22 November 2013

ALPHA REAL TRUST LIMITED ("ART" OR THE "COMPANY")

ALPHA REAL TRUST ANNOUNCES ITS HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

Highlights include:

- NAV per share 106.4p (107.6p: 31 March 2013)
- Adjusted earnings per share of 2.2p for the six months to 30 September 2013
- Dividend of 1.05p, previously announced, for the period ending 30 September 2013, payable on 20 December 2013
- Intention to pay future dividends quarterly; dividend declared of 0.525p, for the quarter ending 31 December 2013 expected to be paid on 21 March 2014
- AURE follow-on investment: new £6 million loan granted to AURE, earning a coupon of 9% per annum
- AUMP existing investment restructured: redemption of convertible loan notes and conversion into a new £6.7 million mezzanine loan position accruing an improved coupon of 15% per annum
- Leasing success: 5 new leases signed with fashion, restaurant and specialist retailers since March 2013 at H2O in Spain
- 94% of the Company's investment portfolio is in income producing investments in the UK and Europe

David Jeffreys, Chairman of Alpha Real Trust, commented:

"Against a backdrop of an improving but still challenging economic environment, it has been an active period for ART with a combination of active asset management, debt refinancing, strategic asset sales and capital recycling all playing a part in further consolidating ART´s existing investments. New investments in high yielding debt have further strengthened the Company´s earnings profile.

The Company is actively seeking to grow the yield of its portfolio by additional investment, funded from its cash and liquid holdings, capital recycling and enhanced performance from existing investments.

The Company continues to see encouraging performance in its underlying investments and remains well positioned to capitalise on new opportunities across asset backed investment and debt markets in the UK and Europe."

The Investment Manager of Alpha Real Trust is Alpha Real Capital LLP.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

For further information please contact:

Alpha Real Trust Limited

David Jeffreys, Chairman, Alpha Real Trust +44 (0) 1481 231 100

Gordon Smith, Joint Fund Manager, Alpha Real Trust +44 (0) 20 7268 0300

Panmure Gordon, Broker to the Company

Richard Gray / Andrew Potts +44 (0) 20 7886 2500

Notes to editors:

About Alpha Real Trust

Alpha Real Trust Limited targets investment opportunities across the asset-backed spectrum, including real estate operating companies, securities, services and other related businesses that offer high risk-adjusted total returns.

Further information on the Company can be found on the Company's website: www.alpharealtrustlimited.com.

About Alpha Real Capital LLP

Alpha Real Capital is a value-adding international property fund management group.

Alpha Real Capital is the Investment Manager to ART. Brad Bauman and Gordon Smith of Alpha Real Capital are joint Fund Managers to ART. Both have experience in the real estate and finance industries throughout the UK, Europe and Asia.

For more information on Alpha Real Capital please visit www.alpharealcapital.com.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Trust summary and objective

Strategy

Alpha Real Trust Limited ("the Company" or "ART") targets investment opportunities across the asset-backed spectrum, including real estate operating companies, securities, services and other related businesses that offer high risk-adjusted total returns.

Current portfolio

ART currently focuses on high-yielding property debt and equity in Western Europe that benefit from underlying strong risk-adjusted cash flows. The current portfolio mix, excluding sundry assets / liabilities, is as follows:

High yielding equity:	23.0%
High yielding debt:	35.3%
Cash and freehold ground rents:	29.0%
Other:	12.7%

Dividends

The current intention of the Company is to pay a dividend quarterly.

Listing

The Company's shares are traded on the Specialist Fund Market ("SFM") of the London Stock Exchange ("LSE"), ticker ARTL:LSE.

Management

The Company's Investment Manager is Alpha Real Capital LLP ("ARC"). Control of the Company rests with the non-executive Guernsey based Board of Directors.

Financial highlights

	6 months ended 30 September 2013	Year ended 31 March 2013	6 months ended 30 September 2012
Net asset value (£'000)	75,509	78,260	51,879
Net asset value per ordinary share	106.4p	107.6p	103.8p
Earnings per share (basic and diluted) (adjusted)*	2.2p	5.0p	2.1p
Earnings per share (basic and diluted)	0.0p	0.4p	(1.4)p
Dividend per share (paid during the period)**	1.1p	-	-

* The adjusted earnings per share include adjustments for the effect of the fair value revaluation of investment properties and indirect property investments, the fair value movements on financial assets and deferred tax provisions: full analysis is provided in note 9 to the accounts.
** This includes dividends paid in relation to prior periods.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Chairman's statement

I am pleased to present the Company's results for the six months ended 30 September 2013.

It continues to be an active period of both growth and consolidation for ART. During the period, ART has undertaken new investments, expanding the Company´s high yield debt investment portfolio, continued the programme of recycling of capital from non-core investments and seen the benefits from active management in its directly and indirectly held assets. It is satisfying to report that the Company's portfolio continues to undergo a steady process of enhancement, focussed around the twin strategy of investing in debt investments where its capital can benefit from a preferred risk position and asset investments or co-investments, with substantial cash flows that benefit from ARC´s management of the underlying assets.

In terms of new investment in the period, ART has augmented its position in the Alpha UK Real Estate Fund plc ("AURE") office and industrial portfolio investment by advancing a £6.0m mezzanine loan to the Jersey subsidiaries of AURE. The loan matures in November 2014, coterminous with ART´s current convertible loan provided to AURE in 2011. ART´s new investment was made contemporaneously with the refinancing of the existing AURE senior bank loan with a new five year debt facility.

This new investment is a demonstration of the benefits that ART gains from the strength and size of the Investment Manager's real estate management business which has provided a number of attractive investment opportunities to the Company that would otherwise not be available.

On 1 July 2013, the Company announced that, in accordance with the Convertible Unsecured Loan Stock ("CULS") Subscription Agreement with Alpha UK Multi Property Trust plc ("AUMP"), it redeemed all outstanding CULS in full at par plus the payment of the premium of 18 per cent. The total redemption amount was £6.42 million. The Company further announced that it entered into a redemption agreement in which it will provide an unsecured loan to AUMP for £6.42 million. The proceeds of the new loan were applied to finance the redemption of the CULS. The term of the loan is six months to 31 December 2013 and is extendable by five years to 31 December 2018 with the consent of both the Company and AUMP. The coupon of the loan is 15% per annum compounded quarterly.

The Company´s earnings are increasing as a consequence of a continued allocation of capital to yield driven investments. ART´s ability to alternate between new investments in equity and loan markets allows it to optimise returns. As previously anticipated, following the payment of the Company´s inaugural dividend in May 2013, on 15 August 2013 the Company declared a dividend of 1.05p payable on 20 December 2013. With a view to optimising our shareholders' cashflows, subsequent dividends are intended to be declared and paid on a quarterly basis whenever there are sufficient earnings by the Company during the related period. The Company declares a dividend of 0.525p, for the quarter ending 31 December 2013, which is expected to be paid on 21 March 2014.

The recycling of capital from non-core investments to investments that offer scope for higher risk-adjusted returns has continued. There has been a further non-core asset sale in the Company´s Europip investments in Norway during the period. The Arenga 2 property sale completed on 1 July 2013. The net proceeds from this along with other strategic sales and scheduled quarterly amortisation, have been used to amortise the Norwegian bank loan facility from £35.2 million (NOK 340 million) to £28.4 million (NOK 274.0 million) within the first year of financing.

Strategic sales of assets have been used to amortise the ART mezzanine loan facility provided to Europip from £8.8 million as at 31 March 2013 to £5.0 million as at 31 October 2013.

The Company's investments continue to benefit from an active management approach with successes evident in both the Company's direct and indirectly held investments. There has been continued leasing and sale success in the AURE and AUMP investments in the UK. There has also been significant leasing success at the H2O shopping centre in Spain where five new stores, totalling in excess of 1,300 square metres, have recently opened or are in the process of doing so. Footfall at H2O continues to be assisted by the presence of the new Nike destination factory store opened in March 2013.

During the period, further arbitration hearings have been held as part of the process that the Company initiated to protect its Galaxia investment in India. Closing arguments are due to be submitted by the end of 2013 and a ruling is anticipated during first quarter 2014.

ART is committed to its disciplined strategy and investment principles which focus on opportunities that can deliver high risk-adjusted total returns, while seeking to manage risk through a combination of operational controls, diversification and preferred capital positions. For the Company´s investments that sit outside the core portfolio of equity investments and loan facilities, a managed exit is intended to occur over a phased period in order to recycle capital into new investment opportunities that match ART´s investment criteria.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

The Company´s current focus is on investments with strong cash-flows and/or managed risk profiles that can offer high total returns. ART remains in a strong position to capitalise on further opportunistic investments as they emerge.

A detailed summary of the Company´s investments are contained within the investment review section.

Results and dividends

Dividends

Adjusted earnings for the period show a profit after interest and tax of £1.6 million and adjusted earnings per share of 2.2 pence (see note 9 of the financial statements). This compares with adjusted earnings per share of 2.1 pence for the same period in 2012. The increase is principally a result of the incremental income received from the Company's investments in Freehold Income Authorised Fund ("FIAF"), AURE and AUMP.

The Board announces a dividend in respect of the quarter ending 31 December 2013 of 0.525 pence which is expected to be paid on 21 March 2014 (Ex dividend date 19 February 2014 and record date 21 February 2014). This is further to the previously announced semi-annual dividend of 1.05p per share, for the period to 30 September 2013, payable on 20 December 2013. Subsequent dividends are expected to be declared and paid on a quarterly basis.

The net asset value per share at 30 September 2013 is 106.4 pence (31 March 2013: 107.6 pence) (see note 10 of the financial statements).

Financing

The Company has no direct debt financing, however some of ART's underlying investments are geared through non-recourse loan facilities with external debt providers.

At H2O, the bank facilities now stand at €72.8 million (£61.0 million), which represents a reduction of €2.2 million from the initial €75.0 million borrowed. The bank borrowings do not have any loan to value covenants and there continues to be a substantial surplus of rental income in excess of finance charges.

In December 2012 Europip refinanced its portfolio of Norwegian commercial real estate with a new senior debt facility. The loan balance as at 30 September 2013 was NOK 276 million (£28.6 million), which represents a reduction of NOK 64 million from the initial NOK 340 million borrowed.

Further details of individual asset financing can be found under the individual investment review sections later in this report.

Foreign currency

The Company monitors foreign exchange exposures and considers hedging where appropriate. All foreign currency balances have been translated at the period end rates of £1:€1.193, £1:NOK9.656 and £1:INR101.17.

Share buyback

At the Extraordinary General Meeting on 7 March 2013, consistent with the Company's commitment to shareholder value, the Company's shareholders approved a general authority allowing the Company to acquire up to 24.99% of the Voting Share Capital during the period expiring on the earlier of (i) the conclusion of the annual general meeting of the Company in 2014 and (ii) 6 September 2014.

Details of the share buybacks executed under this authority are given in Note 18 of these financial statements.

Summary

Against a backdrop of an improving but still challenging economic environment, it has been an active period for ART with a combination of active asset management, debt refinancing, strategic asset sales and capital recycling all playing a part in further consolidating ART´s existing investments. New investments in high yielding debt have further strengthened the Company´s earnings profile.

The Company is actively seeking to grow the yield of its portfolio by additional investment, funded from its cash and liquid holdings, capital recycling and enhanced performance from existing investments.

The Company continues to see encouraging performance in its underlying investments and remains well positioned to capitalise on new opportunities across asset backed investment and debt markets in the UK and Europe.

David Jeffreys
Chairman
21 November 2013

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Investment review

Portfolio Summary

Investment name Investment type	Investment amount	Income return p.a.	Investment location	Property type / underlying security	Investment notes	% of portfolio [1]
High yield debt (35.3%)						
Alpha UK Real Estate Fund plc						
Convertible loan	£8.6m	10.7% [2]	UK	High-yield diversified portfolio	Preferred capital structure	11.2%
Mezzanine loan	£6.0m	9.0% [2]				7.9%
Alpha UK Multi Property Trust plc						
Mezzanine loan	£6.7m	15.0% [2]	UK	High-yield diversified portfolio	Unsecured mezzanine loan, 15% p.a.	8.8%
Europip loan						
Mezzanine loan	£5.7m [3]	9.0% [2]	Norway	Office and logistics	Secured mezzanine loan, 9% coupon p.a.	7.4%
High yield equity in property assets (23.0%)						
H2O shopping centre						
Direct property	£13.9m (€16.6m)	10.0% [4]	Spain	High-yield, dominant Madrid shopping centre	Debt facility with no LTV covenant and a 1.1x ICR covenant	13.5%
Europip Norway						
Indirect property	£5.5m (€6.6m)	11.3% [5]	Norway	A geared property investment vehicle invested in offices and logistics properties	Recently refinanced senior and mezzanine loan position	7.2%
Cambourne Business Park						
Indirect property	£1.2m	13.0% [4]	UK	High-yield business park located in Cambridge	Bank facility at 50% LTV (current interest cover of 2.4 times covenant level)	1.6%
Alpha UK Multi Property Trust plc						
Equity	£0.5m	n/a	UK	High-yield diversified portfolio	19% of ordinary shares	0.7%
Cash and Freehold ground rents (29.0%)						
Freehold Income Authorised Fund						
Ground rent fund	£15.5m [6]	4.8% [7]	UK	Highly defensive income freehold ground rents	No gearing; monthly liquidity	20.2%
Cash	£6.7m	0.1-1%	UK	Cash deposits/current accounts	Held between banks with a range of deposit maturities	8.8%
Other assets (12.7%)						
Galaxia						
Direct property	£4.4m (INR 450m)	n/a	India	Special Economic Zone development site located in NOIDA, Delhi, NCR	Arbitration process underway to protect investment	5.7%
Business Centre Properties Limited						
Indirect property	£2.7m	n/a	UK	Business centre fund	Predominantly ungeared fund	3.5%
Healthcare & Leisure Property Limited						
Indirect property	£2.3m	5.8% [8]	UK	Leisure property fund	No external gearing	3.0%
Other	£0.4m (€0.5m)	n/a	Varied	Varied	Varied	0.5%

[1] Percentage share shown based on NAV excluding parent company's sundry assets / liabilities
[2] Based on coupon, and if applicable, plus redemption premium annualised
[3] Position as at 30 September 2013; post period end, the loan has been repaid down to £5.0 million
[4] Over 12 months to 30 September 2013
[5] Annualised quarterly earnings yield on the Norwegian property portfolio
[6] Position as at 30 September 2013; post period end, the investment has been reduced to £11.0 million
[7] Annualised monthly return; post tax
[8] Return over the average investment during the ownership period

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

High yield debt

Market overview

The restructuring and refinancing needs of many real estate investment vehicles throughout Europe remain high. The withdrawal of many real estate lenders from the market, or reduced liquidity for those who remain, has left a significant gap in available funding and created substantial investment opportunities for new entrants. Banks continue to deleverage historic loan positions. For those that are still lending on new projects, the availability of new finance is largely focused on prime assets.

Opportunities for new lenders with real estate debt expertise are highly attractive. Competition within the lending market is expected to remain weak for some time, especially for smaller transactions in non-prime sectors where a strong knowledge of the underlying assets is required. ART is well positioned to take advantage of such opportunities as they are identified.

The Investment Manager´s team includes professionals with real estate asset management, debt structuring and origination skills. The recent refinance of the AURE portfolio underlines how ART is able to adapt to changing market dynamics in order to maximise risk-adjusted returns. Contemporaneously with the refinancing of the existing senior debt for a new five year senior debt facility with a traditional real estate lender who was comfortable with the underlying assets but was limited in the amount of loan finance it could provide, ART was able to provide a £6 million follow-on loan earning a coupon of 9% per annum to complete the balance of AURE´s financing needs.

Alpha UK Real Estate Fund plc

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Alpha UK Real Estate Fund plc	Convertible loan	£8.6m	10.7% p.a. [2]	High-yield diversified UK portfolio	Preferred capital structure
	Mezzanine loan	£6.0m	9% p.a. [2]	High-yield diversified UK portfolio	Preferred capital structure

[2] Based on coupon plus, if applicable, redemption premium annualised

The Company has invested a total of £14.6 million in AURE by way of two loan agreements. AURE is an Irish resident open ended investment company listed on the Irish Stock Exchange, which is invested in a diversified portfolio of UK commercial property (22 properties comprising industrial, office and retail properties valued at £44.4 million as at 30 June 2013).

In 2011, ART provided a £7.5 million three-year convertible loan, which matures in November 2014 and earns a coupon of 6% per annum and a 14% redemption premium if not converted, providing a minimum return of 10.7% per annum. The loan balance currently stands at £8.6 million.

In September 2013, contemporaneous with a refinancing of the existing AURE senior debt for a new five year senior debt facility, the Company announced a further investment in AURE via a £6 million mezzanine loan, with the same maturity as the convertible loan, paying a coupon of 9% per annum.

ART's investments are in a defensive position in the capital structure with the mezzanine loan earning a high risk-adjusted return and the convertible loan earning a preferred minimum return with the potential to benefit from value created through the active asset management of an income focused property portfolio.

The following highlights were included in the recent AURE factsheet for the quarter ending 30 June 2013 (published in August 2013):

- Lettings: two new lettings and two lease renewals completed this quarter, securing contracted rental income for the portfolio of approximately £210,000 per annum
- Strong income returns: management focus on re-letting, lease re-gears and renewals helped the portfolio to outperform the "income return" of its IPD benchmark during the quarter
- Key sales: following completion of significant value-add initiative, a strategic asset disposal successfully completed during the quarter
- Bank borrowings reduced: outstanding debt balance reduced by a further £4.4m during the quarter.

ARC is the investment manager of AURE. ARC is pursuing value enhancement opportunities in the AURE portfolio assets to increase net income and improve the profile of this income through lease extensions, renewals and reducing unrecoverable void costs.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Alpha UK Multi Property Trust plc

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Alpha UK Multi Property Trust plc	Convertible loan	£6.7m	15% p.a.[2]	High-yield diversified UK portfolio	Preferred capital structure

[2] Based on coupon plus, if applicable, redemption premium annualised

Further to equity investment (described below) ART has provided a loan to AUMP.

On 1 July 2013, the Company announced that, in accordance with the Convertible Unsecured Loan Stock ("CULS") Subscription Agreement with AUMP, it redeemed all outstanding CULS in full at par plus the payment of the premium of 18 per cent. The redemption amount was £6.42 million.

ART further announced that it has entered into a loan agreement in which it will provide an unsecured loan to AUMP for £6.42 million. The proceeds of the loan will be applied to finance the redemption of the CULS.

The term of the ART´s loan agreement with AUMP is six months, expiring 31 December 2013 and is extendable by five years to 31 December 2018 with the consent of both the Company and AUMP. The coupon of the Loan is 15% per annum compounded quarterly.

ARC is the investment manager of AUMP. ARC is pursuing value enhancement opportunities in the AUMP portfolio assets to increase net income and improve the profile of this income through lease extensions, renewals and reducing unrecoverable void costs.

European Property Investment Portfolio plc ("Europip")

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Europip loan	Mezzanine loan	£5.7m [3]	9.0% p.a.[2]	Office and logistics	Secured mezzanine loan

[2] Based on coupon plus, if applicable, redemption premium annualised
[3] Position as at 30 September 2013; post period end, the loan has been repaid down to £5.0 million

Further to the equity investment (described below) ART has provided secured mezzanine finance to Europip, which has security over Europip´s portfolio of commercial assets ranking after the bank loan facilities in the Norway and Mosaic investments with a first charge over an unencumbered property within the Norway portfolio outside the bank security pool of assets. The 12 month loan, which matures on 27 November 2013, pays a coupon of 9% per annum. An extension of the loan is currently being negotiated.

The value of the Norwegian portfolio is NOK 437.7 million (£45.3 million) based on the 30 June 2013 valuation. The current bank debt on the property portfolio is NOK 274 million, representing a LTV of 62.6%. Allowing for a repayment of £0.7 million after the end of the period, ART´s loan position sits between 64.2% and 73.5% loan to value.

Following a series of strategic sales of assets the ART loan has been paid down from £9.1 million at December 2012 to £5.7 million as at 30 September 2013 (and a further reduction to £5.0 million has occurred as at 31 October 2013).

High yield equity in property investments

Commercial property market overview

Across the Company´s investment markets there are broader signs of improved sentiment amongst consumers, businesses and financial markets which is helping pave the way for a return of stronger real estate market activity. Whilst still in its relative infancy and with deep variations between markets, an improving macro-economic picture should encourage new buyers and sellers to emerge, giving rise to greater investment opportunities. There is an increasing sense that not only will values remain stable, but that value lost since 2007 will be recaptured as yield compression returns to sectors that were previously overlooked by investors.

Divergence between real estate markets and asset sectors remains high. Demand for core investments has remained robust for some time however supply is limited and pricing competitive. In line with firmer economic sentiment there are increasing signs that investors are seeking to broaden their investment search to sectors that were currently considered less attractive secondary markets, in the UK regions or peripheral European countries, where the opportunity exists to gain higher risk-adjusted returns.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

The UK secondary property market, for example is forecast by many commentators to outperform all UK property from 2014 to 2016 supported by strong income returns which are expected to underpin total returns. UK secondary property yields are currently at record high spreads over both bond yields and prime property yields. Although transactional data is still limited, there is an increasing number of reports suggesting that pricing is close to a low point.

The constrained availability of finance continues to act as a brake on transactions, but equally presents potential opportunistic buying opportunities and scope for selective lending, both of which are part of ART´s core investment strategy.

The Company is focused on investments that offer potential to deliver value enhancement through active asset management, improvement of net rental income, selective deployment of capital expenditure and the ability to undertake strategic sales when the achievable price is accretive to returns.

ART benefits from the depth of experience, strength and size of the Investment Manager’s real estate business which has a broad network of funds under management throughout Europe. This creates opportunities that would not be otherwise available.

H2O, Madrid

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
H2O	Direct property	£13.9m (€16.6m)	10.0% p.a. [4]	High-yield, dominant shopping centre	Debt facility with no LTV covenant and a 1.1x ICR covenant

[4] Over 12 months to 30 September 2013

The H2O shopping centre was acquired for €83.3 million (£69.8 million) in April 2010 including acquisition costs and funding was provided for a further €5.0 million (£4.2 million) for future capital improvements. The acquisition was financed with a €75.0 million (£62.9 million) seven year syndicated bank facility. ART’s total investment in H2O is €16.6 million (£13.9 million).

H2O was opened in June 2007 and built to a high standard, providing shopping, restaurants and leisure around a central theme of landscaped gardens and an artificial lake. H2O has a gross lettable area of 51,400 square metres comprising 118 retail units. In addition to a multiplex cinema, supermarket (let to leading Spanish supermarket operator Mercadona) and restaurants it has a large fashion retailer base, including some of the strongest international fashion brands, such as Nike, Zara, Mango, Cortefiel, H&M, C&A and Massimo Dutti.

Asset management highlights are as follows:

- The centre was 86.7% occupied by rental value as at 30 September 2013
- Weighted average lease length of 10.7 years to expiry (2.7 years to next break)
- 5 new tenants have been signed during the period, including fashion brands, restaurants and service retailers which represent almost 1,400 square metres of space
- Visitor numbers at H2O continued to outperform the Spanish retail market over the six month period to 30 September with footfall continuing to be assisted by the presence of the new Nike destination factory store opened in March 2013
- Innovative marketing events have been undertaken to increase footfall and time shoppers spend in the centre, including a high profile Angry Birds interactive children´s event in addition to an extended children´s summer camp and an evening concert series, both hosted on the lakeside terraces and landscaped park areas that provide the centre with a strong point of differentiation
- An active cost management exercise continues to be implemented to reduce the centre´s operating costs and improve net cashflow.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

European Property Investment Portfolio plc ("Europip")

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Europip Norway	Indirect property	£5.5m (€6.6m)	11.3% p.a.[5]	A geared property investment vehicle invested in offices and logistics properties in Norway	Recently refinanced senior and mezzanine loan position
Europip Mosaic	Indirect property	£0.4m (€0.5m)	n/a	Minority investment in a Central / Eastern European commercial property fund	Property held via investment vehicles, varying debt levels

[5] Annualised quarterly earnings yield on the Norwegian property portfolio

ART owns a 47% stake in Europip, an Isle of Man domiciled open ended investment company. Europip invests in a directly owned commercial property portfolio in Norway and holds a minority interest in Mosaic Property CEE Limited ("Mosaic"), a Central and Eastern European focused commercial property fund.

Norway:

The Norwegian portfolio comprises directly owned commercial assets in Norway, concentrated around Oslo. The value of the portfolio assets are NOK 437.7 million (£45.3 million) with a passing rental level of NOK 35.7 million (£3.7 million), based on the 30 June 2013 valuation.

Investment management update:

- The portfolio is financed by a senior debt facility of £35.2 million (NOK 340 million) arranged in two tranches:

  Facility A: a five year facility with initial funded amount of £30.0 million (NOK 280 million), at a 2.4% margin over NIBOR. This facility is to be amortised at circa £1.1 million (NOK 10.2 million) per annum from cashflows, although the amount of required amortisation will be reduced pro-rata in the event of property sales. £21.7 million (NOK 210 million) of this facility has been fixed for five years at a NIBOR rate of 2.49% p.a.

  Facility B: a two year term facility for £6.2 million (NOK 60 million), at a 3.1% margin over NIBOR with repayment coming from the sale of two assets.

- During the period, the disposal of the Arenga 2 property, which was part of the secured pool of assets for Facility B, completed in July 2013 for NOK 29.5million (£3.0 million). Net sales proceeds were used to amortise Facility B.

  As at 30 September the debt balance was £28.6 million (NOK 276.0 million); scheduled quarterly loan amortisation has further reduced bank borrowings to £28.4 million (NOK 274.0 million), reflecting a LTV of 62.6% post period end.

- Further amortisation of the ART loan
  - The proceeds from the strategic sales of assets (Bredmyra 1) outside the secured bank facility pool and that of Europip´s asset in Paris have been used to amortise the ART mezzanine facility provided to Europip from £8.8 million as at 31 March 2013 to £5.7 million as at 30 September 2013 which has been further reduced to £5.0 million as at 31 October 2013.
- Occupancy - Norway
  - The Norwegian portfolio´s occupancy rate was 94% at 30 September 2013.
  - The Norwegian portfolio weighted average lease length is 4.6 years as at 30 September 2013.

A subsidiary of ARC is the investment manager for Europip and Malling & Co. is responsible for the day to day property management.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Cambourne Business Park, Phase 1000, Cambridge

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Cambourne Business Park	Indirect property	£1.2m	13.0% p.a. [4]	High-yield business park	Bank facility at 50% LTV (current interest cover of 2.4 times covenant level)

[4] Over 12 months to 30 September 2013

The Company has invested £1.2 million in a joint venture that owns Phase 1000 of Cambourne Business Park. The property consists of three Grade A specification modern office buildings constructed in 1999 and located in the town of Cambourne, approximately 8 miles west of Cambridge city centre. The property comprises 9,600 square metres of lettable area, is self-contained and has 475 car parking spaces. Phase 1000 is situated at the front of the business park with good access and visibility.

Phase 1000 is a high quality asset, fully let to Citrix Systems, Regus and Netcracker Technology EMEA Ltd (ultimately owned by NEC Corporation) in turn partly sublet to the East of England Ambulance Authority. The property has open B1 Business user planning permission and has potential value-add opportunities.

Phase 1000 is owned in a joint venture partnership with a major overseas investor and was purchased for £23.0 million including acquisition costs with bank finance of £10.8 million. ART´s equity contribution of £1.2 million, which represents 10% of the total equity commitment, is currently delivering an annualised income return of 13.0% as at 30 September 2013.

ARC is the investment manager to the joint venture owning the Cambourne property and continues to pursue opportunities to add value to the investment.

Alpha UK Multi Property Trust plc

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Alpha UK Multi Property Trust plc	Equity	£0.5m	n/a	High-yield diversified UK portfolio	19% of ordinary capital

ART holds 19% of AUMP´s ordinary share capital, representing £0.5 million, as at 30 September 2013, acquired as part of the Property Investment Portfolio plc (“PIP”) transaction in 2012.

AUMP is a LSE listed UK property fund with a regionally diversified portfolio of over 50 properties of multi-let light industrial and office assets valued at £78.6 million (at 30 June 2013).

During the period, the facility with Nationwide in respect of the AUMP's wholly owned subsidiary, CHIP (Two) Limited was extended to 28 February 2014. In addition, the facility with Bank of Scotland in respect of the Company’s wholly owned subsidiaries, CHIP (One) Limited, CHIP (Three) Limited, CHIP (Four) Limited and CHIP (Five) Limited was extended to 30 November 2013.

Discussions with Bank of Scotland, Nationwide and alternative banks and providers of capital are continuing in order to pursue extensions to, or refinancing of, these borrowings.

The following highlights were included in the recent AUMP interim management statement for the quarter ending 30 September 2013 (published in November 2013):

- Adjusted earnings per ordinary share – profit of 10.4 pence for the nine months to 30 September 2013 (9.3 pence for the six months to 30 June 2013)
- One property sale completed above valuation – one unit was sold at a total price of £0.27 million in October 2013, ahead of valuation
- Occupancy improved: the occupancy level by estimated rental value stood at 83.7% as at 31 October 2013 compared with 83.3% as at 30 June 2013
- Borrowings reduced: bank borrowings reduced by £0.3 million during the quarter to 30 September 2013; a further £0.5 million has been repaid in October 2013
- Loan to value: the combined LTV across the Group on secured borrowings was 72.4% at 30 September 2013 (72.3% at 30 June 2013). The Group remains compliant with the covenants on its secured borrowings.

Registered office
Old Bank Chambers
La Grande Rue
St Martin’s
Guernsey GY4 6RT

ARC is the investment manager of AUMP. ARC is pursuing value enhancement opportunities in AUMP portfolio assets to increase net income and improve the profile of this income through lease extensions, renewals and reducing unrecoverable void costs.

Cash and freehold ground rents

Freehold Income Authorised Fund ("FIAF")

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Freehold Income Authorised Fund	Ground rent fund	£15.5m [6]	4.8% p.a. [7]	Highly defensive income freehold ground rents	No gearing; monthly liquidity

[6] Position as at 30 September 2013; post period end, the investment has been reduced to £11.0 million
[7] Annualised monthly return; post tax

The Company had invested a total of £15.5 million as at 30 September 2013 in Freehold Income Authorised Fund ("FIAF") an open-ended fund that invests in UK freehold ground rents with a net asset value of £166.8 million as at 31 August 2013.

Since September 2013, redemptions of £4.5 million have been made by ART, hence the value of the current investment amount is £11.0 million.

The investment is expected to continue to provide a better return than currently earned on the Company's cash balances. FIAF operates a monthly dealing facility to provide liquidity.

The following highlights were reported in the FIAF fact sheet as at 31 August 2013 (published in September 2013):

- FIAF continues its unbroken 20 year track record of positive inflation beating returns, generating a total return for the year to 2 April 2013 of 7.7% (based on the bid price of accumulation shares) up from 6.0% in the prior year.
- 79% of FIAF's freeholds have a form of inflation protection through periodic uplifts linked to Retail Price Index, property values or fixed uplifts
- FIAF had cash of £20.2 million and a further undrawn amount under its loan facility of £30.0 million at 31 August 2013
- No debt had been drawn as at 31 August 2013.

ARC is the Authorised Corporate Director and a subsidiary of ARC is the investment manager of FIAF.

Cash

Investment	Investment type	Investment amount	Income return	Type	Investment notes
Cash	Liquid	£6.7m	0.1%- 1% p.a.	Cash	Cash deposit/current accounts

As at 30 September 2013, the Company had cash balances of £6.7m.

Other assets

The Company intends to recycle the capital from these assets in due course.

Galaxia, National Capital Region, NOIDA

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Galaxia	Direct property	£4.5m (INR 450m)	n/a	Special Economic Zone development site	Asset held for potential sale

ART invested INR 450 million (£4.5 million) in the Galaxia project, a development site extending to 11.2 acres which enjoys SEZ status with the potential to develop 1.2 million square feet. Galaxia is located in NOIDA, an established, well planned suburb of Delhi that continues to benefit from new infrastructure projects and is one of the principal office micromarkets in India. The Company has a 50% shareholding in the SPV which controls the Galaxia site. There are no bank borrowings on the asset.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

On 2 February 2011, ART recommenced arbitration proceedings against its development partner Logix Group in order to protect its Galaxia investment.

Following arbitration hearings in January and May, further hearings were held during August 2013. Both sides are scheduled to present their closing submissions in late 2013, following which the arbitration panel will then review the case and are expected to issue a ruling during the first quarter of 2014.

Notwithstanding the above, the Company is continuing to explore avenues for a sale of the development.

Business Centre Properties Limited ("BCP")

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Business Centre Properties Limited	Indirect property	£2.7m	n/a	Business centre fund	Predominantly ungeared fund

BCP is a business centre fund that owned 3 serviced office properties as at 30 October 2013 each operated by Citibase Plc.

ART has a 95% equity interest in BCP. BCP´s net asset value is concentrated in the ungeared Stratford business centre property (which has been sold on a staged payment basis and substantial first payment has been made by the purchaser however an extension of the completion timeline has been requested) and the company's liquid cash reserves.

Healthcare & Leisure Property Limited ("HLP")

Investment	Investment type	Investment amount	Income return	Property type	Investment notes
Healthcare & Leisure Property Limited	Indirect property	£2.3m	5.8% p.a.[8]	Leisure property fund	No external gearing

[8] Return over the average investment during the ownership period

Healthcare & Leisure Property Limited has invested in companies operating in the hotel, care home, house building and leisure sectors throughout the UK. ART currently has £2.4 million invested in HLP as at 30 September 2013.0

ART will continue to benefit from its share of net proceeds from the sales of the underlying assets as they are progressed.

Summary

An improving economic and investor outlook appears to be taking hold in the UK and European investment markets.

ART remains active in both its target investment sectors of high yield debt and equity in assets with high risk-adjusted returns typically when there is scope to add value through active asset management and/or the restructuring or recapitalisation of property investment vehicles. As exemplified by the recent loan investment in AURE, the Company continues to source new investment opportunities with strong cash-flows and/or managed risk profiles that are accretive to ART´s earnings position.

ART continues to implement its active management policy and this has seen encouraging results in both directly and indirectly held investments, reflected in a combination of strategic sales and positive letting progress in AUMP, AURE, Europip Norway and at H2O in Spain.

ART remains well placed to find value for its investors in challenging market conditions and to capitalise on new investment opportunities as they emerge.

Brad Bauman and Gordon Smith

For and on behalf of the Investment Manager

21 November 2013

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Independent review report

To Alpha Real Trust Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half year report for the six months ended 30 September 2013 which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and related notes. We have read the other information contained in the half year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey
21 November 2013

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Condensed consolidated statement of comprehensive income

		For the six months ended 30 September 2013 (unaudited)			For the six months ended 30 September 2012 (unaudited and restated)*		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Income							
Revenue	3	4,285	-	4,285	4,125	-	4,125
Net change in the revaluation of investment properties	11	-	(265)	(265)	-	(1,667)	(1,667)
Total income		**4,285**	**(265)**	**4,020**	**4,125**	**(1,667)**	**2,458**
Expenses							
Property operating expenses		(1,965)	-	(1,965)	(1,857)	-	(1,857)
Investment Manager's fee		(875)	-	(875)	(676)	-	(676)
Other administration costs		(804)	-	(804)	(473)	-	(473)
Total operating expenses		**(3,644)**	**-**	**(3,644)**	**(3,006)**	**-**	**(3,006)**
Operating profit/(loss)		**641**	**(265)**	**376**	**1,119**	**(1,667)**	**(548)**
Share of profit/(loss) of joint venture	14	65	10	75	74	(16)	58
Finance income	4	2,069	167	2,236	1,068	214	1,282
Finance costs	5	(1,065)	(1,486)	(2,551)	(1,156)	(302)	(1,458)
Profit/(loss) before taxation		**1,710**	**(1,574)**	**136**	**1,105**	**(1,771)**	**(666)**
Taxation	7	(141)	-	(141)	(54)	-	(54)
Profit/(loss) after taxation		**1,569**	**(1,574)**	**(5)**	**1,051**	**(1,771)**	**(720)**
Other comprehensive income/(expense)							
Items that may be reclassified to profit or loss in subsequent periods:							
Exchange differences arising on translation of foreign operations		**-**	(1,088)	(1,088)	**-**	(786)	(786)
Other comprehensive expense for the period		**-**	**(1,088)**	**(1,088)**	-	(786)	(786)
Total comprehensive profit/(loss) for the period		**1,569**	**(2,662)**	**(1,093)**	**1,051**	**(2,557)**	**(1,506)**
Earnings per share (basic & diluted)	9			**0.0p**			**(1.4)p**
Adjusted earnings per share (basic & diluted)	9			**2.2p**			**2.1p**

* Restated for change in accounting policy (note 2)

The total column of this statement represents the Group's income statement, prepared in accordance with IFRS. The revenue and capital columns are supplied as supplementary information permitted under IFRS. All items in the above statement derive from continuing operations. The accompanying notes form an integral part of this statement.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Condensed consolidated balance sheet

	Notes	30 September 2013 (unaudited) £'000	31 March 2013 (audited and restated)* £'000
Non-current assets			
Investment property	11	70,954	71,433
Indirect property investment held at fair value	12	4,448	5,451
Investments held at fair value	13	11,393	12,869
Investment in joint venture	14	1,207	1,203
Derivatives held at fair value through profit or loss	22	222	158
Trade and other receivables	15	13,823	7,481
		102,047	**98,595**
Current assets			
Investments held at fair value	13	15,471	15,252
Derivatives held at fair value through profit or loss	22	98	252
Trade and other receivables	15	14,175	16,641
Cash and cash equivalents		6,709	12,602
		36,453	**44,747**
Total assets		**138,500**	**143,342**
Current liabilities			
Trade and other payables	16	**(2,441)**	**(3,740)**
Bank borrowings	17	**(597)**	**(606)**
		(3,038)	**(4,346)**
Total assets less current liabilities		**135,462**	**138,996**
Non-current liabilities			
Bank borrowings	17	(59,953)	(60,736)
Derivatives held at fair value through profit or loss	22	-	-
		(59,953)	**(60,736)**
Total liabilities		**(62,991)**	**(65,082)**
Net assets		**75,509**	**78,260**
Equity			
Share capital	18	**-**	-
Special reserve		80,487	81,381
Translation reserve		(1,997)	(909)
Capital reserve		(9,754)	(8,180)
Revenue reserve		6,773	5,968
Total equity		**75,509**	**78,260**
Net asset value per share	10	**106.4p**	**107.6p**

* Restated for change in accounting policy (note 2)

The financial statements were approved by the Board of Directors and authorised for issue on 21 November 2013. They were signed on its behalf by David Jeffreys and Serena Tremlett.

David Jeffreys
Director

Serena Tremlett
Director

The accompanying notes form an integral part of this statement.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Condensed consolidated cash flow statement

	For the six months ended 30 September 2013 (unaudited) £'000	For the six months ended 30 September 2012 (unaudited and restated)* £'000
Operating activities		
Loss for the period after taxation	(5)	(720)
Adjustments for:		
Net change in revaluation of investment properties	265	1,667
Taxation	141	54
Share of profit/(loss) of joint venture	(75)	(58)
Finance income	(2,236)	(1,282)
Finance cost	2,551	1,458
Operating cash flows before movements in working capital	**641**	**1,119**
Movements in working capital:		
Increase in trade and other receivables	(17)	(347)
(Decrease)/increase in trade and other payables	(733)	537
Cash generated from operations	**(109)**	**1,309**
Interest received	60	64
Interest paid	(989)	(1,110)
Tax paid	(101)	(44)
Cash flows generated from operating activities	**(1,139)**	**219**
Investing activities		
Acquisition of investments	-	(4,000)
Redemption on preference shares' investments	100	-
Capital expenditure on investment property	(73)	(297)
Loan repayment from related party	3,417	-
Loan granted to related party	(6,000)	-
Loan interest received	162	-
CULS interest received	-	267
Dividend income from joint venture	71	71
Dividend income from other investments	522	236
Cash flows (used in)/from investing activities	**(1,801)**	**(3,723)**
Financing activities		
Bank loan repayment	(463)	-
Share buyback	(1,479)	-
Share issue costs	(18)	-
Share buyback costs	(4)	-
Gain on currency option	142	-
Foreign exchange forward collateral paid	(362)	-
Dividends paid	(764)	-
Cash flows used in financing activities	**(2,948)**	**-**
Net (decrease)/increase in cash and cash equivalents	**(5,888)**	**(3,504)**
Cash and cash equivalents at beginning of period	**12,602**	**18,153**
Exchange translation movement	(5)	(102)
Cash and cash equivalents at end of period	**6,709**	**14,547**

* Restated for change in accounting policy (note 2)

The accompanying notes form an integral part of this statement.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2013 (unaudited)	Special reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
At 1 April 2013	**81,381**	**(909)**	**(8,180)**	**5,968**	**78,260**
Total comprehensive income/(expense) for the period	-	(1,088)	(1,574)	1,569	(1,093)
Dividends	-	-	-	(764)	(764)
Share issue costs	(18)	-	-	-	(18)
Share buyback	(874)	-	-	-	(874)
Share buyback costs	(2)	-	-	-	(2)
At 30 September 2013	**80,487**	**(1,997)**	**(9,754)**	**6,773**	**75,509**

For the six months ended 30 September 2012 (unaudited)	Special reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
At 1 April 2012	**56,859**	**(1,008)**	**(5,539)**	**3,073**	**53,385**
Total comprehensive expense for the period	-	(786)	(1,771)	1,051	(1,506)
At 30 September 2012	**56,859**	**(1,794)**	**(7,310)**	**4,124**	**51,879**

The accompanying notes form an integral part of this statement

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Notes to the financial statements for the period ended 30 September 2013

1. General information

The Company is a limited liability, closed-ended investment company incorporated in Guernsey. The Group comprises the Company and its subsidiaries. These financial statements are presented in pounds Sterling as this is the currency in which the funds are raised and in which the investors are seeking a return. The Company's functional currency is Sterling and the subsidiaries' currencies are either Euro or Indian Rupees. The presentational currency of the Group is Sterling. The period end exchange rate used is £1:INR101.173 (March 2013: £1:INR82.561) and the average rate for the period used is £1:INR90.894 (September 2012: £1:INR86.242). For Euro based transactions the period end exchange rate used is £1:€1.193 (March 2013: £1:€1.185) and the average rate for the period used is £1:€1.173 (September 2012: £1:€1.247).

The address of the registered office is given below. The nature of the Group's operations and its principal activities are set out in the Chairman's Statement. The half year report was approved and authorised for issue on 21 November 2013 and signed by David Jeffreys and Serena Tremlett on behalf of the Board.

2. Significant accounting policies

Basis of preparation

The unaudited condensed financial information included in the half year report for the six months ended 30 September 2013, have been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' as adopted by the European Union. This half year report should be read in conjunction with the Group's annual report and accounts for the year ended 31 March 2013, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and are available at the Company's website (www.alpharealtrustlimited.com).

The accounting policies adopted and methods of computation followed in these condensed financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2013, except for the adoption of new standards effective 1 January 2013 as described below.

IFRS 11 Joint Arrangements

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. The Group is party to a joint venture investment in the Scholar Property Holdings Limited group (Cambourne) and, up to the year ended 31 March 2013, accounted for its investment by proportionate consolidation. Proportionate consolidation is no longer an available option under IFRS 11, which requires the use of the equity method under IAS 28 (Investments in Associates). The Group has therefore adopted the equity method of accounting for its joint venture commencing with the half year report for the six months ended 30 September 2013.

In compliance with IFRS 11 (Appendix C) the Group has restated its consolidated balance sheet as at 31 March 2013 to remove the Group's share of the joint venture's individual assets and liabilities and to include as one line the Group's share of the joint venture net assets as at 31 March 2013.

There was no change in the reported net asset value and net asset value per ordinary share of the Group as a result of the restatement of the consolidated balance sheet as at 31 March 2013.

The directors considered all other relevant new standards, amendments and interpretations to existing standards effective for the half year report for the six months ended 30 September 2013 and determined that they have no impact in the annual consolidated financial statements of the Group or the interim condensed financial statements of the Group.

The half year condensed financial statements are made up from 1 April 2013 to 30 September 2013 and have been prepared under the historical cost convention as modified by the revaluation of investment property, indirect property investment, investments held at fair value and mark to market of derivative instruments.

The preparation of the half year condensed financial statements requires Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the condensed interim financial statements. If in the future such estimates and assumptions, which are based on the Directors' best judgement at the date of the interim condensed financial statements, deviate from actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

3. Revenue

	For the six months ended 30 September 2013 £'000	For the six months ended 30 September 2012 (restated) £'000
Rental income	3,251	3,051
Service charges	1,034	1,074
Total	**4,285**	**4,125**

4. Finance income

	For the six months ended 30 September 2013 £'000	For the six months ended 30 September 2012 £'000
Bank interest received	60	64
Interest receivable on convertible loan stock	563	740
Interest receivable on loans to related parties	666	-
Foreign exchange gain	3	43
Net gains on financial assets and liabilities held at fair value through profit or loss (note 6)	944	435
Total	**2,236**	**1,282**

5. Finance costs

	For the six months ended 30 September 2013 £'000	For the six months ended 30 September 2012 (restated) £'000
Interest on bank borrowings	1,065	1,156
Net losses on financial assets and liabilities held at fair value through profit or loss (note 6)	1,486	302
Total	**2,551**	**1,458**

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

6. Net gains and losses on financial assets and liabilities at fair value through profit or loss

	For the six months ended 30 September 2013 £'000	For the six months ended 30 September 2012 (restated) £'000
Unrealised gains and losses on financial assets and liabilities held at fair value through profit or loss		
Movement in fair value of interest rate cap	66	(282)
Movement in fair value of currency swaps	(110)	171
Movement in fair value of the conversion options	-	(20)
Movement in fair value of the foreign exchange forward	98	-
Movement in fair value of investments	(1,376)	-
Undistributed investment income	258	28
Realised gains and losses on financial assets and liabilities held at fair value through profit or loss		
Distributed investment income	454	236
Dividends received from investments	68	-
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss	**(542)**	**133**
Disclosed as:		
Finance income (note 4)	944	435
Finance costs (note 5)	(1,486)	(302)
Net gains/(losses) on financial assets and liabilities held at fair value through profit or loss	**(542)**	**133**

7. Taxation

	For the six months ended 30 September 2013 £'000	For the six months ended 30 September 2012 (restated) £'000
Current tax	141	54
Deferred tax	-	-
Tax expense	**141**	**54**

The Company is exempt from Guernsey taxation on income derived outside of Guernsey and bank interest earned in Guernsey. A fixed annual fee of £600 is payable to the States of Guernsey in respect of this exemption. No charge to Guernsey taxation arises on capital gains. The Group is liable to foreign tax arising on activities in the overseas subsidiaries. The Company has investments, subsidiaries and joint venture operations in Luxembourg, United Kingdom, the Netherlands, Spain, Cyprus, Jersey and India.

The current tax charge is mainly due on income receivable from the Company's investment in FIAF, in the United Kingdom.

Due to the unpredictability of future taxable profits, the Directors believe it is not prudent to recognise a deferred tax asset for the unused tax losses.

Unused tax losses in Cyprus, Luxembourg and the United Kingdom can be carried forward indefinitely. Unused tax losses in the Netherlands can be carried forward for 9 years. Unused tax losses in Spain can be carried forward for 18 years.

8. Dividends

Dividend reference period	Shares '000	Dividend per share	Paid £	Date
Year ended 31 March 2013	72,729,855	1.05p	763,663	3 May 2013

The Trust will pay a dividend for the half year ended 30 September 2013 on 20 December 2013.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

9. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	For the six months ended 30 September 2013	Year ended 31 March 2013 (restated)	For the six months ended 30 September 2012 (restated)
Earnings per income statement (£'000)	(5)	254	(720)
Basic and diluted earnings pence per share	**0.0p**	**0.4p**	**(1.4)p**
Earnings per income statement (£'000)	(5)	254	(720)
Net change in the revaluation of investment properties loss	265	2,333	1,667
Movement in fair value of investment in ordinary shares	(173)	216	-
Movement in fair value of investments in redeemable preference shares	1,549	(409)	-
Movement in fair value of interest rate cap (mark to market)	(66)	367	282
Movement in fair value of currency swaps (mark to market)	110	127	(171)
Movement in fair value of the foreign exchange forward (mark to market)	(98)	-	-
Movement in fair value of the joint venture's interest rate swap (mark to market)	(10)	14	16
Movement in fair value of conversion options (mark to market)	-	20	20
Foreign exchange gain	(3)	(27)	(43)
Adjusted earnings	**1,569**	**2,895**	**1,051**
Adjusted earnings per share	**2.2p**	**5.0p**	**2.1p**
Weighted average number of ordinary shares (000's)	**71,695**	**57,764**	**49,980**

The adjusted earnings are presented to provide what the Company believes is a more appropriate assessment of the operational income accruing to the Group's activities. Hence, the Company adjusts basic earnings for income and costs which are not of a recurrent nature or which may be more of a capital nature.

10. Net asset value per share

	At 30 September 2013 £'000	At 31 March 2013 £'000	At 30 September 2012 £'000
Net asset value (£'000)	75,509	78,260	51,879
Net asset value per share (p)	**106.4p**	**107.6p**	**103.8p**
Number of ordinary shares (000's)	**70,964**	**72,730**	**49,980**

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

11. Investment properties

	30 September 2013 £'000	31 March 2013 (restated) £'000
Fair value of investment properties at 1 April	**71,433**	**71,476**
Subsequent capital expenditure after acquisition	73	1,218
Rent incentive movement	192	258
Fair value adjustment in the period/year	(265)	(2,333)
Foreign exchange movements	(479)	814
Fair value of investment properties at 30 September / 31 March	**70,954**	**71,433**

The fair value of the H2O property has been arrived at on the basis of an independent valuation carried out at the balance sheet date by Aguirre Newman Valoraciones y Tasaciones S.A. ("Aguirre"). Aguirre are independent valuers and are not connected to the Group.

The valuation basis used is fair value as defined by the Royal Institute of Chartered Surveyors ("RICS") Approval and Valuation Standards. The approved RICS definition of fair value is the "the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date."

Following the adoption of IFRS 11 (note 2), the Company now uses the equity accounting method for its investment in Cambourne (see note 14) and, accordingly, the comparative has been restated.

The H2O property has been pledged as security for the borrowings in the Spanish SPV in which the property is held (note 17).

12. Indirect property investment held at fair value

	30 September 2013 £'000	31 March 2013 £'000
As at 1 April	**5,451**	**5,428**
Effect of foreign exchange	(1,003)	23
As at 30 September / 31 March	**4,448**	**5,451**

The Galaxia investment is carried at a fair value of INR 450 million (£4.4 million). The Group's estimation of fair value is based upon legal advice following a recommencement of arbitration proceedings following breaches by Logix Group. The arbitration seeks an award of INR 450 million plus the agreed minimum investment return and lost profit from the Logix Group promoters. The Directors consider it prudent to continue to value the indirect investment at INR 450 million.

13. Investments held at fair value

	30 September 2013 £'000	31 March 2013 £'000
Non-current		
As at 1 April	**12,869**	**-**
Additions during the period / year	-	13,776
Redemptions	(100)	(1,100)
Movement in fair value of investments	(1,376)	193
As at 30 September / 31 March	**11,393**	**12,869**

On 3 December 2012, the Group completed the acquisition of the majority of the investment portfolio of PIP.

The acquired investments, which are disclosed as non-current investments held at fair value, can be detailed as follows:

- £0.5m in ordinary shares of AUMP; the ordinary shares are traded on the LSE and are therefore valued quarterly by market price; the market price of the investment as at 30 September 2013 was £0.5m;
- £3.2m in participating redeemable preference shares of BCP; the fund provides quarterly valuations of the net asset value of its shares; the net asset value of the investment as at 30 September 2013 was £2.7m;
- £6.4m in participating redeemable preference shares of Europip; the fund provides quarterly valuations of the net

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

asset value of its shares; the net asset value of the investment as at 30 September 2013 was £5.9m;

- £3.7m in participating redeemable preference shares of HLP; the fund provides half yearly valuations of the net asset value of its shares; during the period post acquisition HLP redeemed a total of £1.2m of shares; the net asset value of the investment has been calculated by using the value provided by HLP at the time of its latest redemption, on 19 September 2013, this being the closest point to the Group's balance sheet date; the resulting value of the investment was £2.3m.

ART has also acquired from PIP, at an ascribed zero value, the investments in ACE and Romulus. Any realised value from these investments will be passed exclusively to ART A shareholders. As at 30 September 2013, the net asset value of both ACE and Romulus was zero.

The Group considers that the above investments will be held for the long term and has therefore disclosed them as non-current assets.

Investments held at fair value	**30 September 2013 £'000**	**31 March 2013 £'000**
Current		
As at 1 April	**15,252**	**6,390**
Additions during the year	-	8,598
Distributed investment income in period	(454)	(190)
Undistributed investment income in period	673	454
As at 30 September / 31 March	**15,471**	**15,252**

The Group has invested in income units of FIAF. FIAF allows monthly redemptions and hence the investment is reported as a current asset. On 20 June 2012, the Group invested a further £4m in FIAF. On 3 December 2012, following the completion of the PIP acquisition, the Group acquired an additional £4.6m of FIAF units. FIAF provides monthly valuations of the net asset value of its units. The investment has therefore been valued at the net asset value provided on 20 September 2013, this being the closest valuation to the Group's balance sheet date. As disclosed in note 20, subsequent to the balance sheet date, ART has redeemed units to the value of £4.5 million.

14. Investment in joint venture

Following the adoption of IFRS 11 (note 2), the joint venture in the Scholar Property Holdings Limited group has been accounted for by equity accounting. There is no impact on the net asset value previously reported although comparatives, where appropriate, have been restated.

The movement in the Group's share of net assets of the joint venture can be summarised as follows:

	30 September 2013 £'000	**31 March 2013 (restated) £'000**
As at 1 April	**1,203**	**1,211**
Group's share of profits of joint venture recognised during the period / year	65	144
Fair value adjustment for interest rate swap	10	(14)
Dividends paid by joint venture to the Group	(71)	(138)
As at 30 September / 31 March	**1,207**	**1,203**

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

The table below detail the effect of the initial application of IFRS 11:

Impact on the statement of comprehensive income	**For the six months ended 30 September 2012**
Revenue (decrease)	(97)
Net change in the revaluation of investment properties	-
Total income (decrease)	**(97)**
Property operating expenses (decrease)	1
Investment Manager's fee (decrease)	7
Other administration costs (decrease)	1
Total operating expenses (decrease)	**9**
Operating profit/(loss) (decrease)	**(88)**
Finance income	**-**
Finance costs (decrease)	**39**
Profit/(loss) before taxation (decrease)	**(49)**
Taxation (increase)	(9)
Profit/(loss) after taxation (decrease)	**(58)**

Impact on the balance sheet	**31 March 2013 £'000**
Investment in joint venture (increase)	1,203
Investment properties (decrease)	(2,295)
Trade and other receivables (decrease)	(69)
Cash and cash equivalents (decrease)	(16)
Trade and other payables (decrease)	75
Bank borrowings (decrease)	1,072
Derivatives held at fair value through P&L (decrease)	30

15. Trade and other receivables

	30 September 2013 £'000	**31 March 2013 (restated) £'000**
Non-current		
Convertible Loan	**7,823**	**7,481**
Loan granted to related party	**6,000**	**-**
Total	**13,823**	**7,481**
Current		
CULS	-	5,104
Trade debtors	374	454
VAT	120	60
Accrued bank interest	-	52
Loans granted to related parties	12,333	8,828
Other debtors	611	306
Interest receivable from CULS and Convertible Loan	**737**	**1,837**
Total	**14,175**	**16,641**

On 9 August 2010, the Company subscribed for £4.75 million of convertible unsecured loan stock ("CULS") in AUMP. The CULS carried an annual coupon of 4.75% and could have been converted at any time up to and including 30 June 2013 into Ordinary Shares at a Conversion Price of 31 pence. The settlement of the CULS annual coupon was made as a Payment In Kind ("PIK") by the issuance of further CULS at each relevant date. The CULS attracted an 18% redemption premium if not converted. Additionally, AUMP had issued 4 million share options to the Company at an exercise price of 50 pence per

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

share.

On 1 July 2013, ART announced the redemption of all outstanding AUMP CULS in full at par plus the payment of the premium of 18 per cent. The Preference Shares stapled to the CULS have automatically been redeemed and the associated options have expired without being exercised. The redemption amount was £6.42 million, which ART has agreed to provide to AUMP as unsecured loan, earning a coupon of 15% per annum compounded quarterly. The loan has a six month term expiring on 31 December 2013, which is extendable by five years to 31 December 2018. The AUMP loan balance of £6.67 million in the balance sheet therefore reflects the principal agreed for the new unsecured loan plus accrued interest.

On 18 October 2011, the Company completed the investment of £7.5m by way of a three year Convertible Loan in AURE. The loan can be converted at any time up to expiry (20 November 2014) into ordinary shares at an effective price of 41.4p per Fund share. The Convertible Loan has an annual coupon of 6% payable quarterly. Should the Company elect not to convert, the Convertible Loan is redeemable at a premium of 14% to its face value. The fair value of the conversion option within the Convertible Loan has been valued by reference to an external valuation by J.C. Rathbone (using a binomial model) at nil as at 31 March 2013; the Directors consider that the nil value is unchanged at period end.

On 3 December 2012, following the completion of the PIP acquisition, the Group acquired a loan receivable granted to Europip amounting to £6.8 million. On 27 November 2012 the Company had also advanced an additional £2 million loan to Europip, which has been fully repaid by April 2013. The remaining loan has an annual coupon of 9%, which is capitalised quarterly, and has share pledges, as security, over two of the un-geared Europip Norwegian assets and additional rights over proceeds released from the Europip's Mosaic investment. Europip made a part repayment towards the existing loan of £1.7 million in May 2013. The balance of the loan granted to Europip as at 30 September 2013, including accrued interest, is £5.7 million.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

16. Trade and other payables

	30 September 2013 £'000	31 March 2013 (restated) £'000
Trade creditors	1,268	1,975
Investment Manager's fee payable	414	494
Accruals	582	1,157
Other creditors	**28**	**5**
Corporation tax	**149**	**109**
Total	**2,441**	**3,740**

Trade creditors and accruals primarily comprise amounts outstanding for trade purchases and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The Directors consider that the carrying amount of trade and other payables approximate their fair value.

17. Bank borrowings

	30 September 2013 £'000	31 March 2013 (restated) £'000
Current liabilities: interest payable	142	148
Current liabilities: repayments	455	458
Total current liabilities	**597**	**606**
Non-current liabilities: bank borrowings	59,953	60,736
Total liabilities	**60,550**	**61,342**
The borrowings are repayable as follows:		
Interest payable	142	148
On demand or within one year	455	458
In the second to fifth years inclusive	1,820	1,832
After five years	58,133	58,904
Total	**60,550**	**61,342**

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Movements in the Group's non-current bank borrowings are analysed as follows:

	30 September 2013 £'000	31 March 2013 (restated) £'000
As at 1 April	60,736	**59,868**
Repayment of borrowings	(463)	-
Reclassification to current liabilities	3	(5)
Amortisation of deferred finance costs	81	155
Exchange differences on translation of foreign currencies	(404)	718
As at 30 September / 31 March	**59,953**	**60,736**

The bank borrowings represent the syndicated loan finance provided to the Spanish SPV, owner of the H2O property in Madrid, Spain.

Following the adoption of IFRS 11 (note 2), the Company now uses the equity accounting method for its investment in Cambourne (see note 14) and, accordingly, the comparative has been restated.

The Spanish SPV loan is provided by a syndicate of three banks (Eurohypo AG, Deutsche Hypothekenbank and Landesbank Hessen-Thuringen Girozentrale). The loan has two tranches of debt of which one tranche has an agreed schedule of amortisation as reflected in the repayment table above; the balance of the loans after amortisation is repayable on 4 October 2017. The loans are secured by a first charge mortgage against the Spanish property.

The Spanish property owning SPV has entered into an interest rate cap under which the floating rate element of the interest charge is capped at 2.85% for the full term of the loan on €50 million of the principal borrowings of €75 million.

18. Share capital

					Number of shares
Authorised					
Ordinary shares of no par value					Unlimited
	Ordinary	**A shares**	**Ordinary**	**Ordinary**	**Total**
Issued and fully paid	**treasury**	**external**	**external**	**total**	**shares**
At 1 April 2013	**5,763,252**	**20,860,583**	**51,869,272**	**57,632,524**	**78,493,107**
Share conversion	-	(4,023,292)	4,023,292	4,023,292	-
Shares cancelled following buyback	-	-	(1,530,952)	(1,530,952)	(1,530,952)
Shares bought back	235,048	-	(235,048)	-	-
At 30 September 2013	**5,998,300**	**16,837,291**	**54,126,564**	**60,124,864**	**76,962,155**

The Company has one class of ordinary shares which carries no right to fixed income and class A shares, which carries the same rights as ordinary shares save that class A shares carry the additional right to participation in the Company's investments in Romulus and ACE and the right to convert into ordinary shares.

The Company has the right to reissue or cancel the remaining treasury shares at a later date.

At the Extraordinary General Meeting on 7 March 2013, consistent with the Company's commitment to shareholder value, the Company's shareholders approved a general authority allowing the Company to acquire up to 24.99% of the Voting Share Capital during the period expiring on the earlier of (i) the conclusion of the annual general meeting of the Company in 2014 and (ii) 6 September 2014. A waiver conditionally granted by the Takeover Panel of any obligation on ARC and/or its concert parties to make a general offer to all shareholders, was also approved.

During the period ended 30 September 2013 the Company purchased 1,766,000 ordinary shares at an average price (before expenses) of 50 pence per share. Of the purchased ordinary shares, 1,530,952 were cancelled and 235,048 shares will be held in treasury. As at 30 September 2013 the ordinary share capital of the Company following the purchase and cancellation of those ordinary shares which are to be repurchased was 60,124,864 (including 5,998,300 shares held in treasury). The Company also had 16,837,291 A shares in issue. The total voting rights in ART following the purchase and cancellation and purchase for treasury of ordinary shares was 70,963,855.

After period end, the Company has purchased 350,000 Ordinary Shares of no par value at an average price (before expenses) of 51 pence per share. Of the purchased Ordinary Shares, 338,326 will be cancelled and 11,674 shares will be held in treasury. At the date of signing these financial statements the ordinary share capital of the Company following the purchase and cancellation of those Ordinary Shares which are to be repurchased was 60,099,746 (including 6,009,974 shares held in treasury). Following a conversion of 313,208 A Shares into Ordinary Shares, the Company also currently has 16,524,083 A Shares in issue. The total voting rights in ART following the purchase and cancellation and purchase for treasury of Ordinary Shares was 70,613,855.

19. Share based payments

The Group has not recognised any share based payment for the period ended 30 September 2013 (31 March 2013: £nil).

20. Events after the balance sheet date

After the balance sheet date, the Company continued its share buyback plan and bought back 350,000 Ordinary Shares (Note 18).

On 21 October and 20 November 2013, ART redeemed FIAF units amounting to £2 million and £2.5 million, respectively.

In October 2013 the Company also received a £0.7 million loan repayment from Europip, which reduced the outstanding balance of the existing loan to £5.0 million.

21. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. ARC is the Investment Manager to the Company under the terms of the Investment Manager Agreement and is thus considered a related party of the Company.

The Investment Manager is entitled to receive a fee from the Company at an annual rate of 2 per cent of the net assets of the Company, payable quarterly in arrears. The Investment Manager is also entitled to receive an annual performance fee calculated with reference to total shareholder return ("TSR"), whereby the fee is 20 per cent of any excess over an annualised TSR of 15 per cent subject to a rolling 3 year high water mark.

The Investment Manager has a management agreement directly with the H2O property company, Alpha Tiger Spain 1, SLU under which it earns a fee of 0.9% per annum based upon the gross assets of Alpha Tiger Spain 1, SLU. In order to avoid double counting of fees, the Investment Manager will provide a rebate to the Company of a proportion of its current fee equivalent to the value of the Company's net asset value attributable to the H2O investment.

The Company has invested in AUMP where ARC is the Investment Manager. ARC rebates fees earned in relation to the Company's investment in AUMP.

The Company has invested in FIAF where ARPIA, a subsidiary of ARC, is the Investment Manager. ARC rebates fees earned in relation to the Company's investment in FIAF.

The Company has invested in AURE, where ARC is the Investment Manager. Phillip Rose and Brad Bauman are Directors on the Board of AURE. ARC rebates fees earned in relation to the Company's investment in AURE.

The Company has invested in Europip, where ARPIA, a subsidiary of ARC, is the investment adviser. ARC rebates fees earned in relation to the Company's investment in Europip.

The Company has invested in BCP, where ARPIA, a subsidiary of ARC, is the industry adviser. ARC rebates fees earned in relation to the Company's investment in BCP.

The Company has invested in Romulus, where ARPIA, a subsidiary of ARC, is trust manager and property manager. ARC rebates fees earned in relation to the Company's investment in Romulus.

The Company has invested in ACE, where ARPIA, a subsidiary of ARC, is property investment adviser. ARC rebates fees earned in relation to the Company's investment in ACE.

The Company has invested in Phase 1000, Cambourne Business Park, Cambridge, and ARC was appointed as asset and property manager of the joint venture entity. ARC rebates to ART the relevant proportion of fees earned by ARC, which apply to the Company's investment.

Details of the Investment Manager's fees for the current period are disclosed on the face of the condensed consolidated statement of comprehensive income and the balance payable at 30 September 2013 is provided in note 16.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

The Directors of the Company received total fees as follows:

	For the six months ended 30 September 2013	Year ended 31 March 2013
David Jeffreys	15,750	30,000
Phillip Rose	11,000	20,000
Serena Tremlett	15,000	36,000
Jeff Chowdhry	11,000	20,000
Roddy Sage	11,000	20,000

The Directors' interests in the shares of the Company are detailed below:

	30 September 2013 Number of ordinary shares held	31 March 2013 Number of ordinary shares held
David Jeffreys	10,000	10,000
Phillip Rose	139,695	139,695
Serena Tremlett	15,000	15,000
Jeff Chowdhry	40,000	40,000
Roddy Sage	-	-

ARC held 22,550,000 shares in the Company at 30 September 2013 (31 March 2013: 22,550,000). The following, being partners of the Investment Manager, also hold direct interests in the following shares of the Company at 30 September 2013:

	30 September 2013 Number of ordinary shares held	31 March 2013 Number of ordinary shares held
IPGL Property Funds Limited *	3,010,100	3,010,100
Brian Frith	1,125,000	1,125,000
Phillip Rose	139,695	139,695
Brad Bauman	55,006	55,006
Ronald Armist	500	500

* IPGL Property Funds Limited's interest includes 3,000,000 (31 March 2013: 3,000,000) owned by a fellow group company, IPGL.

Karl Devon-Lowe, a partner of ARC, received fees of £2,500 in relation to directorial responsibilities on a number of the Company's subsidiary companies.

Serena Tremlett is also the Managing Director and a major shareholder of Morgan Sharpe Administration Limited, the Company's administrator and secretary. During the period the Company paid Morgan Sharpe Administration Limited fees of £40,000 (31 March 2013: £77,000).

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

22. Financial assets and liabilities held at fair value through profit or loss

	30 September 2013 £'000	31 March 2013 (restated) £'000
Non-current assets		
Investments held at fair value	11,393	12,869
Indirect property investment held at fair value	4,448	5,451
Interest rate cap	**222**	**158**
Total non-current assets	**16,063**	**18,478**
Current assets		
Investments held at fair value	**15,471**	**15,252**
Currency options	**-**	**252**
Foreign exchange forward	**98**	**-**
Total current assets	**15,569**	**15,504**
Total	**31,632**	**33,982**

Fair value measurement

The Group discloses fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest input that is significant to the fair value measurement. Financial instruments are classified in their entirety into one of the three levels.

The following methods and assumptions are used to estimate fair values:

- The fair value of the derivative interest rate cap contracts is determined by reference to an applicable valuation model employed by the contractual counter parties; valuations are provided quarterly
- The fair value of the foreign exchange forward contract is determined by reference to the quarter end one year forward market rate provided by the contractual counter party
- The fair value of the CULS options is estimated by using a binomial option pricing model; valuations are provided quarterly
- The fair value of the Galaxia investment is based on quarterly Directors' estimates of the recoverable amount based upon legal advice
- The fair value of the FIAF investment is based upon monthly valuations, provided by the issuer, of the net asset value of its units
- The fair value of the investment in AUMP's ordinary shares, which are traded on the LSE, is based upon the quarterly market value of the shares
- The fair value of the investment in BCP's participating redeemable preference shares is based upon quarterly valuations, provided by the issuer, of the net asset value of its shares
- The fair value of the investment in Europip's participating redeemable preference shares is based upon quarterly valuations, provided by the issuer, of the net asset value of its shares
- The fair value of the investment in HLP's participating redeemable preference shares is based upon half yearly valuations, provided by the issuer, of the net asset value of its shares.

Financial assets and liabilities held at fair value are valued on a recurring basis as indicated above.

The Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

The following table shows an analysis of the fair values of financial instruments recognised in the balance sheet by level of the fair value hierarchy described above:

As at 30 September 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value	472	26,392	-	26,864
Indirect property investment at fair value	-	-	4,448	4,448
Interest rate cap	-	222	-	222
Foreign exchange forward	-	98	-	98
Total	**472**	**26,712**	**4,448**	**31,632**

There were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3 fair value measurements during the six month period ended 30 September 2013.

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Directors and Company information

Directors
David Jeffreys (Chairman)
Jeff Chowdhry
Roddy Sage
Phillip Rose
Serena Tremlett

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Investment Manager
Alpha Real Capital LLP
1b Portland Place
London W1B 1PN

Administrator and secretary
Morgan Sharpe Administration Limited
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT

Broker
Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Independent valuers in India
Colliers International (Hong Kong) Limited
Suite 5701 Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Independent valuers in Spain
Aguirre Newman Valoraciones y Tasaciones S.A.U.
Calle de General Lacy, 23
Madrid, 28045
Spain

Auditor
BDO Limited
Place du Pré
Rue du Pré
St Peter Port
Guernsey GY1 3LL

Tax advisors in Europe
Ernst & Young LLP
1 More London Place
London SE1 2AF

Tax advisors in India
BMR Advisors
The Great Eastern Centre
First Floor
70, Nehru Place
New Delhi – 110 019
India

Legal advisors in Guernsey
Carey Olsen
PO Box 98, Carey House
Les Banques,
St Peter Port,
Guernsey, GY1 4BZ

Legal advisors in India
AZB & Partners
Plot A-8 Sector 4
NOIDA 201 301
India

Legal advisors in Spain
Perez Lorca
Alcala, 61
28014 Madrid
Spain

Registrar
Computershare Investor Services (Jersey) Limited
Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES

Shareholder information

Further information on the Company, compliant with the SFM regulations, can be found at the Company's website: www.alpharealtrustlimited.com

Dividends

Ordinary dividends have been paid semi-annually up to the half year ended 30 September 2013; subsequent dividends are intended to be declared and paid quarterly. Shareholders who wish to have dividends paid directly into a bank account rather than by cheque to their registered address can complete a mandate form for this purpose. Mandates may be obtained from the Group's Registrar. Where dividends are paid directly to shareholders' bank accounts, dividend vouchers are sent directly to shareholders' registered addresses.

Share price

The Company's Ordinary Shares are listed on the SFM of the LSE.

Change of address

Communications with shareholders are mailed to the addresses held on the share register. In the event of a change of address or other amendment, please notify the Company's Registrar under the signature of the registered holder.

Investment Manager

The Company is advised by Alpha Real Capital LLP, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom

Financial calendar

Financial reporting	Reporting/Meeting dates	Dividend period	Ex-dividend date	Record date	Payment date
Half year report and dividend announcement	22 November 2013	Half year ended 30 September 2013	4 December 2013	6 December 2013	20 December 2013
Second Interim Management Statement (Qtr 3)	13 February 2014	Quarter ended 31 December 2013	19 February 2014	21 February 2014	21 March 2014
Annual report and accounts announcement	20 June 2014				
Annual report published	27 June 2014	Year ended 31 March 2014	2 July 2014	4 July 2014	1 August 2014
Annual General Meeting	12 August 2014				

Registered office
Old Bank Chambers
La Grande Rue
St Martin's
Guernsey GY4 6RT