment of 33,000 sq ft at Trinity Court, Solihull that included replacement of all Mechanical and Engineering items and the installation of new shower and bike facilities. This improved the EPC rating from "E" to "B". A second refurbishment was completed at Brewery Wharf, Leeds which improved the EPC rating from "E" to "C". A subsequent letting was achieved to an existing tenant, increasing the rent by 26%.

2019 was also notable for the growing focus from investors on climate change and sustainability issues. ESG has always been an integral part of PITCH's investment strategy however, as stewards of such a broad mix of charity capital we recognise it is an increasingly broad and evolving area, requiring constant improvement. To assist with this, we appointed an external specialist consultant, Evora, to develop a Mayfair Capital ESG Policy, which included the adoption of KPIs to measure our success at meeting certain objectives across our three investment stages: Transactions, Developments & Refurbishments and Operational. In recognition of our continued focus on sustainability issues, we maintained the Fund's positive GRESB score of 70.

Turning our attention to the next 12 months, we had expected 2020 to provide the conditions for stronger property returns. The onset of the Covid-19 pandemic, however, has fundamentally altered the outlook for the economy, which is expected to enter technical recession during the course of the year. Social distancing measures introduced by the government has led to the closure of schools, shops, bars, restaurants and hotels, which is likely to lead to widespread redundancies and business closures. This poses a considerable threat to landlords of commercial property in terms of rent collection and the onward distribution of income to investors, particularly for those portfolios with a high weighting to retail, leisure and hospitality and weaker covenants.

In light of the challenges of completing physical due diligence of property, we have already witnessed a sharp reduction in investment transactions with valuers expressing 'material uncertainty' about the final valuation figures in their Q1 2020 reports. In accordance with best practice guidelines from the FCA, this has caused many institutional and retail funds to suspend dealing. It is important to stress that in most cases, this is not a liquidity issue caused by redemptions, but primarily due to a lack of comparable evidence upon which valuers can base their valuations.

Having amended the PITCH Trust Deed redemption provisions in 2019 to mirror these guidelines, we have taken the same decision to close the Fund for all subscriptions and redemptions with effect from 31 March 2020. Again, this was not in response to any liquidity pressure with the Fund holding in excess of £100m of cash going into this period. The decision was made with the sole aim of ensuring the fair treatment of all investors at a time when it is difficult to provide a fair and accurate assessment of the current NAV. Dealing is likely to recommence once greater buying activity returns to the market and the valuers remove their qualification wording, which we expect will occur in parallel with the relaxation of social distancing measures.

We expect all property portfolios to be impacted over the course of the next year, whether this is from lower income receipts or falling valuations. The best performing portfolios will be those that can preserve their rental income, which reinforces the need for a strong tenant base, a low void rate and a weighting to more resilient sectors of the economy such as logistics and technology. With over 70% of the portfolio in warehousing and offices, a low weighting to retail of only 4.7%, limited gearing (11% LTV) and 89% of all tenants rated as "low" or "minimal" risk (by Dun and Bradstreet), we believe that PITCH is in a reasonably strong position to weather the considerable effects posed by current events.

We recognise how important income is to so many of our investors, particularly during these challenging times, which is why our strategy for 2020 is focused almost entirely around income preservation. Although the Fund is largely well positioned to continue to deliver a relatively high yield, the effects of the virus are likely to be so far ranging it is almost certain that distributions will be lower in 2020. As a landlord with a strong ethical focus, we also must balance the need to maximise distributions with helping tenants, where we can, to ensure they can continue to meet their rent obligations over the term of their lease. In some cases, this may result in rent deferrals however the intention is that any shortfall in income this year can be recovered at a later date.

We recognise that we are in a unique, fast-moving situation and it will be a while before the full effects of the virus are felt on the economy and markets. Our priority during such times, therefore, is to remain in close communication with regular reporting to ensure investors are constantly informed of progress on such items as rent collection, fund liquidity and asset management. In such a way we hope that investors can adapt their own business plans accordingly as the year progresses.

Finally, it remains for me to thank all those external parties whose invaluable input and advice continues to help develop, guide and improve the Fund. This includes the Fund's Investor Committee under Nick Shepherd's Chairmanship, Sanne as fund administrator, Vistra as corporate trustee, Natwest as depositary, Crowe as fund auditors, JLL as managing agents, Cushman & Wakefield as external valuers and CMS, Dentons and Pinsent Masons as legal advisers.

April 2020

Manager's report

Covid-19

Whilst these financial statements are for the year to 31st December 2019, it is appropriate to start our Manager's report considering the economic situation in which we find ourselves post the financial year end.

As has been widely reported and referenced in both the Chairman's and Fund Manager's individual reports, the Covid-19 outbreak has caused significant disruption across the world since originating in China at the end of 2019. The UK recorded it's first case In January of 2020 with cases continuing to rise steadily over the following few months. In response, the UK Government has been working hard to negate the impact of the outbreak across society. However, social distancing measures and the enforced closure of non-essential shops, restaurants, hotels, leisure and educational facilities has placed unprecedented cashflow pressure on many businesses. As an owner of commercial real estate, PITCH is of course impacted by these developments.

As part of the 2019 year end audit the Fund's auditors, Crowe UK LLP, have reviewed post balance sheet events including the Covid-19 outbreak and considered any impact on the financials to 31st December 2019 whilst assessing the Manager's review of the Fund's ability to remain a going concern for at least twelve months post signing. A review of post balance sheet events is industry practice but given the set of circumstances a more thorough analysis has been undertaken particularly looking at the Fund's going concern assumptions. In summary, Crowe assessed the Fund's going concern assumptions looking forward for the next 12 months and consider them reasonable under the current circumstances. However, it is important to note that under FRS 102 the impact of Covid-19 on property valuations is treated as a non-adjusting post balance sheet event. As such property valuations at the year end are not reassessed to take account of the impact of Covid-19 and therefore any decreases in the valuations caused by the outbreak are not reflected in these financial statements. The Fund's properties are valued in the financial statements at the value they were on 31 December 2019. As at 31 March 2020, the Fund's valuers were unable to accurately value the properties, which is why a 'material uncertainty' clause was included in their valuation report. This is why the Fund is currently suspended. There is a risk therefore, that the valuations at this date could therefore be significantly lower than shown in these financial statements. Further information on the going concern key risks and assumptions can be found on page 43.

For Mayfair Capital as Manager of PITCH it is very disappointing to have to suspend dealings, having never had to resort to this in the 15-year history of the Fund. After the uncertainty in 2019 of Brexit and political impasse, we were already adopting a defensive posture and holding above average levels of cash in order to preserve liquidity. However, the principle of treating all investors fairly must prevail.

The economic environment has presented a challenging set of circumstances for an income focussed, ethically minded fund such as PITCH. On one hand rests the fiduciary duty to maximise income returns to investors however, on the other is the need to support tenants where there is a genuine case for doing so, in recognition of the extraordinary short term impact that many of them face. Where requests for rent concessions have been sought, a firm but fair approach has been adopted based on tenant needs, prioritising monthly payments in the first instance, followed by rent deferrals, to ensure that the short term impact on distributions can be recovered at a later date. However, given the situation we have to expect that there will be some income lost across the portfolio. As Manager we will be in continual dialogue with the Fund's Property Manager, JLL, to keep up to date with tenant developments and to ensure the Fund Administrators have all the relevant information to accurately calculate the monthly NAVs and income distributions.

It is difficult to ascertain at this stage how severe the impact of the Covid-19 outbreak will be in terms of economic downturn for the world generally, the UK and in particular commercial real estate markets. However, in terms of PITCH specifically, given the underlying sector positioning of the Fund, quality of the majority of tenants and size of cash balances held, we believe whilst clearly a challenging period, PITCH is well positioned to weather the impact of the Covid-19 outbreak.

Environmental, Social Governance (ESG) review

As in previous years, as Trust Manager, we recognise the impact of sustainability issues on the investment performance of the Fund's portfolio. We continue to believe that we have a fiduciary duty to our investors to consider these risks and opportunities in our investment decisions. This includes implementing processes and procedures to ensure we are reducing our impact on the environment and ensuring a positive impact within the communities where we invest.

Responsible Property Investment – A reminder of our Key Principles

Environmental stewardship

We recognise the impact our buildings and operations have on the environment and believe that we are responsible for minimising our consumption of natural resources.

Social responsibilty

We believe that our business activities should have a positive impact on the communities in which we operate, from both an ethical and environmental perspective.

Compliance

We believe that at all times we as Manager must comply with regulation and legislation pertaining to sustainability, as well as internal policies, and that a level of preparedness for forthcoming regulation should be demonstrated.

Engagement

We recognise the benefit of engaging with our employees, stakeholders and the wider industry to create awareness around sustainability issues and ensure our objectives are achieved.

Continuous improvement

We will work towards best practice when implementing our sustainability principles and ensure continuous improvement through regular reviews of our objectives and targets.

This has led us to adopt, amongst others, the following objectives.

Environmental stewardship

Acquisition

- Assess all potential investments according to our internal pre-acquisition sustainability checklist in order to identify the level of risk and resilience within each environmental consideration;
- Undertake a formal environmental risk assessment on potential investments (including flood risk, ground contamination, asbestos, pollution etc.); and
- Establish the potential to improve the existing environmental performance of the potential investment or reduce any existing risk.

Development / Refurbishment

- Review the sustainability credentials of potential contractors and determine whether they are in line with the Fund's principles;
- Seek to achieve best practice on energy efficiency standards and comply in particular with Minimum Energy Performance Standards regulations in line with the Energy Act 2011 and all Building Regulations;
- Prohibit the use of materials that have potentially hazardous effects and use sustainable materials as far as possible; and
- Minimise the risks of pollution or contamination arising from refurbishment activities.

Management

- In those buildings where we hold all or some level of control:
  - Reduce energy consumption and establish the potential for renewable energy generation;
  - Limit the amount of waste being sent to landfill and increase the proportion of waste being recycled;
  - Reduce water consumption and identify opportunities
    to install water efficient practices; and
  - Encourage green travel plans and where possible, install cycle storage.
- Collect and manage environmental data points on an ongoing basis to monitor progress and improvement; and
- Collaborate with tenants to encourage data and knowledge sharing.

Manager's report continued

Social responsibility
- Review the ethical, environmental and social performance of all key suppliers and their compliance with labour laws;
- Support regular training and development for employees;
- Promote safe and healthy buildings which encourage productivity and positive customer experiences for the communities, workers and visitors who use them; and
- Implement and monitor the adoption of the Fund's Ethical Policy under the supervision of the Fund's Investors' Committee.

Compliance
- Ensure that all business activities and property assets are compliant with applicable environmental regulation and policies;
- Engage with all key suppliers to ensure that they are compliant with relevant regulation;
- In addition to all industry relevant policies, ensure that all assets under management, potential investments, employees and stakeholders adhere to internal policies on Ethical Investing, Anti-bribery, and Equal Opportunities Employment;
- Maintain a good understanding of all current and future regulatory requirements; and
- Undertake regular health and safety inspections in accordance with current legislation.

Engagement

Tenant engagement
- Promote dialogue and raise awareness among all tenants with respect to energy, water and waste consumption;
- Where possible include a Memorandum of Understanding ("MoU") or green clauses in leases to encourage data sharing and cooperation to improve sustainability.

Stakeholder engagement
- Encourage all managing agents, third party consultants and service providers to apply sustainability principles as part of their obligation and commitment to the Fund and when necessary take appropriate action when these principles are not being adopted to a satisfactory standard;
- Consider the level of commitment to sustainability of potential investment partners and pursue dialogue with these parties when their standards are in conflict with the Fund's sustainability principles;

Industry engagement
- Engage with the wider industry in promoting sustainability as a mainstream consideration of investment performance by contributing to and attending relevant working groups and industry events.

Continuous Improvement
- Conduct regular reviews on the environmental performance of our assets under management to determine whether targets are being reached; and
- Review Mayfair Capital's RPI Statement, Policies, KPIs and targets every year to ensure they are realistic and relevant.

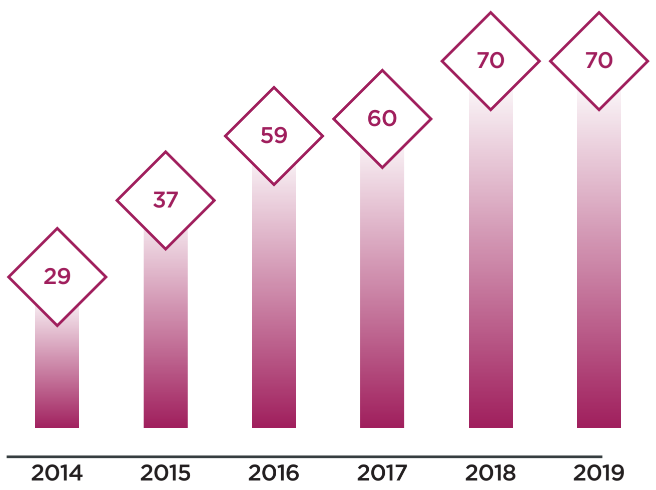
Performance & Progress

GRESB Progress

The Global Real Estate Sustainability Benchmark (GRESB) has developed over the past several years to become the key measure of property funds progress in sustainability matters.

PITCH has been submitting data to GRESB for six years and we are pleased to have made substantial progress over this period.

From a starting point of 29 in 2014 we have this year achieved a score of 70/100. This was the same as in 2018 and highlights our ability to maintain the existing improvements in our monitoring of energy, waste, water usage and consequent improvements of our performance indicators.



Responsible Investment

In 2018, we submitted PITCH for assessment by the PRI (Principles for Responsible Investment) for the first time.

The Fund secured an A rating in the areas of Strategy and Governance and a B within the Property Module.

In 2019 we came under the umbrella of Mayfair Capital's ultimate owner, Swiss Life, for the purposes of PRI. The overall result was A+ for Strategy and Governance and A for the Property module.

Measuring & Monitoring

We monitor all of our multi-let properties so that we concentrate on assets where we are involved in the supply of utilities and services, as well as having most control.

Having built up a record of the usage of energy and water and the production of waste, we are now in a position to analyse trends and set long term targets

Target Setting

In the UK, the Government has set a target, in the Climate Change Act, to reduce greenhouse gas emissions by 80% by 2050 (against a 1990 baseline). There are two ways in which a property fund can contribute towards meeting these objectives – either by reducing the amount of energy consumed or by decarbonising that energy.

We have chosen to utilise both approaches as each brings benefits to our tenants and the wider world.

First, we have switched all landlord controlled electricity to certified renewable supplies. Since April 2016, all our electricity has been provided by hydro, wind and solar sources. However, these supplies are limited and so it remains important to try to reduce the absolute amount of energy consumed - and this also benefits our occupiers through reducing costs.

Secondly, we have analysed the portfolio to assess what energy reductions are required to meet the Government's 2050 target (if the current use of renewable energy is ignored). This shows the need to reduce annual carbon emissions by 3% pa.

So, despite the portfolio already meeting the 2050 target, we have reviewed our individual assets and prioritised the properties where we believe that the most significant impact can, and should, be made and targets have been set for individual assets ranging broadly between.

	Measure	2018	2019	Change
Electricity (kWh)	Absolute	3,295,781	3,357,207	+8%
	Like for like	2,801,626	2,592,887	-7%
Gas (kWh)	Absolute	2,434,155	1,748,549	-28%
	Like for like	2,434,155	1,748,549	-28%
CO_2 emissions (tonnes)	Absolute	767	297	-61%
	Like for like	679	282	-58%
Water (m^3)	Absolute	20,890	20,128	-4%
	Like for like	20,900	20,127	-4%
Recycling	Absolute	60%	61%	+1%
	Like for like	N/A	N/A	–

The fall in like for like gas and electricity is attributed to works undertaken in Cheltenham and Leeds and one property becoming vacant.

Index Analysis

	2014/15	2015/16	2016/17	2017/18	2018/19
Indexed Energy Intensity	100	93	87	146	128
Indexed Emissions Intensity (Location)	100	89	76	115	88
Indexed Emissions Intensity (Market)	100	25	19	47	35

The indexes enable us to monitor progress despite the ever changing nature of the underlying portfolio and each shows a substantial reduction over the past three years.

The two emissions based indexes examine the required different measures of emissions. Location-based emissions account for actual consumption of all energy and bases the emissions amounts on a county wide average. Market-based missions takes into account the actual energy contracts used and use of any greenhouse gas reducing mechanisms. For us, this means that the use of 100% renewable removes all electricity emissions from the calculation, hence the substantial fall in the index early on.

The rate of change in the indexed intensity for PITCH varies depending on which indicator is used. On an energy intensity basis, there has been an overall increase from 2014/15 to 2018/19. The increase can largely attributed be attributed to the inclusion of Jessop House (the fund's highest energy consuming asset) into the analysis in 2017/18.

However, the reduction in 2018/19 demonstrates the significant reductions in gas and electricity at the site in comparison to the previous year.

The emissions intensity using location-based factors (i.e. the UK grid average for both electricity and gas) has reduced in the same period. This decrease is caused by the significant reduction in location-based GHG emissions factors, hence explaining why there is a decrease in emissions intensity but an overall increase in energy intensity. PITCH has reduced its location-based emissions intensity by 12.1% from 2014/15 to 2018/19.

For the emissions-intensity using market-based emissions factors (which take into account PITCH Fund's renewable electricity supply contract), it has decreased significantly by 65% from 2014/15 to 2018/19. This significant decrease reflects the transition to certified renewable electricity. The market-based emissions intensity therefore represents only the emissions resulting from the burning of natural gas. In particular, PITCH's market-based emissions intensity decreased by 25.3% in 2018/19, largely as a result of the significant decrease in natural gas consumption at Jessop House.

Social Engagement

In addition to other company initiatives described previously, we have also sought to facilitate the charitable aims of our tenants within the Property Income Trust for Charities fund (PITCH) through the establishment of our PITCH Award.

Our tenants are encouraged to apply for this by demonstrating how it could enhance the work they are already doing for local charities. In recent years we have been able to help contribute towards refurbishment work at the Royal Brompton and Harefield Hospital, putting on activities for disabled children at Challengers in Guildford and for Contact the Elderly in Amersham. We look forward to continuing this scheme in the coming years.

Ethical Policy

Given the nature of its investors, the ethical policy that The Property Income Trust for Charities adheres to, in the management and investment of the Fund, is worthy of specific mention. The Investors' Committee monitors the portfolio according to the stated policy and ensures that the Fund does not undertake any activity which would likely bring the Fund into disrepute with its investors. The policy states that the Fund will not invest in property assets where an unacceptable level of a tenant's business turnover is derived from any of the following activities:

- Alcohol production or consumption
- Gambling
- Manufacture or sale of armaments
- Manufacture or sale of tobacco products
- Pornography or sex industry
- Other activities deemed to be unacceptable from time to time

As at 31st December 2019, the Fund held 0% in the sectors above, with the exception of alcohol where several 'family' restaurants are owned but provide less that 2% of the fund's income.

Compliance with this policy is considered by the Investors' Committee at the time of the property acquisition and reviewed on an ongoing basis at quarterly meetings.

For further information on the Fund's approach to Responsible Property Investment please visit the website.

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD was transposed into UK Law on 22 July 2013. The Manager is authorised by the FCA to manage both authorised and unauthorised Alternative Investment Funds (AIFs). PITCH is considered an AIF and as such the Manager is required to comply with the disclosure, reporting and transparency obligations of the AIFMD.

The Manager's remuneration Policy:

- aims to promote sound and effective risk management and discourage risk-taking that exceeds the level of risk tolerated by the Manager and the AIFs it manages
- is in line with the business strategy, objectives, values and long-term interests of the Manager, the AIFs and their investors
- aims to reward performance and retain talented employees

The Manager has established a Remuneration Committee to ensure the requirements of the AIFM Remuneration Code are met proportionately for AIFM Remuneration Code Staff.

The aggregate total remuneration paid to the AIFM Remuneration Code Staff of The Manager for the accounting period was £1,326,402, all of which was paid to senior management. The AIFM Remuneration Code Staff provide services to other funds managed or advised by the Manager, and are included in this disclosure as their professional activities are considered to have a material impact on the risk profile of the Manager and/or PITCH.

Governance Procedures

We cannot expect or encourage our tenants to operate ethically and with probity unless we do so ourselves.

Mayfair Capital has rigorous procedures and training to ensure that our investors' funds are wisely invested and completely protected.

We operate numerous investment committees and review boards to scrutinise investment decisions and to ensure that investment risk is properly managed.

In running our business, procedures are in place to give transparency and ensure that no undue influence is exerted over our decisions.

The company is authorised and regulated by the Financial Conduct Authority. It is also an approved Alternative Investment Fund Manager and complies with the Alternative Investment Fund Managers Directive.

We are also members of the IIGCC and GRESB and a signatory of UNPRI.

IIGCC Institutional Investors Group on Climate Change

GRESB REAL ESTATE Member

Signatory of:

PRI Principles for Responsible Investment

Fund Governance

Simon Skinner, representing The National Trust for Scotland and Lizzie Conder, representing the University of London were both appointed to the Fund's Investors' Committee during the year. There were no other changes to the committee during 2019.

Trust Deed

The most recent Trust Deed is dated 3rd January 2019.

Simon Martindale
Mayfair Capital Investment Management Limited

April 2020

Statement of Manager's responsibilities

The Trust Deed requires the Manager to prepare accounts for each accounting period which give a true and fair view of the financial affairs of the Fund at the end of that period and of its income and expenditure for the financial year.

In preparing the accounts the Manager is required to:

- Select suitable accounting policies and apply them consistently.
- Follow generally accepted accounting principles.
- Make judgements and estimates that are reasonable and prudent.
- Prepare accounts on the basis that the Fund will continue in operation unless it is inappropriate to presume this.
- Ensure proper accounting records are kept which enable the Fund to demonstrate that the annual accounts as prepared comply with the above requirements.

The Manager is also responsible for:

- Appointing the auditors of the Fund.
- The maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Manager shall keep or cause to be kept proper books of account and records showing all transactions effected on behalf of the Fund and shall permit the Trustee and its authorised agents from time to time on reasonable notice to examine and take copies of and extracts from such books of account and records.

The Manager shall also, whenever requested to do so, furnish to the Trustee all such information and explanations as the Trustee may require in relation to such transactions or dealings or the conduct of the affairs of the Fund (in so far as such conduct is in the hands of the Manager) and shall produce to the Trustee from time to time on demand all documents in the possession or power of the Manager relating to the matters aforesaid.

The Trustee may accept and shall not be bound to verify information and documents so given or produced by the Manager (including any valuation made or obtained by it for the purposes of the Trust Deed) unless the Trustee has actual notice of any irregularity.

Cardiff, Capital Quarter

Properties

New purchases

Newmarket

At the beginning of 2019 the Fund completed on the purchase of a further unit at the new build warehouse development comprising St Ledger Drive, Newmarket Business Park. The property is let to Tristel PLC on a 15 year lease with RPI linked rent reviews. The purchase price of £3.5m provides an attractive yield to the fund of 5.5%.

Capital Quarter, Cardiff

During Q3 2019 the Fund acquired a new build office in Cardiff for £27m, providing a yield to the Fund of 6.3%. Cardiff has multiple thematic drivers including a strong university presence and a fast growing tech and life sciences employment sector. Like many regional cities demand continues to outstrip supply and the passing rent of £22.30 per square foot provides an excellent base for rental growth.

Sales

Omron House, Opal Drive, Milton Keynes

This business park office building in Milton Keynes sold in January 2019 for £4.7m after the lease had recently been extended thereby concluding the business plan of the asset. The sale price was £285,000 above valuation and crystallised an attractive ungeared IRR of 11.3% pa during the period of ownership.

Sales

Lambourne House, Cardiff

During Q3 2019 this vacant office was sold in line with valuation of £1.75m. The property occupied a non-thematic location with sales proceeds to be reinvested in assets with superior rental growth prospects.

Decimal Place, Amersham

This office sold in September 2019 for £12.8m to a local council buyer at £250k above valuation. The property had just under nine years remaining on the lease but was expected to underperform relative to neighbouring south east office markets particularly those on Crossrail routes. The sale crystallised an ungeared IRR to the Fund of 8.3% pa

Interface House, Royal Wootton Bassett

The sale of this business park asset in September 2019 for £6.75m to a local council concluded a highly opportunistic investment originally made in April 2014 for £4.65m. The IRR on sale equated to an ungeared return of 14.3% pa.

Doncaster, West Moor Park

Properties held

Industrial

Property	Town	Principal Tenants	Region	Completion
Unit 1, Bristol Distribution Park, Hawkley Lane	Bristol	DHL International (UK) Ltd	South West	04/03/2005
Martin Avenue, March Trading Estate	March	March Foods Ltd	Eastern	08/03/2006
Plots 2-4, Newmarket Business Park	Newmarket	Taylor Wimpey UK Ltd	Eastern	28/04/2006
Unit 2, Tameside Industrial Park	Dukinfield	Ritrama UK Ltd	North West	23/03/2007
Gyrus, St Mellons Business Park	Cardiff, St Mellons	Gyrus Medical	Wales	29/05/2007
Trelleborg Unit, Tewkesbury Business Park	Tewkesbury	Trelleborg Sealing Solutions UK Ltd	South West	07/12/2007
Thatcham Unit, Colthrop Lane	Thatcham	The Motor Insurance Repair Research Centre	South East	23/12/2009
Units 1 & 2 Langley Connect	Langley	Premier Forest Products Ltd	South East	08/10/2010
Units 1A, 1B & 1C New Hythe Business Park	Aylesford	British Telecommunications Plc	South East	09/06/2011
Unit G, Century Park	Wakefield	Northern Foods Ltd	Yorks & Humberside	03/07/2013
Capgemini, South Marston Park	Swindon	Capgemini UK Plc	South West	20/12/2013
Phases I & II, Trax Park	Doncaster	Wincanton Holdings Ltd	Yorks & Humberside	17/09/2014
Croset Avenue	Huddersfield	Cummins Ltd	Yorks & Humberside	16/04/2015
Armtech Row & Technine	Yeovil	Various	South West	16/04/2015
1 Yorkshire Way, West Moor Park	Doncaster	ASOS	Yorks & Humberside	25/06/2015
Plot 8, Newmarket Business Park	Newmarket	DNow UK Ltd	Eastern	10/07/2015
Plot 1, Newmarket Business Park	Newmarket	Smiths News Trading Ltd	Eastern	10/07/2015
Southmoor Lane	Havant	Lewmar Ltd	South East	01/09/2015
Bartley Point	Hook	DFS Trading Ltd / Consentino	South East	01/10/2015
Royal Mail	Peterborough	Royal Mail Group Plc	Eastern	14/10/2015
Rehau	Runcorn	Rehau Ltd	North West	05/02/2016
The Big Berry, Berry Hill Industrial Estate	Droitwich	Antolin Interiors Ltd	West Midlands	29/06/2018
9-11 Newmarket Business Park, Unit B	Newmarket	Cosentino UK	Eastern	05/10/2018
Plot 100, Oaks Drive	Newmarket	Lind US Ltd	Eastern	21/12/2018
9-11 Newmarket, Unit A	Newmarket	Tristel Plc	Eastern	08/02/2019

Offices

Property	Town	Principal Tenants	Region	Completion
Wallbrook Court, Botley	Oxford	Environmental Resources Management Ltd	South East	24/02/2005/ 19/04/2006
Units 15 & 16, The Parks	Haydock	Speedy Hire / Maintel	North West	15/12/2005
65 Woodbridge Road	Guildford	Various	South East	11/01/2012
Brewery Wharf	Leeds	NHS Confederation	Yorks & Humberside	30/09/2013
86 Deansgate	Manchester	Various	North West	08/04/2014
Interface House	Royal Wootton Bassett	Swindon Silicon Systems Ltd	South West	08/04/2014
Forest House	Crawley	Bard Ltd	South East	21/08/2014
Oakleigh House	Cardiff	Cunningham Lindsay UK Ltd	Wales	15/12/2014
Plot 3000, Cambridge Research Park	Cambridge	Kier Construction Ltd	Eastern	23/12/2014
T2 Trinity Park	Solihull	Vacant	West Midlands	21/03/2016
37 Park Row	Nottingham	Thompson & Partners	East Midlands	01/11/2016
Jessop House, Jessop Avenue	Cheltenham	Capita Mortgage Administration Ltd	South West	03/02/2017
90 Victoria Street	Bristol	Various	South West	12/10/2017
Centenary House, 10 Winchester Road	Basingstoke	Kier Construction Ltd	South East	22/12/2017
36 Clarendon Road	Watford	Salmon Ltd	South East	15/06/2018
Stone Cross	Brentwood	Sky CP	South East	25/06/2018
31 Booth Street	Manchester	Various	North West	14/12/2018
3 Capital Quarter	Cardiff	Various	Wales	19/09/2019


Stone Cross, Brentwood


31 Booth Street, Manchester


Oakleigh House, Cardiff

Properties held continued

Retail

Property	Town	Principal Tenants	Region	Completion
Debenhams, 535-563 Lord Street	Southport	Debenhams Retail Plc	North West	08/06/2010
26-27 Fore Street	Taunton	Natwest	South West	30/09/2013
Units 3.1-3.4, Peninsula Square	Greenwich	Various	Rest of London	31/01/2014
Albion Place	Skipton	Next	Yorks & Humberside	01/07/2014
Zizzis, Gandy Street	Exeter	Azzurri Restaurants Ltd	South West	02/08/2017
Cote, High Street	Esher	Cote Restaurants Ltd	South East	23/08/2017

Retail Warehouse

Property	Town	Principal Tenants	Region	Completion
Pudsey Road, Hough End	Leeds	Wickes Building Supplies Ltd	Yorks & Humberside	07/12/2009
Tunnel Drive	Redditch	Matalan Retail Ltd	West Midlands	22/12/2011
Widnes Trade Park	Widnes	B&Q Plc	North West	20/06/2014
Winchester Road Trade Park	Basingstoke	Formula One Autocentres Ltd	South East	16/04/2015
Border Retail Park	Wrexham	Wickes Building Supplies Ltd	Wales	30/06/2015
Lady Bay	Nottingham	Various	East Midlands	17/01/2017
Western Way Retail Park	Bury St Edmunds	Various	Eastern	20/12/2018

Other

Property	Town	Principal Tenants	Region	Completion
Premier Inn, Lansdowne Road & Co-operative Foodstores Ltd	Croydon	Premier Inn Hotels Ltd	Rest of London	28/01/2014
Travelodge & Bathstore, Queens Road	Norwich	Travelodge Hotels Ltd	Eastern	27/08/2015
Brookfield Care Home, Little Bury	Oxford	Methodist Homes	South East	28/11/2017

Peninsula Square, Greenwich

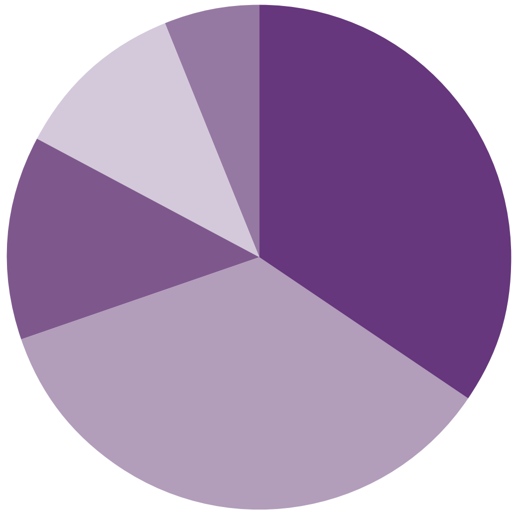
Western Way Retail Park, Bury St Edmunds

Premier Inn, Lansdowne Road, Croydon

Portfolio Analysis

As at 31 December 2019

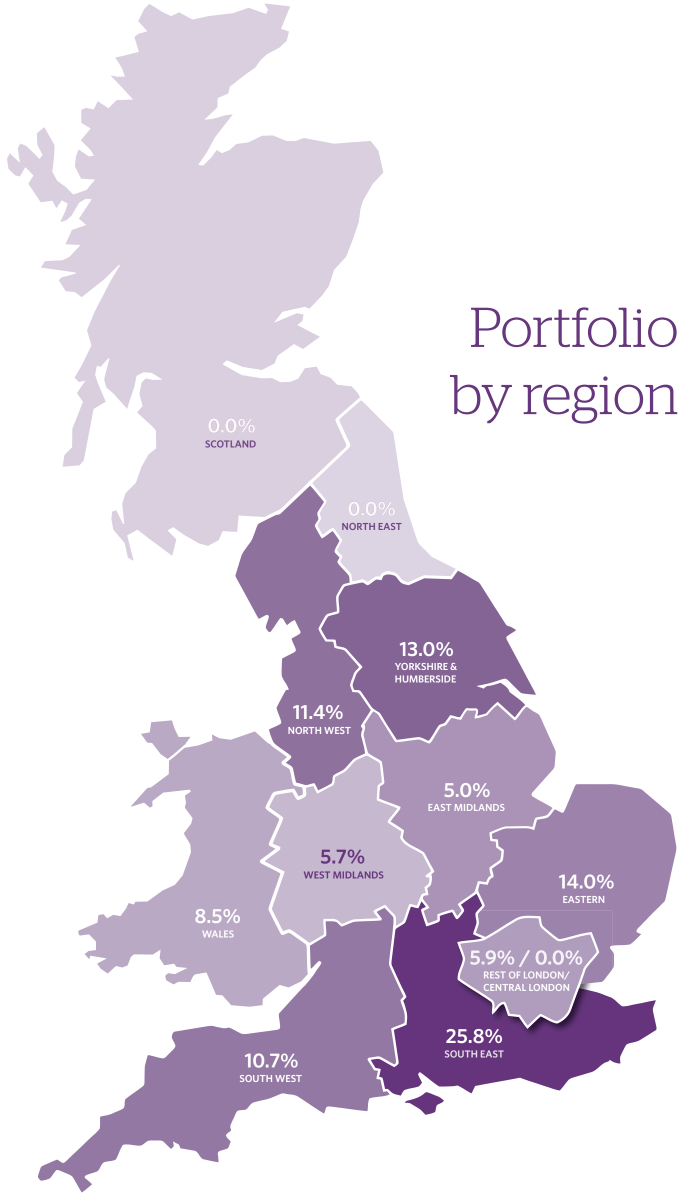
Portfolio by sector



Sector	%
Office	35.6%
Industrial	35.5%
Other	12.2%
Retail warehouse	11.9%
Retail	4.8%

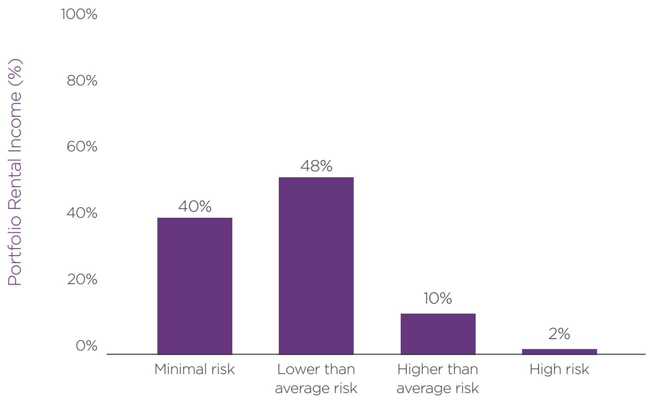
Source: Mayfair Capital

Portfolio by region

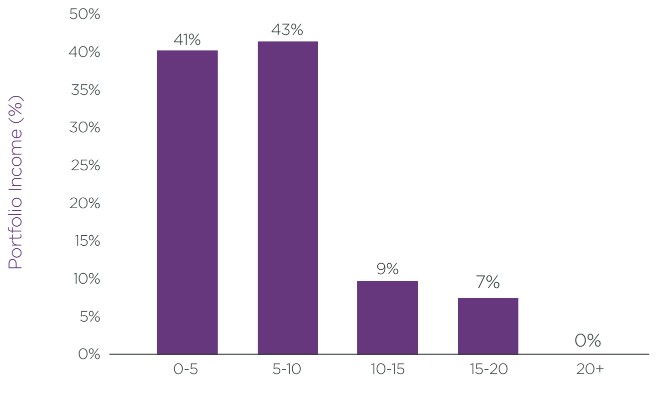


Portfolio Analysis continued

Portfolio by covenant rating



Portfolio by unexpired lease profile



8.6%

Total Return annualised over the last 5 years

£660m

Fund Size (GAV)

5.4%

Fund Yield (Rolling 12-months as a % of NAV)

Secure Income

c.88% of the portfolio let to low or minimal risk tenants

(Dun & Bradstreet)

Source: Mayfair Capital Investment Management Limited and MSCI/AREF UK All Balanced Property Fund Index 31.12.2019

Five largest assets
(by value)

Unite Student Accommodation Fund	5.0%
Capital Quarter, Cardiff	4.7%
Croydon, Premier Inn	4.0%
Doncaster, Trax Park	3.7%
Nottingham, Lady Bay	3.6%

All information is correct as at 31 December 2019.

Source: Mayfair Capital

Five largest tenants
(by income)

EUI Ltd t/a Admiral Group PLC	4.4%
Wincanton Holdings Ltd	4.1%
Kier Construction Ltd	4.1%
Sky CP Ltd	3.4%
Antolin Interiors Ltd	3.0%

Upper quartile fund performance over 1, 3, 5 and 10 years

compared to the MSCI/AREF UK All Balanced Property Funds Index

Formal ethical and environmental policies built into the Fund

- GRESB green star awarded for 2016, 2017, 2018 and 2019
- Signatory of the UN principles for responsible investment by virtue of being part of Swiss Life, the Manager's parent company
- Member of the Institutional Investors Group on Climate Change

Signatory of: PRI Principles for Responsible Investment

IIGCC Institutional Investors Group on Climate Change

GRESB REAL ESTATE

29 to 70

PITCH overall GRESB score increase in 6 years

Source: Mayfair Capital Investment Management Limited and MSCI/AREF UK All Balanced Property Fund Index 31.12.2019

Financials

Independent auditor's report

Opinion

We have audited the financial statements of The Trust for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flow, the Statement of Changes in Equity and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trust's Unitholders, as a body, in accordance with the requirements of the Trust Deed. Our audit work has been undertaken so that we might state to the Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 December 2019 and of its profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trust's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trust have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Independent auditor's report continued

Responsibilities of the Manager

As explained more fully in the Statement of Management's Responsibilities set on page 22, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Crowe UK LLP

Crowe UK LLP
Statutory Auditor

Riverside House
4046 High Street
Maidstone
ME14 1JH

15 May 2020

Watford, 36 Clarendon Road

Statement of comprehensive income

For the year ended 31 December 2019

	Notes		2019 (£'000)		2018 (£'000)
Net capital gains	2		(13,867)		16,649
Movement in unamortised tenant incentives			737		(1,050)
			(13,130)		15,599
Revenue	3	34,288		31,637	
Expenses	4	(5,107)		(4,258)	
Net Income before interest payable and similar charges		29,181		27,379	
Interest payable and similar charges	5	(2,568)		(2,746)	
Net revenue			26,613		24,633
Total return before distributions			**13,483**		**40,232**
Distributions	7		(30,796)		(28,414)
Change in net assets attributable to unitholders from investment activities			**(17,313)**		**11,818**

Continuing operations

All items dealt with in arriving at the result for the year ended 31 December 2019 and for year ended 31 December 2018 relate to continuing operations.

There is no other comprehensive income other than that listed above for the year ended 31 December 2019 (year ended 31 December 2018: nil).

The Accounting policies and Notes on pages 40 to 46 form part of these financial statements

Statement of change in net assets

For the year ended 31 December 2019

	2019 (£'000)	2018 (£'000)
Opening net assets attributable to unitholders	**552,015**	**467,279**
Amounts receivable on creation of units	64,092	82,158
Amounts payable on redemption of units	(13,970)	(9,240)
Change in net assets attributable to unitholders (see page 38)	(17,313)	11,818
Closing net assets attributable to unitholders	**584,824**	**552,015**

The Accounting policies and Notes on pages 40 to 46 form part of these financial statements

Balance sheet

For the year ended 31 December 2019

		31 December 2019		31 December 2018	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investment properties	8	566,152		571,245	
Investment in unit trusts	9	30,289		25,247	
			596,441		**596,492**
Current assets					
Debtors	10	15,052		11,874	
Cash at bank		86,107		38,074	
		101,159		49,948	
Creditors: amounts falling due within one year	11	(37,784)		(19,584)	
Net current assets			**63,375**		**30,364**
Total assets less current liabilities			**659,816**		**626,856**
Creditors: amounts falling due after more than one year	12		**(74,992)**		**(74,841)**
Net assets attributable to unitholders			**584,824**		**552,015**

These financial statements were approved by the Manager on 15 May 2020 and signed on its behalf by:

Mayfair Capital Investment Management Limited

The Accounting policies and Notes on pages 42 to 48 form part of these financial statements

Statement of cash flows

For the year ended 31 December 2019

	31 December 2019		31 December 2018	
	£'000	£'000	£'000	£'000
Net cash generated from operating activities		**24,972**		**34,763**
Cash flows from investing activities				
Purchase of investment property	(31,017)		(82,518)	
Sale proceeds from investment property	25,663		8,817	
Capital expenditure on existing properties	(3,366)		(674)	
Purchase of units in unit trusts	(4,306)		-	
Interest received	161		82	
		(12,865)		**(74,293)**
Cash flows from financing activities				
Loan interest paid	(2,490)		(2,902)	
Loan received	–		26,000	
Loan repayment	–		(26,000)	
Distributions paid	(30,229)		(28,006)	
Cash received for new units	82,615		76,934	
Units redeemed	(13,970)		(9,240)	
		35,926		**36,786**
Increase / (decrease) in cash		**48,033**		**(2,744)**
Cash and cash equivalents at beginning of year		**38,074**		**40,818**
Cash and cash equivalents at the end of year		**86,107**		**38,074**

The Accounting policies and Notes on pages 42 to 48 form part of these financial statements

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies

Statutory information

Basis of accounting

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements of the Trust have been prepared on the going concern basis under the historical cost convention. The principal accounting policies adopted are described below:

Financial instruments

The Fund only enters into basis financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Financial asssets that are measured at cost and amortised costs are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Valuation of investment property

The freehold and leasehold investment properties were valued by the Fund's independent valuers, Cushman & Wakefield, as at 31 December 2019, on the basis of Market Value in accordance with RICS Appraisal and Valuation Standards.

Acquisitions and disposals

Proceeds from the sale of properties are recognised when the risks and rewards of ownership have been transferred to the purchaser. This is generally considered to be on completion of the sale. Gains or losses on the sale of property are included under net capital gains in the Statement of Comprehensive Income. The book cost of an asset consists of the purchase price, related legal fees, survey fees, agents' costs, certain refurbishment costs and other associated professional costs.

Income and expenditure

Rental income, interest and expenditure are accounted for on an accrual basis net of VAT.

Rental income is recognised on a straight-line basis over the term of the lease even if payments are not made as such. Lease incentives are spread on a straight-line basis from the lease start date until the end of the lease.

Capital contributions paid to tenants are shown as a debtor and amortised in line with the provisions of FRS 102. The valuation of the investment properties is reduced by all amortised lease incentives in accordance with the Trust Deed.

Fund Manager, administrator and several other fees are treated as capital expenses. They are reported within expenditure in the Statement of Comprehensive Income but are not taken into account in determining the Fund's distributable income, instead being taken to the capital expenses reserve. The effect of this treatment is to increase income distributions and reduce the Fund's Net Assets by the value of such expenses each year. Property investment transaction costs as outlined above are capitalised and reported as part of the net gain or loss on investments in the Statement of Comprehensive Income.

Distributions

It is the policy of the Fund to distribute all income net of revenue expenses to the unit holders monthly.

Taxation

As an exempt unauthorised unit trust whose investors are all charities, the Fund qualifies for exemption from tax on capital gains.

Depreciation

No depreciation is charged in respect of freehold or leasehold investment properties.

Bank borrowing

Interest bearing bank loans are recorded at proceeds received, net of direct issue costs. Finance charges, including direct issue costs, are recognised on an accruals basis. Issue costs are amortised over the period to the date of expiry of the facility agreement.

Going Concern

The Manager has reviewed the Fund's ability to remain a going concern and meet the Fund's liabilities as they fall due for at least 12 months from the date the financial statements are signed.

The key risks to going concern are largely a result of the disruption to the economy caused by Covid-19 and are considered to be:

1. A covenant breach meaning the immediate repayment and withdrawal of funding caused by a fall in rental income and/or a fall in the value of the properties;

2. A fall in rental income and/or an increase in additional costs to the point that the income does not cover the operating costs of the Fund;

3. A significant increase in redemptions causing a significant liquidity issue.

A covenant breach meaning the immediate repayment and withdrawal of funding caused by a fall in rental income and/or a fall in the value of the properties

A breach of the Fund's borrowing covenants could result in the lender requiring the Fund to settle the loan immediately leading to liquidity problems. The Manager has considered this and believes this is mitigated by:

- The Fund has capital cash of over £100m which could be used to settle the liability
- Talks with the banks which suggest they would be supportive in the event of a breach given the unusual circumstances caused by Covid-19
- The fact that for each loan a fall in property value and/or fall in rental value would need to be at the following levels before a breach would be incurred (data as at 31 March 2020):

Provider	Facility (£)	Loan To Value Covenant Test Headroom	Rental Income Covenant Test Headroom
Aviva	24,800,000	14%	26%
Canada Life	24,700,000	40%	22%
PGIM	26,000,000	29%	25%

Notes to the financial statements

For the year ended 31 December 2019

A fall in rental income and/or an increase in additional costs to the point that the income does not cover the operating costs of the Fund

The Fund is required to distribute 100% of rental income net of property operating costs. Therefore if a number of tenants failed and/or property costs increased the Fund would naturally pay a reduced distribution. However, there is a point at which rental income would not cover property costs and this would cause a problem for the Fund's ability to remain a going concern in that the Fund itself would have to cover the costs. The Manager has considered this issue and notes the following points:

- The Fund has 148 tenants and 167 different tenancies. In order for the Fund to be unable to meet the void costs of properties, the Manager estimates that over 50% of tenants would have to default. Given the strong and diverse tenant base this would appear unlikely.
- As at the end of April *circa* 80% of rent for the quarter ended 30 June 2020 had been collected.
- So far concessions have only been requested for 23% of tenants (This includes tenants who have asked for concessions for Q2, Q3 or both quarters rent).
- Accrued income balances in respect of tenant lease incentives have been reviewed. Whilst there are some material balances currently accrued in the accounts, no individual balance exists in respect of a tenant the Manager deems as having a high risk of default.

Significant increase in redemptions causing a significant liquidity issue

The Fund allows quarterly redemptions but there is a risk that a large amount of investors could apply to redeem their units at the same time which would be a problem if the Fund had insufficient capital cash to make these payments. The Manager has considered and believes this is mitigated by:

- The Fund has capital cash of over £100m which could be used to pay redemptions.
- The Fund has served notice on its indirect holding which is expected to realise an additional £25-£30m of cash later in 2020.
- All investors have to be treated fairly, so if there are insufficient cash reserves to meet redemptions the Manager can suspend the Fund to ensure that enough time is available to realise assets at a fair market value and therefore redeem units at a fair price.

In summary and after considering all of the key risks, the Manager believes the Trust has sufficient resources to meet the challenges for the next 12 months and continue operating on a going concern basis.

2. Net capital gains

	2019 (£'000)	2018 (£'000)
Net unrealised (losses) / gains on investment property	(15,517)	14,596
Movement in unamortised tenant incentives	(737)	1,050
Net realised gains on investment property	1,651	281
Net unrealised gains on investment in unit trusts	736	718
Net realised gains on investment in unit trusts	–	4
Total	**(13,867)**	**16,649**

3. Revenue

	2019 (£'000)	2018 (£'000)
Rental income	31,239	30,371
Investment income	1,146	1,114
Interest received	161	82
Other income	1,742	70
Total	**34,288**	**31,637**

4. Expenses

	2019 (£'000)	2018 (£'000)
Charged to income		
Legal and professional fees	200	164
Bank charges	33	23
Premises expenses	691	290
	924	477
Charged to capital		
Investor committee	54	46
Trustee fees	145	133
Fund management fees	3,273	2,966
Administrator fees	382	334
Valuation fees	112	99
Audit fee	24	36
Depository fees	116	76
Other	77	91
	4,183	3,781
Total	**5,107**	**4,258**

5. Interest payable and other similar charges

	2019 (£'000)	2018 (£'000)
Loan interest payable	2,364	2,558
Amortisation of loan costs	204	188
Total	**2,568**	**2,746**

Notes to the financial statements

For the year ended 31 December 2019

6. Taxation

New regulations came into force on 6 April 2014 allowing Exempt Unauthorised Unit Trusts ("EUUTs"), such as PITCH, to make distributions to investors without the deduction of 20% tax. One of the requirements for an EUUT to make gross distributions is that it must obtain approval as an exempt trust from HM Revenue & Customs ("HMRC"). PITCH has approval from HMRC as an exempt trust. Accordingly all distributions in 2019 were paid without the deduction of tax, meaning tax exempt investors no longer need to reclaim the tax withheld from HMRC.

7. Distributions

	2019 (£'000)	2018 (£'000)
Distributions paid		
Month ended 31.01.19 / 31.01.18	2,469	2,109
Month ended 28.02.19 / 28.02.18	2,340	1,916
Month ended 31.03.19 / 31.03.18	2,665	2,239
Month ended 30.04.19 / 30.04.18	2,485	2,351
Month ended 31.05.19 / 31.05.18	2,444	2,329
Month ended 30.06.19 / 30.06.18	2,819	2,301
Month ended 31.07.19 / 31.07.18	2,526	2,542
Month ended 31.08.19 / 31.08.18	2,545	2,505
Month ended 30.09.19 / 30.09.18	2,265	2,256
Month ended 31.10.19 / 31.10.18	2,529	2,668
Month ended 30.11.19 / 30.11.18	2,550	2,606
Distributions paid	27,637	25,822
Distributions payable	3,159	2,592
Total distributions	**30,796**	**28,414**
Reconciliation of net income after taxation to distributions		
Net income	26,613	24,633
Expenses charged to capital	4,183	3,781
Total	**30,796**	**28,414**

8. Investment properties

	2019 (£'000)	2018 (£'000)
Market value of investments bought forward	**571,245**	**476,360**
Adjustment in respect of tenant lease incentives	5,530	4,480
Fair value of investments bought forward	576,774	480,840
Additions from acquisitions at cost including purchase costs	31,018	82,518
Additions to existing properties at cost	3,366	674
Value of properties sold	(25,610)	(3,185)
Net unrealised losses on investment property	(15,517)	14,596
Movement in unamortised tenant incentives	(737)	1,050
Net realised gains on investment property	1,651	281
Market valuation of investments carried forward	**570,945**	**576,774**
Adjustment in respect of tenant lease incentives	(4,793)	(5,530)
Fair value of investments carried forward	**566,152**	**571,244**

8. Investment properties continued

Valuation method and assumptions

The valuations were carried out in accordance with the RICS Valuation Professional Standards 2014 (UK Edition) issued by the Royal Institution of Chartered Surveyors (the 'Red Book'). In particular the market value has been assessed in accordance with RICS Global Valuation Practice Statements ('VPS'), the Professional Standards ('PS'), RICS Global Valuation Practice Guidance – Applications ('VPEA') and United Kingdom Valuation Standards ('UKVS'). No adjustments have been made to reflect any liability to taxation that may arise on disposals, nor any costs associated with disposals incurred by the owner. Deductions have been made to reflect purchaser's acquisition costs.

In undertaking the valuations, Cushman & Wakefield have made the following assumptions.

a) Title

Cushman & Wakefield have assumed that no title issues have arisen and that, save as disclosed in the draft Reports or Certificates of Title, the Properties have good and marketable title and that the properties are free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. It has also been assumed that the properties are free from mortgages, charges or other encumbrances.

b) Condition of structure and services, deleterious materials, plant and machinery and goodwill

The properties were inspected for the purpose of the valuations for loan purposes and due regard has been given to the apparent state of repair and condition of the properties; however no condition surveys were undertaken. Unless informed by the Property Manager, Cushman & Wakefield have assumed that the properties are free from rot, infestation, adverse toxic chemical treatments, deleterious materials, asbestos, and structural or design defects.

No Mining, geological or other investigations have been undertaken to certify that the sites of the properties are free from any defects to foundations. Cushman & Wakefield have made an assumption that the load bearing qualities of the sites are sufficient and that there are no abnormal ground conditions, nor archaeological remains present.

c) Environmental matters

Cushman & Wakefield have made enquiries of the Property Manager and the Environmental Health Officer in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the sites of the properties and any adjoining sites.

No investigations have been made into past or present uses, either of the properties or any neighbouring land to establish whether these is any contamination, and Cushman & Wakefield have made no allowance for actual or potential contamination in its valuation.

d) Statutory requirements and planning

Verbal or written enquiries have been made of the relevant planning authority in whose areas the Properties lie as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values.

Save as disclosed in the Reports or Certificates of title, Cushman & Wakefield have made an assumption that the buildings have been constructed in full compliance with valid town planning and building regulations approvals, that where necessary they have the benefit of current Fire Risk Assessments compliant with the requirements of the Regulatory Reform (Fire Safety) Order 2005.

Cushman & Wakefield have also made an assumption that the properties are not subject to any outstanding statutory notices as to their construction, use or occupation. A further assumption has been made that the existing uses of the Properties are duly authorised or established and that no adverse planning conditions or restrictions apply.

Notes to the financial statements

For the year ended 31 December 2019

8. Investment properties continued

e) Leasing

Unless Cushman & Wakefield have become aware by general knowledge, or have been specifically advised to the contrary they have made the assumption that the tenants are financially in a position to meet their obligations. Unless informed to the contrary, Cushman & Wakefield have also assumed that there are no material rental arrears of rent or service charges, breaches of covenants, current or anticipated tenant disputes. Finally, Cushman & Wakefield have assumed that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

Restrictions on realisability

There are currently three loans, which have been secured against certain of the Fund's investment properties (see note 12).

Contractual obligations

The responsibilities for repairs, maintenance and enhancements are clearly set out in the leases.

9. Property related investments

	2019 £'000	2018 £'000
Market value of investments brought forward	25,247	24,529
Additions from acquisitions at cost	4,306	–
Value of properties sold	–	–
Change in fair value of investments	736	718
Market valuation of investment carried forward	**30,289**	**25,247**

The investment in Unite UK Student Accommodation Fund (USAF) is held at the 31 December 2019 estimated net asset value per unit as reported by the Manager of USAF. The Manager of USAF provides valuations on a quarterly basis. Included in the market valuation as at 31 December 2019 are the following:

	2019 £'000	2018 £'000
Proportionate share of cash in USAF	412	1,919
Proportionate share of loans in USAF	15,230	10,350

10. Debtors

	2019 £'000	2018 £'000
Rental arrears	2,712	2,713
Prepayments and accrued income	431	392
Unamortised tenant incentives	4,793	5,530
Rent deposit debtors	475	305
Amounts receivable on disposals	5	58
Other debtors	6,636	2,876
Total	**15,052**	**11,874**

11. Creditors amounts falling due within one year

	2019 £'000	2018 £'000
Distributions payable	3,160	2,593
Deferred income	9,650	10,389
VAT payable	759	812
Rent deposit creditors	475	305
Investor funds received for January dealing	21,100	2,577
Loan interest payable	458	380
Accruals and other creditors	2,398	2,719
Less: unamortised loan costs	(216)	(191)
Total	**37,784**	**19,584**

12. Creditors amounts falling due after more than one year

	2019 £'000	2018 £'000
Bank loans	75,500	75,500
Less : unamortised loan costs	(508)	(659)
Total	**74,992**	**74,841**

The amount detailed above consists of three loans as follows:

- A loan facility with Canada Life in the amount of £24,700,000 (2018: £24,700,000) attracts interest at a fixed rate of 4.09% per annum and becomes repayable in full on 20th July 2021. This loan is interest only and is secured against certain of the Fund's investment properties, the total value being £69,965,000 as at 31st December 2019.
- A loan facility with Aviva in the amount of £24,800,000 (2018: £24,800,000) attracts interest at a fixed rate of 3.10% per annum and becomes repayable in full on 28th September 2025. This loan is interest only and is secured against certain of the Fund's investment properties, the total value being £59,275,000 as at 31st December 2019.
- A loan facility with PGIM in the amount of £26,000,000 (2018: £26,000,000) attracts interest at a fixed rate of 2.25% per annum and becomes repayable in full on 10th December 2023. This loan is interest only and is secured against certain of the Fund's investment properies, the total value being £72,900,000 as at 31st December 2019.

13. Reconciliation of net income to net cash flow in net funds

	2019 £'000	2018 £'000
Increase / (decrease) in available cash during the year	48,033	(2,744)
Increase in loans during the year	–	–
Increase / (decrease) in net funds during the year	48,033	(2,744)
Opening net funds attributable to unit holders	(37,426)	(34,682)
Closing net funds attributable to unit holders	**10,607**	**(37,426)**

Notes to the financial statements

For the year ended 31 December 2019

14. Analysis of net funds

	2019 £'000	2018 £'000
Cash	86,107	38,074
Bank loans due after more than one year	(75,500)	(75,500)
Total net funds	**10,607**	**(37,426)**

15. Counterparty risk

	2019 (£'000)	2018 (£'000)
Cash		
RBS	54,100	30,393
Santander	29,115	3,061
PGIM	2,892	4,620
Total cash	**86,107**	**38,074**
Loans		
Canada Life	24,700	24,700
Aviva	24,800	24,800
PGIM	26,000	26,000
Total loans	**75,500**	**75,500**

16. Forward Commitments and Contingent liabilities

There were no contingent liabilities at 31 December 2019 (31 December 2018 : £nil).

17. Related party transactions

Amounts payable to the Manager were £3,273,436 (31 December 2018: £3,563,341).
The amount outstanding at the year end in respect of those fees was £831,493 (31 December 2018: £900,364).

Amounts payable to the Trustee were £144,594 (31 December 2018: £132,905).
The amount outstanding at the year end in respect of those fees was £36,253 (31 December 2018: £34,137).

18. Post Balance Sheet Events

Prior to these financial statements being formally approved, Mayfair Capital Investment Management Limited, as Manager of the Property Income Trust for Charities was notified by Cushman and Wakefield, its external valuer that it was unable to value the Fund's assets at 31st March 2020 without inserting a 'material uncertainty' provision in the valuation certificate. This is due to the effective closure of the commercial property investment market by the measures being taken to prevent the spread of the Covid-19 / Coronavirus. Following consultation with the Fund's Corporate Trustee and Investors' Committee to ensure compliance with the Trust Deed, the Manager has suspended all dealings in the Fund until further notice.

As reported in the Manager's report, under FRS 102 the impact of Covid-19 on property valuations is treated as a non-adjusting post balance sheet event. As such property valuations at the year end are not reassessed to take account of the impact of covd-19 and therefore decreases in the valuations caused by Covid-19 are not reflected in these financial statements and the properties are valued in the financial statements at the value they were on 31 December 2019, the current valuations could be significantly lower than shown in these financial statements.

Achievements

Mayfair Capital Industry Awards

- charitytimes Awards 2014 – Recognising leadership and professionalism – Winner – Boutique Investment Manager
- Estates Gazette Awards 2014 – Highly Commended – Investment Fund Manager of the Year
- Property Awards 2015 – Finalist
- charitytimes Awards 2015 – Recognising leadership and professionalism – Shortlisted
- Estates Gazette Awards 2015 – Finalist – Fund Manager of the Year
- 2016 Property Awards – Finalist
- MSCI / IPF Investment Property Forum – UK Property Investment Awards – WINNER 2016
- charitytimes Awards 2016 – Recognising leadership and professionalism – Shortlisted
- MSCI / IPF Investment Property Forum – UK Property Investment Awards – WINNER 2017
- charitytimes Awards 2017 – Recognising leadership and professionalism – Shortlisted
- charitytimes Awards 2018 – Recognising leadership and professionalism – Shortlisted
- Corporate Governance Quality Mark 2018 – AREF The Association of Real Estate Funds – Code of Practice
- AREF The Association of Real Estate Funds – Annual Awards 2019 – Shortlisted – Investor Award for Outstanding Achievement
- 20th Anniversary charitytimes Awards 2019 – Shortlisted
- Corporate Governance Quality Mark 2019 – AREF The Association of Real Estate Funds – Code of Practice
- MSCI – MSCI Real Estate Data Quality Awards – Winner 2019

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MAYFAIR CAPITAL
Member of Swiss Life Asset Managers

Property Income Trust for Charities

Mayfair Capital Investment Management Limited
55 Wells Street, London W1T 3PT

Telephone +44 20 7495 1929

Email info@mayfaircapital.co.uk

www.pitch-fund.co.uk