For the year ended 31 December 2020

PITCH

Property Income Trust For Charities

A Fund managed by Mayfair Capital

Annual Report and Audited Accounts

Helping charities fulfil their charitable purpose by achieving an attractive return from property investment

Property Income Trust for Charities

Working with UK Charities since 2004

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Investors' Committee Chairman's Report

Nick Shepherd
Chairman

2020 was an extraordinarily difficult year for government, business, investment and markets, but it was people – individuals and families – who unquestionably sustained the greatest, and most tragic impact, of a year dominated by COVID-19 and its consequences. At The Property Income Trust for Charities (PITCH) we have been very aware during the year of the devastating impact too on so many of our investors – all charities whose resources in cash or kind have never been in greater demand.

Sadly, but not surprisingly, commercial property was also adversely affected by the COVID-19 pandemic, and total returns for the market as a whole for the year (measured by the MSCI UK All Property Monthly Index) fell from +2.1% in 2019 to -1.0% in 2020, albeit there was a huge spread of returns at a sector level ranging at the two extremes from +10.3% for south east industrials to -19.9% for shopping centres.

Despite the lockdowns and the poor performance of the market generally, it has been a busy year for PITCH. Our top priority has been to maintain as high a level of income as possible, enabling us to deliver a distribution yield to our investors in 2020 of 4.6% - hugely important to charities for which fundraising revenue and returns from other asset classes have been hit so hard.

This report contains all the detail of the performance of the Fund and the highlights of our activity during the year. Importantly the portfolio has been positioned with heavy weightings to the strongest sectors of the market and UK regions, and correspondingly low weightings to those parts of the market – primarily retail in all its manifestations – and regions which have provided the weakest performance.

The Fund is well placed to benefit from the expected recovery during 2021 and beyond, and I am confident it will continue to maximise opportunities in the market for the benefit of our investors.

The interests of investors are kept in sharp focus by the Investors' Committee, of which I am chairman. We have continued to meet regularly during the year, mainly by video conference, to review the investment strategy prepared by our Fund Managers, Mayfair Capital Investment Management Limited ('Mayfair Capital'); to review and approve individual sales, purchases and major management decisions; to discuss and guide the Fund Managers in relation to ethical and responsible property investment policies; and perhaps most importantly to review risk, both general and specific.

As always, I have been supported throughout the year by my fellow committee members and by the team at Mayfair Capital, who have made extraordinary efforts to minimise the adverse impact of the pandemic on the portfolio. It is with considerable pleasure that I welcome the appointment of Simon Martindale as Fund Director, but with equal sadness that I must report that James Thornton has stepped down as Fund Director after 17 years at the helm.

James was joint founder of PITCH and has led and directed the Fund from its inception with enormous skill, insight, care and dedication, and it is largely down to James that the Fund has been a top performer in its market segment for so long. I am glad to report however that James will continue to join us at the Investors' Committee, so we shall still have the benefit of his considerable experience for some time.

April 2021

Fund Information

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Fund objectives and key information

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

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

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

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

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

£645m

Gross asset value[1]

Fund summary
As at 31 December 2020

Gross asset value	£644.80m
Net asset value	£568.26m
Bid price	£0.8116
Offer price	£0.8346

Paid distribution history 2020 (p.p.u)[2]

January	0.472	July	0.260
February	0.371	August	0.279
March	0.334	September	0.281
April	0.313	October	0.277
May	0.241	November	0.321
June	0.290	December	0.301

Performance in 2020
-1.6% total return (as per MSCI/AREF)

Borrowings
£75.5m (11.71% LTV on GAV, 13.29% on NAV)

Property portfolio
54 direct properties and
1 indirect holding

All information is correct as at 31 December 2020.

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

1 Gross Asset Value is calculated by adding the value of the Fund's Properties (both direct and indirect) and capital cash.
2 Pence per unit (p.p.u); distributions are quoted on a paid basis in line with MSCI/AREF reporting.

Dealing in the Fund

Subscriptions and redemptions

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

Investors

Only registered and exempt charities in the UK may invest in the Fund since it is exempt from SDLT on all property purchases. Below is an analysis of unit issuance and redemptions during the year, including secondary market trades, together with an analysis of the unitholder base as at 31 December 2020.

Unitholder movement

	Year to 31 Dec 2020	Year to 31 Dec 2019
Issues and redemptions		
Units in issue at start of year	669,409,087	614,131,766
Units issued during the year	45,613,723	71,220,336
Units redeemed during the year	23,819,500	15,943,015
Units in issue at year end	691,203,310	669,409,087
Secondary market		
Matched trades	–	1,410,022.00
Matched trades as % of units in issue at end of year	–	0.21

Redemption notices outstanding
As at 31 December 2020

Number of notices	132
Number of units	21,319,662
Bid per unit	£0.8116
Value at bid	£17,303,038
Total units (%)	3.00%

The one hundred and thirty two redemption notices outstanding as at 31 December 2020 were redeemed in January 2021. The Fund is currently able to meet its redemption policy in full and anticipates it will be able to do so for the foreseeable future. However from 1 April 2020 to 30 September 2020 the Fund was closed for dealing. As per section 20.11.2(b) of the Trust Deed, where the Manager has determined that there is significant risk of Units being materially mispriced it can suspend dealing. This was applied in response to the Fund's external valuers inserting a clause into their monthly valuations over that period, expressing 'material uncertainty' around the asset valuation figures.

Largest investors and percentage of units in issue by ownership band

Units in issue	Number of investors	Total holding (%)
< 1%	1384	59.1
>= 1% but < 2%	10	13.8
>= 2% but < 4%	6	16.9
>= 4% but < 8%	2	10.2
>= 8%	0	0
Total	**1402**	**100**
Largest Investor	1	5.25%
Largest three investors	3	13.69%
Largest five investors	5	19.51%
Largest ten investors	10	30.65%
Held by Investment Managers		54.35%

Pricing

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

Expense ratios

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

Expense Ratios

	GAV	NAV
Fund Management Expense Ratio	0.51%	0.58%
Fund Operating Expense Ratio	0.14%	0.15%
Total Expense Ratio	**0.65%**	**0.73%**
Property Expense Ratio	0.49%	0.56%
Real Estate Expense Ratio	**1.14%**	**1.29%**
Transaction Costs	0.13%	0.14%
Performance Fee Ratio	–	–

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

The portfolio turnover ratio highlights how often the Fund buys or sells property ignoring the impact of subscriptions or redemptions and displays this as a percentage of average yearly NAV. In 2020 the Fund's turnover ratio was 0.87%.

The Big Berry, Berry Hill Industrial Estate, Droitwich

General information

Valuation
Cushman and Wakefield (C&W) is the external valuer to the Fund. C&W also carry out valuations for secured lending purposes when properties are acquired with the use of borrowings or for the Fund's acquisitions out of cash resources. Valuations are carried out on a monthly basis on the last working day of each month. Valuations are carried out in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS Valuation UK National Supplement (the "RICS Red Book") edition current at the Valuation Date. It follows that the valuations are compliant with "IVS".

Investors' Committee
This Committee comprises of the following:

- Nick Shepherd, Chairman (re-elected June 2018)
- Lizzy Conder, University of London (appointed May 2019)
- Simon Summers, ex Bursar of St Catharine's College, Cambridge and now independent member (re-elected August 2020)
- David Palmer, Central Finance Board of the Methodist Church (re-elected August 2020)
- Neil Harper, The National Trust for Scotland (appointed August 2020)

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

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

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

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

The Fund is in compliance with the above.

Fund advisers

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

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

Administration
Sanne Group (UK) Limited
125 London Wall
London
EC2Y 5AS

Property Manager
JLL
30 Warwick Street
London
W1B 5NH

External Valuers
Cushman and Wakefield
125 Old Broad Street
London
EC2N 1AR

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

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

Lawyers (continued)
Pinsent Masons LLP
1 Park Row
Leeds
West Yorkshire LS1 5AB

Dentons UKMEA LLP
1 Fleet Place
London
EC4M 7WS

Performance Measurement
MSCI
Ten Bishops Square
London
E1 6EG

Depository
NatWest Trustee and Depositary Services Limited
House A, Floor 0
Gogarburn
175 Glasgow Road
Edinburgh
EH12 1HQ

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

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

Barclays Bank PLC
1 Churchill Place
Leicester
LE87 2BB

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

JLL is remunerated by the Fund Manager but charge additional fees on multi-let properties where service charges are operated.

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

Management of the Fund

James Thornton, Fund Director/Investor Committee Member

James co-founded Mayfair Capital in 2002. He became Chief Executive in April 2014 having previously performed the role of Chief Investment Officer and became Non-Executive Chairman in 2021. James was Fund Director for Mayfair Capital's flagship Fund, the Property Income Trust for Charities until 2021. He is also Chair of the Charity Investors' Group which is committed to education for charity trustees and their advisers and James has over 35 years' experience in UK commercial property.

Simon Martindale, Fund Manager/Director

Simon, who joined Mayfair Capital in 2012, was Fund Manager of the Property Income Trust for Charities (PITCH) from 2015 and became Fund Director in 2021. He is responsible for formulating and implementing the Fund investment strategy, investor reporting and portfolio analysis whilst also overseeing all acquisition, disposal and asset management activities. He has over 15 years' experience in commercial property and previously worked at DTZ (now Cushman & Wakefield) and Edward Symmons (now LSH).

James Lloyd, Head of Business Development & Marketing

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

Clare Berthoud, Director, Business Development – UK Charities

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

Deanna Oyin-Adeniji, Associate, Investor Relations & Marketing

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

Scott Fawcett, Director of Asset Management

Scott joined Mayfair Capital in 2013 and is Director of Asset Management. He is responsible for implementing the asset management initiatives and supporting the investment activities of PITCH. Scott has over 23 years of experience in property markets previously with Drivers Jonas (became Deloitte Real Estate) and Matrix Securities.

Frances Spence, Director of Strategy & Risk

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

Tim Cridland, Financial Controller

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

James Goldsmith, Finance Manager

James joined Mayfair Capital in October 2018 as Finance Manager. He works within the finance team at Mayfair Capital and assists with all fund and corporate accounting. James has over 4 years' experience working within the fund industry having previously worked for a fund administrator. During this time, he worked on a range of UK and European domiciled real estate and debt fund structures.

Sophie Carr, Team Assistant

Sophie joined Mayfair Capital as a Team Assistant in March 2020 and is responsible for supporting marketing and administrative functions for the UK and International Business Development teams. Prior to this, Sophie worked at a digital marketing agency based in Cambridge before moving on to work at a materials information technology company.

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

Fund Commentary

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Property Fund Manager's report

Simon Martindale
Fund Manager

2020 will be remembered as some of the most challenging market conditions many investors will ever have to face. All asset classes were substantially disrupted at some stage by the effects of the COVID-19 global pandemic; however, it was those investors seeking income which suffered most, with dividends on UK companies falling by -41% as CFOs prioritised preserving cashflows over investor returns.

Commercial property was similarly affected, where the enforced closure of many businesses particularly within the retail, hospitality and leisure sectors caused significant sums of rental income to be withheld and sadly, in some cases, tenant failures. Unsurprisingly these same sectors went on to record material valuation declines over the course of the year. The valuation performance of these sectors had a considerable bearing on total returns across the asset class, with All Property capital values declining by -6.3% over the year, and a total return of -1.0%. Stripping out the contribution of retail property, total returns improved to 2.9%.

Total investment volumes into commercial property hit £28.3 billion, which was one of the weakest years on record some 24% below the 10-year average, reflecting investors' concern around income and valuation performance. The main effect of this was the marked reduction in transactional activity, particularly in Q2, causing the valuation industry to qualify valuations citing the lack of evidence to accurately assess market values. This caused most institutional property funds, PITCH included, to suspend dealing and close, to avoid the risk of material mispricing and to ensure the fair treatment of investors.

Against this backdrop, two important factors determined how landlords fared in 2020: 1) liquidity management and 2) overall sector positioning.

For the Property Income Trust for Charities, we have always taken a responsible approach to capital management recognising the inherent liability imposed by having an open-ended structure and applying this alongside rigorous monitoring of economic and property conditions. It is with this foresight that we were able to enter the initial lockdown period holding in excess of £100m in cash. This ensured that the Fund was able to re-open as soon as the 'material valuation uncertainty clauses' were lifted in September 2020 and repay all redemptions within the usual timeframe. It also meant that the Fund avoided having to sell assets to boost cash reserves which could have potentially weakened the portfolio. The cash weighting also helped to offset the impact of falling valuations on the Fund's retail assets providing a positive total return contribution of 0.33%.

Property Fund Manager's report continued

The other benefit of holding surplus cash during such market conditions is the opportunity to take advantage of attractive buying opportunities particularly at times when other investors are inactive. In this way, we were delighted to acquire three quality new assets in Q4 2020 totalling some £40m. This included two new warehouse assets in Stoke-on-Trent and Stockport and an annuity style long income foodstore in North London (further details contained on page 27) providing a blended yield to the Fund of 5% and weighted unexpired lease term of over ten years. The two warehouse assets have delivered valuation growth of almost 4% since purchase to the end of February 2021, confirming the attractive entry prices.

Polarisation between property sectors has been a notable feature of the property market for some time, however, the pandemic accelerated many of these structural changes in 2020 reinforcing the importance of sector positioning to delivering returns. No starker was this in the contrast between retail and industrial returns, where retail capital values in the MSCI Monthly Index fell -16.9% over 12 months yet industrial property delivered valuation growth of 3.6%.

For retail, we saw a significant spate of occupier casualties, most notably the administrations of the Arcadia Group and Debenhams which further increased vacancy rates and lowered rental values across the market. PITCH was not immune from these risks, with a number of the restaurant tenants in the portfolio, comprising some 3% of portfolio income, undergoing some form of administration process. This had the effect of lowering valuations across the sector although positively with the exception of one tenancy, all operators chose to remain in occupation rather than vacate. Retail (both retail and retail warehousing) remains a small overall portion of the PITCH portfolio at only 14.9% as at 31 December 2020.

In contrast to the performance of traditional 'bricks and mortar' retail, we saw the share of online retail sales increase to a high of 32% during Q2 2020 from a pre-pandemic high of 18%. This had a significant impact on warehouse occupational demand with take-up reaching 50 million sq ft over the year, 80% above the ten-year average, driven by substantial growth from the parcel operators and of course, Amazon, which alone was responsible for a third of all lettings across the UK. Attracted by the prospects for strong rental growth, the sector saw a surge of investment activity towards the latter part of the year causing a sharp contraction in yields and rising capital values.

In accordance with its thematic investment strategy, we have consistently sought to position the Fund to those areas of the market expected to see persistent and long term occupational demand. It was positive, therefore, to be able to increase PITCH's overweight exposure to the warehouse sector in 2020 with the two new acquisitions, increasing this to 42% of portfolio value. This was despite sales of two smaller industrial holdings in Huddersfield and Cardiff for a combined price of £5.5m, at a 7.8% premium over valuation.

PITCH's sector positioning meant that it was able to achieve an average rent collection level of 91% in 2020 from the direct portfolio, considerably above the wider market average. This figure represented actual cash payments and excluded any deferred rental agreements. This included a rent collection level of 97% across the Fund's warehouse assets and 95% on its offices. Meanwhile the Fund collected 100% of rental income from its 20 largest tenants, comprising some 54% of portfolio income, reinforcing the quality of tenant credit. Once deferred rents are collected, it is hoped that the final rent collection level for 2020 will reach circa 94%. This implies that there is a risk of circa 6% of rental income due in 2020 of being permanently written off. This income has already been allocated as a 'bad debt' provision within the profit and loss statement at the year end.

One area of disappointment for PITCH during 2020 was the performance of its indirect holding in the Unite Student Accommodation Fund (USAF). The student sector was heavily impacted by social distancing measures and enforced campus closures meaning that like a number of other landlords, Unite was forced to refund students for large parts of the academic year. Consequently, PITCH received nil income from this holding throughout 2020 with the vehicle's NAV also falling by -3.9%.

In order to try to mitigate valuation loss an early redemption notice was served in March 2020 to try to exit the vehicle as soon as possible, however, this proved challenging mainly due to a lack of liquidity within USAF. PITCH was able to eventually exit the investment via the secondary market, which took place in two tranches in November 2020 (at 3.25% below Unite valuation) and January 2021 (at 2% below Unite valuation). Despite the poor performance of this holding in 2020, it was still a successful investment for the Fund having delivered an IRR of 9.7% pa since purchase whilst also being the second strongest performing asset over ten years (by weighted contribution).

It is a credit to the resilience of the direct portfolio that despite the shortfalls in income received from USAF, the Fund was still able to deliver an attractive distribution yield of 4.6% in 2020. Allowing for capital loss of -5.9% over the year, this meant PITCH delivered a total return for the full calendar year of -1.6%.

The PITCH team had another busy year in terms of asset management delivering 33,000 sq ft of newly refurbished office space, six new lettings, two lease renewals and two rent reviews. In total, £1.02m of new annual rental income was added to the portfolio from these initiatives, which helped compensate for the overall fall in income over the year. That this was achieved on top of the extremely challenging and time consuming rental collection activities, is a credit to the team and the amount of hard work and diligence shown throughout the year.

Despite the significant challenges posed by the pandemic, we were pleased to be able to enhance our commitment to ESG in 2020 with the following key initiatives:

- **Environmental** – We introduced new sustainability surveys at the acquisition due diligence stage to identify practical steps to improve the energy efficiency of new properties and reduce carbon emissions.
- **Environmental** – The Fund maintained its "Two Green Stars" GRESB score in the 2020 Benchmark with particularly strong performance in the areas of Governance and Management.
- **Social** – We modernised our ethical policy by lowering the maximum threshold of a tenant's turnover in an excluded activity to 10%. This policy amendment was made in consultation with the Fund's external Investors' Committee.
- **Governance** – An application is in hand to become a signatory to the UK Stewardship Code.
- **ESG** – The Fund was Runner Up in the AREF Annual Awards 2020 in the category of Investors' Award for Outstanding Achievement in ESG.

2020 was in some ways a year to forget, however, like all things it's always important to reflect on the outcomes and any lessons learnt. From PITCH's perspective we can be reassured that the thematic investment strategy if anything is more relevant than ever. The pandemic has accelerated many of the structural trends that we had been observing for several years particularly around how we shop, how we work and more generally, how we behave. We believe that these factors are set to shape occupational demand over the coming few years.

As thematic investors this has made us pickier than ever when appraising both new investment opportunities as well as existing assets. This means being alert and disciplined to sell assets if they become misaligned with occupational demand. This conviction was the reason for sales of three assets (Crawley, Huddersfield and St Mellons Cardiff) in 2020 and a further small industrial holding shortly after the end of the financial year (March Trading Estate). Further sales are planned in 2021. We firmly believe that this will ensure that PITCH continues to be invested in the right areas of the market to deliver income resilience and attractive long-term returns.

As ever I would like to offer my thanks to all those who have contributed to the ongoing management of the Fund over the past year, in particular the PITCH Investors' Committee chaired by Nick Shepherd, Vistra, Sanne, Cushman & Wakefield, Natwest and JLL.

April 2021

Manager's report

COVID-19

As per last year's report it is only apt that we start our Manager's report with a comment on the COVID-19 Pandemic. Most people would have expected, or at least hoped by now, that a year on the world would have moved forward from this pandemic. However, it continues to dominate all facets of daily life both on an individual and collective level.

Our Chairman and Fund Manager's report have both outlined the continued challenges the pandemic has caused and is causing for our investors and for the Fund during these difficult times. As Manager of the Fund we wholly agree with their commentary. We continue to do our best to balance the needs of our charity investors with the ethical principles PITCH prides itself on when dealing with tenants, who in some cases are struggling to make it through the pandemic. We are still doing our best to be fair to our tenants and support them where necessary, in some cases offering rent deferrals if we deem it reasonable given their unique set of circumstances. We also continue to be in regular dialogue with JLL, the Fund's Property Manager to keep up to date with tenant developments and to ensure the Fund Administrators have all the relevant information to accurately calculate the monthly NAV and income distributions.

Crowe UK LLP, the Fund's auditors, have as part of their year end audit, reviewed the Manager's assessment of the Fund's ability to remain a going concern for at least twelve months post signing of the financials. We are pleased to report that they are content with the Manager's analysis and assumptions and have nothing to report in this regard. Further details of the Manager's assessment and conclusion are located on page 42. The signed audit report is on page 35.

It is still difficult to conclude at this stage how long and severe the impact of the pandemic will be in terms of economic downturn for the world generally, the UK and in particular commercial real estate markets. There does seem to be an air of positivity as we progress towards the summer months, but we have seen before that recovery can be anything but linear. As Manager we continue to act in a risk aware, sensible fashion, believing that by continually reviewing the Fund's sector positioning, tenant pool, income profile and ongoing cash balances, we will continue to ensure the Fund operates in the best interests of it's stakeholders for the foreseeable future.

Environmental, Social, Governance (ESG)

As in previous years, as Trust Manager, we recognise the impact of sustainability issues on the investment performance of the Fund's portfolio. We continue to believe that we have a fiduciary duty to our investors to consider these risks and opportunities in our investment decisions. This includes implementing processes and procedures to ensure we are reducing our impact on the environment and ensuring a positive impact within the communities where we invest. Further details of this area, along with Governance information, are outlined in section 4 of the report.

Trust Deed

The most recent Trust Deed is dated 3 January 2019.

Simon Martindale
Mayfair Capital Investment Management Limited

April 2021

Statement of Manager's responsibilities

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

In preparing the accounts the Manager is required to:

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

The Manager is also responsible for:

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

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

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

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

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

Environmental, Social & Governance

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Responsible property investment

Developing a more sustainable approach to investment is important to us and, we hope, also to our tenants. Our efforts to incorporate sustainability factors into our buildings and practices has continued to advance this year.

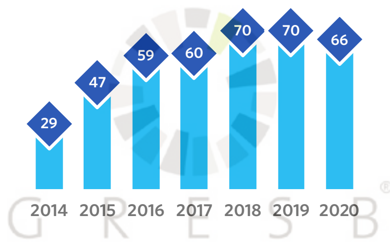
GRESB Progress

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

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

From a starting point of 29 in 2014 we have this year achieved a score of 66/100 – a slight reduction on last year due to a change in the weighting towards data collection.

Improving this area will be a focus over the coming years.



Responsible Investment

In 2020, our PRI submission was combined with that of our parent company, Swiss Life, and this has resulted in an A+ rating in the areas of Strategy and Governance and an A within the Property Module.

PRI Principles for Responsible Investment

	Measure	Year to Sep-20	Year to Sep-19	Change
Electricity (kWh)	Absolute	3,642,783	2,968,459	+23%
	Like-for-like	**2,353,446**	**2,738,480**	**-14%**
Gas (kWh)	Absolute	1,920,201	1,713,598	+12%
	Like-for-like	**1,468,692**	**1,708,991**	**-14%**
CO_2 Emissions (tonnes)	Absolute	1,225	1,095	+12%
	Like-for-like	**834**	**1,034**	**-19%**
Water (m^3)	Absolute	21,083	23,474	-10%
	Like-for-like	**19,218**	**22,609**	**-15%**
Recycling	Absolute	74%	66%	
	Like-for-like		**N/A**	

Understanding our Assets

We continue to collect data for our portfolio – principally for the more substantial multilet assets where we can make a material difference.

As the portfolio changes, so does the pool of assets covered and this can lead to some substantial movements in the data.

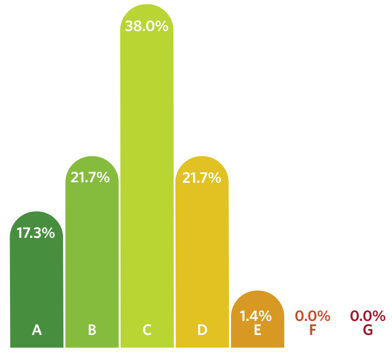
Over the year to September, both our like-for-like gas and electricity usage has fallen substantially (COVID will have had a large impact) and this leads to a substantial fall in CO_2 emissions over the year. Water usage has also reduced markedly.

We have set individual targets for our most energy intensive assets in order to focus efforts on areas where improvement will be most meaningful.

EPC Analysis

Energy Performance Certificates (EPC) cover 100% of the portfolio and 98.6% of the portfolio is rated 'D' or better. This information is important as, since April 2018, landlords are unable to let properties with F & G ratings.

As at December 2020, the EPC position has improved since last year as we have now eliminated the F & G rated properties through a combination of asset improvements and sales.



Responsible property investment continued

Green Leases

We believe that enhancing the sustainable qualities of our assets has the potential to make them more desirable to occupiers, combat obsolescence and improve investment performance.

By its nature, the PITCH Fund contains many single let, long lease assets where data collection is problematic – we do collect environmental performance data for all our directly held multi-let properties where we organise utility supplies and waste disposal.

In order to improve data collection across the portfolio, and to work more closely with our tenants, we are seeking to incorporate terms to facilitate this into material leases.

How is this done?

- By including "green lease clauses" into new and renewed leases, where possible and meaningful. These facilitate data sharing, undertaking improvement works and ensuring that alterations do not detrimentally affect the energy efficiency of a building.
- By entering into a Memorandum of Understanding with tenants where we believe a positive difference can be made.
- By raising sustainability topics and opportunities with our occupiers and seeking to improve assets to the benefit of both parties.

In practice:

- Measurement of energy usage and waste and subsequent sharing of performance reports.
- Seeking to improve energy and waste efficiency.
- Seeking to introduce sustainable measures into alteration and refurbishment projects.
- Discussion of, and planning for, sustainability initiatives at tenant meetings.

Working with Tenants

Sustainable objectives are more easily attained by working in partnership. We are seeking out opportunities to introduce companies that can help our tenants to achieve their own sustainable goals.

We have undertaken tenant surveys to seek opportunities to improve assets in line with tenant requirements, and also to further encourage data sharing.

We have arranged discount opportunities for our tenants to purchase energy and water saving technology from Save Money Cut Carbon and additionally have introduced Zumtobel to work with tenants to investigate self-funding installations of LED lighting and Syzygy for solar power installations.

We have also continued to offer the £5,000 PITCH Award which encourages our tenants to actively support charities that are local to them by providing money to either enhance their fundraising or facilitate their activities.

Sustainability Guides

Undertaking a major fit-out or refurbishment is a complex operation – not just in the execution, but also in the early stages of consideration and planning to ensure that the space created works optimally both for the tenants, their staff and the buildings longer term owners.

We have assembled guides covering both Sustainable Fit-Outs and Sustainable Refurbishment and Development that are available to all of our tenants and contractors to assist with this process. They work through sustainable design considerations in terms of specification and materials, layout and flexibility as well as energy and waste considerations. It also considers the procurement chain and ongoing thoughts for running a sustainable environment.

Portfolio Activity

During 2020, we refurbished one of our office units in Oxford that had been occupied for almost 30 years by the same tenant and was in great need of enhancement.

Through replacing the outdated M&E and lighting the EPC has improved from C to A. Enhanced shower facilities and landscaping will not only improve wellbeing but make the property highly marketable.

We are also on-site at one of our Cardiff offices, undertaking a complete refurbishment of the 41,000 sq ft building. All M&E is being upgraded, gas has been removed and lighting replaced with LEDs. The shower facilities have been extended and green walls introduced into the atrium along with larger windows to enhance natural light. We expect to see a material improvement in the current D rated EPC.

In 2020 we finished the entire refurbishment of our Leeds office building which has resulted in the EPC improving from E to C and we recently refurbished the entirety of our 30,000 sq ft office building in Solihull where the EPC here has improved from E to B.

We continue to replace ageing lights with LEDs and optimise lighting use through the addition of PIR sensors.

We have also been engaging with tenants to encourage greater levels of recycling and to try to keep office temperatures down.

Investment Acquisition

We don't only acquire assets that already have strong sustainability credentials, we also look for opportunities where we can acquire properties that can be improved in order to enhance both value and their sustainability performance.

However, in both cases we carry out rigorous pre-purchase due diligence and sustainability issues form a large part of this.

We look for assets that have good transport and infrastructure links in order that they are highly accessible to occupiers.

We also review their energy efficiency and vulnerability to environmental risks such as contamination and flooding.

Consideration of alternative and longevity of use is also important to us so as to minimise obsolescence, as is flexibility of space so that occupiers can utilise it in ways that work best for them.

We have also introduced new sustainability surveys as part of our due diligence to consider ESG matters in more detail.

PITCH Ethical Policy

The Property Income Trust for Charities (PITCH) adheres to a responsible investment policy in the management and investment of the Fund, with a particular focus on the underlying charitable purpose of its investor base.

Many charities have their own ethical policies measured alongside their mission or charitable objectives. Whilst a pooled Fund such as PITCH cannot adhere to each investor's policy requirements in every case, it is important for its own ethical policy to provide a clear and transparent set of ethical guidelines that are adhered to in the management of the property portfolio.

Due diligence screening of tenants is carried out by PITCH's Fund management team at the time of acquisition of a property and then reviewed across the portfolio on a quarterly basis. This is reported to both Mayfair Capital's Investment Risk Committee and the Fund's external Investors' Committee who meet with the Manager on a quarterly basis.

The Investors' Committee includes representatives from a religious body and from two universities. These charities are at the forefront of ethical investment. The Investors' Committee monitors the tenants in the property portfolio, according to the Fund's stated policy, and ensures that none are involved in any activity which would likely bring the Fund into disrepute with its investors or wider stakeholders.

This includes companies whose primary business is in the production of alcohol, tobacco, armaments, gambling, pornography and the sex industry. Those companies that are involved in other industries that may be considered by the Investors' Committee appropriate for exclusion or restrictions are assessed on a case by case basis.

Listed below are those tenants who derive some turnover from a 'flagged' activity within our ethical policy:

Ethical Policy	Comment	% of Fund Income[1]
Alcohol production or consumption (we hold no pubs, bars or wine merchants as tenants)	The Fund holds several restaurants: Las Iguanas, Pizza Express, Côte, Café Rouge and Zizzi.	<2%
Gambling	None	0%
Manufacture or sale of armaments	None	0%
Manufacture or sale of tobacco products	None	0%
Pornography or the sex industry	None	0%
Other activities deemed to be unacceptable from time to time	None	0%

1 The amount of income received from a tenant where their business turnover includes some activity highlighted by the Fund's ethical policy
Source: Mayfair Capital (30.09.2020).

Governance

As a responsible investor, it is essential that we adhere to high standards of conduct in our business dealings. We cannot expect or encourage our stakeholders to operate ethically and with probity unless we do so ourselves.

Industry Standard Reporting

1. United Nations Principles of Responsible Investment (UNPRI)
2. Association of Real Estate Funds (AREF)
3. Global Real Estate Sustainable Benchmark (GRESB)
4. 2020 UK Stewardship Code

Mayfair Capital is an FCA regulated business and an approved Alternative Investment Fund Manager (AIFM). We are also signatories to UN PRI and a member of the Association of Real Estate Funds. We adhere to their principles and believe that a good understanding of regulation and policy requirements demonstrates responsible risk management.

Alternative Investment Fund Managers Directive (AIFMD)

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

The Manager's remuneration Policy:

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

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

The aggregate total remuneration paid to the AIFM Remuneration Code Staff of The Manager for the accounting period was £1,693,882 (2019: £1,326,402), all of which was paid to senior management. The AIFM Remuneration Code Staff provide services to other funds managed or advised by the Manager, and are included in this disclosure as their professional activities are considered to have a material impact on the risk profile of the Manager and/or PITCH.

Mayfair Capital Investment Risk Committee

Responsibility for the implementation of Mayfair Capital's investment risk processes sits with the Investment Risk Committee (IRC).

Our risk management framework covers our entire investment process. The Investment Risk Committee (IRC) is central to this framework and has the following responsibilities:

- Approval of all purchases and sales
- Monitor and ensure all transactional activity is in accordance with pre-agreed strategy and risk parameters
- Review and approve the Investment Strategy annually.
- Overall responsibility for implementing ESG strategy.

On an annual basis, the investment report will also include comments on the stress testing of the assumptions that underpin the annual hold-sell analysis and prospective base case IRR.

These assumptions are stress tested under a number of different economic scenarios that have been outlined by Property Market Analysis in order to determine the Fund's resilience to a change in market conditions.

Governance continued

PITCH Investors' Committee

The Investors' Committee (IC) has been established to represent the Unitholders and is primarily drawn from representatives of the investors. It holds quarterly meetings with the Manager and the Trustee.

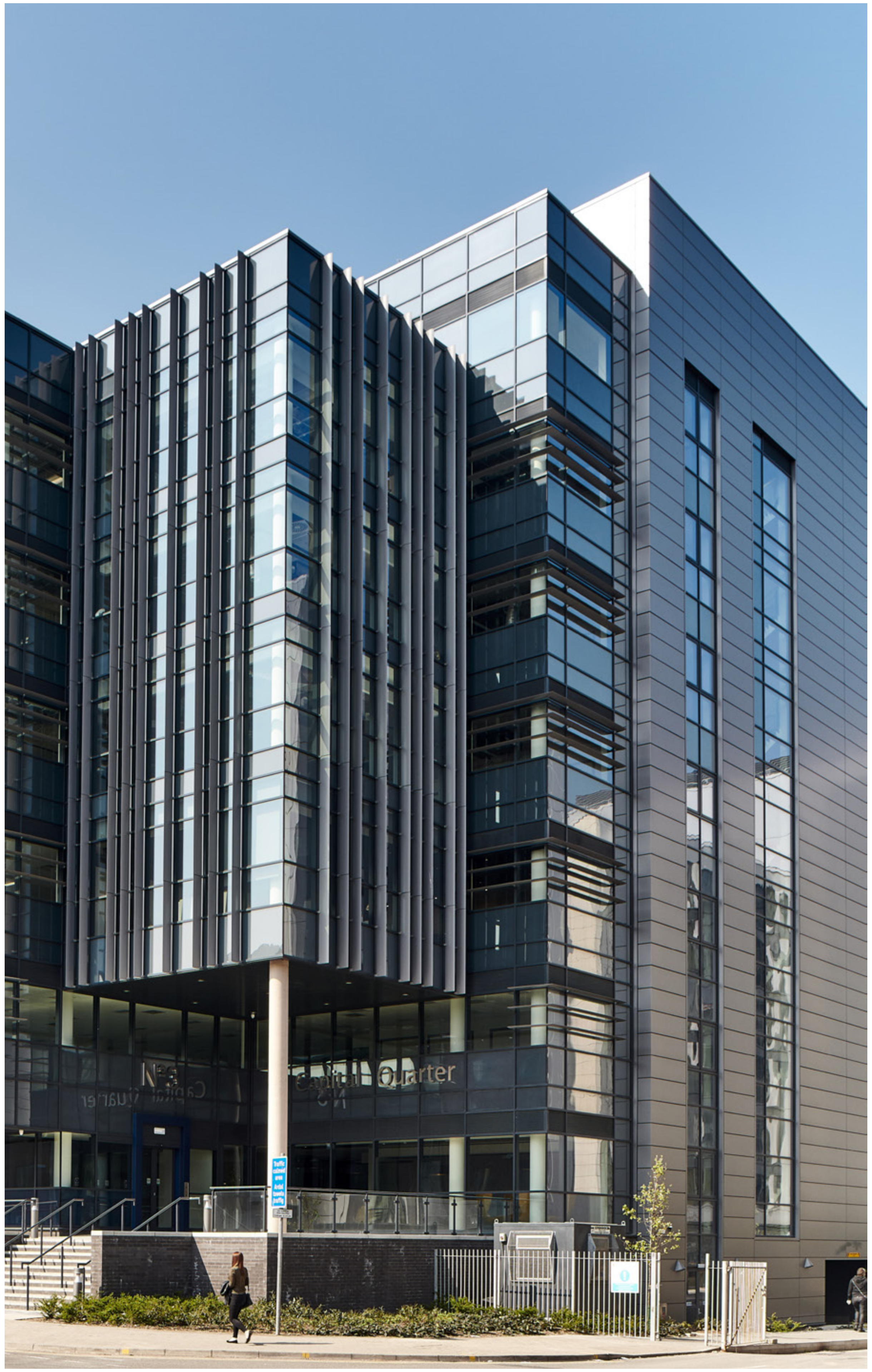
The IC approves all transactions (both acquisitions and sales) and also monitors risk parameters on a quarterly basis. It includes representatives from a religious body and from two universities. These charities are at the forefront of ethical investment. The IC monitors the tenants in the property portfolio, according to the Fund's stated policy, and ensures that none are involved in any activity which would likely bring the Fund into disrepute with its investors or wider stakeholders. This would include careful consideration of those companies whose primary business is in the production of alcohol, tobacco, armaments, gambling, pornography and the sex industry or involved in other matters that may also be considered by the IC to be relevant and are therefore judged on a case by case basis. Further details of the current members of the Investors Committee are shown on page 8.

UK Stewardship Code

Effective from 1 January 2020, the Financial Reporting Council's ("FRC") UK Stewardship Code (the "Code") was updated to be applicable to a broader range of investment strategies, such as real estate and infrastructure. It also reflects the increasing importance of environmental factors, particularly climate change, as well as social and governance factors as material issues for asset managers to consider when making investment decisions.

In the 2020 version, the Code defines stewardship as "the responsible allocation, management and oversight of capital to create long-term value for clients and beneficiaries leading to sustainable benefits for the economy, the environment and society". The Code has twelve Principles. The FRC requires that firms intending to be signatories to the Code must produce an annual Stewardship Report explaining how they have applied the Principles of the Code in the previous twelve months. The FRC will evaluate reports against an assessment framework and those meeting the reporting expectations will be listed as signatories.

Consistent with our long history of stewardship and responsible investment, Mayfair Capital has adopted the Principles of the Code and intends to become a signatory. We have submitted a Stewardship Report to the FRC in March 2021 and intend to do so on an annual basis going forward.



Properties

5

New purchases

Orion Business Park, Stockport

Four well specified "mid box" industrial units acquired in November 2020 for £15.6m providing an attractive net yield to PITCH of 5.7%. The property is excellently located serving Manchester city centre, Manchester Airport and the affluent South Manchester area in an area significantly under supplied with quality warehousing. The business plan is to grow the rental income through reletting activity.

M&S, Southgate

An urban supermarket located in an affluent North London area acquired in December 2020 for £12.7m and yield to PITCH of 3.7%. The property is let to M&S with 25 years unexpired with the benefit of fixed rental uplifts rising in line with inflation. This core investment provides strong income and capital resilience with the site underpinned by residential values.

Unit DC2, Sideways Park, Stoke-on-Trent

A newly developed distribution warehouse which the Fund acquired in October 2020 for £10.29m providing a yield to PITCH of 5.4%. The property is let to the logistics company, Simarco Ltd, until November 2029 at a low passing rent of £5.15 per sq ft with a fixed rental uplift on the fifth anniversary of the lease. The asset has strong thematic qualities including a high specification, excellent road connections and a strong local labour supply to draw upon.

Sales

Forest House, Crawley

This office investment located on a business park to the south of Crawley town centre sold in February for £13.6m in line with valuation. The property had ten years remaining on the lease but was expected to lose value reflecting the shortening lease term, increased capital expenditure risk and secondary location. The sale price delivered an IRR to the Fund of circa 7.5% during the period of ownership.

Cummins Aftercare Facility, Huddersfield

The sale of this warehouse investment completed in March 2020 having exchanged at auction for £2.3m, which was circa 9.5% ahead of valuation. The lease of the property was recently extended with a rental increase of 11% thereby completing the business plan of the asset and delivering an attractive IRR of 14.9%.

Gyrus, St Mellons, Cardiff

This 1990s warehouse located to the east of Cardiff sold in September 2020 for £3.2m, which reflected a 7.8% increase above valuation. The lease of the property was recently extended to increase the unexpired term to five years, therefore, creating an excellent opportunity to dispose of the asset and realise some valuation performance. The sale was also in line with the strategy to increase the average lot size in the portfolio.

Part sale – Unite Student Accommodation Fund (USAF)

PITCH sold £7m of its total unitholding in the indirect holding in USAF in November 2020 at a -3.25% discount to the 30th September NAV. This sale was in line with the strategy agreed in Q1 2020 to exit this holding in response to the impact of social distancing measures on occupancy levels and distributions. The remaining 16,120,007 units were sold in January 2021 at -2% to the 31 December NAV.

Properties held

Industrial

Property	Town	Principal Tenants	Region	Completion
Unit 1, Bristol Distribution Park, Hawkley Lane	Bristol	DHL International (UK)	South West	04/03/2005
Martin Avenue, March Trading Estate	March	March Foods	Eastern	08/03/2006
Plots 2-4, Newmarket Business Park	Newmarket	Taylor Wimpey UK	Eastern	28/04/2006
Unit 2, Tameside Industrial Park	Dukinfield	Ritrama UK	North West	23/03/2007
Trelleborg Unit, Tewkesbury Business Park	Tewkesbury	Trelleborg Sealing Solutions UK	South West	07/12/2007
Thatcham Unit, Colthrop Lane	Thatcham	Thatcham Research	South East	23/12/2009
Units 1 & 2 Langley Connect	Langley	Premier Forest Products	South East	08/10/2010
Units 1A, 1B & 1C New Hythe Business Park	Aylesford	British Telecommunications	South East	09/06/2011
Unit G, Century Park	Wakefield	Sportswift	Yorks & Humberside	03/07/2013
Capgemini, South Marston Park	Swindon	Capgemini UK	South West	20/12/2013
Phases I & II, Trax Park	Doncaster	Wincanton Holdings	Yorks & Humberside	17/09/2014
Armtech Row & Technine	Yeovil	Various	South West	16/04/2015
Winchester Road Trade Park	Basingstoke	Various	South East	16/04/2015
1 Yorkshire Way, West Moor Park	Doncaster	ASOS	Yorks & Humberside	25/06/2015
Plot 8, Newmarket Business Park	Newmarket	Mr Fothergill's Seeds	Eastern	10/07/2015
Plot 1, Newmarket Business Park	Newmarket	Smiths News Trading	Eastern	10/07/2015
Southmoor Lane	Havant	Lewmar	South East	01/09/2015
Bartley Point	Hook	Various	South East	01/10/2015
Royal Mail	Peterborough	Royal Mail Group	Eastern	14/10/2015
Rehau	Runcorn	Rehau	North West	05/02/2016
The Big Berry, Berry Hill Industrial Estate	Droitwich	Antolin Interiors	West Midlands	29/06/2018
9-11 Newmarket Business Park, Unit B	Newmarket	Cosentino UK	Eastern	05/10/2018
Plot 100, Oaks Drive	Newmarket	Lind US	Eastern	21/12/2018
9-11 Newmarket, Unit A	Newmarket	Tristel	Eastern	08/02/2019
Units A-D, Orion Business Park	Stockport	Various	North West	01/12/2020
Unit DC2, Sideways Park	Stoke-on-Trent	Simarco International	West Midlands	26/10/2020

Properties held continued

Offices

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

Retail

Property	Town	Principal Tenants	Region	Completion
535-563 Lord Street	Southport	Vacant	North West	08/06/2010
26-27 Fore Street	Taunton	Natwest	South West	30/09/2013
Units 3.1-3.4, Peninsula Square	Greenwich	Various	Rest of London	31/01/2014
Albion Place	Skipton	Various	Yorks & Humberside	01/07/2014
Zizzis, Gandy Street	Exeter	Azzurri Restaurants	South West	02/08/2017
Cote, High Street	Esher	Cote Restaurants	South East	23/08/2017
M&S, Winchmore Hill Road	Southgate	M&S	Rest of London	22/12/2020

Retail Warehouse

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

Other

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


Oakleigh House, Cardiff

Bartley Point, Hook


Trax Park, Doncaster


36 Clarendon Road, Watford

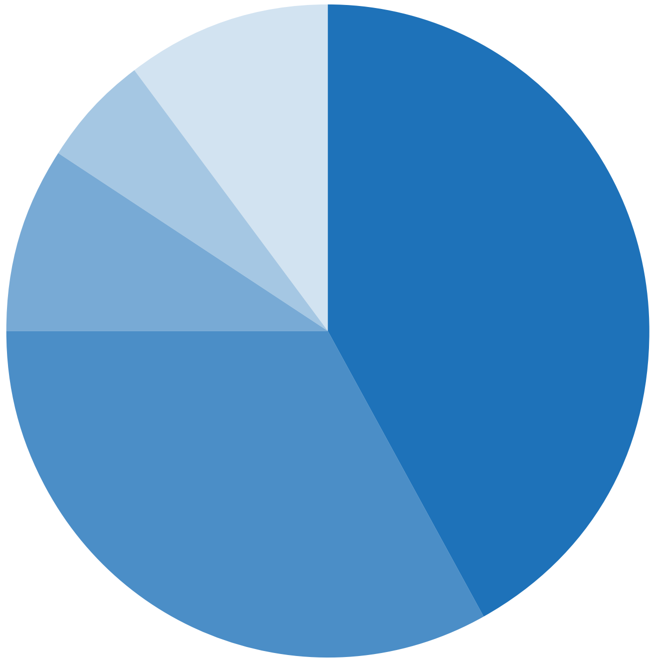

Papyrus Road, Peterborough


3 Capital Quarter, Cardiff

Portfolio analysis

As at 31 December 2020

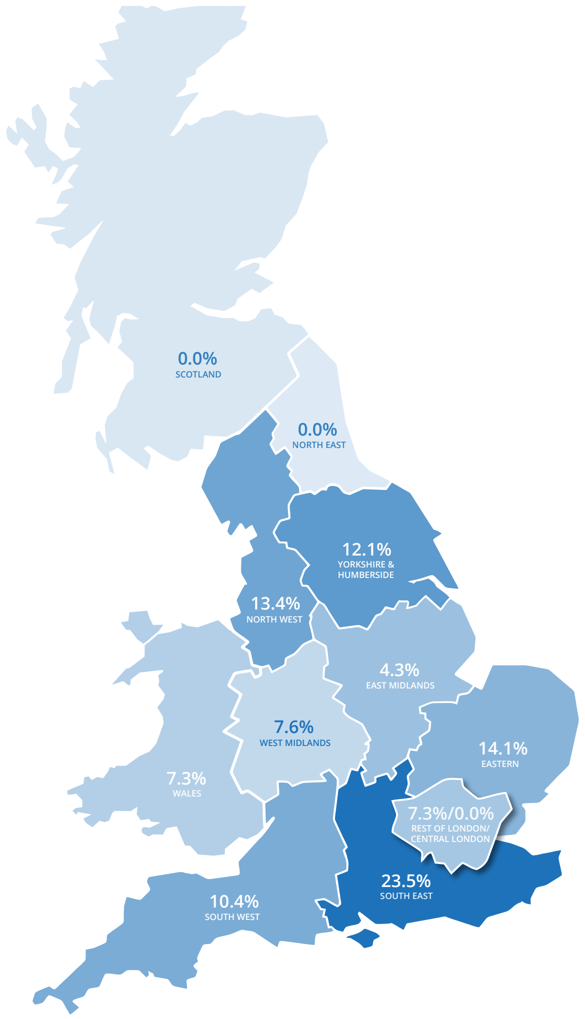
Portfolio by sector



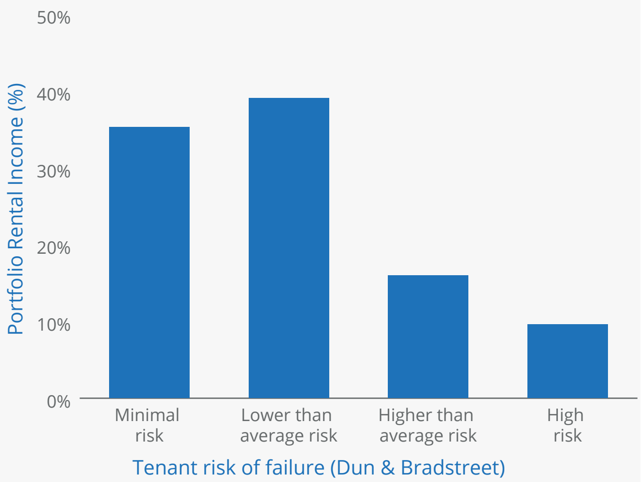
Industrial	42.1%
Office	32.9%
Retail warehouse	9.2%
Retail	5.7%
Other	10.1%

Note: including indirects
Source: Mayfair Capital (31/12/2020)

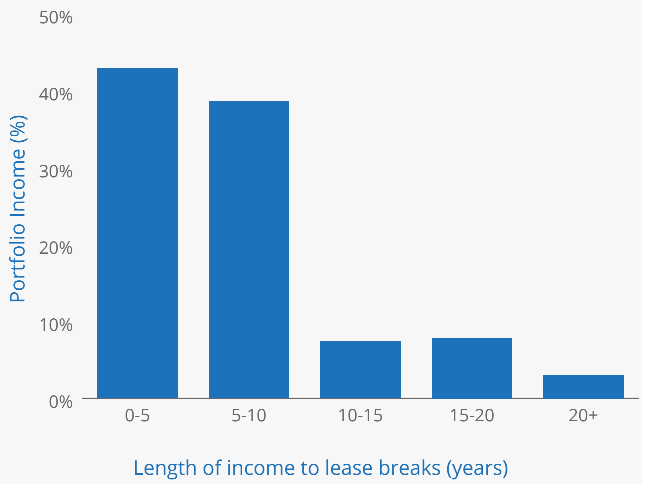
Portfolio locations



Portfolio by Covenant Rating



Portfolio by Unexpired Lease Profile



Five largest assets

(by income)

Cardiff, Capital Quarter	4.7%
Newmarket, Newmarket Business Park	3.9%
Doncaster, Trax Park	3.7%
Croydon, Premier Inn	3.6%
Unite Student Accommodation Fund	3.6%

Five largest tenants

(by income)

Admiral PLC	4.5%
The Range	4.5%
Wincanton Holdings Ltd	4.1%
Kier Construction Ltd	4.1%
Sky CP Ltd	3.4%

Upper quartile Fund performance over 5 and 10 years

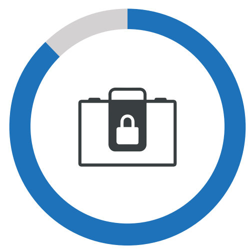
compared to the MSCI/AREF UK All Balanced Property Funds Index

7.8%
Vacancy Rate

£645m
Fund Size (GAV)

4.6%
Fund Yield (Rolling 12-months as a % of NAV)

Secure Income



74.4% of the portfolio let to low or minimal risk tenants (based on credit rating)

(Dun & Bradstreet)

Source: Mayfair Capital Investment Management Limited 31.12.2020

Financials

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Independent auditor's report

to the Unitholders of Property Income Trust for Charities

Opinion

We have audited the financial statements of Property Income Trust for Charities for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Change in Net Assets, Statement of Cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

Basis of opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Managers use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of the Manager

As explained more fully in the Statement of Management's Responsibilities set out on page 17 the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent auditor's report continued

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested some of the larger journal entries around the year end;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Crowe UK LLP

Crowe UK LLP
Statutory Auditor
Riverside House
4046 High Street
Maidstone
ME14 1JH

30 April 2021

Statement of comprehensive income

For the year ended 31 December 2020

	Notes		2020 £'000		2019 £'000
Net capital losses	2		(33,089)		(13,867)
Movement in unamortised tenant incentives	2		232		737
			(32,857)		(13,130)
Revenue	3	30,920		34,288	
Expenses	4	(7,522)		(5,107)	
Net Income before interest payable and similar charges		23,398		29,181	
Interest payable and similar charges	5	(2,598)		(2,568)	
Net revenue			20,800		26,613
Total (loss)/return before distributions			**(12,057)**		**13,483**
Distributions	7		(25,074)		(30,796)
Change in net assets attributable to unitholders from investment activities			**(37,131)**		**(17,313)**

Continuing operations

All items dealt with in arriving at the result for the year ended 31 December 2020 and for year ended 31 December 2019 relate to continuing operations.

There is no other comprehensive income other than that listed above for the year ended 31 December 2020 (year ended 31 December 2019: nil).

The Accounting policies and Notes on pages 41 to 50 form part of these financial statements.

Statement of financial position

As at 31 December 2020

	Notes	31 December 2020 £'000		31 December 2019 £'000	
Fixed Assets					
Investment properties	8	560,039		566,152	
Investment in unit trusts	9	21,169		30,289	
			581,208		**596,441**
Current assets					
Debtors	10	13,609		15,052	
Cash at bank		66,631		86,107	
		80,240		**101,159**	
Creditors: amounts falling due within one year	11	(42,703)		(37,784)	
Net current assets			**37,537**		**63,375**
Total assets less current liabilities			**618,745**		**659,816**
Creditors: amounts falling due after more than one year	12		(50,488)		(74,992)
Net assets attributable to unitholders			**568,257**		**584,824**

These financial statements were approved by the Manager on 30 April 2021 and signed on its behalf by:

Mayfair Capital Investment Management Limited

The Accounting policies and Notes on pages 41 to 50 form part of these financial statements.

Statement of change in net assets

For the year ended 31 December 2020

	2020 £'000	2019 £'000
Opening net assets attributable to unitholders	**584,824**	**552,015**
Amounts receivable on creation of units	40,066	64,092
Amounts payable on redemption of units	(19,502)	(13,970)
Change in net assets attributable to unitholders	(37,131)	(17,313)
Closing net assets attributable to unitholders	**568,257**	**584,824**

The Accounting policies and Notes on pages 41 to 50 form part of these financial statements.

Statement of cash flows

For the year ended 31 December 2020

	£'000	2020 £'000	£'000	2019 £'000
Cash flows from operating activities				
Net revenue	20,612		26,452	
Loan interest payable	2,598		2,568	
Loan cost amortisation	227		126	
Increase / (Decrease) in debtors	1,439		(3,230)	
Decrease in creditors	(98)		(943)	
		24,778		**24,973**
Cash flows from investing activities				
Purchase of investment property	(39,138)		(31,018)	
Sale proceeds from investment property	18,824		25,663	
Capital expenditure on existing properties	(4,254)		(3,366)	
Purchase of units in unit trusts	–		(4,306)	
Sale proceeds from units in unit trusts	6,948		–	
Interest received	188		161	
		(17,432)		**(12,866)**
Cash flows from financing activities				
Loan interest paid	(2,384)		(2,490)	
Distributions paid	(25,998)		(30,229)	
Cash received for new units	21,062		82,615	
Units redeemed	(19,502)		(13,970)	
		(26,822)		**35,926**
(Decrease) / increase in cash and cash equivalents		**(19,476)**		**48,033**
Cash and cash equivalents at beginning of year		**86,107**		**38,074**
Cash and cash equivalents at end of year		**66,631**		**86,107**

The Accounting policies and Notes on pages 41 to 50 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2020

1. Accounting policies

Statutory information

Basis of accounting

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

Financial instruments

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

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

Valuation of investment property

The Freehold and leasehold investment properties were valued by the Fund's independent valuers, Cushman and Wakefield, as at 31 December 2020, on the basis of Market Value in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS Valuation UK National Supplement (the "RICS Red Book") edition current at the Valuation Date. It follows that the valuations are compliant with "IVS".

Acquisitions and disposals

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

Income and expenditure

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

The Fund recognises an impairment loss (bad debt) when there is objective evidence that a loss has occurred and that it is a result of one or more past events. In the Fund's case impairment losses usually relate to income due from tenants.

Objective evidence that income due from tenants is impaired includes observable data that comes to the attention of the Fund about the following loss events:

a) significant financial difficulty of the debtor (tenant);
b) significant delays in the payment of amounts due under a lease agreement;
c) it has become probable that the tenant will enter bankruptcy or other financial reorganisation; and
d) observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.

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

Capital contributions paid to tenants are shown as a debtor and amortised in line with the provisions of FRS 102.

Notes to the financial statements continued

1. Accounting policies (continued)

Income and expenditure (continued)

The valuation of the investment properties is reduced by all amortised lease incentives in accordance with accounting standards.

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

Distributions

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

Taxation

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

Depreciation

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

Bank borrowing

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

Going Concern

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

As per in the previous year's Financial Statements, the key risks to going concern are largely a result of the ongoing disruption to the economy caused by COVID-19 and are considered to be:

1. A covenant breach meaning the immediate repayment and withdrawal of funding caused by a fall in rental income and/or a fall in the value of the properties;
2. A fall in rental income and/or an increase in additional costs to the point that the income does not cover the operating costs of the Fund;
3. A significant increase in redemptions causing a significant liquidity issue.

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

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

- The Fund has capital cash of over £65m which could be used to settle the liability (data as at 31 March 2021 adjusted for redemptions to be paid in April 2021).
- Talks with the banks which suggest they would continue to be supportive in the event of a breach given the unusual circumstances caused by COVID-19.
- The fact that for each loan a fall in property value and/or fall in rental value would need to be at the following level before a breach would be incurred (data as at 31 March 2021):

Provider	Facility (£)	Loan To Value Covenant Test Headroom	Rental Income Covenant Test Headroom
Aviva	24,800,000	8%	30%
Canada Life	24,700,000	24%	1%
PGIM	26,000,000	29%	33%

The Canada Life loan is due for repayment in July 2021. Whilst the Manager is exploring options of refinancing this facility, cash is available to repay the full £24,700,000 if needed. This would take the capital cash balance as noted above from £65m to £40m. All covenant tests related to this loan have been historically met and are expected to be met ahead of expiry date.

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

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

- The Fund has 165 different tenancies split across 143 tenants at 53 different properties. In order for the Fund to be unable to meet the void costs of properties, the Manager estimates that over 50% of tenants would have to default. Given the strong and diverse tenant base this would appear unlikely.
- Rental income received for the quarter to March 2021 was 88% of the billed rental income (as at middle of April).
- Accrued income balances in respect of tenant lease incentives have been reviewed. Whilst there are some material balances currently accrued in the accounts, on review no individual balance exists in respect of a tenant the Manager deems as having a high risk of default.

Significant increase in redemptions causing a significant liquidity issue

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

- The Fund currently has capital cash of over £65m which could be used to pay redemptions.
- The Fund has a number of properties in the market to sell. These transactions would provide further cash to meet redemption requests if required.
- All investors have to be treated fairly, so if there are insufficient cash reserves to meet redemptions the Manager can suspend the Fund to ensure that enough time is available to realise assets at a fair market value and therefore redeem units at a fair price.

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

Notes to the financial statements continued

2. Net capital losses

	2020 (£'000)	2019 (£'000)
Net unrealised losses on investment property	(30,795)	(15,517)
Movement in unamortised tenant incentives	(232)	(737)
Net realised gains on investment property	110	1,651
Net realised gains on investment in unit trust	514	–
Net unrealised (losses)/gains on investment in unit trust	(2,686)	736
Total	**(33,089)**	**(13,867)**

3. Revenue

	2020 (£'000)	2019 (£'000)
Rental income	30,525	31,239
Investment income	4	1,146
Interest received	188	161
Other income	203	1,742
Total	**30,920**	**34,288**

4. Expenses

	2020 (£'000)	2019 (£'000)
Charged to income		
Legal and professional fees	329	200
Bank charges	34	33
Premises expenses (including provision for bad debts)	2,885	691
	3,248	**924**
Charged to capital		
Investor committee	44	54
Trustee fees	151	145
Fund management fees	3,375	3,273
Administrator fees	331	382
Valuation fees	113	112
Audit fee	67	24
Depository fees	122	116
Other	71	77
	4,274	**4,183**
Total	**7,522**	**5,107**

5. Interest payable and other similar charges

	2020 (£'000)	2019 (£'000)
Loan interest payable	2,371	2,364
Amortisation of loan costs	227	204
Total	**2,598**	**2,568**

6. Taxation

Regulations came into force on 6 April 2014 allowing Exempt Unauthorised Unit Trusts ("EUUTs"), such as PITCH, to make distributions to investors without the deduction of 20% tax. One of the requirements for an EUUT to make gross distributions is that it must obtain approval as an exempt trust from HM Revenue & Customs ("HMRC").

PITCH has approval from HMRC as an exempt trust. Accordingly all distributions in 2020 were paid without the deduction of tax.

7. Distributions

	2020 (£'000)	2019 (£'000)
Distributions paid		
Month ended 31.01.20 / 31.01.19	2,565	2,469
Month ended 28.02.20 / 28.02.19	2,331	2,340
Month ended 31.03.20 / 31.03.19	2,209	2,665
Month ended 30.04.20 / 30.04.19	1,701	2,485
Month ended 31.05.20 / 31.05.19	2,041	2,444
Month ended 30.06.20 / 30.06.19	1,830	2,819
Month ended 31.07.20 / 31.07.19	1,969	2,526
Month ended 31.08.20 / 31.08.19	1,980	2,545
Month ended 30.09.20 / 30.09.19	1,951	2,265
Month ended 31.10.20 / 31.10.19	2,207	2,529
Month ended 30.11.20 / 30.11.19	2,066	2,550
	22,850	**27,637**
Distributions payable	2,224	3,159
Total distributions	**25,074**	**30,796**
Reconciliation of net income after taxation to distributions		
Net income	20,800	26,613
Expenses charged to capital	4,274	4,183
Total	**25,074**	**30,796**

8. Investment properties

	2020 (£'000)	2019 (£'000)
Market value of investments bought forward	**566,152**	**571,245**
Adjustment in respect of tenant lease incentives	4,793	5,530
Fair value of investments bought forward	**570,945**	**576,774**
Additions from acquisitions at cost including purchase costs	39,138	31,018
Additions to existing properties at cost	4,254	3,366
Value of properties sold	(18,819)	(25,610)
Net unrealised losses on investment property	(30,795)	(15,517)
Movement in unamortised tenant incentives	(232)	(737)
Net realised gains on investment property	109	1,651
Market valuation of investments carried forward	**564,600**	**570,945**
Adjustment in respect of tenant lease incentives	(4,561)	(4,793)
Fair value of investments carried forward	**560,039**	**566,152**

The Fund's investment properties were valued by Cushman & Wakefield, independent valuers, on a market value basis at £564,600,000 (2019: £570,945,000). The valuations have been reduced by unamortised tenant incentives in line with accounting policies (see note 1).

Valuation method and assumptions

Valuations are carried out in accordance with the requirements of the RICS Valuation – Global Standards which incorporate the International Valuation Standards ("IVS") and the RICS Valuation UK National Supplement (the "RICS Red Book") edition current at the Valuation Date. It follows that the valuations are compliant with "IVS". No adjustments have been made to reflect any liability to taxation that may arise on disposals, nor any costs associated with disposals incurred by the owner. Deductions have been made to reflect purchaser's acquisition costs.

Throughout 2020 and due to the COVID-19 pandemic transaction levels were at an all time low. However as at 31 December 2020 Cushman and Wakefield were happy there was sufficient comparable data to value the Fund's portfolio at this point. The material uncertainty clause previously seen in their valuations was lifted in September 2020.

However for the more challenged parts of the market, namely retail and leisure assets they factored into valuations a COVID-19 deduction of between 3-6 months rent to reflect the risk of non-payment of rents in the near future. They also moved out yields to reflect the market perception towards these tenants and the challenges these sectors have faced and also increased any void/rent free periods to reflect the current market conditions. For the hotel sector they liaised with the hotels teams to ensure that the approach to the valuation reflects any CVA or agreement proposals which are or have been agreed with the various operators.

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

a) Title

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

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

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

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

c) Environmental matters

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

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

d) Statutory requirements and planning

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

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

In addition, the Energy Act 2011 includes a provision whereby from April 2018 it will be unlawful to rent out a premises with an EPC rating which, according to Government proposals issued in February 2015, falls below an E rating. Unless enquiries have revealed to the contrary if any of the properties are not exempt from these requirements, Cushman and Wakefield have made an assumption that the properties meet the minimum requirements to enable them to be let after April 2018.

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

e) Leasing

Generally speaking unless Cushman & Wakefield have become aware by general knowledge, or have been specifically advised to the contrary they have made the assumption that the tenants are financially in a position to meet their obligations. Again, unless informed to the contrary, Cushman & Wakefield have also assumed that there are no material rental arrears of rent or service charges, breaches of covenants, current or anticipated tenant disputes.

However given during 2020 COVID-19 had a significant impact on businesses right across the country, there were notable occasions where various tenants had been subject to rent deferrals and in most cases payment plans had been put in place to ensure that the rent will be collected by the Fund. As such for the retail/leisure led assets (but excluding food/DIY) Cushman and Wakefield reflected the risk of non-payment of rent in the future by adopted a standardised market approach of including a notional COVID-19 deduction of 3-6 months rent in the valuations. They also reflected the risk of non-payment of rent/tenant risk by softening the yields where it was understood tenants were in financial difficulty and to take into account the risk of potential tenant default in the near future.

Finally, Cushman & Wakefield have assumed that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

Notes to the financial statements continued

8. Investment properties (continued)

Restrictions on realisability

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

Contractual obligations

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

9. Property related investments

	2020 £'000	2019 £'000
Market value of investments brought forward	30,289	25,247
Additions from acquisitions at cost	-	4,306
Value of units sold	(6,948)	–
Net realised gains on units	514	–
Change in fair value of investments	(2,686)	736
Market valuation of investment carried forward	**21,169**	**30,289**

The investment in Unite UK Student Accommodation Fund is held at the 31 December 2020 estimated net asset value per unit as reported by the manager less a 2% discount which is to reflect the likely price received selling the entire holding on the secondary market.

10. Debtors

	2020 £'000	2019 £'000
Rental arrears	7,462	2,712
Provisions for impairment/write-off	(2,118)	–
Prepayments and accrued income	258	431
Unamortised tenant incentives	4,560	4,793
Rent deposit debtors	382	475
VAT receivable	623	–
Amounts receivable on disposals	–	5
Other debtors	2,442	6,636
	13,609	**15,052**

Provisions for impairment/write off totals the rent due from tenants who on assessment are facing financial difficulties and The Manager deems unlikely to pay any outstanding sums.

11. Creditors amounts falling due within one year

	2020 £'000	2019 £'000
Distributions payable	2,236	3,160
Deferred income	8,876	9,650
VAT payable	–	759
Rent deposit creditors	382	475
Investor funds received for January dealing	2,096	21,100
Loan interest payable	462	458
Accruals and other creditors	4,153	2,398
Bank loan	24,700	-
Less: unamortised loan costs	(202)	(216)
	42,703	**37,784**

12. Creditors amounts falling due after more than one year

	2020 £'000	2019 £'000
Bank loans	50,800	75,500
Less : unamortised loan costs	(312)	(508)
Total	**50,488**	**74,992**

The amount detailed above consists of three loans as follows

- A loan facility with Canada Life in the amount of £24,700,000 (2019: £24,700,000) attracts interest at a fixed rate of 4.09% per annum and becomes repayable in full on 20th July 2021. This loan is interest only and is secured against a number of the Fund's investment properties, the total value being £63,475,000 as at 31st December 2020.
- A loan facility with Aviva in the amount of £24,800,000 (2019: £24,800,000) attracts interest at a fixed rate of 3.10% per annum and becomes repayable in full on 28th September 2025. This loan is interest only and is secured against a number of the Fund's investment properties, the total value being £53,650,000 as at 31st December 2020.
- A loan facility with PGIM in the amount of £26,000,000 (2019: £26,000,000) attracts interest at a fixed rate of 2.25% per annum and becomes repayable in full on 10th December 2023. This loan is interest only and is secured against a number of the Fund's investment properties, the total value being £72,900,000 as at 31st December 2020.

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

	2020 £'000	2019 £'000
(Decrease) / increase in available cash during the year	(19,476)	48,033
Opening net funds attributable to unitholders	10,607	(37,426)
Closing net funds attributable to unitholders	**(8,869)**	**10,607**

Notes to the financial statements continued

14. Analysis of net funds

	2020 £'000	2019 £'000
Cash	66,631	86,107
Bank loans	(75,500)	(75,500)
Total net funds	**(8,869)**	**10,607**

15. Counterparty risk

	2020 £000	2019 £000
Cash		
RBS	14,427	56,992
Santander	19,196	29,115
Barclays	33,008	–
Total cash	**66,631**	**86,107**
Loans		
Canada Life	24,700	24,700
Aviva	24,800	24,800
PGIM	26,000	26,000
Total loans	**75,500**	**75,500**

16. Forward Commitments and Contingent liabilities

There were no contingent liabilities at 31 December 2020 (31 December 2019 : £nil).

17. Related party transactions

Amounts payable to the Manager were £3,562,432 (31 December 2019: £3,273,436). The amount outstanding at the year end in respect of those fees was £1,772,773 (31 December 2019: £831,493).

Amounts payable to the Trustee were £151,303 (31 December 2019: £144,594). The amount outstanding at the year end in respect of those fees was £37,398 (31 December 2019: £36,253).

18. Post Balance Sheet Events

In January 2021 the Fund sold all of it's remaining holding in Unite Student Accommodation Fund (USAF). The proceeds received match the 'Market valuation of Investment Carried forward' shown in Note 9 of £21.169m.

There are no further post balance sheet items to disclose.

Mayfair Capital Industry Awards

charitytimes Awards 2014 Recognising leadership and professionalism Winner Boutique Investment Manager	ESTATES GAZETTE AWARDS 2014 HIGHLY COMMENDED INVESTMENT FUND MANAGER OF THE YEAR	2015 Property Awards FINALIST	ESTATES GAZETTE AWARDS 2015 FINALIST FUND MANAGER OF THE YEAR
2016 Property Awards Finalist		MSCI IPF Investment Property Forum UK Property Investment Awards WINNER 2016	
charitytimes Awards 2016 Recognising leadership and professionalism Shortlisted	MSCI IPF Investment Property Forum UK Property Investment Awards WINNER 2017		charitytimes Awards 2017 Recognising leadership and professionalism Shortlisted
charitytimes Awards 2018 Recognising leadership and professionalism Shortlisted	2018 AREF Code of Practice CORPORATE GOVERNANCE QUALITY MARK	AREF The Association of Real Estate Funds Annual Awards 2019 SHORTLISTED Investor Award for Outstanding Achievement	20th Anniversary charitytimes Awards 2019 Shortlisted
2019 AREF Code of Practice CORPORATE GOVERNANCE QUALITY MARK		MSCI MSCI Real Estate Data Quality Awards Winner 2019	
charitytimes Awards 2020 Recognising leadership and professionalism Shortlisted		AREF The Association of Real Estate Funds Annual Awards 2020 RUNNER UP Investor Award for Outstanding Achievement	

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Property Income Trust For Charities

Property Income Trust for Charities

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Registered in England Company Number 04846209
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