Date:Â Â 12 September 2024
From:Â Â Balanced Commercial Property Trust Limited
LEI:Â Â 213800A2B1H4ULF3K397
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(Classified Regulated Information, under DTR 6 Annex 1 Section 1.2)
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Interim Report for the Period ended 30 June 2024
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Headlines

- See below for recommended all-cash acquisition of the Company and dividends update.
- Earnings per Ordinary Share of **-2.0 pence per share** for the six-months ended 30 June 2024 (H1 2023: 1.1 pence per share)
- Net asset value per Ordinary Share was **105.1 pence** as at 30 June 2024 (31Â December 2023: 109.8 pence)
- Net asset value total return* of **-1.9 per cent** for the 6 months ended 30 June 2024 is calculated assuming dividends are re-invested (H1 2023: +0.8 per cent).
- Share price total return* of **+13.0 per cent** for the 6 months ended 30 June 2024 (H1 2023: -23.0 per cent).
- Cash dividend cover for the 6 months ended 30 June 2024 was **107.6 per cent** (H1 2023: 117.6 per cent)
- During the six-months ended 30 June 2024, disposed of two office holdings at an aggregate sales price of Â£53.8 million, 3.9 per cent below valuation as at 31Â December 2023. Further detail can be found in the Managersâ€™ Review below. A further three office disposals were completed post period-end with an aggregate sales price of Â£60.7 million. These disposals are part of the strategic repositioning of the portfolio and were in line with the 30 June 2024 valuations.
- Portfolio return of **-0.5Â per cent** over the 6 months to June 2024 (H1 2023: 1.5 per cent) versus the MSCI UK Quarterly Property Index return of 1.8Â per cent. (H1 2023: 0.3 per cent).

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* See Alternative Performance Measures
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Chairmanâ€™s Statement
The real estate sector spent much of the first half of the year awaiting greater clarity on the path of interest rates. This August saw the end of the tightening cycle as the Bank of England delivered a 0.25 per cent cut to the base rate. Prior to this cut, there were some signs of renewed investor appetite, and whilst still modest, there has been an increase in transaction volumes over the first six months of the year compared to the last six months ofÂ 2023.
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Whilst geopolitical challenges persist, this modest increase in activity can perhaps be attributed to the expectation of a more stable market backdrop. The UK economy expanded moderately in the first two quarters of 2024, following a shallow technical recession in the second half of 2023. The inflation rate hit the Bank of Englandâ€™s 2.0 per cent target rate in May for the first time since July 2021, and political uncertainty reduced with the election of a Labour Party governing with a significant majority.
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The second quarter of 2024 saw the MSCI UK Quarterly Property Index (â€˜the Indexâ€™) return to capital growth for the first time since June 2022, with the industrial and retail warehousing sectors benefitting most notably. However, it is income that has been the consistent driver of total returns in recent periods, as occupational markets have generally proven to be more resilient than many expected despite the challenges posed to the UK economy and consumers.
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Company Performance
Against this economic and property market backdrop, the Company has delivered a net asset value (â€˜NAVâ€™) total return of -1.9 per cent for the six months to 30 June 2024. The NAV per share as at 30Â June 2024 was 105.1 pence, down 4.3 per cent from 109.8 pence per share as at 31 December 2023.

The share price performed strongly over the period with a positive total return of 13.0 per cent for the six months and the discount to NAV narrowing to 24.6 per cent at the period end, compared to 34.0 per cent at 31 December 2023.

The following table provides an analysis of the movement in the NAV per share during the period.

Â	**Pence**
NAV per share as at 31 December 2023	109.8
Unrealised decrease in valuation of property portfolio	(3.8)
Losses on sale of investment properties realised	(0.4)
Other net revenue	2.1
Dividends paid	(2.6)
NAV per share as at 30 June 2024Â	105.1

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Portfolio Performance

The Companyâ€™s portfolio delivered a negative total return of 0.5 per cent over the first six months of the year, underperforming the Index return of 1.8Â per cent.

While the portfolio delivered income outperformance, a capital return of -3.3 per cent against the Index return of -0.6 per cent dragged performance at the portfolio level. This underperformance can primarily be attributed to the portfolioâ€™s exposure to offices, and particularly its regional business parks, a sector with a challenged outlook.

The Company has sought to address the level of its exposure to offices, and a number of disposals have been completed as we seek to align the portfolio towards favoured growth sectors. The portfolio carried a weighting towards the office sector as at 30 June 2024 of 19.9 per cent (31 December 2023: 26.5 per cent.). There were Â£53.8 million of sales during the period at a 3.9 per cent. discount to the year-end valuation and the office exposure has fallen to 14.3 per cent on completion of recently announced disposals post-period of Â£60.7 million which were sold in line with their 30 June 2024 valuations. This compares to an Index exposure of 22.7 per cent.

These sales have raised significant cash, underlining the liquidity of the assets.

Performance has been strongest from retail warehousing where yields continue to tighten, given the high level of investment demand and low vacancy rates in the sector. The Companyâ€™s two retail parks have therefore witnessed capital growth in the period, with these assets being fully let to a strong tenant base.

Cash and Borrowings

The Company had Â£67.3 million of available cash as at 30 June 2024. All cash balances were held in interest-bearing deposit accounts with competitive variable interest rates. Following the post period end office sales, the Company currently has c.Â£120 million of available cash.

The Company has a Â£260 million term loan in place with L&G which matures in December 2024 (the â€˜L&G Loanâ€™). The Company signed up to a new debt facility in September 2023 which has been provided by incumbent lender, Barclays Bank plc, and HSBC UK Bank plc. This facility has been structured with two tranches, being (a) a Â£60 million revolving credit facility (â€˜RCFâ€™) and (b) a Â£260 million term loan, which can only be drawn to refinance the existing L&G Loan. The Â£60 million RCF is currently undrawn, with proceeds from the office sales used to pay back the Â£30 million drawn down at the start of the period. The new debt facility is available until 13Â September 2025 with the option of two one-year extensions (subject to lender approval and the first of which would have to be requested by 15 November 2024). As at 30Â June 2024, the Companyâ€™s loan to value, net of cash, was 20.7 per cent.

Strategic Review

Further to the Strategic Review launched in AprilÂ this year, the Company announced on 4Â September 2024 that it had reached agreement on the terms of a recommended all-cash acquisition by Starling Bidco Limited (a newly formed company incorporated owned by funds managed, controlled or advised by Starwood Capital or its affiliates) (â€˜Bidcoâ€™), pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of the Company (theÂ â€œAcquisitionâ€). The Acquisition is conditional on, among other things, the approval of the Companyâ€™s shareholders at a Court meeting and an extraordinary general meeting. For full details of the Acquisition, please refer to the Rule 2.7 announcement published by Bidco and the Company on 4Â September 2024, available through the Companyâ€™s website at https://www.columbiathreadneedle.co.uk/bcpt-strategic-review/. Further details will be set out in the scheme document which will be sent to shareholders within 28 days of the firm offer announcement of 4 September 2024 (although this timing can be extended in certain circumstances).

Dividend

The Company paid six interim dividends of 0.44Â pence per share during the period, totalling 2.64Â pence per share, an increase of 10 per cent on the equivalent period in 2023. The level of dividend cover for the period was 107.6 per cent on a cash basis.

In the light of the proposed Acquisition, the Board does not intend to declare or pay any further dividends prior to the Acquisition becoming effective (which is expected to occur in the fourth quarter of 2024), save to the extent required to ensure compliance with the REIT regime.

Environmental, Social and Governance (â€˜ESGâ€™)

The Board remains committed to achieving Net Zero Carbon by 2040 or sooner. Detailed analysis and modelling of emissions reduction trajectories has been undertaken and performance against pathway continues to be regularly reviewed. The Board and Managers believe that the portfolio is well placed to deliver on its net zero carbon ambition within a business-as-usual context. The Managers and Board continue to pay attention to all material ESG matters. Ongoing progress is summarised later in this report whilst more detailed insight is provided in the 2023 ESGÂ Report, published in April 2024.

Outlook

Amid cautious optimism in the capital markets, and a more supportive economic backdrop, there are tentative signs that the outlook for certain real estate sectors may be beginning to turn. While the geopolitical landscape remains volatile, a number of market participants are beginning to look to the next stage of the cycle.

The Managers have made progress in repositioning the portfolio which has increased the Companyâ€™s exposure to those sectors which are projected to offer the most favourable performance outlook.

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Paul Marcuse

Chairman
11 September 2024
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Forward looking statements
Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by those statements. Forward looking statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.
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Performance Summary

Â	**Half year ended 30 June 2024**	Half year ended 30 June 2023	% change	Â	Â
Total Returns for the period * Â	Â	Â		Â	Â
Net asset value per share	**-1.9%**	+0.8%	-2.8%	Â	Â
Ordinary Share price	**+13.0%**	-23.0%	+36.0%	Â	Â
Portfolio	**-0.5%**	+1.5%	-2.0%	Â	Â
MSCI UK Quarterly Property Index	**+1.8%**	+0.3%	+1.5%	Â	Â
FTSE All-Share Index	**+7.4%**	+2.6%	+4.8%	Â	Â

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Â **Capital Values**	**Half year ended 30 June 2024** Â	Year ended 31 December 2023 Â	Â Â % change Â
Total assets less current liabilities (Â£â€™000)	**740,656**	799,590	-7.4%
Net asset value per share	**105.1p**	109.8p	-4.4%
EPRA Net Tangible Assets per share*	**105.1p**	109.8p	-4.4%
Ordinary Share price	**79.2p**	72.5p	+9.2%
FTSE All-Share Index	**4,451.9**	4,232.0	+5.2%
Ordinary share price discount to net asset value per share*	**(24.6)%**	(34.0)%	+9.4%
Net Gearing *	**20.6%**	24.4%	-3.7%
Â	**Â**	Â	Â
Earnings and Dividends	**Half year ended 30 June 2024**	Half year ended 30 June 2023	Â
Earnings per Ordinary Share	**(2.0)p**	1.1p	Â
EPRA Earnings per Ordinary Share	**2.1p**	2.6p	Â
Dividends per Ordinary Share	**2.64p**	2.4p	Â
Dividend yield *	**6.7%**	7.3%	Â
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Sources: Columbia Threadneedle Investment Business, MSCI Inc and Refinitiv Eikon.
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* See Alternative Performance Measures Â Â Â

Managersâ€™ Review
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- â€¢ Â Portfolio total return of -0.5 per cent over the 6 months to June, compared to the MSCI UK Quarterly Property Index (â€˜Indexâ€™) return of 1.8 per cent.
- â€¢ Â Underperformance primarily attributable to the capital performance of the portfolioâ€™s office holdings.
- â€¢ Â The portfolio has delivered income outperformance against MSCI of 47 basis points over the 6 months and generated an annualised income premium of 94 basis points
- â€¢ Â Â£53.8 million of office disposals during the period.
- â€¢ Â Total office sales in 2024 have raised cash proceeds of Â£114.5 million (Â£60.7 million of which was post the period-end) at an average discount to the then preceding valuation of 4.1 per cent.
- â€¢ Â Portfolio exposure to the office sector fell to 14.3 per cent on completion of post-period end disposals, against an Index exposure of 22.7 per cent.

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Property Market Review
As performance headwinds have proved more persistent than anticipated, the first six months of 2024 have not been easy for the UK real estate sector. However, optimism has built as the year has progressed and the macroeconomic environment has stabilised. For over two years, the fortunes of real estate have been strongly influenced by the inflationary backdrop, but we have now seen the interest rate cycle peak at 5.25 per cent and the first cut of 0.25 per cent was announced in August 2024. In addition, a layer of domestic political uncertainty has been removed with the Labour Party win in the July election.
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As the economic backdrop and wider sentiment have improved, the real estate sector may have reached an inflection point. The second quarter of 2024 saw the Index generate a positive capital return for the first time since June 2022, underpinning a total return of 1.3 per cent, the strongest quarterly return delivered for 24Â months.
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As pricing has stabilised, investor confidence has returned for favoured sectors, being those where strong occupational fundamentals are supportive of income resilience and growth. Retail warehousing is the lead indicator of nascent pricing recovery with market yields hardening whilst the industrial and operational alternative sectors have also seen an improved depth of investor demand. There are, however, further capital value declines anticipated in less-favoured sectors, primarily across offices, but particularly in the secondary office markets where vacancy continues to rise.
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While sentiment may be improving, investment volumes remained subdued over the first half of 2024. This was on account of continued uncertainty surrounding the economic outlook, combined with a highly constrained availability of stock within the favoured sectors into which investors are willing to deploy â€˜dry powderâ€™ which is available across both the institutional and private markets.
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Investment activity totalled circa Â£20 billion in H1 2024, which is over 50 per cent lower than the volumes seen in H1 2022 (being the last comparable period prior to the current phase of market correction). Residential was the most traded sector as investors turn to resilient, counter-cyclical sectors able to offer an inflation hedge. The occupational fundamentals of the retail warehousing sub-sector, where vacancy rates remained at near-record lows, have also supported strong levels of investor demand given the sectorâ€™s critical role within omni-channel retailing, lower occupational cost base and resilient discount/convenience led occupier pool. The industrial sector continues to benefit from robust levels of investor demand, supported by a strong occupational market and aided by a notable re-pricing from previous highs. While rental growth has cooled from the record levels seen in 2021/2022, the outlook is positive as void rates remain below long-term averages, and the development pipeline remains limited with major occupiers such as Amazon increasing occupational take-up in anticipation of wider economic recovery.
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The office sector remains challenged, despite the hybrid working model showing signs of stabilising. Such a structural shift carries a delayed impact and continues to lead to the rationalisation of office space as corporates reassess operational models. There is, however, a clear focus on best-in-class, amenity-rich Grade A office space aimed at attracting and retaining a highly skilled workforce. Such assets have seen some liquidity, with a handful of transactions offering a degree of pricing transparency at the prime end of theÂ market.
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Geographical Analysis (% of total property portfolio)	
Â	**30 June 2024 (%)**
London â€“ West End	27.6
Midlands	25.5
South East	23.6
North West	13.2
Scotland	6.1
South West	2.0
Rest of London	2.0

Source: Columbia Threadneedle REP AM plc
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Sector Analysis (% of total property portfolio)	
Â	**30 June 2024 (%)**
Industrial	35.2
Offices	19.8
Retail	19.5
Retail Warehouses	14.1
Alternative	11.4

Source: Columbia Threadneedle REP AM plc
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Lease Expiry Profile		
At 30 June 2024 the weighted average lease length for the portfolio, assuming all break options are exercised, was 4.6 years (31Â December 2023: 4.7 years).		
% of leases expiring (weighted by rental value)	**30 June 2024 (%)**	31 December 2023 (%)
0 â€“ 5 years	71.9	64.9
5 â€“ 10 years	19.2	24.0
10 â€“ 15 years	7.5	9.6
15 â€“ 25 years	1.4	1.5

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Source: Columbia Threadneedle REP AM plc

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Capital Growth
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Over the period, portfolio yields have moved as follows:
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Â	Net initial yield		Equivalent yield		Reversionary yield	
Â	June 24 (%)	Dec 23 (%)	June 24 (%)	Dec 23 (%)	June 24 (%)	Dec 23 (%)
Industrial	4.2	4.5	6.1	6.0	6.4	6.3
Offices	8.0	7.4	10.0	8.2	10.6	8.4
Retail*	4.1	4.7	5.2	5.1	5.0	4.8
Retail Warehousing	6.2	6.3	5.9	6.2	5.8	6.1
Alternatives	4.8	4.8	4.7	4.7	4.6	4.6
Portfolio	**5.2**	**5.5**	**6.7**	**6.5**	**6.4**	**6.2**
*including St Christopherâ€™s Place						

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Portfolio performance
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The Companyâ€™s portfolio has delivered a total return of -0.5 per cent over the 6-month period, compared to an Index return of 1.8 per cent.
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While the portfolioâ€™s income return of 2.9 per cent delivered 47 basis points of outperformance over the Index, capital growth of -3.3Â per cent versus the Index at -0.6 acted as a drag at the portfolio level.
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The portfolio saw capital returns of -3.3 per cent, against the Index return of -0.6 per cent. Portfolio performance was impacted heavily by the office holdings, which suffered capital declines of 16.1 per cent over the 6-months. In particular, the Companyâ€™s exposure to the regional office sub-sector was a strong drag on performance, experiencing capital declines of 20.9 per cent, with the sub-sector acutely impacted by investment illiquidity and constrained transaction volumes in the context of a challenged performance outlook.
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The office portfolio performance relative to the Index is noteworthy, as the portfolioâ€™s return of -16.1 per cent lagged the Index return of -2.8Â perÂ cent by more than 13 per cent. Having exposed many of the office properties to the market, the mark down in these valuations is a reflection of the level of investor interest and offersÂ received.
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More positively, the two prime retail parks in the portfolio have continued to outperform with a total return of 9.3 per cent against 5.1 per cent reported by the Index. These parks are thriving and continue to benefit from being fully-let to a diverse, high-quality tenant base.
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Returns for the six-months ended 30 June 2024				
Â	**Balanced Commercial Property Trust**			**MSCI UK Quarterly Index**
Sector	Income Return (%)	Capital Return (%)	Total Return (%)	Total Return (%)
All Retail	2.6	-0.2	2.4	3.0
Offices	4.7	-16.1	-12.0	-0.7
Industrial	2.3	-0.2	2.0	3.0
Alternatives	2.6	-0.1	2.4	1.6
All Property	**2.9**	**-3.3**	**-0.5**	**1.8**

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Income Return
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The portfolio is generating an income advantage, recording a 47-basis point premium over the Index for the 6-month period and an annualised premium of 94 basis points.
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Active asset management is critical to maintaining and driving the portfolioâ€™s income profile, through unlocking the portfolioâ€™s income reversion. A total of 37 leases and tenancy agreements completed over the six months, accounting for a contracted income stream of Â£4.7 million. Within this total, sixteen open market lettings were agreed and contracted at rents in line with the valuation ERV at the end ofÂ 2023.
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This has helped support net operating income growth across the portfolio of 5.7 per cent over the last twelve months, outperforming the Index return of 3.5 per cent.
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Lease events offer the opportunity to crystalise the portfolioâ€™s potential into income growth.
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With a weighted average unexpired lease term (â€˜WAULTâ€™) of 4.6 years, the portfolioâ€™s leasing profile has an attractive mix of income duration from its higher yielding assets and the opportunity to realise performance from its growth assets. The key to unlocking the reversion within the portfolio lies in the industrial assets, which offer an income reversion in excess of 50Â per cent. Including rent reviews and lease events, the WAULT on the industrial portfolio is 2.1 years, which provides the opportunity for the reversion to be delivered at lease events in the near term.
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Approximately 23 per cent of the Companyâ€™s income profile is subject to contractual uplifts offering guaranteed income growth. Index-linked rent reviews support 11 per cent of the income, while 12 per cent is subject to contractual
fixed uplifts.
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The portfolio vacancy rate rose from 6.7 per cent by Estimated Rental Value (â€˜ERVâ€™) to 9.4 per cent. The increase is due to JP Morgan vacating Alhambra House, Glasgow upon lease expiry. Excluding the two vacant HQ office buildings in Glasgow and Stockley Park, both of which are subject to the execution of asset management strategies, the portfolio vacancy rate stands at 1.7Â per cent.
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Investment Activity
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We continue to make progress on executing a portfolio rebalancing strategy, designed to reduce the Companyâ€™s exposure to the office sector and align the portfolio for the delivery of enhancedÂ returns.
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Since the end of December 2023, we have successfully completed the disposal of five offices, three of which exchanged after the period end. These are as follows:
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â€¢Â 2-4 King Street, London SW1 â€“ a multi-let holding of 14,600 sq ft in Londonâ€™s West End. Sale completed January 2024.
â€¢Â The Leonardo Building, Crawley â€“ a 110,000 sq ft business park headquarters office occupied by Virgin Atlantic Limited. Sale completed February 2024.
â€¢Â 7 Birchin Lane, London EC3 â€“ a multi-let City of London office of 22,300 sq. ft. Sale completed July 2024.
â€¢Â 82 King Street, Manchester - a multi-let city-centre office holding of 83,500 sq. ft. and the largest single office remaining in the portfolio. Sale exchanged July 2024 and completed in September 2024.
â€¢Â 17A Curzon Street, London W1 â€“ a low yielding, multi-let office of 10,800 sq ft in Londonâ€™s West End. Sale completed August 2024.
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In total, we have executed seven disposals from the office portfolio since the start of December 2023, raising aggregate proceeds totalling Â£129.5 million at an average discount to the preceding valuation of 4.1 per cent.
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The pricing achieved on these disposals reflects the liquidity and quality of the real estate in the portfolio. Despite the challenging capital markets this has enabled us to successfully dispose of holdings across the office sector, including capital-heavy multi-let assets, the structurally challenged regional business park segment and the low-yielding Central London markets.
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The assets sold were targeted for disposal on account of a risk-adjusted hold/sell analysis based on performance outlook. Following completion of the disposals, the portfolioâ€™s exposure to the office sector has fallen to 14.3Â per cent, compared to the Index exposure of 22.7 per cent and we believe that the portfolio is well positioned to deliver enhanced shareholder returns.
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Asset Management
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In the context of income-driven total returns, active asset management is the key determinant of relative outperformance, enabling rental growth to be converted into income while also generating capital growth through the enhancement of the underlying assets.
The portfolio offers a wealth of opportunity for the delivery of value-add initiatives.
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Industrial and logistics
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The Companyâ€™s industrial and logistics assets offer an attractive day one income reversion in excess of 50 per cent of the passing rent. AÂ number of highly accretive asset management initiatives have been executed over the year to date. Notable successes included:
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Units 1 & 2 Strategic Park, Southampton
The major refurbishment of this two-unit industrial scheme completed in October 2023 and both units became fully leased during the first half of 2024. The completion of a new 15-year lease to Oil Spill Response and 10-year lease to the UK F50 sailing team brought the project to a successful conclusion, delivering:
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â€¢Â Income performance, increasing the Companyâ€™s income by more than Â£1.4 million per annum and generating an uplift to the previous combined passing rent of 27.5 per cent.
â€¢Â Capital performance, underpinning 680 basis points of total return outperformance over the sector benchmark in the 24-month period since vacant possession was obtained to facilitate the redevelopment, and
â€¢Â ESG enhancements with A-rated EPCs, a BREEAM Very Good certification and a full solar photovoltaic system installed on the roof.
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The Cowdray Centre, Colchester
This multi-let estate continues to see buoyant levels of occupier activity, supported by a phased programme of refurbishments which has driven rental growth and value appreciation.
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The asset offers a day one income reversion of approximately 70 per cent and the staggered nature of the leasing profile allows activity to exploit this growth. Notable events over the period include:
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â€¢Â	Pickfords Move Management entered into a new 5-year lease of 16 Mason Road at a rent in line with the unitâ€™s ERV and representing a 52 per cent premium to the previous passing rent.
â€¢Â	MKM Building Supplies entered into a new 20-year lease (break year 15) of 1 Mason Road, a newly refurbished unit, increasing the income profile by Â£275,000 per annum.
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The estate also comprises a development site where planning consent has been secured for a trade-centre scheme and the construction package is currently out to tender.
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Retail Warehousing
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The Companyâ€™s two prime parks have been successfully repositioned to a grocery, discount and convenience-focussed line up, which is driving strong footfall, trading performance and occupier demand. Both parks remain fully leased and we are progressing a number of asset management strategies to further curate the tenant mix.
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Strong occupancy, supported by latent tenant demand, and a stable and growing income profile which has seen the passing rent from the parks increase by 1.9 per cent over the year to date and by 10.6 per cent over the last 12 months.
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Offices
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The completion of a number of asset management projects has enabled us to optimise value on disposal by selling at an optimal point within the asset life cycle.
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7 Birchin Lane, London EC3
The portfolioâ€™s sole City of London holding has been subject to a phased programme of refurbishment, delivering Category A â€˜Plug & Playâ€™ space along with upgraded ESG credentials including B-rated EPCs. In April 2024, the final refurbished suite was leased at a premium to ERV and 10.0 per cent ahead of the pre-refurbishment ERV. This supported the disposal of the asset at a value reflecting the benefit of full occupation at a strong rental tone.
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17A Curzon Street, W1C
The newly refurbished top-floor suite of this multi-let West End office holding was leased in March 2024 at a record rent for the building and the fourth-floor tenant entered into a 3-year reversionary lease, extending their commitment to 2028. Delivery of the business plan secured an enhanced income profile ahead of disposal of the asset in August 2024.
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Retail
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St Christopherâ€™s Place (the â€˜Estateâ€™) (mixed-use Food & Beverage (â€˜F&Bâ€™), retail, residential and offices)
The Companyâ€™s largest asset is a unique property; a prime Central London estate comprising 172 lettable units and 40 buildings, diversified across the retail, leisure, residential and office sectors as follows:
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Sector	Exposure (% of asset capital value)
Retail	22.6
Food & beverage	41.5
Offices	15.0
Residential	20.9

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During 2024, Londonâ€™s West End retail market has seen the tide turn. Occupier activity has rebounded amid recovering consumer confidence, improving footfall, growing tourist numbers and a significant rebasing of occupational costs following the business rates revaluation.
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As a result, vacancy rates in the prime West End have fallen to 4.3 per cent, below their pre-pandemic levels. As reduced vacancy has met with strong occupier demand, core West End rental values have increased significantly.
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Amid this encouraging backdrop of recovery and growth, St Christopherâ€™s Place delivered a positive quarterly capital return in June 2024, and its strongest quarterly total return performance of +1.0 per cent since September 2022.
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Asset management update
West End retail suffered in the wake of the pandemic, and, amid a challenging market backdrop, the Estate saw its vacancy rate rise from 2.1 per cent in December 2019 to 10.1 per cent in December 2023.
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Over the course of 2024, the vacancy rate has dropped back to 8.2 per cent at the Estate, 75 per cent of which is under offer or subject to contractual commitment. The net effective vacancy rate should therefore fall back towards its pre-CovidÂ level.
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The curation of tenant mix has remained at the forefront of our strategic thinking to ensure that we are leveraging consumer and market dynamics to position the Estate for continued success. To this end, the conversion of traditional retail to F&B has been key. The F&B sector has not only proven highly resilient to recent economic challenges, it also drives investment fundamentals through superior rents, turnover-linked rental top-ups, longer leases and sharper capitalisation rates. This also enhances the consumer experience and trading dynamics of the estate.
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Over the course of the period, the Estateâ€™s exposure to the F&B sector has increased from 31.2 per cent to 41.5 per cent as 4 key F&B occupational deals completed:
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â€¢Â	Sunday in Brooklyn exchanged an agreement for lease at 10/12 James Street and 13/14Â Gees Court, a newly created anchor unit running from James Street through to Gees Court. This signature letting will revitalise two key entrance points to the estate.
â€¢Â	Noreen, a new Middle Eastern restaurant concept, exchanged an agreement for lease at 28-32 St Christopherâ€™s Place, a substantial double-fronted unit in the heart of the Estate.
â€¢Â	Bar Kroketa, a Spanish restaurant and bar concept, and Morena, an all-day dining concept with a Latin-American inspired menu, have both agreed new leases.
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The leases were contracted within 0.7 per cent of the unitsâ€™ ERVs and all four contain turnover top-up provisions likely to see the rents receivable exceed ERV.
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While there remains strong latent demand from the F&B sector, we believe that we are now approaching a critical mass of F&B offering at the Estate. This has provided a platform for income growth through competitive tension and allows us to turn our strategic focus to other growth opportunities offered across the Estate.
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Alternatives
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The portfolioâ€™s alternatives holdings include the purpose-built student accommodation in Winchester (which is subject to a long-term, ndex-linked lease to the university) the leisure units at Wimbledon Broadway (a gym and cinema) and the residential properties at St Christopherâ€™s Place. The residential element of St Christopherâ€™s Place accounts for 5.1 per cent of the value of the Companyâ€™s portfolio.
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Outlook
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The macroeconomic environment has shown marked improvement over the course of the year to date as the UK economy returned to growth quickly following the technical recession of 2023. A new government prioritising economic growth has been elected with a strong majority and inflation has steadily receded back towards the Bank of Englandâ€™s target of 2 per cent.
Â
Investor sentiment has strengthened against this economic backdrop. Occupier markets have weathered recent challenges, and this has helped anchor real estate yields.
Â
Amid improving capital and resilient occupier markets, the latent risk of widespread market distress linked to debt maturity has subsided. While refinancing challenges had been feared to be a major downside risk to the wider real estate sector, only pockets of distress have materialised. This distress has been focussed on localised submarkets and on assets facing functional irrelevance amid long-term structural shifts.
Â
The benefits of a looser monetary policy should drive a wider market recovery. While we expect pricing at the market level to bottom-out over the course of 2024, the positive impact of monetary loosening is unlikely to be seen until 2025. Income returns continue to drive performance, whilst yield-driven capital returns are likely to be limited in the near-term. This will drive the continued divergence in returns across the sectors within UK commercial property, determined primarily by the strength of the underlying occupational markets and their ability to generate real rental growth.
Â
Stock selection remains critical, not only between sectors but also based on asset fundamentals. Investor demand will focus on quality assets in sectors supported by long-term thematic drivers, capable of delivering accretive asset management, underpinning returns.
Â
In this context, the BCPT portfolio is well positioned. Strategic disposals have tilted the portfolio towards the growth sectors of industrial and retail warehousing (accounting for half of the portfolio). Residual assets within the office portfolio offer upside potential through the delivery of value-add strategies and the Companyâ€™s largest asset in St Christopherâ€™s Place has returned to capital growth, founded on strong asset management capitalising on marketÂ recovery.
Â
Richard Kirby and Dan Walsgrove
Columbia Threadneedle REP AM plc
11 September 2024
Â
Â
Environmental, Social and Governance (ESG)
Â
The Board assesses its performance in meeting the Companyâ€™s objective against the following key measures. Commentary can be found in the Chairmanâ€™s Statement, Managersâ€™ Review and Environmental, Social and Governance Report.
Â
Environmental and Social Performance

Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023	Â
Carbon emissions (Scope 1 & 2) (tonnes Co2e)	806	795	1,603	This indicates the absolute amount of greenhouse gas emissions associated with the landlordâ€™s operational activities across the portfolio.
Proportion of demises with EPC ratings of A & B (%)	28	25	28	This provides an indication of the level of exposure to higher theoretical energy efficiency attributes of the property assets.

Health & Safety	0	0	0	Number of notifiable incidents or statutory health and safety breaches in the managed portfolio.

Â

Highlights for the six-month period to 30 June 2024

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The Manager has launched a portfolio-wide biodiversity initiative to improve biodiversity characteristics across the existing portfolio, recognising that asset value, reputation and image, health and wellbeing, and community engagement can all benefit from improved attention to underlying biodiversity factors. The Company has appointed an external consultant to undertake a phased approach in determining biodiversity status and potential opportunities for improvement.

Â

Over the first half of the year, we have continued to pursue a number of key ESG initiatives:Â

â€¢Â The Companyâ€™s ESG Committee formally met in March and May to review progress against sustainability related initiatives and targets.
â€¢Â The Company submitted to the 2024 GRESB (Global Real Estate Sustainability Benchmark) survey on schedule for both real estate and public disclosure modules. Results are due to be published on 1Â October 2024.
â€¢Â The Company is preparing to submit to the full tier of the CDP climate change module on schedule, with these results due to published by the end of the year.
â€¢Â For its 2023 ESG Report, and for the sixth year in succession, the Company achieved a Gold Award for alignment to the 3rd Edition of the EPRA Sustainability Best Practice Recommendations.

Â

The Company has committed to reduce landlord emissions year-on-year. However, emissions are impacted by externalities, primarily prevailing local weather patterns and occupier preferences, which are subject to change and variation on a yearly basis. In this context, the Company reports the following comparisons against the previous yearâ€™s corresponding period, on a like for like basis and accounting for assets sold:

Â

â€¢Â a 1.7% increase in landlord-controlled absolute energy consumption
â€¢Â a 6% increase in landlord-controlled energy intensity
â€¢Â a 2% increase in absolute landlord-controlled carbon emissions

Â

The near-level position of absolute energy consumption is driven by a 10% decrease in landlord-controlled absolute gas consumption balanced with a 10% increase in landlord-controlled electricity consumption. Performance movement is broadly balanced across the portfolio of assets.

Â

Determined by the number of directly managed assets, 100% of sites within the portfolio are paying the real living wage to all service provider employees within scope in line with our target ambition.

Â

The distribution of Energy Performance Certificate (EPC) ratings, as a reflection of the energy efficiency credentials of assets across the portfolio, continues to improve. At individual demise level, exposure to lower F&G ratings is minimal at three, which together with three expired certificates, represents units that are either very long leasehold or currently vacant and awaiting refurbishment. Exposure to higher A&B ratings has moderately improved, covering 94 demises in total, being 52.9% of the total portfolio by Estimated Rental Value or 57.1% by Net Lettable Area.

Â

The Company continues to monitor its tenant mix as part of its commitment to avoiding leasing exposure to organisations connected to the production, storage, distribution or use of controversial weapons. At the period ending 30Â June 2024, 0% of rental income was attributable to organisations that appear on the exclusion lists managed by Columbia Threadneedle Global Asset Management.

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Statement of Principal Risks and Uncertainties

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The principal risks and uncertainties faced by the Company relate to the following risk categories: investment performance; discount/premium; financial management and product strategy. A detailed explanation of the risks and uncertainties in each of these categories can be found under the heading â€˜Principal Risks and Future Prospectsâ€™ within the Strategic Report in the Companyâ€™s Annual Report for the year ended 31Â December 2023. The Companyâ€™s principal risks remain valid assuming no change in the Companyâ€™s status and are expected to be so for the remainder of the Companyâ€™s financial year.

Â

Further information on the Acquisition announcement can be found in the Chairmanâ€™s Statement. There is currently no certainty as to the outcome of this proposed transaction. The Boardâ€™s assessment of going concern can be found in note 1 to the Condensed Consolidated Financial Statements.

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Statement of Directorsâ€™ Responsibilities in Respect of the Interim Report

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We are responsible for preparing this Condensed Interim Report and Accounts in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

Â

â€¢Â the condensed interim report and accounts has been prepared in accordance with IAS 34 â€˜Interim Financial Reportingâ€™ as adopted by the European Union;
â€¢Â the Chairmanâ€™s Statement and Managersâ€™ Review (together constituting the Interim Management Report) together with the Statement of Principal Risks and Uncertainties above include a fair review of the information required by the Disclosure and Transparency Rules (â€˜DTRâ€™) 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements and a description of the principal risks and uncertainties of the remaining six months of the year; and
â€¢Â the Chairmanâ€™s Statement together with the condensed consolidated financial statements include a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period.

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On behalf of the Board

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Paul Marcuse
Director
11 September 2024

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Balanced Commercial Property Trust Limited

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Condensed Consolidated Statement of Comprehensive Income (unaudited)
for the six months to 30 June 2024

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	Notes	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023*
Â	Â	Â Â Â Â Â Â£â€˜000	Â Â Â Â Â Â£â€˜000	Â Â Â Â Â Â£â€˜000
Revenue	Â	Â	Â	Â
Rental income	Â	**26,438**	29,915	59,228
Other income	Â	**67**	-	119
Total revenue	Â	**26,505**	29,915	59,347
Â	Â	Â	Â	Â
Losses on investment properties	Â	Â	Â	Â
Unrealised losses on revaluation of investment properties	5	**(26,007)**	(10,719)	(56,940)
Losses on sale of investment properties realised	5	**(2,816)**	-	(4,533)
Total (loss)/ income	Â	**(2,318)**	19,196	(2,126)
Â	Â	Â	Â	Â
Expenditure	Â	Â	Â	Â
Investment management fee	Â	**(2,682)**	(3,089)	(5,968)
Other expenses	3	**(4,068)**	(3,820)	(7,336)
Total expenditure	Â	**(6,750)**	(6,909)	(13,304)
Â	Â	Â	Â	Â
Operating (loss)/ profit before finance costs and taxation	Â	**(9,068)**	12,287	(15,430)
Â	Â	Â	Â	Â
Net finance costs	Â	Â	Â	Â
Interest income	Â	**1,627**	1,062	2,051
Finance costs	Â	**(6,752)**	(5,494)	(12,617)
Â	Â	**(5,125)**	(4,432)	(10,566)
Â	Â	Â	Â	Â
(Loss)/ profit before taxation	Â	**(14,193)**	7,855	(25,996)
Taxation	Â	**-**	-	(71)
(Loss)/ profit for the period	Â	**(14,193)**	7,855	(26,067)
Â	Â	Â	Â	Â
Other comprehensive income	Â	Â	Â	Â
Items that are or may be reclassified subsequently to profit or loss	Â	Â	Â	Â
Movement in fair value of effective interest rate swap	Â	**-**	(843)	(843)
Total comprehensive (loss)/ income for the period	Â	**(14,193)**	7,012	(26,910)
Â	Â	Â	Â	Â
Basic and diluted earnings per share	4	**(2.0)p**	1.1p	Â (3.7)p
Â	Â	Â	Â	Â
EPRA earnings per share	Â	**2.1p**	2.6p	5.1p

Â

All of the profit and total comprehensive income for the period is attributable to the owners of the Group.

All items in the above statement derive from continuing operations.

* These figures are audited.

The accompanying notes below are an integral part of the above statement.

Balanced Commercial Property Trust Limited

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Condensed Consolidated Balance Sheet (unaudited)
as at 30 June 2024

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Â	Notes	30 June 2024 Â£â€™000	30 June 2023 Â£â€™000	31 Dec 2023* Â£â€™000
Non-current assets	Â	Â	Â	Â
Investment properties	5	**868,258**	1,067,556	936,993
Trade and other receivables	Â	**17,236**	16,974	14,354
Â	Â	**885,494**	1,084,530	951,347
Â	Â	Â	Â	Â
Current assets	Â	Â	Â	Â
Investment properties held for sale	Â	**59,993**	-	71,277
Trade and other receivables	Â	**8,515**	13,725	12,005
Interest rate swap asset	Â	**-**	187	-
Cash and cash equivalents	Â	**67,305**	54,804	41,717
Â	Â	**135,813**	68,716	124,999
Â	Â	Â	Â	Â
Total assets	Â	**1,021,307**	1,153,246	1,076,346
Â	Â	Â	Â	Â
Current liabilities	Â	Â	Â	Â
Trade and other payables	Â	**(20,807)**	(20,023)	(17,067)
Interest-bearing loan	Â	**(259,844)**	-	(259,689)
Â	Â	**(280,651)**	(20,023)	(276,756)
Â	Â	Â	Â	Â
Non-current liabilities	Â	Â	Â	Â
Trade and other payables	Â	**(3,331)**	(2,262)	(2,774)
Interest-bearing loans	7	**-**	(309,320)	(26,777)
Â	Â	**(3,331)**	(311,582)	(29,551)
Â	Â	Â	Â	Â
Total liabilities	Â	**(283,982)**	(331,605)	(306,307)
Â	Â	Â	Â	Â
Net assets	Â	**737,325**	821,641	770,039
Â	Â	Â	Â	Â
Â	Â	Â	Â	Â
Represented by:	Â	Â	Â	Â
Share capital	8	**7,994**	7,994	7,994
Special reserves	Â	**485,840**	485,840	485,840
Capital reserves	Â	**130,869**	210,446	159,692
Hedging reserve	Â	**-**	187	-
Revenue reserve	Â	**112,622**	117,174	116,513
Â	Â	Â	Â	Â
Equity shareholdersâ€™ funds	Â	**737,325**	821,641	770,039
Â	Â	Â	Â	Â
Â	Â	Â	Â	Â
Net asset value per share	9	**105.1p**	117.1p	109.8p
EPRA net tangible assets per share	Â	**105.1p**	117.1p	109.8p

* These figures are audited.

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The accompanying notes below are an integral part of the above statement.

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Balanced Commercial Property Trust Limited

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Condensed Consolidated Statement of Changes in Equity (unaudited)
for the six months to 30 June 2024

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Â	Â	Â Share Capital Â£â€™000	Â Special Reserves Â£â€™000	Â Capital Reserves Â£â€™000	Â Â Revenue Reserve Â£â€™000	Â Â Total Â£â€™000
Â	**Notes**	Â	Â	Â	Â	Â
At 1 January 2024	Â	**7,994**	**485,840**	**159,692**	**116,513**	**770,039**
Â	Â	Â	Â	Â	Â	Â
Total comprehensive income for the period						
Loss for the period Â	Â	â€“	â€“	â€“	(14,193)	(14,193)
Losses on sale of investment properties realised Â	5 Â	â€“	â€“	(2,816)	2,816	â€“
Transfer in respect of unrealised losses on investment properties Â	5	â€“	â€“	(26,007)	26,007	â€“
Total comprehensive loss for the period Â	Â	**â€“**	**â€“**	**(28,823)**	**14,630**	**(14,193)**
Transactions with owners of the Company recognised directly in equity Â	Â	Â	Â	Â	Â	Â
Dividends paid	2	-	-	-	(18,521)	(18,521)
Â	Â	Â	Â	Â	Â	Â
At 30 June 2024	Â	**7,994**	**485,840**	**130,869**	**112,622**	**737,325**

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The accompanying notes below are an integral part of the above statement.

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Balanced Commercial Property Trust Limited

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Condensed Consolidated Statement of Changes in Equity (unaudited)
for the six months to 30 June 2023

Â

Â	Â	Â Share Capital Â£â€™000	Â Special Reserves Â£â€™000	Â Capital Reserves Â£â€™000	Â Hedging Reserve Â£â€™000	Â Revenue Reserve Â£â€™000	Â Â Total Â£â€™000
Â	**Notes**	Â	Â	Â	Â	Â	Â
At 1 January 2023	Â	7,994	485,840	221,165	1,030	115,436	831,465
Â	Â	Â	Â	Â	Â	Â	Â
Total comprehensive income for the period Â							
Profit for the period Â	Â	-	-	-	-	7,855	7,855
Movement in fair value of interest rate swap Â	Â	Â Â -	Â Â -	Â Â -	Â Â (843)	Â Â -	Â Â (843)
Transfer in respect of unrealised losses on investment properties Â	**Â Â 5**	Â Â Â -	Â Â -	Â Â (10,719)	Â Â -	Â Â 10,719	Â Â -
Total comprehensive income for the period Â	**Â**	Â Â -	Â Â -	Â Â (10,719)	Â Â (843)	Â Â 18,574	Â Â 7,012
Transactions with owners of the Company recognised directly in equity Â	Â	Â	Â	Â	Â	Â	Â
Dividends paid	**2**	-	-	-	-	(16,836)	(16,836)
Â	Â	Â	Â	Â	Â	Â	Â
At 30 June 2023	**Â**	**7,994**	**485,840**	**210,446**	**187**	**117,174**	**821,641**

e accompanying notes below are an integral part of the above statement.

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Balanced Commercial Property Trust Limited

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Condensed Consolidated Statement of Changes in Equity
for the year to 31 December 2023*

Â

Â	Â	Â Share Capital Â£â€™000	Â Special Reserves Â£â€™000	Â Capital Reserves Â£â€™000	Â Hedging Reserve Â£â€™000	Â Revenue Reserve Â£â€™000	Â Â Total Â£â€™000
Â	**Notes**	Â	Â	Â	Â	Â	Â
At 1 January 2023	Â	7,994	485,840	221,165	1,030	115,436	831,465
Â	Â	Â	Â	Â	Â	Â	Â
Total comprehensive income for the year Â							
Loss for the year Â	Â	-	-	-	-	(26,067)	(26,067)
Movement in fair value of interest rate swaps Â	Â	Â -	Â -	Â -	Â (843)	Â -	Â (843)
Transfer in respect of unrealised losses on investment properties Â	**Â Â 5**	Â Â -	Â Â -	Â Â (56,940)	Â Â -	Â Â 56,940	Â Â -
Losses on sale of investment properties realised Â	**Â Â 5**	Â Â -	Â Â -	Â Â (4,533)	Â Â -	Â Â 4,533	Â Â -
Transfer of loss on maturity of interest rate swap Â	**Â**	Â -	Â -	Â Â Â Â Â Â Â Â Â Â - Â Â Â Â Â Â Â Â Â Â Â Â	Â (187)	Â 187	Â -
Â	**Â**	Â	Â	Â	Â	Â	Â
Total comprehensive income for the year Â	Â	Â -	Â -	Â (61,473)	**Â (1,030)**	**Â 35,593**	**Â (26,910)**
Transactions with the owners of the Company recognised directly in equity Â	Â	Â	Â	Â	Â	Â	Â
Dividends paid	**2**	-	-	Â Â Â Â Â Â Â Â Â - Â Â Â Â Â Â Â Â Â Â Â Â	Â Â Â Â Â Â Â Â Â - Â Â Â Â Â Â Â Â Â Â Â Â	(34,516)	(34,516)
Â	Â	Â	Â	Â	Â	Â	Â
At 31 December 2023	**Â**	**7,994**	**485,840**	**159,692**	**-**	**116,513**	**770,039**

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* These figures are audited.

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The accompanying notes below are an integral part of the above statement.

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Balanced Commercial Property Trust Limited
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Condensed Consolidated Statement of Cash Flows (unaudited)
for the six months to 30 June 2024
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	Notes	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December Â 2023*
Â	Â	Â£â€™000	Â£â€™000	Â£â€™000
Cash flows from operating activities	Â	Â	Â	Â
(Loss)/profit for the period before taxation	Â	**(14,193)**	7,855	(25,996)
Adjustments for:	Â	Â	Â	Â
Finance costs	Â	**6,752**	5,494	12,617
Interest income	Â	**(1,627)**	(1,062)	(2,051)
Unrealised losses on revaluation of investment properties	5	**26,007**	10,719	56,940
Losses on sale of investment properties realised	5	**2,816**	-	4,533
Decrease in operating trade and other receivables	Â	**3,163**	2,478	6,840
Increase/ (decrease) in operating trade and other payables	Â	**4,654**	(1,085)	(4,013)
Cash generated from operations	Â	**27,572**	24,399	48,870
Â	Â	Â	Â	Â
Interest received	Â	**1,319**	1,062	2,035
Finance costs paid	Â	**(5,640)**	(5,235)	(10,902)
Taxation paid	Â	**-**	-	(71)
Â	Â	**(4,321)**	(4,173)	(8,938)
Â	Â	Â	Â	Â
Net cash inflow from operating activities	Â	**23,251**	20,226	39,932
Â	Â	Â	Â	Â
Cash flows from investing activities	Â	Â	Â	Â
Purchase of investment properties	5	**-**	(602)	(884)
Capital expenditure of investment properties	5	**(2,897)**	(2,591)	(8,021)
Sale of investment properties	5	**53,755**	-	14,300
Net cash inflow/ (outflow) from investing activities	Â	**50,858**	(3,193)	5,395
Â	Â	Â	Â	Â
Cash flows from financing activities	Â	Â	Â	Â
Dividends paid	2	**(18,521)**	(16,836)	(34,516)
Issue costs for loan facilities	Â	**-**	(230)	(3,931)
Repayment of loans	Â	**(30,000)**	-	(50,000)
Drawdown of loans	Â	**-**	-	30,000
Net cash outflow from financing activities	Â	**(48,521)**	(17,066)	(58,447)
Â	Â	**Â**	Â	Â
Net increase/ (decrease) in cash and cash equivalents	Â	**25,588**	(33)	(13,120)
Opening cash and cash equivalents	Â	**41,717**	54,837	54,837
Closing cash and cash equivalents	Â	**67,305**	54,804	41,717

Â

* These figures are audited
Â
The accompanying notes below are an integral part of the above statement.

Balanced Commercial Property Trust Limited
Â
Notes to the Consolidated Accounts
(unaudited) for the six months to 30 June 2024

Â
Â

1. General information and basis of preparation

Â
The condensed consolidated interim financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority and IAS 34 â€˜Interim Financial Reportingâ€™ as adopted by the European Union. The condensed consolidated financial statements do not include all of the information required for a complete set of International Financial Reporting Standards (â€˜IFRSâ€™) financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2023, which were prepared under full IFRS as adopted by the European Union requirements and The Companies Law (Guernsey), 2008. The accounting policies used in the preparation of the condensed consolidated financial statements have not varied in any material way from those of the consolidated financial statements of the Group for the year ended 31 December 2023. These condensed interim accounts have been reviewed, not audited. The Groupâ€™s entry to UK REIT Regime was effective from 3 June 2019. The Groupâ€™s rental profits arising from both income and capital gains are exempt from UK corporation tax from that date, subject to the Groupâ€™s continuing compliance with the UK REIT rules.
Â

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

Â -Â The fair value of investment properties and investment properties held for sale is determined by using valuation techniques. For further details of the estimates and assumptions made, see note 1(f) and 9. The Group uses external professional valuers to determine the relevant amounts.

Â

New standards and interpretations
Â

The following new standard and amendments to standards are mandatory for the first time for the financial year beginning January 1, 2024 and have been endorsed by the European Union:

Â

- -Â Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as current or non- current" (effective January 1, 2024), affect only the presentation of liabilities in the statement of financial position - not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.
- -Â Amendments to IAS 7 â€œStatement of Cash Flowsâ€ and IFRS 7 â€œFinancial Instruments: Disclosuresâ€: Supplier Finance Arrangements. The amendment describes the characteristics for which reporters will have to provide additional disclosures regarding the impact of supplier finance arrangements on liabilities, cash flows and exposure to liquidity risk.
- -Â Amendments to IFRS 16 â€œLeasesâ€: Lease Liability in a Sale and Leaseback (effective January 1, 2024). The amendments explain how an entity accounts for a sale and leaseback after the date of the transaction, specifically where some or all of the lease payments are variable lease payments that do not depend on an index or rate.

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Â These changes in accounting policy did not result in a material change in information in the interim consolidated financial statements.
Â

Going Concern

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After making enquiries and bearing in mind the nature of the Companyâ€™s business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the next twelve months from the date of approval of the financial statements. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. They have reviewed detailed cash flow, income and expense projections to assess the Companyâ€™s ability to pay its operational expenses, loan interest and dividends. The Directors have examined significant areas of possible financial risk including cash and cash requirements, refinancing of loans and review of the debt covenants, in particular those relating to loan to value and interest cover.
Â
The Company currently has a Â£260 million term loan in place with L&G which is due to expire on 31 December 2024. The Company also has an undrawn loan in place with Barclays and HSBC in the form of a committed term loan which can only be drawn down to pay back the L&G loan. This facility is available until 13 September 2025 with the option for two one-year extensions (subject to lender approval and the first of which would have to be requested by 15 November 2024). The Company currently has c.Â£120 million of cash in hand and has a portfolio of investment properties of Â£883 million as at the date of this report, based on the latest 30 June 2024 valuation adjusted for post-period disposals of Â£60.7 million. Should the Board decide not to take up the extension option or if a request to extend the facility is not approved by the lender and alternative financing is not available, the Board is confident that the Company has sufficient time available to sell properties from within the existing portfolio, the proceeds of which, when combined with current cash reserves, could be used to repay all outstanding borrowings in the next 12 months. For this reason, the Board does not consider that the maturity of the external debt facilities represents a material uncertainty over the Companyâ€™s ability to continue as a going concern.
Â

While the Board is confident that the Company will have sufficient financial resources to meet its obligations due within 12 months from the date of approval of the financial statements, it announced on 4Â September 2024 that, further to the Strategic Review launched in April this year, it had reached agreement on the terms of a recommended all-cash acquisition by Starlight Bidco Limited (â€œBidcoâ€) pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of the Company (the â€œAcquisitionâ€). The Acquisition is conditional on, among other things, the approval of the Companyâ€™s shareholders at a Guernsey Court meeting and an extraordinary general meeting.
Â
The outcome of the aforementioned meetings (expected to be held in the fourth quarter of 2024) to make the Acquisition effective represents a material uncertainty which may cast significant doubt on the Companyâ€™s ability to continue as a going concern. If the Acquisition is not approved by shareholders, the Company will continue to operate in the normal course of business whilst continuing to assess its strategic options.
Â
As disclosed in the 31 December 2023 annual report, the Continuation Vote is also due to take place in 2024. In the light of the proposed Acquisition, and based on the expected timetable, the Board does not expect to hold the Continuation Vote prior to the Acquisition becoming effective. However, if the Continuation Vote takes place and is not passed by shareholders then the Board will be required to bring proposals to shareholders that may include a restructuring or wind down of the Company in its current form. The Directors note that the ultimate decision on the future state of the Company is outside the control of the Directors. The uncertain future outcome of the Continuation Vote and the impact this has on the Companyâ€™s future state indicates the existence of a material uncertainty that may cast significant doubt on the Companyâ€™s ability to continue as a going concern.
Â
Notwithstanding these material uncertainties, the Directors have reasonable expectation that the Company will continue to operate and meet its liabilities as they fall due and therefore the Board has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has come to the view that, as the Acquisition or the outcome of any Continuation Vote is contingent on shareholder approval and the Company is considered solvent in all other regards, going concern remains the most appropriate basis for preparation.
Â

2.Â Dividends and property income distributions (PID) gross of income tax
Â

Â	Â	Six months to 30 June 2024	Six months to 30 June 2024	Six months to 30 June 2023	Six months to 30 June 2023	Year to 31 December 2023	Year to 31 December 2023
Â	Â	PID Rate (pence)	Â Â£â€™000	PID Rate (pence)	Â Â£â€™000	PID Rate (pence)	Â Â£â€™000
Â	**In respect of the previous period:**	Â	Â	Â	Â	Â	Â
Â	Ninth interimÂ	**0.44**	**3,087**	0.40	2,806	0.40	2,806
Â	Tenth interim	**0.44**	**3,086**	0.40	2,806	0.40	2,806
Â	Eleventh interim	**0.44**	**3,087**	0.40	2,806	0.40	2,806
Â	Twelfth interim	**0.44**	**3,087**	0.40	2,806	0.40	2,806
Â	Â	Â	Â	Â	Â	Â	Â
Â	**In respect of the period under review:**	Â	Â	Â	Â	Â	Â
Â	First interim	**0.44**	**3,087**	0.40	2,806	0.40	2,806
Â	Second interim	**0.44**	**3,087**	0.40	2,806	0.40	2,806
Â	Third interim	**-**	**-**	-	-	0.40	2,806
Â	Fourth interim	**-**	**-**	-	-	0.40	2,806
Â	Fifth interim	**-**	**-**	-	-	0.40	2,806
Â	Sixth interim	**-**	**-**	-	-	0.44	3,087
Â	Seventh interim	**-**	**-**	-	-	0.44	3,087
Â	Eighth interim	**-**	**-**	-	-	0.44	3,088
Â	Â	**2.64**	**18,521**	2.40	16,836	4.92	34,516

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Property Income Distributions paid/announced subsequent to the period end were:
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Â	Record date	Payment date	Rate (pence)
Third interim dividend	12 July 2024	31 July 2024	0.44
Fourth interim dividend	16 August 2024	30 August 2024	0.44

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Although these payments relate to the period ended 30 June 2024, under IFRS they will be accounted for in the period during which they are declared.
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3.Â Other expenses
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Â	Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	Â	Â Â£â€™000	Â Â£â€™000	Â Â£â€™000
Â	Direct operating expenses of let rental property	**1,449**	1,030	2,167
Â	Direct operating expenses of vacant property	**1,461**	1,533	2,561
	Impairment (reversal)/ provision	**(196)**	375	538
Â	Valuation and other professional fees	**314**	171	593
Â	Directorsâ€™ fees	**136**	153	288
Â	Administration fee	**95**	95	191
Â	Other	**559**	463	998
Â	Professional fees accrued to date in relation to the strategic review	**250**	-	-
Â	Â	**4,068**	3,820	7,336

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The basis of payment for the Directorsâ€™ and administration fees are detailed within the consolidated financial statements of the Group for the year ended 31 December 2023.
Â

4.Â Earnings per share

Â	Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	Â			
Â	Net (loss)/profit attributable to ordinary shareholders (Â£â€™000)	**(14,193)**	7,855	(26,067)
Â	Earnings return per share â€“ pence	**(2.0)p**	1.1p	(3.7)p
Â	Weighted average of ordinary shares in issue during the period	**Â 701,550,187**	Â 701,550,187	Â 701,550,187

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Earnings for the six months to 30 June 2024 should not be taken as guide to the results for the year to 31 December 2024.Â Â Â Â Â Â Â Â Â Â Â Â Â
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5. Â Investment properties
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Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Non-current assets â€“ Investment properties	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**
Freehold and leasehold properties	Â	Â	Â
Opening fair value	**1,008,270**	1,075,082	1,075,082
Â SalesÂ - proceeds	**(53,755)**	-	(14,300)
Â SalesÂ - profit/ (loss) on sale	**2,730**	-	(12,896)
Capital expenditure	**2,559**	2,591	8,358
Purchase of investment properties	**-**	602	603
Unrealised (gains)/ losses realised during the year	**(5,546)**	-	8,363
Unrealised gains on investment properties	**13,204**	20,029	20,781
Unrealised losses on investment properties	**(39,211)**	(30,748)	(77,721)
Transfer to assets classified as held for sale	**(59,993)**	-	(71,277)
Closing fair value	**868,258**	1,067,556	936,993
Historic cost at the end of the period	**807,294**	932,115	850,793

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Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	**Â£â€™000**	**Â£â€™000**	**Â£â€™000**
Unrealised gains	**13,204**	20,029	20,781

Unrealised losses	**(39,211)**	(30,748)	(77,721)
Unrealised losses on revaluation of investment properties	**(26,007)**	(10,719)	(56,940)

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Â

Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	Â£â€™000	Â£â€™000	Â£â€™000
Gains/ (losses) on sale	**2,730**	**-**	(12,896)
Unrealised (losses)/ gains realised during the year	**(5,546)**	**-**	8,363
Losses on sales of investment properties realised	**(2,816)**	**-**	(4,533)

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Â

The fair value of investment properties reconciled to the appraised value as follows:

Â

Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	Â£â€™000	Â£â€™000	Â£â€™000
Appraised value prepared by CBRE	**882,690**	1,088,875	952,400
Lease incentives held as debtors	**(14,432)**	(21,319)	(15,407)
Closing fair value	**868,258**	1,067,556	936,993

Â
Â

The fair value of investment properties held for sale, reconciled to the appraised value as follows:

Â

Â	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Â	Â£â€™000	Â£â€™000	Â£â€™000
Appraised value prepared by CBRE	**60,650**	â€“	74,800
Lease incentives held as debtors	**(657)**	â€“	(3,523)
Closing fair value	**59,993**	â€“	71,277

Â

Â All the Groupâ€™s investment properties were valued as at 30Â June 2024 by RICS Registered Valuers working for CBRE Limited (â€˜CBREâ€™), commercial real estate advisors, acting in the capacity of a valuation adviser to the AIFM.

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Â CBRE completed the valuation of the Groupâ€™s investment properties at 30Â June 2024 on a fair value basis and in accordance with The RICS Valuation â€“ Global Standards (incorporating the International Valuation Standards) and UK national supplement (â€œthe Red Bookâ€).

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Â There were no significant changes to the valuation process, assumptions and techniques used during the period ended 30Â June 2024, further details of which were included in note 9 of the consolidated financial statements of the Group for the year ended 31Â December 2023.

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6.Â Â Fair value measurements

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The fair value measurements for financial assets and financial liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

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- Level 1 â€“ Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities.Â Examples of such instruments would be investments listed or quoted on any recognised stock exchange.
Â
- Level 2 â€“ Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment.Â Examples of such instruments would be those for which the quoted price has been suspended, forward exchange rate contracts and certain other derivative instruments.Â The Barclays/HSBC bank loan is included in Level 2. The L&G loan would also be classified as Level 2.

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- Level 3 â€“ External inputs are unobservable.Â Fair value is the Directorsâ€™ best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and on assumptions as to what inputs other market participants would apply in pricing the same or similar instruments.

Â

All of the Groupâ€™s investments in direct property are included in Level 3 as it involves the use of significant inputs. There were no transfers between levels of the fair value hierarchy during the six-month period ended 30 June 2024.

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Other than the fair values stated in the table below, the fair value of all other financial assets and liabilities is not materially different from their carrying value in the financial statements.

Â

Â	**Â Â 30 June 2024 Â£â€™000**	**Â Â 30 June 2023 Â£â€™000**	**Â 31 December Â 2023 Â£â€™000**
L&G Loan 2024*	**260,000**	271,536	260,000
Â	**Â** Â	Â	

Â

*The fair value of the interest-bearing L&G Loan is based on the yield on the Treasury 2.75% 2024 which would be used as the basis for calculating the early repayment of such loan plus the appropriate margin.

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The Groupâ€™s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2023.

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7. Â Interest-bearing loans and interest rate swap

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Â **Â£260 million L&G loan**

The Group entered into a Â£260Â million ten year term loan facility agreement with Legal & General Pensions Limited (â€œL&Gâ€). The transaction was conducted by L&Gâ€™s lending arm, LGIM Commercial Lending Limited. The loan has a maturity date of 31Â December 2024.

Â

Interest is payable on this loan from the commitment date, quarterly in arrears, at a fixed rate of 3.32Â per centÂ per annum for the duration of the loan. The loan is secured by means of a fixed and floating charge over the whole of the assets of the Secured Group (which, at 30Â June 2024, comprised FCPT Holdings Limited, F&C Commercial Property Holdings Limited and Winchester Burma Limited â€“ see Note 13).

Â

Â **Â£320 million Barclays/HSBC facility**

On 13 September 2023, the Company signed up to a two-year New Debt Facility provided by incumbent lender, Barclays Bank plc (â€œBarclaysâ€), and a new lender, HSBC UK Bank plc (â€œHSBCâ€).

Â

The Debt Facility has been structured with two tranches, being (a) a Â£60 million Revolving Credit Facility (â€œRCFâ€) and (b) a Â£260 million Term Loan (the â€œTerm Loanâ€), which can only be drawn to refinance the existing Â£260 million Term Loan facility (the â€œL&G Loanâ€) provided by LGIM Commercial Lending Limited (â€œL&Gâ€). The facility is available until 13 September 2025 with the option of two one-year extensions (subject to lender approval and the first of which would have to be requested by 15 November 2024).

Â

The RCF is secured by the way of a fixed and floating charge over the whole of the assets of SCP Estate Holdings Limited, SCP Estate Limited and Prime Four Limited (â€˜the SCP Groupâ€™), whose assets consist of the properties held at St. Christopherâ€™s Place Estate, London W1 and two office properties in Aberdeen. The RCF is currently undrawn, with the Â£30 million drawn at 31 December 2023 being repaid following sales during the period. Upon drawing the Term Loan and subsequent repayment of the L&G Loan, the security portfolio provided to L&G will be secured to Barclays and HSBC. The rate of interest on the term loan should be fixed with an interest rate swap. No additional security is to be provided beyond the current arrangements. The new term loan has an undrawn commitment fee of 0.45Â per cent per annum until 13 September 2024, which increases to 0.63 per cent thereafter. The revolving credit facility has an undrawn commitment fee of 0.63Â per cent per annum.

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The New Debt Facility is a bespoke structure which permits the Company to retain the competitively priced L&G Loan up to its existing 31 December 2024 maturity, whilst also ensuring the liquidity needs of the business are fully funded at an acceptable commitment cost whilst removing near term refinancing risk. The interest accrues on the New Debt Facility at a variable rate based on SONIA plus a headline interest margin of 1.80 per cent per annum. Interest should be fixed with an interest rate swap on at least 60 per cent of the term loan. It also includes two one-year extension options that allow the Company flexibility to extend the facility with the consent of its lenders, with the first option currently available to be requested.

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8.Â Share capital

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Â	**ÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂ Listed**		**ÂÂÂÂÂÂÂÂÂÂÂÂÂÂÂ Held in Treasury**		**In Issue (excluding Treasury shares)**	
Â	**Number**	**Â£â€™000**	**Number**	**Â£â€™000**	**Number**	**Â£â€™000**
Allotted, called up and fully paid Ordinary shares of 1 pence each						
Balance at 1 January 2024	799,366,108	7,994	(97,815,921)	(979)	701,550,187	7,015

Balance at 30 June 2024	799,366,108	7,994	(97,815,921)	(979)	701,550,187	7,015

The Company did not purchase any Ordinary Shares during the period (30 June 2023: nil; 31 December 2023: nil).

9. **Net asset value per share**

	Six months to 30 June 2024	Six months to 30 June 2023	Year to 31 December 2023
Net asset value per ordinary share â€“ pence	**105.1p**	117.1p	109.8p
Net assets attributable at the period end (Â£â€™000)	**737,325**	821,641	770,039
Number of ordinary shares in issue at the period end	**701,550,187**	701,550,187	701,550,187

10. **Related party transactions**

The Directors of the Company are considered to be the Groupâ€™s key management personnel. The Directors receive aggregated remuneration for services as Directors and for which there are no outstanding balances at the period end. There have been no transactions with related parties during the first six months of the current financial year that have materially affected the financial position or performance of the Company during the period and there have been no changes in the related party transactions described in the last Annual Report that could do so.

11. **Capital commitments**

The Group had no material capital commitments at 30 June 2024 (30 June 2023: Â£5,777,000; 31 December 2023: Â£nil).

12. **List of Subsidiaries**

The Group results consolidate the results of the following companies:

- FCPT Holdings Limited (the parent company of F&C Commercial Property Holdings Limited and Winchester Burma Limited)
- F&C Commercial Property Holdings Limited (a company which invests in properties)
- SCP Estate Holdings Limited (the parent company of SCP Estate Limited and Prime Four Limited)
- SCP Estate Limited (a company which invests in properties)
- Prime Four Limited (a company which invests in properties)
- Winchester Burma Limited (a company which invests in properties)
- Leonardo Crawley Limited (a company which invests in properties)

All of the above-named companies are registered in Guernsey.

The Groupâ€™s ultimate parent company is Balanced Commercial Property Trust Limited.

13. **Subsequent events**

Since the period end, the Company has completed the sales of the following offices buildings:

- 7 Birchin Lane, London EC3 â€“ a multi-let City of London office of 22,300 sq. ft. Sale completed July 2024.
- 17A Curzon Street, London W1 â€“ a low yielding, multi-let office of 10,800 sq ft in Londonâ€™s West End. Sale completed August 2024.
- 82 King Street, Manchester â€“ a multi-let city-centre office holding of 83,500 sq. ft. and the largest single office remaining in the portfolio. Sale exchanged July 2024 and completed in September 2024.

On 4 September 2024 it was announced that, further to the Strategic Review launched in April this year, the Company had reached agreement on the terms of a recommended all-cash acquisition by Starlight Bidco Limited (â€œBidcoâ€) pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of the Company (the â€œAcquisitionâ€). The Acquisition is conditional on, among other things, the approval of the Companyâ€™s shareholders at a Court meeting and an extraordinary general meeting.

The aforementioned meetings are expected to be held in the fourth quarter of 2024. If the Acquisition is not approved by shareholders, the Company will continue to operate in the normal course of business whilst continuing to assess its strategic options.

Independent review report to Balanced Commercial Property Trust Limited
Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Balanced Commercial Property Trust Limited condensed consolidated interim financial statements (the "interim financial statements") in the interim report of Balanced Commercial Property Trust Limited for the 6-month period ended 30 June 2024 (the â€œperiodâ€).

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, â€˜Interim Financial Reportingâ€™,as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.

The interim financial statements comprise:

- the condensed consolidated balance sheet as at 30 June 2024;
- the condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated statement of cash flows for the period then ended;
- the consolidated condensed statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the interim report have been prepared in accordance with International Accounting Standard 34, â€˜Interim Financial Reportingâ€™,as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410, â€˜Review of Interim Financial Information Performed by the Independent Auditor of the Entityâ€™ issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to note 1 to the consolidated financial statements, which indicates two material events which may impact the future of the company. 1) Continuation Vote is due to be held during 2024. If the Continuation Vote takes place and is not passed by shareholders then the Board will be required to bring proposals to shareholders that may include a restructuring or wind down of the company in its current form.

2) An all-cash acquisition offer made by a third party to acquire the companyâ€™s entire issued and to be issued ordinary share capital (the â€œAcquisitionâ€). The Acquisition is subject to shareholder approval, and if the Acquisition is approved by the shareholders there is significant uncertainty concerning the future direction of the company.

As stated in note 1 these events or conditions along with other matters set forth in note 1, indicate that material uncertainties exist that may cast significant doubt on the companyâ€™s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibilities for the interim financial statements and the review
Our responsibilities and those of the directors

The interim report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with International Accounting Standard 34, â€˜Interim Financial Reportingâ€™, as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the interim report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdomâ€™s Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
11 September 2024
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Â Â(a)Â Â The maintenance and integrity of the Balanced Commercial Property Trust Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Â Â(b)Â Â Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Alternative Performance Measures
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The Company uses the following Alternative Performance Measures (â€˜APMsâ€™). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.
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Discount or Premium â€“ the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to NAV. If the share price is lower than the NAV per share, the shares are trading at a discount. This could indicate that there are more sellers than buyers. Shares trading at a price above the NAV per share, are said to be at a premium.
Â

Â	**Six months to 30 June 2024 Pence**	**Six months to 30 June 2023 Pence**	**Year to 31 December 2023 Pence**
Net Asset Value per shareÂ **(a)**	**105.1**	117.1	109.8
Share price per shareÂ **(b)**	**79.2**	66.2	72.5
DiscountÂ Â (c=(b-a)/a)Â **(c)**	**(24.6)%**	(43.5)%	(34.0)%

Â
Dividend Cover on a cash basis â€“ The percentage by which profits for the year (less gains/losses on investment properties) adjusted by capital and rental lease incentives amortisation and interest bearing loans amortisation of set-up costs cover the dividends paid.
Â

Â	**Â**	**Â**	**Â Six months to 30 June 2024 Â£â€™000**	**Six months to 30 June 2023 Â£â€™000**	**Â Â Year to 31 December 2023 Â£â€™000**
Â	**Â**	**Â**	Â	**Â**	**Â**
Â	**Â**	**Â**	Â	Â	Â
(Loss)/ profit for the period		**Â**	**(14,193)**	7,855	(26,067)
Add back:	Unrealised losses on revaluation of investment properties		**26,007**	10,719	56,940
Â	Losses on sales of investment properties realised		**2,816**	-	4,533
Â	Loss on maturity of interest rate swap		-	-	187
Â	Capital and rental lease incentives amortisation		**4,091**	945	3,346
Â	Interest bearing loans amortisation of set-up costs		**1,201**	273	953
Â	Set up costs written-off on Â£100m Barclays loan		-	-	167
Â	Set-up costs of loan extension and Â£320m Barclays/HSBC loan		-	-	(3,931)
Profit before investment gains and losses and amortisation		**(a)**	**19,922**	19,792	36,128
Dividends	Â	**(b)**	**18,521**	16,836	34,516
Dividend Cover on a cash basis (c = a/b)		**(c)**	**107.6%**	117.6%	104.7%
Â	Â	**Â**	Â	Â	Â

Â
Accounting Dividend Cover â€“ The percentage by which profits for the year (less gains/losses on investment properties and non-recurring other income) cover the dividend paid.

Â	**Â**	**Â**	**Â Six months to 30 June 2024 Â£â€™000**	**Six months to 30 June 2023 Â£â€™000**	**Â Â Year to 31 December 2023 Â£â€™000**
Â	**Â**	**Â**	Â	**Â**	**Â**
(Loss)/ profit for the period		**Â**	**(14,193)**	7,855	(26,067)
Add back:	Unrealised losses on revaluation of investment properties		**Â 26,007**	Â 10,719	Â 56,940
Â	Losses on sales of investment properties realised		**2,816**	-	4,533
Â	Loss on maturity of interest rate swap		-	-	187
Â	Other income		**(67)**	-	(119)
Profit before investment gains and losses		**(a)**	**14,563**	18,574	35,474
Dividends	Â	**(b)**	**18,521**	16,836	34,516
Accounting Dividend Cover (c = a/b)		**(c)**	**78.6%**	110.3%	102.8%

Â
Dividend Yield â€“ The dividends paid during the period divided by the share price at the period end. An analysis of dividends is contained in note 2 to the financial statements.
Â
Net Gearing â€“ Borrowings less cash divided by total assets (less current liabilities and cash).
Â

Â	**Six months to 30 June 2024 Â£â€™000**	**Six months to 30 June 2023 Â£â€™000**	**Year to 31 December 2023 Â£â€™000**
Â	Â	Â	Â
Interest-bearing bank loans	**260,000**	310,000	290,000
Less cash and cash equivalents	**(67,305)**	(54,804)	(41,717)
TotalÂ **(a)Â**	**192,695**	255,196	248,283
Total assets less current liabilities and cash Â Â (excluding current interest-bearing loans)Â Â Â Â Â Â Â Â Â **Â (b)Â Â Â Â Â Â Â Â Â**	**932,595**	1,078,419	1,017,562
Net Gearing (c=a/b)Â (c)Â Â	**20.7%**	23.7%	24.4%

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Portfolio (Property) Capital Return â€“ The change in property value during the period after taking account of property purchases and sales and capital expenditure, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.
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Portfolio (Property) Income Return â€“ The income derived from a property during the period as a percentage of the property value, taking account of direct property expenditure, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.
Â
Portfolio (Property) Total Return â€“ Combining the Portfolio Capital Return and Portfolio Income Return over the period, calculated on a quarterly time-weighted basis. The calculation is carried out by MSCI Inc.
Â
Total Return â€“ The theoretical return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets, respectively, on the date on which they were quoted ex-dividend.
Â

Â	**Â Six months to 30**	**Â Six months to 30**	**Â Year to 31**

Â	June 2024	June 2023	December 2023
Â	Â	Â	Â
NAV per share at the start of the period (p)	**109.8**	118.5	118.5
NAV per share at the end of the period (p)	**105.1**	117.1	109.8
Change in the period	**-4.3%**	-1.2%	-7.3%
Impact of dividend reinvestments	**+2.4%**	+2.0%	+4.0%
Â	Â	Â	Â
NAV total return for the period	**-1.9%**	+0.8%	-3.3%
Â	Â	Â	Â

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Â	**Six months to 30 June 2024**	**Six months to 30 June 2023**	**Year to 31 December 2023**
Â	Â	Â	Â
Share price per share at the start of the period (p)	**72.5**	88.5	88.5
Share price per share at the end of the period (p)	**79.2**	66.2	72.5
Change in the period	**+9.2%**	-25.2%	-18.1%
Impact of dividend reinvestments	**+3.8%**	+2.2%	+5.6%
Â	Â	Â	Â
Â Share price total return for the period	**+13.0%**	-23.0%	-12.5%
Â	Â	Â	Â

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EPRA Performance Measures

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The European Public Real Estate Association (EPRA) is the industry body representing listed companies in the real estate sector. EPRA publishes Best Practice Recommendations (BPR) to establish consistent reporting by European property companies.

EPRA earnings and EPRA earnings per share â€" EPRA earnings represents the earnings from core operational activities, excluding investment property revaluations and gains/losses on asset disposals.Â It demonstrates the extent to which dividend payments are underpinned by recurring operational activities.

Â

Â	**Six months to 30 June 2024 Â£â€™000**	**Six months to 30 June 2023 Â£'000**	**Year to 31 December 2023 Â£'000**
Loss/(profit) per IFRS income statement	**(14,193)**	7,855	(26,067)
Exclude:	Â	Â	Â
Unrealised losses on investment properties	**26,007**	10,719	56,940
Losses on sales of investment properties realised	**2,816**	Â -	4,533
Loss on maturity of interest rate swap	-	Â -	187
EPRA earnings	**14,630**	18,574	35,593
Weighted average number of shares in issue (000's)	**701,550**	701,550	701,550
EPRA earnings per share (pence per share)	**2.1**	2.6	5.1

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EPRA Net Tangible Assets - Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.

Â

Â	**Six months to 30 June 2024 Â£â€™000**	**Six months to 30 June 2023 Â£'000**	**Year to 31 December 2023 Â£'000**
IFRS NAV	**737,325**	821,641	770,039
Fair value of interest rate swaps	**â€"**	(187)	-
Net assets used in per share calculation	**737,325**	821,454	770,039
Shares in issue (000's)	**701,550**	701,550	701,550
EPRA assets per share (pence per share)	**105.1**	117.1	109.8

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All enquiries to:

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The Company SecretaryÂ
Northern Trust International Fund Administration Services (Guernsey) LimitedÂ
Trafalgar CourtÂ
Les BanquesÂ
St. Peter PortÂ
Guernsey GY1 3QLÂ
Tel: 01481 745324
Fax: 01481 745051
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Richard Kirby
Columbia Threadneedle REP AM plc
Tel: 0207 499 2244

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The full interim report for the period to 30 June 2024 will be sent to shareholders and will be available for inspection at Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL, the registered office of the Company, and from the Companyâ€™s website: balancedcommercialproperty.co.uk