21 November 2014

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

ALPHA REAL TRUST ANNOUNCES ITS HALF YEAR RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2014

Highlights include:

- NAV per share 108.3p: 30 September 2014 (107.0p: 31 March 2014)
- Adjusted earnings per share of 3.0p for the six months to 30 September 2014
- Declaration of a dividend of 0.525p per share, expected to be paid on 19 December 2014
- Capital recycling: continued strategic sales of non-core investments with a view to reinvesting in opportunities across the asset-backed spectrum that offer high risk-adjusted total returns
- H2O: more than 15 new lease contracts signed in the calendar year to 30 September 2014
- Continued earnings growth: income from core and non-core investments, both equity and high yield debt, continue to add to the Group's earnings position
- 94% of the Group's investment portfolio is in income producing investments in the UK and Europe

David Jeffreys, Chairman of Alpha Real Trust, commented:

"A broadly stable economic backdrop continues to support improved investor sentiment and a widening of the availability of liquidity and financing across the Company´s investment markets.

ART 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.

Over the past six months, active asset management has been a dominant theme for both the Company's directly and indirectly held investments, with a series of asset level initiatives being completed to increase valuations. A further notable theme has been the recycling of capital from non-core investments, as evidenced in the Norwegian portfolio, paving the way for reinvestment into further high yielding opportunities that meet ART's investment criteria.

Looking ahead, we envisage that the Company's portfolio will continue 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 and co-investments with substantial cash flows and the benefit of ARC´s management of the underlying assets."

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

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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.

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.

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

High yielding equity in property investments:	25.3%
High yielding debt:	38.3%
Cash and freehold ground rents:	23.7%
Other investments:	12.7%

Dividends

The current intention of the Directors 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") whose team of investment and asset management professionals focuses on the potential to enhance earnings and add value to the underlying assets, and on the risk profile of each investment within the capital structure to best deliver high-risk adjusted returns.

Control of the Company rests with the non-executive Guernsey based Board of Directors.

Financial highlights

	6 months ended 30 September 2014	Year ended 31 March 2014	6 months ended 30 September 2013
Net asset value (£'000)	76,473	75,693	75,509
Net asset value per share	108.3p	107.0p	106.4p
Earnings per share (basic and diluted) (adjusted)*	3.0p	5.3p	2.2p
Earnings per share (basic and diluted)	3.3p	2.2p	0.0p
Dividend per share (paid during the period)	1.1p	2.6p	1.1p

* The adjusted earnings per share includes 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.

Chairman's statement

I am pleased to present the Company's half year report for the six months ended 30 September 2014.

Within the investment markets in which the Company operates, there are continuing signs that investor demand for assets is broadening beyond core investment markets and asset types. This positive and improving outlook does not appear to have dampened despite recent hesitant macro-economic indicators from the eurozone. The combination of a deferral of anticipated interest rate rises in the UK and Europe and a perception of medium term exposure to inflationary pressures is helping to support a positive outlook for assets generally and real estate in particular.

A wider availability of finance, although still not at the levels reached in 2007, indicates an acceptance by an increasing number of lenders that asset backed risks have normalised. This is seen in improved margins for borrowers and an acceptance of higher LTVs by lenders. This bodes well for ART´s equity investments whose values and liquidity are further underpinned, and for the Company's debt investments which have increasingly protected exit positions upon refinancing.

The Company´s earnings continue to increase as a consequence of ART's investment policy of targeting investments and allocation of capital to income focused investments. The Company has maintained its policy of paying quarterly dividends during the period and I am pleased to announce that the Company declares a dividend for the quarter of 0.525p per share which is expected to be paid on 19 December 2014.

Over the reporting period, underlying asset value increases have been reported within the Company's Industrial Multi Property Trust plc ("IMPT") and Alpha UK Real Estate Fund ("AURE") investments in the UK and at the H2O shopping centre in Spain. This reflects the value adding management initiatives being implemented and increasing investor demand for broader real estate opportunities that are underpinned by strong property fundamentals.

ART´s debt investments continue to perform strongly. Underlying asset prices have benefited from an improvement in the wider investment market meaning that loan to value ratios have either improved or are more firmly supported as a result of greater liquidity and debt availability. It is pleasing to note that the broadening of the debt market supply has meant that ART's debt investments made during the past couple of years are in many cases now yielding market beating returns.

Recycling of capital from mature investments to investments that offer scope for higher risk adjusted returns has continued. To this end, post period end, there have been further strategic asset sales in the Company´s Europip investment in Norway where non-core assets have been sold which will allow further amortisation of ART's high yielding loan to Europip in addition to amortising the Norwegian bank loan facility.

Within the Company's directly and indirectly held investments, notable active management successes are evident. At the H2O investment in Spain, more than 15 new leases have been signed in the calendar year to September 2014. Aided by continued asset management successes in signing new anchor tenants and upgrading the physical space, such as the recent installation of a new pedestrian bridge walkway to connect with an adjacent retail park, footfall and sales are also increasing at a greater rate than our peers.

The Company´s debt and equity investments in IMPT have benefited from an active period. Following the announcement of its change of name to better reflect the nature of its portfolio of predominantly industrial assets, IMPT reported that it had gained approval for a transfer of its ordinary shares to the SFM of the London Stock Exchange. At an asset level, heightened leasing activity was reported with forty six new leases signed as announced in its latest half year report.

As announced by the Company in July 2014, following receipt of proceeds from the disposal of its investment in Active Commercial Estates PLC ("ACE"), a special dividend of 1.0623p per share was paid to all holders of ART A shares. No future proceeds from ACE are anticipated. ACE was acquired as part of the Property Investment Portfolio plc ("PIP") portfolio purchase in 2012. ART ascribed zero value to ACE at that time and it was agreed that any realized value from these investments is to be passed solely to holders of A shares (being former shareholders of PIP who have not converted their A Shares to ordinary shares in ART).

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. With further arbitration submissions made during the reporting period, a verdict is anticipated in late December 2014.

The Company is continuously evaluating new investment opportunities. ART´s investment policy to target both asset backed investments and investment in high yield debt markets will allow it to continue to capitalise on new investment opportunities and optimise returns. The liquid reserves of the Company mean that it is well placed to secure suitable opportunities.

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 preferred loan facilities, a managed exit is anticipated over a phased period in order to recycle capital into new investment opportunities.

The Company is actively seeking to increase the yield and underlying capital value of its portfolio by enhanced performance from existing investments, asset management initiatives and by additional investment, funded from its cash and liquid holdings, strong cashflow and capital recycling.

A detailed summary of the Company's investments is contained within the investment review section.

Results and dividends

Dividends

Adjusted earnings for the period show a profit after interest and tax of £2.1 million and adjusted earnings per share for the period of 3.0 pence (see note 9 of the financial statements). This compares with adjusted earnings per share of 2.2 pence for the same period in 2013. The increase is mainly the result of the incremental income received from the Company's investments in IMPT and AURE together with lower costs incurred for the Galaxia investment arbitration proceedings.

In line with its aim to pay dividends quarterly, the Board announces a dividend of 0.525 pence per share which is expected to be paid on 19 December 2014 (Ex dividend date 4 December 2014 and record date 5 December 2014).

The dividends paid and declared for the twelve months to 30 September 2014 total 2.1 pence per share, representing a dividend yield of 3.9% on average share price over the period and 1.9% on current net asset value.

The net asset value per share at 30 September 2014 is 108.3 pence (31 March 2014: 107.0 pence per share) (see note 10 of the financial statements).

Financing

Some of ART's underlying investments are part funded through non-recourse loan facilities with external debt providers.

For the H2O shopping centre, bank borrowings now stand at €72.3 million (£56.5 million), which, following repayments, represents a reduction of €2.7 million from the initial €75.0 million borrowed. The bank facilities do not have any loan to value covenants and there is sufficient headroom in relation to the interest cover ratio covenants. There continues to be a substantial surplus of rental income in excess of finance charges.

The Europip portfolio of Norwegian commercial real estate has senior bank borrowings as at 30 September 2014 of £22.6 million (NOK 237 million); which, following repayments, represents a reduction of NOK 103 million (30%) from the initial NOK 340 million borrowed in November 2012.

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

Foreign currency

The Board monitors foreign exchange exposures and considers hedging where appropriate. All foreign currency balances have been translated at the period-end rates of £1:€1.280, £1:NOK10.478 and £1:INR99.840.

Share buyback

On 13 August 2014, the Company published a circular giving notice of its Annual General Meeting on 5 September 2014. The proposed resolutions, including those in relation to the Takeover Panel Waiver and the Share Purchase Authority were approved by shareholders. This allows 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 2016 and (ii) 4 March 2016.

Summary

A broadly stable economic backdrop continues to support improved investor sentiment and a widening of the availability of liquidity and financing across the Company´s investment markets.

ART 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.

Over the past six months, active asset management has been a dominant theme for both the Company's directly and indirectly held investments, with a series of asset level initiatives being completed to increase valuations. A further notable theme has been the recycling of capital from non-core investments, as evidenced in the Norwegian portfolio, paving the way for reinvestment into further high yielding opportunities that meet ART's investment criteria.

Looking ahead, we envisage that the Company's portfolio will continue 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 and co-investments with substantial cash flows and the benefit of ARC´s management of the underlying assets.

David Jeffreys
Chairman

20 November 2014

Investment review

Portfolio Summary

Investment name Investment type	Investment value	Income return p.a.	Investment location	Property type / underlying security	Investment notes	% of portfolio [1]
High yielding debt (38.3%)						
Alpha UK Real Estate Fund plc						
Convertible loan	£8.9m [2]	10.7% [3]	UK	High-yield diversified portfolio	Preferred capital structure	11.6%
Mezzanine loan	£3.8m [2]	9.0% [4]	UK	High-yield diversified portfolio	Preferred capital structure	4.9%
Industrial Multi Property Trust plc (“IMPT”) (the renamed Alpha UK Multi Property Trust plc)						
Subordinated debt	£11.8m [2]	15.0% [4]	UK	High-yield diversified portfolio	Unsecured subordinated debt	15.3%
Europip plc						
Mezzanine loan	£5.0m [2]	9.0% [4]	Norway	Office and logistics	Secured mezzanine loan	6.5%
High yielding equity in property investments (25.3%)						
H2O shopping centre						
Direct property	£13.2m (€16.9m)	8.9% [5]	Spain	High-yield, dominant Madrid shopping centre	Debt facility with no LTV covenant and a 1.1x ICR covenant	17.1%
Europip plc						
Indirect property	£4.3m (€5.5m)	8.4% [5]	Norway	A geared property investment vehicle invested in offices and logistics properties	Recently refinanced senior and mezzanine loan position	5.6%
Cambourne Business Park						
Indirect property	£1.2m	12.9% [5]	UK	High-yield business park located in Cambridge	Bank facility at 50% LTV (current interest cover of 2.4 times covenant level)	1.6%
Industrial Multi Property Trust plc						
Equity	£0.8m	n/a	UK	High-yield diversified portfolio	19% of ordinary shares in fund with medium term debt	1.0%
Cash and freehold ground rents (23.7%)						
Freehold Income Authorised Fund						
Ground rent fund	£15.3m	4.4% [6]	UK	Highly defensive income; freehold ground rents	No gearing; monthly liquidity	19.9%
Cash (Company only)	£2.9m	0.1-1%	UK	Cash deposits/current accounts	Held between banks with a range of deposit maturities	3.8%
Other investments (12.7%)						
Galaxia						
Direct property	£4.5m (INR 450m)	n/a	India	Special Economic Zone development site located in NOIDA, Delhi, NCR	Arbitration process underway to protect investment	5.8%
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	7.4% [7]	UK	Leisure property fund	No external gearing	3.0%
Other	£0.3m	n/a	Varied	Varied	Varied	0.4%

[1] Percentage share shown based on NAV excluding parent company’s sundry assets/liabilities
[2] Including accrued interest at the balance sheet date
[3] Annual coupon plus redemption premium annualised
[4] Annual coupon
[5] Over 12 months to 30 September 2014
[6] Annualised six month income return; post tax
[7] Return over the average investment during the ownership period

High yielding debt

Market overview

During the reporting period, economic performance across the Company´s investment markets were broadly positive but with significant variations between markets. The UK economy appears to be returning to strong growth while in the eurozone as a whole, GDP growth and other economic growth indicators remained weak. Despite an intermittent bounce in optimism that has since moderated, the outlook for European economic recovery has not changed considerably since the beginning of the year and low growth rates remain the base case for many forecasters. The eurozone has however witnessed falling risk premiums, including a steady reduction in Spanish bond yields. In terms of the real estate market, investor outlook for many countries across Europe remains cautiously optimistic.

Commercial real estate lending continues to stabilise and improve, again with varying degrees of acceleration between the UK and many eurozone countries. In general, there is a greater supply of debt finance and a more tolerant view of what is acceptable risk than was the case six to twelve months ago. There continues to be an increasingly diversified supply of active lenders, with the previous dominance of traditional banks being supplemented and, in part, replaced by the entry of non-bank financial institutions, such as insurance companies, debt funds and private equity. This is providing increasing competition for the Company in the high yield debt market and downward pressure on coupons.

Whilst there is increased competition within the lending market, it is expected to remain less competitive for some time for smaller transactions in non-prime sectors where a strong knowledge of the underlying assets is required. ART remains well positioned to take advantage of further debt investment opportunities as they are identified. The acquisition and refinancing needs of many real estate investment vehicles throughout Europe remain high and opportunities for lenders with real estate debt expertise continue to remain attractive.

The increased liquidity in debt markets and number of new lenders entering the market helps underwrite exit assumptions for ART's current debt investments whilst also contributing to benefit the value of the Company´s equity investment portfolio.

Alpha UK Real Estate Fund plc

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Alpha UK Real Estate Fund plc	Convertible loan	£8.9m [2]	10.7% p.a. [3]	High-yield diversified UK portfolio	Preferred capital structure
	Mezzanine loan	£3.8m [2]	9.0% p.a. [4]	High-yield diversified UK portfolio	Preferred capital structure

[2] Including accrued interest at the balance sheet date
[3] Annual coupon plus redemption premium annualised
[4] Annual coupon

The Company has invested a total of £12.7 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 portfolio of UK commercial property (16 properties comprising industrial, office and retail properties valued at £43.7 million as at 30 June 2014). ART's investment in AURE aims to deliver a high and stable income yield, supported by a diversified portfolio of UK real estate assets.

ART has provided two loans to AURE, both of which mature in November 2014:

- a £7.5 million three-year convertible loan (granted in 2011) which 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 balance, including rolled up redemption premium, at 30 September 2014 is £8.9 million.
- a £6 million mezzanine loan paying a coupon of 9% per annum; the loan was granted in September 2013, contemporaneous with a refinancing of the existing AURE senior debt for a new five year senior debt facility. Following repayments after asset sales the balance at 30 September 2014 is £3.8 million.

Based upon the value of the underlying AURE portfolio of £43.7 million as at 30 June 2014 and the balance of the bank debt of £18 million as at 30 September 2014, the senior lenders' loan to value ratio is 41.2%. ART´s loan positions sit between 41.2% and 70.3% loan to value.

Post period end, ART has agreed to refinance its loans to AURE, which mature in November 2014. New loan documentation is currently being prepared. As part of a larger refinancing of AURE's loan facilities, in which £2.3 million will be repaid to ART, ART will provide a new mezzanine loan facility of £10.3 million for a two year term expiring November 2016. The loan will have a coupon of 9% per annum plus an upfront fee of 1% and an exit fee of 1%; additionally, a 2% fee will apply should the facility not be repaid within the first year.

The following highlights were included in the recent AURE factsheet for the quarter ended 30 June 2014 (published in September 2014):

- Valuation uplift - as a result of various value-add initiatives and leasing activity, on a like-for-like basis after sales, the net increase in AURE portfolio valuation over the quarter was £3.5m. The portfolio valuation has increased from £40.7 million as at 31 March 2014 to £43.7 million as at 30 June 2014.
- New Lettings - two new lettings during the period have contributed an additional £370,000 of income per annum and resulted in a significant reduction in the overall void level within the portfolio.
- Benchmark Ranking - significant outperformance of the IPD Benchmark from the portfolio has resulted in AURE now being the 11th best performing fund out of 229 peer funds.

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.

Industrial Multi Property Trust plc ("IMPT") (previously named Alpha UK Multi Property Trust plc)

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Industrial Multi Property Trust plc	Subordinated debt	£11.8m [2]	15.0% p.a. [4]	High-yield diversified UK portfolio	Unsecured subordinated debt

[2] Including accrued interest at the balance sheet date
[4] Annual coupon

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

As part of the refinancing of IMPT in December 2013, ART provided a new subordinated debt facility of £11.5 million. The loan has a five-year term, expiring in December 2018, and earns a coupon of 15% per annum.

The proceeds of the new senior, mezzanine and subordinated facilities were applied to recapitalise IMPT, repay the previous debt and to provide for IMPT's ongoing working capital requirements.

Based on the value of the IMPT portfolio as at 30 June 2014 of £78.1 million, and the balance of the bank and mezzanine finance of £53.1 million as at 30 September 2014, this reflects a loan to value ratio of 68.0%. ART's subordinated loan sits between 68.0% and 83.0% loan to value.

European Property Investment Portfolio plc ("Europip")

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Europip loan	Mezzanine loan	£5.0m [2]	9.0% p.a.[4]	Office and logistics	Secured mezzanine loan

[2] Including accrued interest at the balance sheet date
[4] Annual coupon

Further to the equity investment (described below) ART has provided mezzanine finance to Europip. ART has a charge over Europip´s portfolio of commercial assets ranking after the senior lender's charge over the Norway portfolio and Mosaic investments. In addition, ART has the right to take a charge over a single unencumbered property within the Norway portfolio, which is outside the senior lender's security pool of assets.

Post period end, ART has agreed to extend its current loan facility to Europip, amounting to £4.3 million (following a repayment made in October 2014), for a period of two years, expiring in November 2016. Documentation is currently being prepared. The new loan will be on substantially the same terms as the current facility and will have a coupon of 9% per annum plus an upfront fee of 1% and an exit fee of 1%; additionally, a 2% fee will apply should the facility not be repaid within 12 months.

As at 30 September 2014, the value of the portfolio of seven assets was £38.1 million (NOK 399.3 million) based on the 30 June 2014 valuation, and the balance of the bank debt was £22.6 million (NOK 237 million); reflecting a LTV ratio of 59.4%. As at 30 September 2014, including the property which is outside the senior lender's security pool of assets, ART´s loan position sits between 59.4% and 72.4% loan to value. Post period end, the sale of the Pancoveien asset has completed, and the net proceeds have been used to further amortise the bank facility and the ART loan to Europip.

High yielding equity in property investments

Commercial property market overview

The UK real estate market recovery is ahead of many eurozone countries and has been enjoying a virtuous cycle; with low interest rates supporting improving yields and in turn higher value, and with an increasingly stable economic recovery implying greater potential for rental growth. Across the eurozone the economic position is more mixed, but property investment volumes and pricing have recovered strongly across many countries and sectors as investors increasingly take the view that the substantial value lost since 2007 will be recaptured.

Over the past few years, it has been the “weight of money” that has been driving investor demand and against a backdrop of economic uncertainty much of this demand did not apply beyond investment in prime assets, regions and sectors. Increasingly however, there are signs that a narrow investor focus on prime assets is giving way to an objective analysis of strengths and weakness of broader commercial property and asset backed investments. An acceptance of a stabilisation of asset values in broader markets has led to investors seeking higher yielding assets with the confidence that total returns in these markets are likely to outstrip returns from low yielding prime assets, particularly on a risk-adjusted basis. This bodes well for ART´s portfolio.

Demand from occupiers across the Company´s investment markets is showing signs of improvement. This is evident in ART´s UK investments such as IMPT and AURE and at the H2O shopping centre in Spain. Whilst occupier demand and leasing activity has increased, rental growth remains subdued outside prime sectors. However, value increases witnessed over a broader range of assets, suggest that investors are of the opinion that rental growth prospects are improving.

The change in investor sentiment towards the Spanish real estate market has continued but the market continues to remain polarised. Investment activity in the prime asset category has increased and pricing has rebounded as such assets are being more closely benchmarked against prime assets in other markets where a recovery is more advanced. In a number of markets this has progressed to edge-of-prime assets also. Activity in the distressed asset segment of the market has also increased as investors seek to purchase at deep discounts, often wholly through equity. This increase in investor liquidity is now expected to spread to core assets in the centre ground, which is expected to benefit the Company´s H2O investment.

ART continues to remain focused on investments that offer potential to deliver high risk adjusted returns via 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 offices and funds under management throughout Europe. This enables the Company to identify a number of attractive opportunities.

Industrial Multi Property Trust plc

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Industrial Multi Property Trust plc	Equity	£0.8m	n/a	High-yield diversified UK portfolio	19% of ordinary capital

ART has 19% of IMPT´s ordinary share capital, representing £0.8 million in equity value based on IMPT’s share price, as at 30 September 2014.

IMPT is a LSE listed UK property fund with a regionally diversified portfolio of over 50 multi-let light industrial and office properties valued at £78.1 million (at 30 June 2014).

The following highlights were included in IMPT's half year results for the six months ended 30 June 2014 (published August 2014):

- New lettings: 46 new lettings and 12 lease renewals achieved during the six months to 30 June 2014, (represents 10.8% of the estimated rental value of the total portfolio based on the final achievable annual rent including stepped rent).
- Additional rent: £0.4 million per annum of additional passing rent is contracted to start during the twelve months to 30 June 2015, benefitting cash flow.
- Occupancy improved: the occupancy level by estimated rental value stood at 86.2% as at 30 June 2014 compared with 84.6% as at 31 December 2013.

- Portfolio valuation increased: the IMPT property portfolio was valued at £78.1 million as at 30 June 2014 (£77.5 million as at 31 December 2013), an increase of £0.6 million (0.8%) during the six month period.

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

Cambourne Business Park, Phase 1000, Cambridge

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Cambourne Business Park	Indirect property	£1.2m	12.9% p.a. [5]	High-yield business park	Bank facility at 50% LTV (current interest cover of 2.4 times covenant level)

[5] Over 12 months to 30 September 2014

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 Netcracker Technology EMEA Ltd, Citrix Systems and Regus. The property has open B1 Business user planning permission and has potential value-add opportunities.

Phase 1000 was purchased in a joint venture partnership with a major overseas investor for £23.0 million including acquisition costs. Bank finance of £10.8 million was obtained. ART´s equity contribution of £1.2 million, which represents 10% of the total equity commitment, was invested into a newly formed joint venture entity, a subsidiary of which holds the property. The property was acquired for an 8.5% net initial yield and is currently delivering an annualised income return of 12.9% as at 30 September 2014.

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

European Property Investment Portfolio plc ("Europip")

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Europip Norway	Indirect property	£4.3m (€5.5m)	8.4% 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	£0.3m (€0.4m)	n/a	Minority investment in a central European commercial property fund	Property held via investment vehicles, varying debt levels

[5] Over 12 months to 30 September 2014

As part of the Property Investment Portfolio transaction, ART acquired a 47% stake in Europip (shares are non-voting), 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 European focused commercial property fund.

The Norwegian portfolio of directly owned commercial properties is concentrated around Oslo. The value of the seven asset portfolio is NOK 399.3 million (£38.1 million) based on the 30 June 2014 valuation with a passing rental level of NOK 35.7 million (£3.4 million) as at 30 September 2014. Post period end, one of the assets was sold in line with the current valuation.

The Norwegian portfolio´s occupancy rate was 97% by rental value and the weighted average lease length was 4.4 years as at 30 September 2014.

In November 2012, Europip refinanced the portfolio of Norwegian real estate with a senior debt facility of £32.4 million (NOK 340 million) arranged in two tranches, one of which has subsequently been fully repaid.

The five year senior debt facility currently stands at £22.6 million (NOK 237 million), at a 2.25% p.a. margin (reduced from the initial rate of 2.4% p.a.) over NIBOR. This facility is to be amortised at circa £1.0 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. £20.0 million (NOK 210 million) of this facility has been fixed for five years at a NIBOR rate of 2.49% p.a.

A subsidiary of ARC, Alpha Real Property Investment Advisers LLP ("ARPIA") is the investment manager for the Norway portfolio and Malling & Co. is responsible for the day to day property management.

H2O Shopping Centre, Madrid

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
H2O	Direct property	£13.2m (€16.9m)	8.9% p.a. [5]	High-yield, dominant shopping centre	Debt facility with no LTV covenant and a 1.1x ICR covenant

[5] Over 12 months to 30 September 2014

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 51,825 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.

The H2O shopping centre was acquired in April 2010 and to date ART has committed €5.3 million in capital improvements.

The asset management highlights are as follows:

- Centre occupancy: 89.1% by rental value (76.8% by area) as at 30 September 2014.
- Footfall: the year to date 2014 visitor numbers at H2O continue to outperform its peers with footfall continuing to be assisted by the presence of the new Nike destination factory store opened in 2013, the improved foodcourt area and innovative marketing events. It is noteworthy that visitor numbers in some recent months have been at record levels in H2O's history.
- Lease length: weighted average lease length of 10.4 years to expiry and 2.2 years to next break (as at 30 September 2014).
- Leasing update: more than 15 new leases signed in the calendar year to 30 September 2014.
- Lake terrace: the new lakeside "fun boulevard" terrace kiosks are fully let to café/bar operators and recent lettings of the lake restaurant area to two leading restaurant brands reinforce the shopping centre's destination status.
- Access improvements: associated with the recent external restaurant lettings, a new pedestrian bridge over the H2O lake has been completed, providing greater connectivity and footfall to and from the adjoining retail park.
- Marketing: innovative events continue to be carried out to attract new visitors, build customer loyalty and increase dwell time; an extended kid's summer camp has been held during recent months and the exclusive Lego themed play area continues to perform strongly.
- Cost control: an active cost management exercise continues to be implemented to reduce the centre´s operating costs and improve the quality and efficiency of services.

Cash and freehold ground rents

Cash balances

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Cash balance	Cash	£2.9m	0.1 - 1% p.a.	Cash deposits / current accounts	Held between banks with a range of deposit maturities

As at 30 September 2014, the Company had cash balances of £2.9 million.

Freehold Income Authorised Fund ("FIAF")

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Freehold Income Authorised Fund	Equity in ground rent fund	£15.3m	4.4% p.a. [6]	Highly defensive income; freehold ground rents	No gearing; monthly liquidity

[6] Annualised six month income return; post tax

The Company has invested a total of £15.3 million as at 30 September 2014 in FIAF, an open-ended fund that invests in UK freehold ground rents with a net asset value of £220.8 million as at 30 September 2014.

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 30 September 2014 (published in October 2014):

- FIAF continues its unbroken 21 year track record of positive inflation beating returns, generating a total return for the year to 31 March 2014 of 6.94% (based on the bid price of accumulation shares), which included an income distribution for the year of 4.71%.
- 80% of FIAF's freeholds have a form of inflation protection through periodic uplifts linked to Retail Price Index, property values or fixed uplifts.
- As of 13 October 2014 a 5% dilution levy will be applied to all subscriptions into the Fund.
- No debt had been drawn and cash reserves are £43.8 million as at 30 September 2014.

Other investments

Healthcare & Leisure Property Limited ("HLP")

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Healthcare & Leisure Property Limited	Indirect property	£2.3m	7.4% p.a.[7]	Leisure property fund	No external gearing

[7] 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. HLP´s investments are predominantly un-geared.

HLP is managed by Albion Ventures LLP, a specialised UK venture capital manager. No new investments are being made by HLP.

ART currently has £2.3 million invested in HLP as at 30 September 2014. HLP subsequently holds minority stakes in the underlying investments.

ART continues to receive income from its investment while HLP´s underlying assets are sold. HLP has delivered a return of 7.4% over the average investment during ART's ownership period, and ART will continue to benefit from its share of net proceeds from the sales of the underlying assets as they are progressed.

Business Centre Properties Limited ("BCP")

Investment	Investment type	Investment value	Income return	Property type / underlying security	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 owns 2 serviced office properties in the UK, as at 30 September 2014, each operated by Citibase plc. BCP is an Isle of Man registered Open-Ended Investment Company providing investors with exposure to the serviced office sector. BCP is currently in the process of realising assets and returning capital to its investors.

ART's equity interest is 95% of BCP share capital. BCP´s net asset value is concentrated in the Stratford business centre property (which is ungeared) and its liquid cash reserves.

Events after the balance sheet date:

- The Reading property, held in a subsidiary, was sold. Proceeds were applied to partially repay the loan with Bank of Scotland.
- The Stratford property is under offer, with completion expected in December 2014.

Galaxia, National Capital Region, NOIDA

Investment	Investment type	Investment value	Income return	Property type / underlying security	Investment notes
Galaxia	Direct property	£4.5m (INR 450m)	n/a	Special Economic Zone development site	Asset held for 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 micro-markets in India. The Company has a 50% shareholding in the SPV which controls the Galaxia site. There are no bank borrowings on the asset.

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

Both sides presented further summary closing submissions during the reporting period and the arbitration panel is expected to announce a verdict by the end of December 2014.

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

Summary

Over the past six months, despite mixed economic indicators in some of the Company's investment markets, real estate investment volumes and values have continued to recover. A more confident investor outlook has led to an increase in transactions and price rises spreading from prime assets and markets to broader geographic markets and asset types.

The Company continues to implement its active management policy and this has seen encouraging results in both directly and indirectly held investments throughout the UK and European portfolio.

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.

The Company continues to source new investment opportunities with strong cash-flows and/or managed risk profiles that are accretive to its earnings position. ART remains well placed to find value for its investors and to capitalise on new investment opportunities across asset backed investment and debt markets in the UK and Europe.

Brad Bauman and Gordon Smith

For and on behalf of the Investment Manager

20 November 2014

Principal risks and uncertainties

The principal risks and uncertainties facing the ART Group (the "Group") can be outlined as follows:

- Rental income, fair value of investment properties (directly or indirectly held) and fair value of the Group's equity investments are affected, together with other factors, by general economic conditions and/or by the political and economic climate of the jurisdictions in which the Group's investment properties are located.
- The Group's loan investments are exposed to credit risk which arise by the potential failure of the Group's counter parties to discharge their obligations when falling due; this could reduce the amount of future cash inflows from financial assets on hand at the balance sheet date; the Group receives regular updates from the relevant investment manager as to the performance of the underlying investments and assesses its credit risk as a result.

The Board believes that the above principal risks and uncertainties, which are discussed more extensively in the annual report for the year ended 31 March 2014, would be equally applicable to the remaining six month period of the current financial year.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- the condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union; and
- the condensed financial statements meet the requirements of an interim management report (as defined below), and includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six month period of the financial year; and their impact on the interim condensed financial statements; and a description of the principal risks and uncertainties of the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six month period of the current financial year and that have materially affected the financial position or performance of the Company during the period.

The Directors of Alpha Real Trust Limited are listed below and have been Directors throughout the period.

By order of the Board

David Jeffreys
Chairman

20 November 2014

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-yearly financial report for the six months ended 30 September 2014 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-yearly 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 IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report have 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 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 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 to 30 September 2014 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

20 November 2014

Condensed consolidated statement of comprehensive income

		For the six months ended 30 September 2014 (unaudited)			For the six months ended 30 September 2013 (unaudited)		
	Notes	**Revenue £'000**	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Income							
Revenue	3	4,176	-	4,176	4,285	-	4,285
Net change in the revaluation of investment properties	11	-	683	683	-	(265)	(265)
Total income		**4,176**	**683**	**4,859**	**4,285**	**(265)**	**4,020**
Expenses							
Property operating expenses		(1,972)	-	(1,972)	(1,965)	-	(1,965)
Investment Manager's fee		(832)	-	(832)	(875)	-	(875)
Other administration costs		(419)	-	(419)	(804)	-	(804)
Total operating expenses		**(3,223)**	**-**	**(3,223)**	**(3,644)**	**-**	**(3,644)**
Operating profit/(loss)		**953**	**683**	**1,636**	**641**	**(265)**	**376**
Share of profit of joint venture	14	65	24	89	65	10	75
Finance income	4	2,134	250	2,384	2,069	167	2,236
Finance costs	5	(1,002)	(733)	(1,735)	(1,065)	(1,486)	(2,551)
Profit/(loss) before taxation		**2,150**	**224**	**2,374**	**1,710**	**(1,574)**	**136**
Taxation	7	(12)	-	(12)	(141)	-	(141)
Profit/(loss) after taxation		**2,138**	**224**	**2,362**	**1,569**	**(1,574)**	**(5)**
Other comprehensive income/(expense) for the period							
Items that may be reclassified to profit or loss in subsequent periods:							
Exchange differences arising on translation of foreign operations		**-**	(702)	(702)	**-**	(1,088)	(1,088)
Other comprehensive expense for the period		**-**	**(702)**	**(702)**	**-**	**(1,088)**	**(1,088)**
Total comprehensive income/(expense) for the period		**2,138**	**(478)**	**1,660**	**1,569**	**(2,662)**	**(1,093)**
Earnings per share (basic & diluted)	9			**3.3p**			**0.0p**
Adjusted earnings per share (basic & diluted)	9			**3.0p**			**2.2p**

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.

Condensed consolidated balance sheet

	Notes	30 September 2014 (unaudited) £'000	31 March 2014 (audited) £'000
Non-current assets			
Investment property	11	67,320	69,942
Indirect property investment held at fair value	12	4,507	4,525
Investments held at fair value	13	10,414	11,275
Investment in joint venture	14	1,233	1,214
Derivatives held at fair value through profit or loss	22	9	63
Trade and other receivables	15	11,500	11,500
		94,983	**98,519**
Current assets			
Investments held at fair value	13	15,276	13,145
Derivatives held at fair value through profit or loss	22	84	159
Trade and other receivables	15	19,972	19,135
Cash and cash equivalents		4,815	5,444
		40,147	**37,883**
Total assets		**135,130**	**136,402**
Current liabilities			
Trade and other payables	16	**(2,504)**	**(1,374)**
Bank borrowings	17	**(551)**	**(595)**
		(3,055)	**(1,969)**
Total assets less current liabilities		**132,075**	**134,433**
Non-current liabilities			
Bank borrowings	17	(55,602)	(58,740)
Total liabilities		**(58,657)**	**(60,709)**
Net assets		**76,473**	**75,693**
Equity			
Share capital	18	**-**	-
Special reserve		80,289	80,296
Translation reserve		(2,787)	(2,085)
Capital reserve		(10,266)	(10,358)
Revenue reserve		9,237	7,840
Total equity		**76,473**	**75,693**
Net asset value per share	10	**108.3p**	**107.0p**

The financial statements were approved by the Board of Directors and authorised for issue on 20 November 2014. 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.

Condensed consolidated cash flow statement

	For the six months ended 30 September 2014 (unaudited) £'000	For the six months ended 30 September 2013 (unaudited) £'000
Operating activities		
Profit/(loss) for the period after taxation	2,362	(5)
Adjustments for:		
Net change in revaluation of investment property	(683)	265
Taxation	12	141
Share of profit of joint venture	(89)	(75)
Finance income	(2,384)	(2,236)
Finance cost	1,735	2,551
Operating cash flows before movements in working capital	**953**	**641**
Movements in working capital:		
Increase in trade and other receivables	(1,463)	(17)
Increase/(decrease) in trade and other payables	1,128	(733)
Cash generated from/(used in) operations	**618**	**(109)**
Interest received	21	60
Interest paid	(937)	(989)
Tax paid	(11)	(101)
Cash flows used in operating activities	**(309)**	**(1,139)**
Investing activities		
Acquisition of investments	(2,000)	-
Redemption on preference shares' investments	50	100
Capital expenditure on investment property	(263)	(73)
Loan repayment from related party	487	3,417
Loan granted to related party	-	(6,000)
Loan interest received	1,246	162
Convertible loan interest received	231	-
Dividend income from joint venture	70	71
Dividend income from other investments	419	522
Cash flows from/(used in) investing activities	**240**	**(1,801)**
Financing activities		
Bank loan repayment	-	(463)
Share buyback	-	(1,479)
Share issue costs	(7)	(18)
Share buyback costs	-	(4)
Gain on currency option	-	142
Gain on foreign exchange forward	322	-
Foreign exchange forward collateral received/(paid)	62	(362)
Special dividend paid to A shareholders	(132)	-
Ordinary dividends paid	(741)	(764)
Cash flows used in financing activities	**(496)**	**(2,948)**
Net decrease in cash and cash equivalents	**(565)**	**(5,888)**
Cash and cash equivalents at beginning of period	**5,444**	**12,602**
Exchange translation movement	(64)	(5)
Cash and cash equivalents at end of period	**4,815**	**6,709**

The accompanying notes form an integral part of this statement

Condensed consolidated statement of changes in equity

For the six months ended 30 September 2014 (unaudited)	Special reserve £'000	Translation reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total equity £'000
At 1 April 2014	**80,296**	**(2,085)**	**(10,358)**	**7,840**	**75,693**
Total comprehensive income/(expense) for the period	-	(702)	224	2,138	1,660
Dividends	-	-	(132)	(741)	(873)
Share issue costs	(7)	-	-	-	(7)
At 30 September 2014	**80,289**	**(2,787)**	**(10,266)**	**9,237**	**76,473**

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**

The accompanying notes form an integral part of this statement

Notes to the financial statements for the period ended 30 September 2014

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 investors are seeking a return. The Company's functional currency is Sterling and the subsidiaries' currencies are either Euro or Indian Rupees. The presentation currency of the Group is Sterling. The period end exchange rate used is £1:INR99.840 (March 2014: £1:INR99.418) and the average rate for the period used is £1:INR100.697 (September 2013: £1: INR90.894). For Euro based transactions the period end exchange rate used is £1:€1.280 (March 2014: £1:€1.210) and the average rate for the period used is £1:€1.243 (September 2013: £1:€ 1.173).

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 20 November 2014 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 2014, has 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 2014, 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 2014.

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 2014 and determined that they have no impact on 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 2014 to 30 September 2014 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.

3. Revenue

	For the six months ended 30 September 2014 £'000	For the six months ended 30 September 2013 £'000
Rental income	3,085	3,251
Service charges	1,076	1,034
Other income	15	-
Total	**4,176**	**4,285**

4. Finance income

	For the six months ended 30 September 2014 £'000	For the six months ended 30 September 2013 £'000
Bank interest received	21	60
Interest receivable on convertible loan	389	563
Interest receivable on loans to related parties	1,258	666
Foreign exchange gain	3	3
Net gains on financial assets and liabilities held at fair value through profit or loss (note 6)	713	944
Total	**2,384**	**2,236**

5. Finance costs

	For the six months ended 30 September 2014 £'000	For the six months ended 30 September 2013 £'000
Interest on bank borrowings	1,002	1,065
Net losses on financial assets and liabilities held at fair value through profit or loss (note 6)	733	1,486
Total	**1,735**	**2,551**

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

	For the six months ended 30 September 2014 £'000	For the six months ended 30 September 2013 £'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	(52)	66
Movement in fair value of currency swaps	-	(110)
Movement in fair value of the foreign exchange forward	247	98
Movement in fair value of investments	(681)	(1,376)
Undistributed investment income	182	258
Realised gains and losses on financial assets and liabilities held at fair value through profit or loss		
Distributed investment income	250	454
Dividends received from investments	34	68
Net losses on financial assets and liabilities held at fair value through profit or loss	**(20)**	**(542)**
Disclosed as:		
Finance income (note 4)	713	944
Finance costs (note 5)	(733)	(1,486)
Net losses on financial assets and liabilities held at fair value through profit or loss	**(20)**	**(542)**

7. Taxation

	For the six months ended 30 September 2014 £'000	For the six months ended 30 September 2013 £'000
Current tax	12	141
Deferred tax	-	-
Tax expense	**12**	**141**

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.

In December 2013, the Company's subsidiary in Spain, Alpha Tiger Spain 1, SLU ('ATS1'), which owns the H2O property, entered into a new Spanish tax regime: Sociedades Anónimas Cotizadas de Inversión en el Mercado Inmobiliario ("SOCIMI"). Under this regime, there is no Corporate Income Tax although ATS1 is subject to distribution rules on income and gains.

The current tax charge is due in Cyprus and Luxembourg.

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 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. Unused tax losses in Cyprus can be carried forward for 5 years.

8. Dividends

Dividend reference period	Shares '000	Dividend per share	Paid £	Date
Quarter ended 31 March 2014	70,614	0.525p	370,723	1 August 2014
Quarter ended 30 June 2014	70,614	0.525p	370,723	26 September 2014
Total			**741,446**	

During the year ended 31 March 2014, ACE disposed of its property portfolio, which, following the liquidation of ACE, generated approximately £0.1m for ART A shareholders: this amount was therefore paid to ART A shareholders as a special dividend on 15 August 2014. The Company will pay a dividend for the half year ended 30 September 2014 on 19 December 2014.

9. Earnings per share

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

	For the six months ended 30 September 2014	Year ended 31 March 2014	For the six months ended 30 September 2013
Earnings per statement of comprehensive income (£'000)	2,362	1,570	(5)
Basic and diluted earnings pence per share	**3.3p**	**2.2p**	**0.0p**
Earnings per statement of comprehensive income (£'000)	2,362	1,570	(5)
Net change in the revaluation of investment properties	(683)	658	265
Movement in fair value of investment in ordinary shares	409	(944)	(173)
Movement in fair value of investments in redeemable preference shares	272	2,438	1,549
Movement in fair value of interest rate cap (mark to market)	52	94	(66)
Movement in fair value of currency swaps (mark to market)	-	110	110
Movement in fair value of the foreign exchange forward (mark to market)	(247)	(159)	(98)
Movement in fair value of the joint venture's interest rate swap (mark to market)	(4)	(15)	(10)
Net change in the revaluation of the joint venture's investment property	(20)	-	-
Foreign exchange gain	(3)	(4)	(3)
Adjusted earnings	**2,138**	**3,748**	**1,569**
Adjusted earnings per ordinary share	**3.0p**	**5.3p**	**2.2p**
Weighted average number of ordinary shares (000's)	**70,614**	**71,110**	**71,695**

The adjusted earnings are presented to provide what the Board 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 2014 £'000	At 31 March 2014 £'000	At 30 September 2013 £'000
Net asset value (£'000)	76,473	75,693	75,509
Net asset value per ordinary share (p)	**108.3p***	**107.0p***	**106.4p**
Number of ordinary shares (000's)	**70,614**	**70,614**	**70,964**

*The net asset value per ordinary share for the year ended 31 March 2014 has been calculated by deducting from the net asset value the proceeds realised from ACE's portfolio disposal (£0.1m), which are due to ART's A shareholders, who were formerly shareholders in PIP. The net asset value per A shares as at 31 March 2014 was 107.9p. Following distribution of the £0.1m proceeds to ART's A shareholders on 15 August 2014, the net asset value per share as at 30 September 2014 is the same for all ART's shareholders.

11. Investment property

	30 September 2014 £'000	31 March 2014 £'000
Fair value of investment property at 1 April	**69,942**	**71,433**
Subsequent capital expenditure after acquisition	263	417
Rent incentive movement	292	226
Fair value adjustment in the period/year	683	(658)
Foreign exchange movements	(3,860)	(1,476)
Fair value of investment property at 30 September / 31 March	**67,320**	**69,942**

Investment property represents the Group's investment in the H2O shopping centre in Madrid, Spain. 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") Appraisal and Valuation Standards. The approved RICS definition of fair value is "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."

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 2014 £'000	31 March 2014 £'000
As at 1 April	**4,525**	**5,451**
Effect of foreign exchange	(18)	(926)
As at 30 September / 31 March	**4,507**	**4,525**

The Galaxia investment is carried at a fair value of INR 450 million (£4.5 million). The Group's estimation of fair value is based upon legal advice following a recommencement of arbitration proceedings following breaches by the Logix Group promoters. The arbitration seeks an award of INR 450 million plus the agreed minimum investment return and lost profit from Logix Group. The Directors consider it prudent to continue to value the indirect investment at INR 450 million.

13. Investments held at fair value

	30 September 2014 £'000	31 March 2014 £'000
Non-current		
As at 1 April	**11,275**	**12,869**
Additions during the period / year	-	-
Redemptions	(50)	(100)
Distributed investment income in period / year	(130)	-
Movement in fair value of investments	(681)	(1,494)
As at 30 September / 31 March	**10,414**	**11,275**

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 IMPT; 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 2014 was £0.8m;
- £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 2014 was £2.7m;
- £6.4m in participating redeemable preference shares of Europip; the fund provides quarterly valuations of the net asset value of its shares; the net asset value of the investment as at 30 September 2014 was £4.6m;
- £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 £1.3m 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 30 September 2014, this being 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 is passed exclusively to ART A shareholders. During the year ended 31 March 2014, ACE disposed of its property portfolio, which, following the liquidation of ACE, generated £0.1m for ART A shareholders: this amount was therefore paid to ART A shareholders as a special dividend on 15 August 2014. ACE was formally dissolved on 29 October 2014.

As at 30 September 2014, the net asset value of ART's investment in Romulus was nil.

The Directors consider 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 2014 £'000**	**31 March 2014 £'000**
Current		
As at 1 April	**13,145**	**15,252**
Additions during the period / year	2,000	-
Redemptions during the period / year	-	(2,500)
Distributed investment income in period / year	(251)	(454)
Undistributed investment income in period / year	382	847
As at 30 September / 31 March	**15,276**	**13,145**

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. During the year ended 31 March 2014, ART made net redemptions of FIAF units amounting to £2.5m. On 12 August 2014, the Group invested a further £2m in FIAF. FIAF provides monthly valuations of the net asset value of its units. The investment has been valued at the net asset value of FIAF as at 30 September 2014.

14. Investment in joint venture

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

	30 September 2014 £'000	**31 March 2014 £'000**
As at 1 April	**1,214**	**1,203**
Group's share of profits of joint venture recognised during the period / year	65	135
Fair value adjustment for interest rate swap	4	15
Fair value adjustment for investment property	20	-
Dividends paid by joint venture to the Group	(70)	(139)
As at 30 September / 31 March	**1,233**	**1,214**

15. Trade and other receivables

	30 September 2014 £'000	31 March 2014 £'000
Non-current		
Loan granted to related party	**11,500**	**11,500**
Current		
Convertible loan	7,823	7,823
Trade debtors	1,270	73
VAT	95	81
Loans granted to related parties	8,593	9,080
Other debtors	593	650
Interest receivable from loans granted to related parties	494	482
Interest receivable from convertible loan	**1,104**	**946**
Total	**19,972**	**19,135**

On 9 August 2010, the Company subscribed for £4.75 million of convertible unsecured loan stock ("CULS") in IMPT. 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, IMPT had issued 4 million share options to the Company at an exercise price of 50 pence per share.

On 1 July 2013, ART announced the redemption of all outstanding IMPT 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 £6.4 million, which ART agreed to provide to IMPT as an unsecured loan, earning a coupon of 15% per annum compounded quarterly. On 6 December 2013, ART agreed to provide IMPT with a net additional investment of £4.6 million, which was incorporated with the existing £6.4 million loan plus £0.5 million of accrued interest into a new unsecured loan amounting to £11.5 million. The new unsecured loan is for five years, expiring in December 2018, and carries a coupon of 15% per annum. The IMPT loan balance as at 30 September 2014 is £11.8 million, which reflects the principal agreed for the new unsecured loan of £11.5 million plus accrued interest of £0.3 million.

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 the 30 June 2014 period end. The AURE Convertible Loan balance as at 30 September 2014 is £8.9 million, which comprises the principal of £7.8 million plus accrued coupon and redemption interest of £1.1 million.

On 27 September 2013, the Company granted a £6.0 million one year loan to AURE. The loan has an annual coupon of 9% and is unsecured. The loan was partly repaid in November 2013 by £1.8 million and in May 2014 by £0.5 million. The AURE loan balance as at 30 September 2014 is £3.8 million, which comprises the principal of £3.7 million plus accrued interest of £0.1 million.

On 3 December 2012, following the completion of the PIP acquisition, the Group acquired a one year 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 had 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. On 26 November 2013, the loan was extended by a further 12 months. During the year ended 31 March 2014, Europip made part repayments towards the existing loan of £2.6 million. As at 30 September 2014, the balance of the loan granted to Europip, including capitalised interest of £0.6 million and accrued interest of £0.1 million, was £5.0 million. Post period end, Europip has made a £0.6 million loan repayment together with its quarterly interest payment of £0.1 million: the outstanding principal balance on the loan at the time of signing these financial statements is therefore £4.3 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 2014 £'000	31 March 2014 £'000
Trade creditors	1,680	607
Investment Manager's fee payable	408	432
Accruals	396	333
Other creditors	17	-
Corporation tax	3	2
Total	**2,504**	**1,374**

Trade and other payables 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 2014 £'000	31 March 2014 £'000
Current liabilities: interest payable	127	146
Current liabilities: repayments	424	449
Total current liabilities	**551**	**595**
Non-current liabilities: bank borrowings	55,602	58,740
Total liabilities	**56,153**	**59,335**
The borrowings are repayable as follows:		
Interest payable	127	146
On demand or within one year	424	449
In the second to fifth years inclusive	55,602	58,740
After five years	-	-
Total	**56,153**	**59,335**

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

	30 September 2014 £'000	31 March 2014 £'000
As at 1 April	**58,740**	**60,736**
Repayment of borrowings	-	(916)
Reclassification to current liabilities	25	9
Amortisation of deferred finance costs	76	160
Exchange differences on translation of foreign currencies	(3,239)	(1,249)
As at 30 September / 31 March	**55,602**	**58,740**

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

The Spanish SPV loan was originally provided by a syndicate of three banks (Eurohypo AG, Deutsche Hypothekenbank and Landesbank Hessen-Thuringen Girozentrale). In August 2014, the syndicate transferred the loan to MHB Bank AG, a subsidiary of the Lone Star group. 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
Issued and fully paid	**Ordinary treasury**	**A shares external**	**Ordinary external**	**Ordinary total**	**Total shares**
At 1 April 2014	**6,009,974**	**15,148,128**	**55,465,727**	**61,475,701**	**76,623,829**
Share conversion	-	(4,233,314)	4,233,314	4,233,314	-
Shares cancelled following buyback	-	-	-	-	-
Shares bought back	-	-	-	-	-
At 30 September 2014	**6,009,974**	**10,914,814**	**59,699,041**	**65,709,015**	**76,623,829**

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

On 13 August 2014, the Company published a circular giving notice of its Annual General Meeting on 5 September 2014. Consistent with the Company's commitment to shareholder value, the Company asked its shareholders to approve 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 2016 and (ii) 4 March 2016. The shareholders approved the proposal.

During the period ended 30 September 2014, the Company made no share buybacks and 4,233,314 A shares were converted into ordinary shares. As at 30 September 2014, the ordinary share capital of the Company was 65,709,015 (including 6,009,974 shares held in treasury). The Company also had 10,914,814 A shares in issue. The total voting rights in ART were 76,623,829.

Since the period end, the Company has made no share buybacks and 110,458 A shares were converted into ordinary shares. At the date of signing these financial statements the ordinary share capital of the Company was 65,819,473 (including 6,009,974 shares held in treasury). The Company also has 10,804,356 A shares in issue. The total voting rights in ART are unchanged at 76,623,829.

19. Share based payments

The Group has not recognised any share based payment for the period ended 30 September 2014 (31 March 2014: £nil).

20. Events after the balance sheet date

After the balance sheet date, a total of 110,458 A Shares were converted into Ordinary Shares (Note 18).

ART has also received a £0.6 million loan repayment from Europip, which has reduced the outstanding principal balance on the loan to £4.3 million (Note 15). As detailed in the investment review section, ART has agreed to extend this facility to Europip for a period of two years, expiring in November 2016. The new loan will have a coupon of 9% per annum plus applicable fees.

Post period end, as detailed in the investment review section, ART has also agreed to refinance its loans to AURE which mature in November 2014. ART will provide a new mezzanine loan facility of £10.3 million for a two year term expiring November 2016. The loan will have a coupon of 9% per annum plus applicable fees.

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 IMPT where ARC is the Investment Manager. ARC rebates fees earned in relation to the Company's investment in IMPT.

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 had invested in ACE, where ARPIA, a subsidiary of ARC, was property investment adviser. ARC rebated fees earned in relation to the Company's investment in ACE. ACE was dissolved on 29 October 2014.

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 in Phase 1000, Cambourne Business Park, Cambridge.

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 2014 is provided in note 16.

The Directors of the Company received total fees as follows:

	For the six months ended 30 September 2014	For the six months ended 30 September 2013
David Jeffreys	15,750	15,750
Phillip Rose	11,000	11,000
Serena Tremlett	17,500	15,000
Jeff Chowdhry	11,000	11,000
Roddy Sage	11,000	11,000

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

	30 September 2014 Number of ordinary shares held	31 March 2014 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	-	-

Alpha Global Property Securities Fund Pte. Ltd, a wholly owned subsidiary of ARC registered in Singapore, held 22,550,000 shares in the Company at 30 September 2014 (31 March 2014: 20,000,000).

ARC did not hold any shares in the Company at 30 September 2014 (31 March 2014: 2,550,000). The following, being partners of the Investment Manager, hold direct interests in the following shares of the Company at 30 September 2014:

	30 September 2014 Number of ordinary shares held	31 March 2014 Number of ordinary shares held
IPGL 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

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 £40,500 (31 March 2014: £77,000).

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

	30 September 2014 £'000	31 March 2014 £'000
Non-current assets		
Investments held at fair value	10,414	11,275
Indirect property investment held at fair value	4,507	4,525
Interest rate cap	**9**	**63**
Total non-current assets	**14,930**	**15,863**
Current assets		
Investments held at fair value	**15,276**	**13,145**
Foreign exchange forward contract	**84**	**159**
Total current assets	**15,360**	**13,304**
Total	**30,290**	**29,167**

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 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 IMPT'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 Board 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.

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 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value	834	24,856	-	25,690
Indirect property investment at fair value	-	-	4,507	4,507
Interest rate cap	-	9	-	9
Foreign exchange forward	-	84	-	84
Total	**834**	**24,949**	**4,507**	**30,290**

As at 31 March 2014	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments held at fair value	1,243	23,177	-	24,420
Indirect property investment at fair value	-	-	4,525	4,525
Interest rate cap	-	63	-	63
Foreign exchange forward	-	159	-	159
Total	**1,243**	**23,399**	**4,525**	**29,167**

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 2014.

Directors and Company information

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Jeff Chowdhry
Roddy Sage
Phillip Rose
Serena Tremlett

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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 have been 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 Company'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	21 November 2014	Half year ended 30 September 2014	4 December 2014	5 December 2014	19 December 2014
Trading update (Qtr 3)	13 February 2015	Quarter ended 31 December 2014	26 February 2015	27 February 2015	20 March 2015
Annual report and accounts announcement	19 June 2015				
Annual report published	26 June 2015	Year ended 31 March 2015	2 July 2015	3 July 2015	17 July 2015
Annual General Meeting	12 August 2015				