NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Basis of Preparation

The financial statements for both the Group and Parent Company have been prepared in accordance with applicable International Financial Reporting Standards (IFRS) and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs). The financial statements have been prepared on the historical cost basis, except for items carried at fair value in accordance with IFRS 9. These financial statements are presented in Sterling since that is the currency in which the Group and Parent Company transact a substantial part of their business and it is the currency considered most convenient for its shareholders. The functional currencies adopted by the Group's foreign operations are set out in Note 31 on page 73.

Going Concern

In a financial year impacted by COVID-19 and the economic adversity brought about by governments' policy responses to it, the Directors have carried out an analysis to support their view that the Group is a going concern and under which basis these financial statements have been prepared.

Analysis and scenario testing was carried out on the Group's main divisional income streams, being asset management fees from the asset management division, rental income from its seven directly owned group properties and cash returns from its associates and investments.

a) Asset Management Fee Income

Asset management fee income is primarily derived from its UK funds (53%), four of which are limited partnerships whose limited partners are a mix of pension funds and registered charities.

With one exception, fees are invoiced monthly and are calculated based on a percentage of the latest valuation, which for the UK funds is performed quarterly. In the one fund from which fees are not levied by reference to the properties' valuation (Fprop Offices LP) a 7% decrease in property values in this fund would trigger a clawback of a proportion of the fees received. A 27% decrease would trigger the maximum clawback of fees recognised to date of £1.97 million.

In the two UK funds with borrowing there is headroom of 14% on current property values within the LTV covenant agreed with the lenders. The Directors believe all funds have access to adequate resources to remedy the remote possibility of any loan covenant breaches.

Asset management fees on the Group's Polish and Romanian managed funds are also levied as a percentage of funds under management, with reference to the most recent valuations, again with one exception where the fee is fixed (Fprop Phoenix Ltd). These funds are set up under the ownership of a UK limited company which in turn owns the company domiciled in the country that owns the property. Each of these local companies has borrowing secured on the property and is therefore ring fenced from the Group.

The longevity of this asset management fee income is determined by the fund's life which is fixed by agreement when each fund is first established. The weighted average unexpired fund management contract term is 3 years, 3 months.

b) Rental Income from Group Properties

All seven Group Properties are located in Poland or Romania. These properties consist of three office blocks, a logistics warehouse, two mini-supermarkets and one plot of land currently under development into a mini-supermarket. All were independently valued on 31 March 2022 at £42.24 million (31 March 2021: £41.57 million).

The rental income has been reviewed and evaluated and no significant falls in collection rates are expected. The tenants are of good quality, as proven by excellent cash collection rates through and after the lockdown periods. Any renegotiation of rental payment terms that have been agreed are reflected in the analysis. Exposure to non-food retailers is very limited.

The property in Gdynia, Poland, was 97% vacant at 31 March 2022. As at 1 August 2022 it was 20% let however it could be a couple of years before this property again yields a significant income.

c) Income from Associates and Investments

Analysis was also conducted on the returns from the Group's investment in its seven Associates. All funds invested in Poland and Romania have temporarily suspended distributions to shareholders and consequently no income for the Group was assumed from this source for the purposes of this test. All bank loan covenants were reviewed and tested against future decreases in valuation and net operating income.

Dividend income from the Group's UK investments was also stress tested and found not to have a significant impact.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

1. Basis of Preparation continued

Going Concern statement

Based on the results of the analysis conducted as outlined above the Board believes that the Group has the ability to continue its business for at least twelve months from the date of approval of the financial statements and therefore has adopted the going concern basis in the preparation of this financial information.

New standards and interpretations

Standards and interpretations effective in the current period

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 April 2021. This change constitutes a change in accounting framework however, there is no impact on recognition, measurement or disclosure.

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards, (the 'applicable framework'), and have been prepared in accordance with the provisions of the Companies Act 2006 (the 'applicable legal requirements'). The policies have been consistently applied to all years presented unless otherwise stated below.

New standards and interpretations

New standards impacting the Group have been adopted in the financial statements for the year ended 31 March 2022. These have given rise to the following changes in the Group's accounting policies, which have not had a material impact on the financial statements for the year ending 31 March 2022:

- IFRS 16 (amended) – Covid-19-related Rent Concessions;
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amended) – Interest Rate Benchmark Reform – Phase 2.

2. Significant Accounting Policies

The principal accounting policies set out below have, unless otherwise stated, been applied consistently by the Group and the Company to each period presented in these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary undertakings which it controls, made up to 31 March 2022. Intra-Group balances, sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary or business, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. The results of subsidiary undertakings have been included from the dates of acquisition and up to the dates of disposal, being the dates that control passes.

Investments in subsidiaries

In the Company Statement of Financial Position, investments in subsidiaries are held at cost less adequate provisions, where necessary, for impairments to value.

Investments in associates

Entities in which the Group is in a position to exercise significant influence but does not have the power to control are defined as associates. The Group accounts for its investments in associates using the equity method. The carrying value of the associates in the Group's Statement of Financial Position is subject to annual impairment reviews. The Group's share of the associate's profit or loss is included within the Consolidated Income Statement. To be consistent with the Group's accounting policy for investment properties it adopts the cost model in respect of the investment properties held by the associates thus not recognising any property revaluations when assessing its share of the profit or loss after tax.

The Company's accounting policy is to include the interest in associates at cost subject to an annual impairment review and dividends received are credited to the Income Statement.

Other financial investments

Investment assets have been classified as fair value through Other Comprehensive Income. Fair value has been arrived at by applying the Group's percentage holding in the investments of the fair value of their net assets.

Impairment

The carrying values of the Group's non-financial assets, excluding goodwill, are reviewed at each reporting date to determine whether there are any indications that an asset may be impaired. If there are any indications of impairment, the assets' recoverable value is estimated and any impairment loss, measured against its carrying value, is recognised in the Income Statement. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Property, plant and equipment

Property, plant and equipment are stated at their purchase cost, together with any incidental costs of acquisition, or fair value on acquisition, less accumulated depreciation and where appropriate, provision for impairment. Depreciation is calculated so as to write off property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful lives of the assets concerned.

The principal annual rates used for this purpose are:

	%
Computer equipment	33.33
Office equipment	33.33
Motor vehicles	25.00
Short leasehold improvements	33.33

The residual values and useful lives of all property, plant and equipment are reviewed and adjusted if appropriate at each financial year end.

Investment properties

Investment properties are properties held for long-term rental income or for capital appreciation or both. Acquisitions through direct asset purchases are initially held at cost including related transaction costs. The Group has adopted the cost model for investment properties so that after initial recognition, investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where, in the Directors' opinion a property's estimated residual value at the end of the period of ownership will be lower than the carrying value the property will be depreciated over the lease term.

Inventories – land and buildings

Trading properties held for resale are stated at the lower of purchase cost, together with incidental costs of acquisition and any subsequent development costs, and net realisable value. The latter is assessed by the Group having regard to suitable valuations performed by external valuers.

Lessee accounting

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives received
- Variable lease payments that are based on an index or a rate
- Amounts expected to be paid by the company under residual value guarantees
- Payments or penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

2. Significant Accounting Policies continued

Lessee accounting cont.

To determine the incremental borrowing rate the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Taxation

The tax expense represents the sum of the current tax payable and movements in deferred tax during the year.

Current taxation

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income and expense that are taxable or deductible in other years or that may never be taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Deferred taxation

Deferred taxation is provided in full, on all temporary differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they are recognised based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is regarded as recoverable and is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in the foreseeable future from which the reversal of the underlying temporary differences can be deducted. Management carry out a review of such items at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Revenue recognition

Rental income arising under the Group's leases is recognised over the term of the lease on a straight-line basis and is adjusted for lease incentives such as rent-free periods and fit out contributions such that their cost is apportioned evenly over the full lease term.

Turnover rents and other such contingent rents are recorded as revenue in the periods to which they relate.

The Group's revenue from contracts with customers, as defined in IFRS 15, includes service charge income and income from the sale of properties charged by the Group Properties division and asset management fees and performance related fees charged by the Group's Fund Management division.

Service charge income is recognised in the period in which the service is provided according to the terms of the individual lease agreement.

Income from the sale of properties is recognised generally on transfer of control over the property being disposed and when there are no significant outstanding obligations between buyer and seller. This generally occurs on completion.

Asset management and administration fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of AUM. Management fees are recognised as the service is provided and it is probable that the fee will be collected.

Performance related fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods. For short-term arrangements (typically one year or less) performance related fees are recognised when the performance period has ended and the performance calculation can be performed with reasonable certainty. For long-term arrangements performance related fees are only recognised where there is deemed to be a low probability of a significant reversal in future periods. In cases where performance related revenue is subject to potential future reversal the Directors will apply their judgement to the amount of revenue recognised in the Income Statement such that in their judgement there is a high probability that this revenue will not reverse in subsequent years. They will ignore all unrealised upward property revaluations above original cost (including acquisition costs) used to determine the total entitlement but include any downward revaluation below total original historic acquisition and subsequent capitalised property costs. This may result in the recognition of revenue before the contractual crystallisation date.

All revenue is classified in the revenue line of the Income Statement except for revenue from the sale of property which is netted off against costs and shown under profit on sale of property.

Interest income and expense are recognised on an accruals basis.

The above policies on revenue recognition result in both deferred and accrued income.

Lessor accounting

The Company does not own any properties itself directly. All commercial properties owned are held by subsidiary entities.

It is determined that these companies are not transferring the entire significant risk and benefits resulting from the ownership of the foresaid properties and therefore those leases are recognised as lease agreements.

Operating profit

Operating profit as stated in the Consolidated Income Statement is described as the profit derived from sales revenue less cost of sales, operating expenses and other items incurred during normal operating activities.

Defined contribution schemes

Contributions to the defined contribution pension scheme are charged to the Consolidated Income Statement in the period to which they relate.

Share-based payments

The Group issues options over the Company's equity to certain employees and these are professionally measured for fair value at the date of grant, using the Black-Scholes-Merton model. This fair value is fully expensed over the vesting period and is credited to the share-based payment reserve shown under equity and reserves in the Statement of Financial Position. Management's best estimates of leavers, price volatility and exercise restrictions have been used in the valuation method.

Foreign currencies

At entity level, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling on the date the transaction is recorded. Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rate ruling at the reporting date and the resultant exchange differences are recognised in the Income Statement unless they form part of the net investment in which case they are recognised in the Statement of Comprehensive Income.

On consolidation the results of overseas subsidiaries are translated into Sterling, the reporting currency, at the average exchange rate for the period and all their assets and liabilities are translated into Sterling at the exchange rate ruling at the reporting date.

In the cash flow statement, cash flows denominated in foreign currencies are translated into Sterling at the average exchange rate for the period.

On consolidation exchange differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. On disposal of a foreign operation these accumulated gains or losses are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

2. Significant Accounting Policies continued

Financial instruments

The Group initially records all financial assets at fair value. The Group subsequently holds each financial asset at fair value ('fair value through profit or loss' (FVTPL) or 'fair value through other comprehensive income' (FVOCI)) or at amortised cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants. Amortised cost is the amount determined based on moving the initial amount recognised for the financial instrument to the maturity value on a systematic basis using a fixed interest rate (effective interest rate), taking account of repayment dates and initial premiums or discounts.

Trade receivables

Trade receivables are measured at initial recognition at fair value. Subsequently, they are measured at amortised cost. The carrying value of amortised cost financial assets is adjusted for impairment under the expected loss model (see Note 22).

Investments

Investments in the Group's managed funds have been designated as fair value through Other Comprehensive Income on adoption of IFRS 9. They are initially recognised at fair value with any changes to the fair value recognised in other comprehensive income and accumulated in a separate reserve in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, term deposits and other short-term, liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities, except for borrowing costs incurred in respect of development and trading property, which are included in acquisition costs of the asset.

Bank borrowing

Interest bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs. Interest charges are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise. Borrowing costs incurred in respect of the purchase of qualifying trading properties are capitalised together with other acquisition costs of the property and are amortised over the period of the loan.

Trade payables

Trade payables are initially measured at fair value.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds which are received, net of direct issue costs.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method. This method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Goodwill

Goodwill is stated at cost less, where appropriate, impairment in value. Under IAS 36 (para10b), annual impairment tests are mandatory for goodwill and, as such, have been carried out. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the net assets acquired.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to exercise judgement in applying the Group's accounting policies. The areas where the Group considers the judgements to be most significant involve assumptions or estimates in respect of future events, where actual results may differ from these estimates.

Judgements

- Revenue for performance related fees under long-term agreements is recognised when the relevant service has been provided and there is a low probability that a significant reversal will occur. The Group applies judgement to determine the expected future performance of funds managed under these agreements, and the likelihood of meeting the performance criteria at the date the agreement crystallises.

  The Directors are satisfied that it is highly probable that the recognition of the Office Fund revenue in the year ended 31 March 2022 or in previous accounting periods will not be reversed in a subsequent accounting period. For the financial year ended 31 March 2022, £0.58 million was recognised in respect of the Office Fund. To date an amount of £1.97 million has been recognised which is subject to clawback. See full assessment of this revenue recognition on page 20 of the Strategic Report.

Estimates

- Valuation of the investment property and trading property requires the Group to assess their useful lives and residual values. In addition, the Group's investment properties are reviewed for indications of impairment. Where impairment assessments are performed estimates are made over the rental value and equivalent yield in assessing the value in use (Note 15);
- The Group's investments in its own funds are held at fair value, based on the net asset values of the funds. The Group's managed funds are invested in commercial properties which are valued by external experts, and are classified as Level 3 within the Group's fair value hierarchy (Note 19);
- The calculation of the Group's deferred tax balances requires a degree of estimation around the timing and amount of future taxable profits, in respect of which the Group does not recognise deferred tax assets (Note 27); and
- As a condition of the sale of CH8 in March 2020, the Group has guaranteed the rental and service charge income and fit-out costs on the residual vacant space (Note 24).

4. Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Directors and for which discrete financial information is available.

The Property Fund Management segment is organised into separate funds operating across all the Group's chosen geographic areas. It enjoys recurring income from managing commercial property on behalf of its various fund investors in the form of asset management fees and performance related fees when earned. It includes such fees from associates, but not Group Properties whose fees are eliminated at the Group level. A table of funds managed is listed in this report on page 10.

The Group Properties segment comprises the revenues and profits from the Group's trading in its own properties. Rental and service charge income from the properties owned by the Group is included in this segment. The profits and losses of trading in these properties can be volatile and, depending on the frequency and size of sale and by its nature, unpredictable. At the year end this division owned seven properties, of which six were held within investment properties under non-current assets and one property held at cost in inventories under current assets.

The Associates and Investments segment includes the contributions to the Group's profit before tax from its investments in associates and other financial investments. The Group recognises its share of associates' profit after tax plus any fair value adjustments. Investment income is received from the Group's other financial investments.

Direct costs incurred by First Property Group plc relating to the cost of the Board and the related share listing costs are shown separately under unallocated central overheads. All other operating expenses are allocated on a percentage basis only across the Property Fund Management segment and the Group Properties segment.

Interest income is allocated to a separate segment where there is a non-controlling interest. All other surplus cash is managed centrally and all bank interest receivable is disclosed within the unallocated central overheads segment.

All assets and liabilities that relate to Group central activities have not been allocated to business segments.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

4. Segmental Reporting continued

Segment reporting 2022

	Fund Management Division	Group Properties Division			
	Property fund management £'000	Group properties £'000	Associates and investments £'000	Unallocated central overheads £'000	**Total £'000**
Rental income	–	2,926	–	–	**2,926**
Service charge income	–	1,678	–	–	**1,678**
Sale of a property held in inventory	–	–	–	–	**–**
Asset management fees	3,463	–	–	–	**3,463**
Performance related fee income	578	–	–	–	**578**
Total revenue	**4,041**	**4,604**	**–**	**–**	**8,645**
Depreciation and amortisation	(36)	(24)	–	–	**(60)**
Operating profit	**1,437**	**7,781**	**–**	**(3,156)**	**6,062**
Share of results in associates	–	–	(29)	–	**(29)**
Fair value adjustment on associates	–	–	876	–	**876**
Investment income	–	–	271	–	**271**
Interest income	–	29	–	201	**230**
Interest payable	–	(330)	–	–	**(330)**
Profit/(loss) before tax	**1,437**	**7,480**	**1,118**	**(2,955)**	**7,080**
Analysed as:					
Underlying profit/(loss) before tax before adjusting for the following items:	**1,182**	**401**	**242**	**(1,449)**	**376**
Provision in respect of rent guarantee	–	(629)	–	–	**(629)**
Debt reduction following restructuring of finance lease	–	7,809	–	–	**7,809**
Interest received on loan to FOP at 12%	–	202	–	–	**202**
Fair value adjustment on associates (FOP)	–	–	876	–	**876**
Performance related fee income	578	–	–	–	**578**
Staff incentives	(305)	(251)	–	(1,472)	**(2,028)**
Realised foreign currency (losses)/gains	(18)	(52)	–	(34)	**(104)**
Total	**1,437**	**7,480**	**1,118**	**(2,955)**	**7,080**
Assets – Group	891	44,693	7,445	4,818	**57,847**
Share of net assets of associates	–	–	19,135	–	**19,135**
Liabilities	(143)	(31,922)	–	(547)	**(32,612)**
Net assets	**748**	**12,771**	**26,580**	**4,271**	**44,370**
Additions to non-current assets					
Property, plant and equipment	5	28	–	–	**33**
Investment properties	–	1,642	–	–	**1,642**
Trading stock	–	119	–	–	**119**

Geographic analysis	Revenue		Non-current assets	
	2022 £'000	2021 £'000	**2022 £'000**	2021 £'000
UK	**2,302**	2,224	**26,844**	21,912
Poland	**5,146**	8,910	**20,809**	19,110
Romania	**1,197**	985	**4,017**	4,402
Total	**8,645**	12,119	**51,670**	45,424

Segment reporting 2021

	Fund Management Division	Group Properties Division			
	Property fund management £'000	Group properties £'000	Associates and investments £'000	Unallocated central overheads £'000	**Total £'000**
Rental income	–	6,087	–	–	**6,087**
Service charge income	–	1,544	–	–	**1,544**
Sale of a property held in inventory	–	1,103	–	–	**1,103**
Asset management fees	3,345	–	–	–	**3,345**
Performance related fee income	40	–	–	–	**40**
Total revenue	**3,385**	**8,734**	**–**	**–**	**12,119**
Depreciation and amortisation	(21)	(1,425)	–	–	**(1,446)**
Operating profit	**1,304**	**(5,090)**	**–**	**(1,285)**	**(5,071)**
Share of results in associates	–	–	3,467	–	**3,467**
Fair value adjustment on associates	–	–	(2,997)	–	**(2,997)**
Investment income	–	–	185	–	**185**
Interest income	–	31	–	36	**67**
Interest payable	–	(740)	–	–	**(740)**
Profit/(loss) before tax	**1,304**	**(5,799)**	**655**	**(1,249)**	**(5,089)**
Analysed as:					
Underlying profit/(loss) before tax before adjusting for the following items:	**1,294**	**3,023**	**1,472**	**(1,213)**	**4,576**
Provision in respect of rent guarantee	–	(1,030)	–	–	**(1,030)**
Profit on the sale of Group properties	–	161	–	–	**161**
Loss on the sale of a property held in inventory	–	(217)	–	–	**(217)**
Impairment to investment property	–	(7,023)	–	–	**(7,023)**
One-off additional income from our share of associates (FOP)	–	–	2,180	–	**2,180**
Fair value adjustment on associates (FOP)	–	–	(2,997)	–	**(2,997)**
Recycled foreign exchange gain	–	1,163	–	–	**1,163**
Depreciation	–	(1,327)	–	–	**(1,327)**
Performance related fee income	40	–	–	–	**40**
Staff incentives	–	–	–	–	**–**
Realised foreign currency (losses)/gains	(30)	(549)	–	(36)	**(615)**
Total	**1,304**	**(5,799)**	**655**	**(1,249)**	**(5,089)**
Assets – Group	836	43,873	3,061	14,931	**62,701**
Share of net assets of associates	–	–	18,885	(308)	**18,577**
Liabilities	(120)	(44,001)	–	(168)	**(44,289)**
Net assets	**716**	**(128)**	**21,946**	**14,455**	**36,989**
Additions to non-current assets					
Property, plant and equipment	27	110	–	–	**137**
Investment properties	–	160	–	–	**160**
Trading stock	–	213	–	–	**213**
Investment in associates	–	–	605	–	**605**

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

5. Debt Reduction Following Restructuring of Finance Lease

The results reflect the reduction of €9.00 million (£7.81 million) in the amount owed to ING Bank (from €25 million to €16 million) in final settlement of the finance lease secured against the Group's directly held property in Gdynia. As part of the transaction which completed on 11 June 2021, ING was paid €4.00 million in June 2021. The remainder of the finance lease liability was replaced by an interest free deferred consideration of €12.00 million (£10.14 million) repayable by June 2024. The deferred consideration is reflected as an Other Financial Liability in the Statement of Financial Position.

6. Interest Income/(Expense)

	2022 Group £'000	2021 Group £'000
Interest income – bank deposits	–	26
Interest income – other	230	41
Total interest income	**230**	67

	2022 Group £'000	2021 Group £'000
Interest expense – property loans	(326)	(467)
Interest expense – bank and other	(4)	(47)
Finance charges on finance leases	–	(226)
Total interest expense	**(330)**	(740)

7. Profit on Ordinary Activities Before Taxation

	2022 Group £'000	2021 Group £'000
Profit on ordinary activities before taxation is stated after charging:		
– Depreciation charge on property, plant and equipment (Note 17)	60	35
– Depreciation on investment properties (Note 15)	30	1,327
– Net foreign exchange (gains)/losses (Note 4)	104	615
– Staff costs (Note 8)	5,301	3,580
– Rental income from investment properties	1,017	4,248
– Direct operating expenses arising from investment property that generated rental income during the period	1,267	1,057
– Direct operating expenses arising from investment property that did not generate rental income	614	2,071
– Depreciation on inventories (Note 21)	157	84

8. Employee Information

The average monthly number of persons (including Directors) employed during the year was:

	2022 Number	2021 Number
Management	12	12
Property operations	12	12
Technical operations	37	41
	61	65

An analysis of staff costs is set out below:

	2022 Group £'000	2021 Group £'000
Wages and salaries	4,884	3,178
Social security costs	390	373
Defined contribution pension costs	27	29
Share-based payments	–	–
Total staff costs	**5,301**	3,580

The Company employs two Directors and two Non-Executive Directors only. Analysis of these costs can be found in Note 9.

9. Directors' Remuneration and Emoluments

The remuneration of the Directors was as follows:

	2022 £'000	2021 £'000
Basic pay	526	570
Pension	6	8
Fees	66	66
Benefits	15	19
Annual bonus	1,472	–
Total Directors' remuneration	**2,085**	663

	Salary and benefits £'000	Annual bonus £'000	Fees £'000	2022 £'000	2021 £'000
A J D Locke	–	–	33	33	33
P Moon	–	–	33	33	33
B N Habib	391	1,372	–	1,763	385
L B James	156	100	–	256	92
G R W Digby (retired 30 September 2020)	–	–	–	–	120
	547	1,472	66	2,085	663

The Group remunerates and incentivises its executives via a mixture of salary and discretionary bonuses. The latter is decided by the Remuneration Committee based on the level of profits earned by the Group (excluding the non-controlling interest) in the year under consideration.

There are no retirement benefits accruing to Directors (2021: £nil) under money purchase pension schemes run by the Company.

10. Audit Fees

	2022		2021	
	Group auditor £'000	Other auditors £'000	Group auditor £'000	Other auditors £'000
Audit fees				
– Audit of parent company and consolidated financial statements	54	–	49	–
– Audit of subsidiary undertakings	29	32	25	32
Non-audit fees				
– Other services	7	26	18	29
Total audit fees	**90**	**58**	92	61

11. Tax Expense

	2022 Group £'000	2021 Group £'000
Analysis of tax charge for the year		
Current tax	(172)	(179)
Deferred tax (see Note 27)	(73)	(2,133)
Total tax charge for the year	**(245)**	(2,312)

The tax charge includes current and deferred tax for continuing operations.

The deferred tax charge in 2021 arose mainly as a result of the reversal of a previously recognised deferred tax asset following the repayment of the bank loan secured against the property CH8 in April 2020.

As in prior years, brought forward and current UK tax losses have not been recognised as a deferred tax asset due to insufficient foreseeable taxable income being earned in the UK.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

11. Tax Expense continued

Factors affecting the tax charge for the period

The effective rate of tax applicable to the profit in the period is lower than the standard rate of corporation tax. The differences are explained as follows:

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before tax	**7,080**	(5,089)
Profit/(loss) in ordinary activities multiplied by the standard rate of 19% (2021: 19%)	**1,345**	(967)
Effect of:		
Expenses not deductible for tax purposes	**–**	–
Income not taxable	**(51)**	–
Depreciation in excess of capital allowances on plant and equipment	**7**	(21)
Fair value adjustments	**(1,650)**	–
Prior year adjustments	**–**	(83)
Movement on deferred tax unprovided	**(109)**	211
Effect of overseas mainstream tax rates	**2**	(7)
Other adjustments including overseas tax allowable deprecation on property	**628**	1,046
Total tax charge for the period	**172**	179

Unrecognised deferred tax

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Depreciation in excess of capital allowances	**14**	**–**	21	–
Tax losses carried forward	**1,620**	**1,233**	1,709	1,369
Unrecognised deferred tax asset	**1,634**	**1,233**	1,730	1,369

The Directors have concluded that there is insufficient evidence to support the recoverability of this asset from future taxable profits and therefore have not recognised this asset in the Statement of Financial Position. UK deferred tax has been calculated at a rate of 19% for 2022 and 2021.

12. Earnings/NAV per Share

	2022	2021
Basic earnings per share	**6.14p**	(6.75p)
Diluted earnings per share	**6.01p**	(6.59p)

The following earnings have been used to calculate both the basic and diluted earnings per share:

	£'000	£'000
Basic earnings	**6,779**	(7,449)
Notional interest on share options assumed to be exercised	**7**	7
Diluted earnings assuming full dilution	**6,786**	(7,442)

The following numbers of shares have been used to calculate the basic and diluted earnings per share and the net assets and adjusted net assets per share:

	2022 Number	2021 Number
Weighted average number of Ordinary Shares in issue (used for basic earnings per share calculation)	**110,382,332**	110,382,332
Number of share options	**2,610,000**	2,610,000
Total number of Ordinary Shares used in the diluted earnings per share calculation	**112,992,332**	112,992,332

	2022	2021
Net assets per share	**40.00p**	33.33p
Adjusted net assets per share	**47.28p**	42.80p

The following numbers have been used to calculate both the net assets and adjusted net assets per share:

	2022 £'000	2021 £'000
For net assets per share		
Net assets excluding non-controlling interests	**44,141**	36,788

	£'000	£'000
For adjusted net assets per share		
Net assets excluding non-controlling interests	**44,141**	36,788
Investment properties at fair value net of deferred tax	**2,486**	2,663
Inventories at fair value net of deferred tax	**2,403**	2,701
Investments in associates and other financial investments	**4,016**	5,827
Other items	**381**	381
Total	**53,427**	48,360

13. Parent Company Result for the Year

As permitted by section 408 of the Companies Act 2006, the Company's Income Statement has not been included in these financial statements. The Company's loss for the year was £6.71 million (2021: profit £3.49 million).

14. Dividend on Ordinary Shares

	2022 £'000	2021 £'000
Interim dividend paid during the year ended 31 March 2022: 0.25 pence per share (2021: 0.45 pence per share)	**276**	497
Final dividend paid for the year ended 31 March 2021: £nil pence per share (2020: 1.22 pence per share)	**–**	1,346
Total	**276**	1,843

The final dividend for the current year ended 31 March 2022 of 0.25 pence per share (2021: nil pence) will be subject to shareholder approval at the Annual General Meeting to be held on 27 September 2022.

15. Investment Properties

i. Investment Properties:

	2022 Group £'000	2021 Group £'000
Investment properties		
At 1 April	**22,456**	32,537
Capital expenditure	**1,642**	160
Disposals	**–**	(241)
Depreciation	**(30)**	(1,327)
Impairment loss to an investment property	**–**	(7,023)
Foreign exchange translation	**(219)**	(1,650)
At 31 March	**23,849**	22,456

Investment properties owned by the Group are stated at cost less depreciation and any accumulated impairment in value. The properties were valued at the Group's financial year end at €31.85 million (31 March 2021: €30.22 million), the Sterling equivalent at closing foreign exchange rates being £26.92 million (31 March 2021: £25.74 million).

In 2015 the Directors resolved to depreciate the value of the property in Gdynia over the remaining term of the lease (which expired in February 2021) to reflect its residual value. No other property has been depreciated as their respective estimated residual values are expected to be higher than their carrying value.

An impairment in value of £7.02 million was recognised in 2021 in respect of the property in Gdynia.

ii. Amounts recognised in the income statement:

	2022 Group £'000	2021 Group £'000
Rental income from operating leases	**2,926**	6,087

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

15. Investment Properties continued

iii. Leasing arrangements where the Group is a lessor:

	2022 Group £'000	2021 Group £'000
Minimum lease receipts under non-cancellable operating leases to be received:		
Not later than one year	**2,043**	1,898
Later than one year and not later than five years	**6,790**	5,366
Later than five years	**3,758**	3,866
Total	**12,591**	11,130

Investment properties and property held within stock are comprised of commercial properties that are leased to third parties. The Group has approximately 38 leases granted to its tenants. These vary depending on the individual tenant and the respective property and demise but typically are let for a term of five years. The weighted average lease length of the leases granted was 5 years and 7 months (2021: 4 years and 9 months). No contingent rents are charged.

16. Leases and Right of Use Assets

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 15.

The amounts recognised in the financial statements in relation to the leases are as follows:

i. Amounts recognised in the balance sheet:

	31 March 2022 £'000	31 March 2021 £'000
Right of use assets		
Current	**446**	–
Non-current	**1,018**	686

	31 March 2022 £'000	31 March 2021 £'000
Lease liabilities		
Current	**410**	–
Non-current	**1,098**	686

There was one addition of £754,000 (2021: £nil) to the right-of-use assets and one addition to the lease liability of £767,999 (2021: £nil) during the financial year.

ii. Amounts recognised in the Income Statement:

	2022 £'000	2021 £'000
Depreciation/Rent charge of right of use assets		
Buildings	**446**	197
Total	**446**	197

	2022 £'000	2021 £'000
Interest expense		
Buildings	**186**	20
Total	**186**	20

iii. Summary of the Group's leasing activity:

The Group has reviewed the terms of its leases and has identified:

The lease of the UK office on St James's Street, London, SW1A 1HD which commenced on 2 July 2020. A discount rate of 2.00% has been applied.

The lease by First Property Poland Sp. z o. o. (FPP), a subsidiary entity leasing office space from 5th Property Trading Poland Sp. z o. o. (a related party to the Group) which terminates on 31 March 2025. A discount rate of 2.75% has been applied representing its incremental borrowing rate.

The lease by First Property Poland Sp. z o. o. (FPP), a subsidiary entity leasing office space from Lublin Zana (a related party to the Group) which terminates on 31 December 2024.

As at 31 March 2022 the Group has recognised a lease liability under IFRS 16 of £1.51 million (31 March 2021: £0.69 million) and a right of use asset of £1.46 million (2021: £0.69 million). The net credit to the Income Statement was £44,000. Rental contracts are typically made for fixed periods of six months to four years but may have extension options.

17. Property, Plant and Equipment

Group 2022	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Short leasehold improvements £'000	Total £'000
Cost					
At 1 April 2021	328	63	22	37	450
Foreign currency translation	(3)	–	–	–	(3)
Additions	14	–	19	–	33
Disposals	(12)	–	–	–	(12)
At 31 March 2022	**327**	**63**	**41**	**37**	**468**
Depreciation					
At 1 April 2021	178	56	22	37	293
Foreign currency translation	(1)	–	–	–	(1)
Charge for year	58	2	–	–	60
Disposals	(12)	–	–	–	(12)
At 31 March 2022	**223**	**58**	**22**	**37**	**340**
Net book value at 31 March 2022	**104**	**5**	**19**	**–**	**128**

Group 2021	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Short leasehold improvements £'000	Total £'000
Cost					
At 1 April 2020	238	75	24	37	374
Foreign currency translation	(10)	(3)	(2)	–	(15)
Additions	135	2	–	–	137
Disposals	(35)	(11)	–	–	(46)
At 31 March 2021	**328**	**63**	**22**	**37**	**450**
Depreciation					
At 1 April 2020	187	62	24	37	310
Foreign currency translation	(7)	(3)	(2)	–	(12)
Charge for year	30	5	–	–	35
Disposals	(32)	(8)	–	–	(40)
At 31 March 2021	**178**	**56**	**22**	**37**	**293**
Net book value at 31 March 2021	**150**	**7**	**–**	**–**	**157**

The Company had no property, plant or equipment (2021: £nil). The Group holds no property, plant and equipment under a finance lease.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

18. Investment in Group Undertakings

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Investment in consolidated subsidiaries				
At 1 April	–	3,418	–	3,213
Additions	–	–	–	205
Impairment	–	–	–	–
At 31 March	–	3,418	–	3,418

During the year ended 31 March 2022 the Company increased its investment in Felix Development SRL by £nil (31 March 2021: £205,000).

The holding costs of these investments have been subjected to an impairment review carried out by the Directors.

19. Investments in Associates and Other Financial Investments

The Group has the following investments:

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
a) Associates				
At 1 April	18,577	13,893	17,698	13,460
Additions	–	–	605	605
Disposals	–	–	–	–
Shareholder loan repayments	(48)	(48)	(172)	(172)
Share of associates' profit/(loss) after tax	(29)	–	3,467	–
Share of associates' revaluation gains/(losses)	876	(7)	(2,997)	–
Dividends received	(241)	–	(24)	–
At 31 March	19,135	13,838	18,577	13,893

The Group's investments in associated companies are held at cost plus its share of post-acquisition profits less dividends received, adopting the cost model for accounting for investment properties under IAS 40, and comprises the following:

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Investments in associates				
5th Property Trading Ltd	1,652	258	1,555	258
Fprop Romanian Supermarkets Ltd	–	–	194	7
Fprop Galeria Corso Ltd	2,700	1,204	2,479	1,204
Fprop Krakow Ltd	1,580	980	1,592	980
Fprop Cluj Ltd	615	374	596	422
Fprop Phoenix Ltd	913	998	1,530	998
Fprop Opportunities plc	11,983	10,024	10,939	10,024
	19,443	13,838	18,885	13,893
Less: Share of profit after tax withheld on sale of property to 5th Property Trading Ltd in 2007 (an associated company)	(308)	–	(308)	–
	19,135	13,838	18,577	13,893

If the Group had adopted the alternative "fair value" model for accounting for investment properties, the carrying value of the investments in associates would have increased to £23.15 million (31 March 2021: £24.41 million).

The withheld profit figure of £0.31 million (2021: £0.31 million) represents the removal of the percentage of intercompany profit resulting from the sale of the property in 2007 to 5th Property Trading Ltd (an associate). The figure will reduce when there is a reduction in First Property Group's stake in 5th Property Trading Ltd.

Associates that are material to the Group:

Fprop Opportunities plc is considered by the Group to be its only material associate. Fprop Opportunities plc is involved in the investment in commercial property located in Poland. Its principal place of business is 32 St James's Street, London, SW1A 1HD. The Group's ownership interest in the associate is 43.79% and the Group's investment in the associate is measured using the equity method. There were no dividends received in the year to 31 March 2022 and a financial summary of Fprop Opportunities plc in the year to 31 March 2022 is as follows;

	Year ended 31 March 2022 £'000
Current assets	5,114
Non-current assets	64,457
Current liabilities	(6,303)
Non-current liabilities	(36,479)
Net assets	26,784
Revenue	6,996
Profit after tax from continuing operations	1,760

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
b) Other financial investments				
At 1 April	3,061	3,061	3,174	3,174
Additions	3,633	3,633	6	6
Disposal	–	–	–	–
Repayments	(290)	(290)	–	–
Decrease in fair value during the year	1,041	1,041	(119)	(119)
At 31 March	7,445	7,445	3,061	3,061

The Group holds four (2021: three) unlisted investments in funds managed by it. Each is designated at fair value through "Other Comprehensive Income" (OCI) as per IFRS 9. The Directors consider their fair value to be not materially different from their carrying value. Fair value has been calculated by applying the Group's percentage holding in the investments to the fair value of their net assets.

During the year the Group invested £0.25 million in a new fund that was established in association with Fulcrum Asset Management (Fprop Fulcrum Property LP) and also increased its investment by £3.38 million in the Group managed fund – Fprop UK Special Opportunities LP, increasing the Group's equity stake to 11.1%.

The other two investments are in The UK Pension Property Portfolio LP, a fund established in February 2010, in which the Group has a 0.9% interest, and Fprop Offices LP, a fund established in July 2017, in which the Group has a 1.6% interest.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

19. Investments in Associates and Other Financial Investments continued

The principal investments of the Group at 31 March 2022 are as follows:

	Principal activities	% of ordinary shares held by Company %	% of ordinary shares held by Subsidiary %
Group undertakings			
UK			
First Property Asset Management Limited	Property asset management	100	–
Fprop Corktree Limited	Property holding Company	100	–
Fprop Gdynia Podolska Limited (formerly FPGP Limited)	Property holding Company	100	–
Regional Property Trading Limited	Property holding company	100	–
E and S Estates Limited	Property holding company	77	–
Fprop Gdynia Limited (formerly Fprop Szczecin Limited)	Property holding company	100	–
Fprop UK General Partner Limited	General partner of property fund	100	–
First Property Sterling General Partner Limited	General partner of property fund	100	–
Fprop Offices General Partner Limited	General partner of property fund	100	–
Fprop Fulcrum General Partner Limited	General partner of property fund	100	–
First Property General Partner Limited	General partner of property fund	51	–
SIPS Property Nominee Limited	Nominee	100	–
Fprop Company 1 Limited	Property holding company	100	–
Poland			
First Property Poland Sp. z o. o.	Property investment and management	100	–
Ross Sp. z o. o.	Property investment and management	100	–
Corp Sp. z o. o.	Property services management	–	90
Ross 2 Sp. z o. o.	Property holding company	100	–
Ross 3 Sp. z o. o.	Property holding company	100	–
Corktree Sp. z o.o.	Property holding company	–	100
Corktree Fprop Sp. z o. o.	Property holding company	–	100
Gdynia Podolska Sp. z o.o.	Property holding company	–	100
First Property Services Sp. z o.o.	Service management company	–	100
E and S Estates Poland Sp. z o. o.	Property holding company	–	88
Fprop Gdynia Sp. z o. o. (formerly Fprop Szczecin Sp. z o.o.)	Property holding company	–	100
Romania			
First Property Asset Management Romania SRL	Property asset manager	90	10
Felix Development SRL	Property holding company	100	–

	Principal activities	% of ordinary shares held by Company %	% of ordinary shares held by Subsidiary %
Associates and other investments			
UK			
5th Property Trading Limited	Property fund	41	–
The UK Pension Property Portfolio LP	Property fund	1	–
Fprop Galeria Corso Limited	Property fund	28	–
Fprop Romanian Supermarkets Limited (in liquidation)	Property fund	24	–
Fprop Krakow Limited	Property fund	18	–
Fprop UK Special Opportunities LP	Property fund	11	–
Fprop Offices LP	Property fund	2	–
Fprop Fulcrum Property LP	Property fund	3	–
Fprop Cluj Limited	Property fund	17	–
Fprop Phoenix Limited	Property fund	23	–
Fprop Opportunities plc	Property fund	44	–
Fprop Opportunity Lodz Limited	Property holding company	–	44
Fprop Opportunity Krasnystaw Limited	Property holding company	–	44
Fprop Opportunities Lodz II Limited	Property holding company	–	44
Fprop Opportunity Lublin Limited	Property holding company	–	44
Fprop Opportunity Ostrowiec Limited	Property holding company	–	44
Fprop Zinga Limited	Property holding company	–	44
Poland			
5th Property Trading Poland Sp. z o. o.	Property holding company	–	41
Galeria Corso Sp. z o.o.	Property holding company	–	28
Fprop Krakow Sp. z o.o.	Property holding company	–	18
Scaup Sp. z o.o.	Property holding company	–	23
Fprop Lodz Sp. z o.o.	Property holding company	–	44
Fprop Krasnystaw Sp. z o.o.	Property holding company	–	44
Lublin Zana Sp. z o.o.	Property holding company	–	44
Galeria Ostrowiec Sp. z o.o.	Property holding company	–	44
Fprop Ostrowiec Sp. z o.o.	Property holding company	–	44
Zinga Fprop Sp. z o.o.	Property holding company	–	44
Zinga Poland Sp. z o.o.	Property holding company	–	44
Zinga Fprop Poland Sp. z o. o.	Property holding company	–	44
KBP – 2 Sp. z o. o.	Property holding company	–	23
KBP – 3 Sp. z o. o.	Property holding company	–	23
KBP – 4 Sp. z o. o.	Property holding company	–	23
KBP – 5 Sp. z o. o.	Property holding company	–	23
KBP – 6 Sp. z o. o.	Property holding company	–	23
KBP – 8 Sp. z o. o.	Property holding company	–	23
KBP – 9 Sp. z o. o.	Property holding company	–	23
KBP – 10 Sp. z o. o.	Property holding company	–	23
KBP – 11 Sp. z o. o.	Property holding company	–	23
KBP – TT Sp. z o. o.	Property holding company	–	23
Romania			
Fprop CJ SRL	Property holding company	–	17

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

19. Investments in Associates and Other Financial Investments continued

	Principal activities	% of ordinary shares held by Company %	% of ordinary shares held by Subsidiary %
Dormant nominee companies in which the Group has no beneficial interest			
First Property Sterling General Partner (Nominee 1) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 2) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 3) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 4) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 5) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 6) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 7) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 8) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 9) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 10) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 11) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 12) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 13) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 14) Limited (in liquidation)	Nominee	–	100
First Property Sterling General Partner (Nominee 15) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 16) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 17) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 20) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 21) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 22) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 23) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 24) Limited	Nominee	–	100
Fprop UK GP (Nominee) 1 Limited	Nominee	–	100
Fprop UK GP (Nominee) 2 Limited	Nominee	–	100
Fprop UK GP (Nominee) 3 Limited	Nominee	–	100
Fprop UK GP (Nominee) 4 Limited	Nominee	–	100
Fprop UK GP (Nominee) 5 Limited	Nominee	–	100
Fprop UK GP (Nominee) 6 Limited	Nominee	–	100
Fprop UK GP (Nominee) 7 Limited	Nominee	–	100
Fprop UK GP (Nominee) 8 Limited	Nominee	–	100
Fprop UK GP (Nominee) 9 Limited	Nominee	–	100
Fprop UK GP (Nominee) 10 Limited	Nominee	–	100
Fprop UK GP (Nominee) 11 Limited	Nominee	–	100
Fprop Offices (Nominee) 1 Limited	Nominee	–	100
Fprop Offices (Nominee) 2 Limited	Nominee	–	100
Fprop Offices (Nominee) 3 Limited	Nominee	–	100
Fprop Offices (Nominee) 4 Limited	Nominee	–	100
Fprop Offices (Nominee) 5 Limited	Nominee	–	100
Fprop Offices (Nominee) 6 Limited	Nominee	–	100
Fprop Offices (Nominee) 7 Limited	Nominee	–	100
Fprop Offices (Nominee) 8 Limited	Nominee	–	100
Fprop Offices (Nominee) 9 Limited	Nominee	–	100
Fprop Offices (Nominee) 10 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 1 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 2 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 3 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 4 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 5 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 6 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 7 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 8 Limited	Nominee	–	100
Synergy Sunrise (Scarles Yard) Limited	Property holding company	–	100

All UK companies are registered at 32 St James's Street, London, SW1A 1HD.

The registered address for Galeria Ostrowiec Sp. z o.o. and Fprop Ostrowiec Sp. z o. o. is ul. Adama Mickiewicza 30, 27-400 Ostrowiec Swietokrzyski. All other Polish companies are registered at Plac Bankowy 2, Warsaw 00-095, Poland.

The Romanian companies are as follows:

First Property Asset Management Romania SRL – Bucuresti, sector 3, str. Burnitei, nr 24, Biroul 37, Etaj 1, Romania;
Felix Development SRL – Bucuresti, sector 3, Drumui Intre Tarlale, Nr. 41C, Etaj 2, Romania;
Fprop CJ SRL – Centru logistic Tureni, Localitatea Tureni Strada Principala numarul 4i, parter, camera 3, judetul Cluj, Romania.

First Property Sterling General Partner Limited, First Property General Partner Limited, SIPS Property Nominee Limited, Fprop UK General Partner Limited and Fprop Fulcrum General Partner Limited have not been consolidated for the reason that they are not material to the Group.

20. Goodwill

	2022 Group £'000	2021 Group £'000
At 1 April	**153**	153
At 31 March	**153**	153

The existing goodwill arose on the acquisition of Corp Sp. z o. o., the management company of Blue Tower in 2009. The amount represents the excess paid above the percentage share relating to the fair value of the net assets.

The Directors have carried out an annual impairment test by reviewing the cash generating unit in Corp Sp. z o. o. and concluded that no impairment write down is necessary because the estimated recoverable amount was higher than the value stated. The estimated recoverable amount was determined using the "value in use" basis. The "value in use" basis was calculated by applying a price earnings multiple of four to the average of the past three years' earnings and next year's forecast earnings, which is based on information consistent with external sources.

21. Inventories – Land and Buildings

	2022 Group £'000	2021 Group £'000
Group properties for resale at cost		
At 1 April	**12,494**	14,558
Capital expenditure	**119**	213
Disposal	**–**	(1,320)
Depreciation	**(157)**	(84)
Foreign exchange translation	**(104)**	(873)
At 31 March	**12,352**	12,494

The Group's total interest in Blue Tower (an office block in Warsaw) is 48.2% of the building. The fair value of this interest is €18.13 million (£15.32 million), down from €18.58 million (£15.83 million) at 31 March 2021 but is stated at cost as above.

The disposal in 2021 relates to the sale of another property related to Blue Tower. Consideration of £1.10 million was received in respect of this sale resulting in a loss on disposal of £0.22 million.

22. Trade and Other Receivables

	2022		2021	
	Group £'000	**Company £'000**	Group £'000	Company £'000
a) Current assets				
Trade receivables	**1,003**	**83**	1,325	92
Less provision for impairment of receivables	**(73)**	**–**	(281)	–
Trade receivables net	**930**	**83**	1,044	92
Other receivables	**2,299**	**1,211**	3,408	1,609
Prepayments and accrued income	**1,100**	**34**	697	28
At 31 March	**4,329**	**1,328**	5,149	1,729

The estimated fair values of receivables are the amount of the estimated future cash flows expected to be received and approximate to their carrying amounts.

There is no significant concentration of credit risk with respect of trade receivables as the Group has a large number of tenants and the perceived overall credit quality is considered good.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

22. Trade and Other Receivables continued

The Group performs an expected credit loss assessment for all trade receivables to calculate a provision for expected credit loss, based on historical credit loss information, current conditions and forecasts of future economic conditions. The simplified approach is used in accordance with IFRS 9. A provision for uncollected receivables is recognised for amounts not expected to be recovered and all amounts over three months old. There are no unimpaired trade debts greater than three months old. Movements in the accumulated impairment losses on trade receivables were as follows:

	2022		2021	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Accumulated impairment losses as at 1 April	**(281)**	**–**	(330)	–
Increase in provision	**(61)**	**–**	(244)	–
Provision used	**11**	**–**	80	–
Release of provision	**259**	**–**	197	–
Effect of translation on presentation currency	**(1)**	**–**	16	–
Accumulated impairment losses as at 31 March	**(73)**	**–**	(281)	–

	2022		2021	
	Group £'000	**Company £'000**	Group £'000	Company £'000
b) Non-current assets				
Other receivables	**95**	**–**	487	–
Amounts owed by subsidiaries and other undertakings	**–**	**13,826**	–	13,610

In 2022, other receivables include a balance of £95,000 (2021: £487,000) relating to the deferred consideration from the sale of an investment property located in Romania, which is receivable after one year. This has been discounted to reflect its net present value.

Other receivables of £13.83 million held by the Company comprise loan and dividend balances due from subsidiaries and associates (2021: £13.61 million). Loans and dividends in subsidiaries and associates are stated at cost less an expected credit loss on the balance in accordance with IFRS 9. An impairment loss of £6.01 million was recognised in the Company in the year in respect of these loans (31 March 2021: £nil).

23. Trade and Other Payables

	2022		2021	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Current liabilities				
Trade payables	**1,105**	**15**	2,052	52
Amounts due to subsidiary undertakings and associates	**–**	**10,608**	–	10,612
Other taxation and social security	**313**	**–**	557	–
Other payables and accruals	**1,917**	**493**	691	92
Deferred income	**53**	**–**	147	–
At 31 March	**3,388**	**11,116**	3,447	10,756

Deferred income £53,000 (2021: £147,000) is in respect of rental and service charge income on Group properties invoiced in advance. The income is subsequently credited to the Consolidated Income Statement in the period to which it relates. All deferred income is deemed to be current.

24. Provisions

	2022 Group £'000	2021 Group £'000
Current liabilities		
At 31 March	**922**	2,076

The provision at 31 March 2022 represents a rent guarantee of £0.52 million (31 March 2021: £0.79 million) and fit-out costs of £0.40 million (31 March 2021: £1.29 million). These provisions are in respect of the rent guarantee given as part of the sale of CH8 which completed in April 2020.

As a condition of the sale the Group guaranteed the rental and service charge income and fit-out costs on the residual vacant space, up to some €1.20 million per annum for five years and €1.50 million respectively.

Movements in the provisions were as follows:

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Provisions as at 1 April	**2,076**	–	2,311	–
Increase in provision	**529**	–	1,030	–
Provision used	**(1,667)**	–	(1,177)	–
Release of provision	**(29)**	–	–	–
Effect of translation on presentation currency	**13**	–	(88)	–
At 31 March	**922**	–	2,076	–

25. Financial Liabilities

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Current liabilities				
Bank loan	**4,212**	–	1,194	–
Finance lease	–	–	21,443	–
At 31 March	**4,212**	–	22,637	–
Non-current liabilities				
Bank loans	**9,309**	–	12,457	–
Finance lease	–	–	–	–
At 31 March	**9,309**	–	12,457	–

	2022		2021	
	Group £'000	Company £'000	Group £'000	Company £'000
Total obligations under bank loans and finance lease				
Repayable within one year	**4,212**	–	22,637	–
Repayable within one and five years	**7,364**	–	11,116	–
Repayable after five years	**1,945**	–	1,341	–
At 31 March	**13,521**	–	35,094	–

Four bank loans all denominated in Euros and totalling £13.52 million (31 March 2021: £35.09 million), included within financial liabilities, are secured against investment properties owned by the Group and one property owned by the Group shown under inventories. These bank loans and the finance lease are otherwise non-recourse to the Group's assets.

During the year to 31 March 2022, terms were agreed with the bank to restructure the financing of Gdynia for a final repayment of €16.00 million, of which €4.00 million was paid with the balance of €12.00 million due in June 2024. The finance lease secured on this property at 31 March 2021 is now reflected as deferred consideration in Other Financial Liabilities in note 26.

See financial instruments Note 31 on page 72 for information on any covenant breaches in respect of these financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

25. Financial Liabilities continued

Minimum finance lease payments in respect of the finance lease are as follows:

Finance lease liabilities:	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Less than one year	–	–	21,443	–
Between two and five years	–	–	–	–
Later than five years	–	–	–	–
Future finance charges on future finance lease payments	–	–	–	–
	–	–	21,443	–

The analysed present value of finance lease liabilities is as follows:	2022 Group £'000	2022 Company £'000	2021 Group £'000	2021 Company £'000
Less than one year	–	–	21,443	–
Between two and five years	–	–	–	–
Later than five years	–	–	–	–
	–	–	21,443	–

26. Other Financial Liabilities

	2022 Group £'000	2021 Group £'000
Non-current liabilities	**10,141**	–

This non-current liability represents the balance of €12.00 million which was a result of the restructuring of a finance lease secured against the office tower in Gdynia. The restructuring resulted in the amount owed to ING bank in final settlement reducing by €9.00 million (£7.81 million). As part of the deal, the Group acquired the freehold of the property for €16.00 million of which €4.00 million has been paid and €12.00 million is repayable by June 2024. No interest is payable on this non-current liability. The deferred consideration is reflected as an Other Financial Liability in the Statement of Financial Position.

27. Deferred Tax

Deferred tax assets and liabilities are attributable to the following items:

	2022 Group net assets £'000	2022 Group assets £'000	2022 Group liabilities £'000	2021 Group net assets £'000	2021 Group assets £'000	2021 Group liabilities £'000
Accrued interest payable	117	117	–	(1,021)	118	(1,139)
Accrued income	(4)	–	(4)	(13)	–	(13)
Foreign bank loan	(212)	203	(415)	899	902	(3)
Investment properties and inventories	(1,476)	1,119	(2,595)	(1,331)	427	(1,758)
Other temporary differences	62	160	(98)	10	71	(61)
At 31 March	**(1,513)**	**1,599**	**(3,112)**	(1,456)	1,518	(2,974)

Relevant Group companies are making taxable profits.

The movement in deferred tax assets and liabilities during the year:

	2022 Group net assets £'000	2022 Group assets £'000	2022 Group liabilities £'000	2021 Group net assets £'000	2021 Group assets £'000	2021 Group liabilities £'000
At 1 April	(1,456)	1,518	(2,974)	557	2,659	(2,102)
(Charge)/credit in the year	(73)	92	(165)	(2,133)	(996)	(1,137)
Foreign exchange translation	16	(11)	27	120	(145)	265
At 31 March	**(1,513)**	**1,599**	**(3,112)**	(1,456)	1,518	(2,974)

The Directors have exercised their judgement in assessing the amounts to recognise as deferred tax assets. Where there is doubt as to the future recoverability of the asset, they have restricted the asset to the value of the deferred tax liability of the relevant entity based on the reasonable expectation of that entity making realisable taxable profits over the foreseeable future.

28. Called-Up Share Capital

	2022 £'000	2021 £'000
Authorised		
240,000,000 (2021: 240,000,000) Ordinary Shares of 1 pence each	**2,400**	2,400
Issued and fully paid		
116,601,115 (2021: 116,601,115) Ordinary Shares of 1 pence each of issued share capital, of which 6,218,783 Ordinary Shares (2021: 6,218,783) are held in treasury	**1,166**	1,166

	Ordinary Shares number	Treasury Shares number	Share options number
1 April 2021	110,382,332	6,218,783	2,610,000
Purchase of shares into treasury	–	–	–
Exercise of share options	–	–	–
Issue of new shares	–	–	–
Issue of shares to Non-Executive Director	–	–	–
Lapse of share options	–	–	–
31 March 2022	**110,382,332**	**6,218,783**	**2,610,000**

	Ordinary Shares number	Treasury Shares number	Share options number
1 April 2020	110,382,332	6,218,783	2,610,000
Purchase of shares into treasury	–	–	–
Exercise of share options	–	–	–
Issue of new shares	–	–	–
Issue of shares to Non-Executive Director	–	–	–
Lapse of share options	–	–	–
31 March 2021	**110,382,332**	**6,218,783**	**2,610,000**

The Company had 2,610,000 options over Ordinary Shares outstanding at 31 March 2022 (2021: 2,610,000). Once these share options are exercised, the Ordinary Shares issued will rank pari passu with the existing Ordinary Shares.

Year of grant	Exercise price (p)	Exercise period	31 March 2022 Numbers	31 March 2021 Numbers
2008/09	11.50	Feb 2010 to Feb 2029	**333,333**	333,333
2008/09	11.50	Feb 2011 to Feb 2029	**666,667**	666,667
2009/10	16.50	Dec 2011 to Dec 2029	**1,610,000**	1,610,000

All outstanding options have fully vested and qualify to be exercisable. During the year no share options were exercised or granted. The weighted average share price at the date of exercise of these shares was 14.58 pence. All share options are issued under the Company's Unapproved Share Option Scheme. The weighted average contractual life of the share options is 88.17 months.

29. Contractual Commitments

The Group has contractual commitments relating to the development of investment properties at 31 March 2022 amounting to £1,750,000 (2021: £5,751,000) which are expected to be expended over the next 12 months.

30. Financial Commitments

The Group had total commitments under non-cancellable operating leases payable as follows:

	Land and buildings 2022 £'000	Land and buildings 2021 £'000
Total amounts due		
– within a year	**–**	90
– between one and five years	**–**	294
In more than five years	**–**	–
	–	384

The liability relates to a five-year operating lease terminating in June 2025 for the head office in London.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

31. Financial Instruments and Risk Management

The Group and Company's financial instruments comprise or have comprised cash and liquid resources, including trade receivables, trade payables and short-term deposits derived from its operations. The primary objective of these financial instruments is to finance the Group and Company's operations.

Objective, policies and strategies

As outlined on pages 24 and 25 the main areas of the Group and Company's exposure to economic and operational risk are interest rates, liquidity, capital management, foreign exchange and credit.

Interest rate risk

The Group and Company is exposed to interest rate risk on its short-term cash balances, deposits and also its bank borrowings.

The Group and Company regularly reviews market rates of interest to ensure that beneficial rates are secured on its cash and short-term deposits, so that maximum returns are being achieved.

The Group and Company's policy is to consider on a case-by-case basis whether or not to enter into interest rate swaps, options and forward rate agreements to manage interest rate exposures, in the event that long or short-term finance is in place. Interest rate fixes and caps are utilised to mitigate this risk on both bank loans and finance leases if they are not a requirement of the borrowing agreement at the outset of the agreement.

The Group's policy does not permit entering into speculative trading of financial instruments and this policy has continued to be applied throughout the year.

Liquidity risk

The liquidity risk is related to the repayment of financial liabilities. Long-term loans are incurred in the same currency used to value the property asset. Most loans are subject to loan-to-value and Debt Service Cover Ratio restrictions.

The Group and Company prepare monthly budgets, cash flow analyses and forecasts, which enable the Directors to assess the levels of borrowings required in future periods. This detail is used to ensure that appropriate facilities are put in place to finance the future planned operations of the Group.

Budgets and projections will be used to assess any future potential investment and the Group/Company will consider the existing level of funds held on deposit as part of the process to assess the nature and extent of any future funding requirement.

Deposits of €0.65 million (31 March 2021: €0.75 million) are held by lending banks in respect of four bank loans (31 March 2021: five) as security for Debt Service Cover Ratio (DSCR) covenants, of which €62,000 (31 March 2021: €98,000) are accounted for as prepayments.

Capital management

The Group and Company monitors the capital structure by combining actions aimed at evaluating investment projects and disposal processes, management of financial expenses, risk monitoring, solvency control and verification of the key financial ratios. The main actions undertaken by the Company include: forecasting cash flows, monitoring the interest coverage ratio and debt service ratio, verification of the debt to security ratio and guaranteeing sufficient capital to fulfil the contracted obligations. The Group's capital is made up of share capital, retained earnings and other reserves.

Market risk

Currency risk

The Group and Company is exposed to currency risk through its overseas operations. Wherever possible, overseas investment is financed in the local currency so that exposure to currency markets is limited. The Group/Company regularly reviews the pertinent currency rates and calculates and reports the currency exposure on a monthly basis.

The tables below show the extent to which the Group has residual assets and liabilities in currencies other than Sterling at the year end date. Foreign exchange differences on translation of these assets and liabilities are taken to the foreign exchange translation reserve in the Statement of Financial Position.

	Net foreign currency monetary assets/liabilities			
	Euro Poland & Romania £'000	Polish Zloty Poland £'000	Romanian Leu Romania £'000	Total £'000
2022				
Sterling Equivalent	**(12,330)**	**315**	**98**	**(11,917)**
2021				
Sterling Equivalent	(23,762)	589	66	(23,107)

All UK Group companies use Sterling as their functional currency, all Polish Group service companies use the Polish Zloty as their functional currency and the Romanian Group service company uses the Romanian New Leu as its functional currency. Property owning companies in Poland and Romania use the Euro as their functional currency.

Sensitivity analysis

The following table illustrates the effect on the Income Statement and items that are recognised directly in equity that would result from possible movements in interest rates and foreign exchange rates before the effect of tax.

	2022 Income Statement £'000	2021 Income Statement £'000	**2022 Equity £'000**	2021 Equity £'000
Interest rate sensitivity analysis				
UK interest rate +1%	**41**	136	**41**	136
EURO interest rate +1%	**(85)**	(293)	**(85)**	(293)
RON interest rate +1%	**1**	1	**1**	1
PLN interest rate +1%	**7**	7	**7**	7
	(36)	(149)	**(36)**	(149)
Foreign currency sensitivity analysis				
EURO exchange rate +5%	**9**	65	**(307)**	(379)
RON exchange rate +5%	**2**	4	**5**	3
PLN exchange rate +5%	**(69)**	4	**541**	36
	(58)	73	**239**	(340)

The interest rate sensitivity analysis has been determined based on the exposure to interest rates for cash, bank loans and finance leases. The analysis is prepared assuming the amounts at the Statement of Financial Position date were outstanding for the whole year.

The foreign currency sensitivity analysis includes all foreign currency Statement of Financial Position items and adjusts their translation at the period end for a 5.0% change in foreign currency rates.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

31. Financial Instruments and Risk Management continued

Market risk cont.

Credit risk

The Group and Company's principal financial assets are bank deposits, bank current account balances, and trade and other receivables which represent the Group and Company's maximum exposure to credit risk in relation to financial assets. It is the policy of the Group and Company to present the amount for trade and other receivables net of allowances for doubtful debts, estimated by the Group's management based on prior experience and making due allowance for the prevailing economic environment. See Note 22 for the Group's process for provisioning for trade receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group uses a number of banks thereby spreading this exposure over a number of counterparties.

Financial assets

The interest rate profile of the Group's financial assets at 31 March 2022 and 31 March 2021 was as follows:

	Floating rate financial assets £'000	Fixed rate financial assets £'000	Non-interest bearing £'000	Total £'000
Other receivables due after one year	–	–	–	–
Cash	6,419	–	–	6,419
Short-term deposits	–	–	550	550
At 31 March 2022	**6,419**	**–**	**550**	**6,969**
Other receivables due after one year	–	–	–	–
Cash	16,244	–	–	16,244
Short-term deposits	–	–	555	555
At 31 March 2021	**16,244**	**–**	**555**	**16,799**

The fair value of the financial assets is considered to be their book value.

Floating rate financial assets earn interest at floating rates based on the central bank rate in the country where the assets are held.

Fixed rate short-term deposits at 31 March 2022 were £nil (31 March 2021: £nil).

Financial liabilities

The interest rate profile of the Group's financial liabilities at 31 March 2022 and 31 March 2021 was as follows:

	Floating rate financial liabilities £'000	Fixed rate financial liabilities £'000	Non-interest bearing £'000	Total £'000
Bank loans	10,109	3,412	–	13,521
Finance lease obligations	–	–	–	–
Other financial liabilities	–	–	10,141	10,141
At 31 March 2022	**10,109**	**3,412**	**10,141**	**23,662**
Bank loans	9,903	3,748	–	13,651
Finance lease obligations	21,443	–	–	21,443
Other financial liabilities	–	–	–	–
At 31 March 2021	**31,346**	**3,748**	**–**	**35,094**

The Group's debt maturity other than short-term trade creditors and accruals at 31 March 2022 and 31 March 2021 was as follows:

	Bank loans £'000	Finance lease £'000	Other financial liabilities £'000	Total £'000
In one year or less	4,212	–	–	4,212
Between one and five years	7,364	–	10,141	17,505
Over five years	1,945	–	–	1,945
Total at 31 March 2022	**13,521**	**–**	**10,141**	**23,662**
In one year or less	1,194	21,443	–	22,637
Between one and five years	11,116	–	–	11,116
Over five years	1,341	–	–	1,341
Total at 31 March 2021	**13,651**	**21,443**	**–**	**35,094**

Four bank loans and one finance lease all denominated in Euros totalling £23.66 million (2021: £35.09 million) are included within financial liabilities and are secured against investment properties owned by the Group and the property owned by the Group shown under inventories. These bank loans and the finance lease are otherwise non-recourse to the Group's assets.

There are no loan to value covenant breaches based on the current market values.

In the period to 31 March 2022 there were no other defaults in respect of any of the Group's other borrowings.

Bank Loans £'000	Matures	Denominated		Capital Repayments	Interest Repayments	Secured
3,150	2023	Euro	Non-recourse	€27,000 per month	Annualised rate of one month EURIBOR plus an all in margin of 2.40%	Three retail properties in Poland, of which two are in Warsaw and one in Lodz
2,306	2029	Euro	Non-recourse	€135,000 per quarter	Annualised rate of three month EURIBOR plus an all in margin of 3.0%	Two Romanian properties located in Bucharest and Tureni
1,241	2031	Euro	Non-recourse	€21,000 per quarter	Annualised rate of three month EURIBOR plus an all in margin of 3.0%	Two Romanian properties located in Bucharest and Tureni
5,588	2025	Euro	Non-recourse	€35,400 per month	Annualised rate of six month EURIBOR plus a margin 2.4%.	28% share of Blue Tower office building
1,236	2033	Euro	Non-recourse	€15,000 per month	2.60% over three month EURIBOR and 100% of the loan secured with an IRS rate of 0.00%.	20% share of Blue Tower office building
Total bank loans £13,521						

Borrowing facilities

At 31 March 2022 the Group had £nil committed borrowing facilities available (31 March 2021: £nil undrawn).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED FOR THE YEAR ENDED 31 MARCH 2022

32. Related Party Transactions

First Property Group plc is the Parent Company of the Group and the ultimate controlling party. The Parent Company incurs the costs of the Board of Directors and other unallocated central costs and also provides finance for funding to member companies of the Group on an unsecured basis. No provision has been charged to income for outstanding balances between the Parent Company, its subsidiaries and its associates, and no guarantees given.

During the year, Group companies entered into the following transactions with the Parent Company, its subsidiaries and its associates.

Related party transactions for the Group	2022 £'000	2021 £'000
Property management fees to associates	**1,304**	1,399
Amounts owed by associates at year end	**1,370**	1,713
Related party transactions for the Company		
Management charge to subsidiaries	**300**	360
Management charge paid to subsidiaries	**–**	–
Profit share charged to subsidiaries	**–**	–
Dividends received from subsidiaries during the year	**46**	3,696
Net funding transactions with subsidiaries and associates	**(5,874)**	(10,394)
Shareholder loan interest receivable from subsidiaries during the year	**194**	175
Shareholder loan interest payable to subsidiaries during the year	**–**	–
Amounts owed by subsidiaries at year end	**13,826**	13,610
Amounts owed to subsidiaries at year end	**10,608**	10,407
Amounts owed by associates at year end	**4,009**	2,837
Key management compensation		
Short-term employee benefits (see Note 9)	**2,156**	633

Key managers are the Group Directors.

All transactions were made in the ordinary course of trading or funding of the Group's continuing activities.

All loans made by the Company to UK subsidiary companies totalling £3.7 million (2021: £0.24 million) are unsecured and are interest free apart from a £0.87 million loan to E and S Estates Ltd on which interest of £14,000 was charged in the year. All loans made by UK subsidiary companies to the Company totalling £7.62 million (2021: £9.07 million) are unsecured and are interest free.

All loans made by the Company to non-UK subsidiaries totalling £2.97 million (2021: £4.69 million) are unsecured but interest bearing at commercial rates of interest. All loans made by non-UK subsidiaries to the Company totalling £2.99 million (2021: £1.54 million) are unsecured but interest bearing at commercial rates of interest.

33. Five Year Financial Summary

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Continuing operations					
Profit/(loss) before tax	**7,080**	(5,089)	5,519	8,308	9,233
Performance related fee income	**578**	40	415	1,541	189
Net (borrowings)/cash	**(17,243)**	(18,850)	(57,197)	(56,939)	(102,308)
Net cash flow from operating activities	**(1,441)**	38,726	5,338	6,732	9,787
Net assets (excluding non-controlling interest)	**44,141**	36,788	48,047	46,172	46,735
Total assets under management	**£559m**	£569m	£623m	£706m	£626m
Earnings/(loss) per share	**6.14p**	(6.75p)	4.38p	4.95p	5.82p
Dividend per share	**0.50p**	0.45p	1.67p	1.66p	1.60p
Dividend cover	**12.3x**	(15x)	2.6x	3.0x	3.6x
Adjusted net asset value per share	**47.28**	42.80p	55.00p	57.48p	53.07p