The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

26 May 2017

Specialist Investment Properties plc
(the "Company" or "SIPP")

Final Results for the year ended 31 December 2016

Specialist Investment Properties plc is pleased to announce its final results for the year to 31 December 2016.

For further information:

Specialist Investment Properties plc

John Le Poidevin / Lynn Bruce / Simon Clements

+44 (0) 1481 724222

Allenby Capital Limited (Nomad and Broker to the Company)

David Worlidge / James Thomas / Liz Kirchner

+44 (0) 20 7167 6433

Strategic Report

We take pleasure in reporting our first set of consolidated annual results since Specialist Investment Properties plc ("SIPP" or "the Group") began to implement its new investing policy.

The Group completed its initial fundraise in February 2016 and has spent the remainder of the year deploying the capital raised into its three identified asset classes of children's homes, supported living accommodation and short term accommodation for local authorities. Debt funding was secured during the year to increase the pool of available capital for acquisition opportunities. By the end of the year, we are pleased to report that SIPP had reached a stabilised portfolio of high yielding and profit generative assets.

It is evident that the sectors in which SIPP has chosen to operate offer strong income returns as well as the potential for future capital growth, and our Investment Adviser has identified a number of investment opportunities available in the market. The Group has, however, now used the majority of its available capital and will not be able to achieve the critical mass it could do without further raising and deployment of funds. Accordingly, SIPP sought some months ago to raise additional equity capital. This did not proceed because the small size of the company and the extent of its investment pipeline limited the market capitalisation of the company post fund-raising which diminished the attractiveness for institutional investors (who were generally positive about the investment strategy but were looking for a larger market capitalisation).

As a suitable fundraising was not possible, the Board is now considering the best options to realise value in the Group which may include seeking shareholder approval for the cancellation of the Company's ordinary shares from trading on AIM in order to preserve shareholder value and/or a sale of the Group's assets. Details regarding the assignment of two supported living properties can be found below.

Financial Review

Following the adoption of the Group's new investing policy, SIPP conducted a placing and open offer which raised £2.1m before costs on 23 February 2016.

The Group made its first acquisitions of two properties on 1 March 2016 and continued to add to its portfolio throughout the year. As a result, the revenue for the Group for the year does not give a steady state picture. Total annualised rent for the properties now held by the Group is £623,000.

As a consequence of the limited amount of time that the properties acquired had been held for during the year and the low yield on cash balances held for property purchases in the pipeline, the Group incurred a loss before and after taxation of £136,000 for the year. The Group had reached monthly profitability by December 2016.

The Group's balance sheet shows net assets of £2.2m, including £6.2m gross value of investment properties, £0.4m of cash and £4.3m of borrowings.

The key performance indicators of the business are considered to be investment property valuations, net assets, rental yields and profit.

Portfolio Summary

The Group's portfolio of £6.2m of investment properties at 31 December 2016 consisted of six former residential properties operating as children's homes; two supported living homes comprising twelve self-contained apartments and one three-bedroom house; and sixteen residential units providing short term accommodation to local authorities to allow them to meet their statutory obligations. The children's homes and supported living homes are leased to care operators and housing associations on long term full repairing and insuring leases with inflation adjustment for rent over the life of the lease.

The Group has acquired two further properties in its short-term accommodation portfolio subsequent to the year end at attractive indicative gross yields.

	Units	**Purchase price excl costs (£000s)**	**Passing rent (£000s)**	**Gross yield %**
Acquired during the year				
Children's homes	6	2,160	213	9.9%
Supported Living homes	15	1,468	136	9.2%
Short term accommodation	16	2,163	241	11.2%
As at 31 December 2016	**37**	**5,791**	**590**	**10.2%**

Acquired subsequent to the year end				
Short term accommodation	2	262	33	12.6%
Current portfolio	**39**	**6,053**	**623**	**10.3%**

The gross rental yield for the current portfolio on purchase costs after taking account of stamp duty, legal costs and fees is 9.5% p.a.

Assignment of two supported living properties

During the year, the Group exchanged contracts for the purchase of two further supported living properties in St Helens, Merseyside and Workington, Cumbria, details of which were announced on 2 and 15 September 2016 respectively. Both of these properties were under construction at the year end. Subsequent to the year end, one of these properties has now reached practical completion, with the second expected to achieve this later this month.

In order to complete the purchases, the Group would be required to either raise additional equity as part of a larger capital raise or to draw down substantially on its debt facilities, including the bridging facility in place with Heritage Square Limited. As stated above, the Board has not been able to effect an equity raise. If the Group were to draw down solely against the available debt facilities the Board has concluded that the cost of additional debt would mean that acquiring these properties would be earnings dilutive for the Group and as such the Board has been investigating alternative options. The Board is pleased to announce that it has agreed terms for the assignment of these property purchases to Puma Social Care Investments Limited ("PSCI") in a process that will reimburse all of the Group's costs to date in relation to the two prospective purchases and reflect any increase in value since the exchange of contracts. An independent valuation of the properties was obtained by the Board which indicated that the open market value of the two properties, once developed, operating and with the agreed lease in place, net of costs, was £3,335,000. The cash consideration payable by PSCI is £121,100, which will result in the Group achieving a profit on reassignment of £26,858 after adjusting for construction monitoring fees of £31,950 and the reimbursement of £62,292 of legal expenses incurred by the Group.

PSCI is deemed to be a related party under Rule 13 of the AIM Rules as it is one-third owned by Shore Capital Group Limited, the majority shareholder of the Group's Investment Adviser, Puma Investment Management Limited. Another member of the Shore Capital group of companies is also a substantial shareholder in SIPP. Lynn Bruce, a director the Group, is also a director of PSCI. As a consequence, the assignment of the property purchases to PSCI is deemed to be a related party transaction under Rule 13 of the AIM Rules.

John Le Poidevin and Simon Clements, the independent directors of the Group, having consulted with the Group's nominated adviser, Allenby Capital Limited, consider that the terms of the assignment are fair and reasonable insofar as shareholders are concerned.

Principal Risks and Uncertainties

The principal risks and uncertainties of the Group, together with consideration of their management and mitigation, are presented in note 14 to the financial information.

Outlook

Having established a stabilised and cash generative portfolio, the Board is now considering the best options to realise value in the Group.

Results and dividends
The results for the financial year are set out on page 10. The Directors do not propose a final dividend.

Principal activities
The principal activity of the Group is that of owning and renting out properties in the social care sector.

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2016

		2016	2015
	Notes	**£'000**	**£'000**
Revenue	3	**174**	-
Administrative expenditure		**(229)**	(168)
Operating loss	4	**(55)**	(168)
Interest income		**1**	2
Finance costs	5	**(82)**	-
Loss before taxation		**(136)**	(166)
Taxation	6	**-**	**-**
Loss for the year and total comprehensive expense		**(136)**	(166)
Attributable to:			
Equity holders of the parent		(136)	(166)

Non-controlling interests		**-**	**-**
		(136)	(166)

Loss per share

Basic and diluted (pence)	7	**(1.16)**	(6.66)

All items in the above statement derive from continuing operations.

Consolidated Statement of Financial Position

As at 31 December 2016

		2016	**2015**
	Notes	**£'000**	**£'000**
Non-current assets			
Investment Properties	10	**6,223**	-
Intangible assets		**2**	-
		6,225	-
Current assets			
Trade and other receivables	11	**159**	8
Cash and cash equivalents		**365**	333
		524	341
Total assets		**6,749**	341
Current liabilities			
Trade and other payables	12	**(192)**	(23)
Non-current liabilities			
Loans due in over one year	13	**(4,295)**	-
Other payables	12	**(31)**	-

		(4,326)	-
Total liabilities		**(4,518)**	(23)
Net Assets		**2,231**	318
Equity			
Capital and Reserves			
Share capital	16	**2,599**	2,491
Share premium	16	**12,940**	11,015
Retained earnings		**(13,324)**	(13,188)
Equity attributable to equity holders of the parent		**2,215**	318
Non-controlling interest	17	**16**	-
Total equity		**2,231**	318
Net Asset Value per share (restated for 2015)	18	**16.62p**	12.77p

Consolidated Statement of Cash Flows

For the year ended 31 December 2016

	2016	2015
	£'000	**£'000**
Cash flows from operating activities		
Operating loss for the year	**(55)**	(168)
Increase in receivables	**(151)**	-
Increase/(decrease) in payables	**130**	(2)

Net cash flows used in operating activities	**(76)**	(170)
Investing activities		
Purchase of investment properties	**(6,223)**	-
Purchase of intangible assets	**(2)**	-
Net cash used in investing activities	**(6,225)**	-
Financing activities		
Interest income	**1**	2
Finance costs	**(43)**	-
Net proceeds from issue of share capital	**2,033**	-
Issue of preference shares	**47**	-
New loans received	**4,295**	-
Net cash from financing activities	**6,333**	2
Net increase/(decrease) in cash and cash equivalents during the year	**32**	(168)
Cash and cash equivalents at beginning of period	**333**	501
Cash and cash equivalents at end of period	**365**	333

Consolidated Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital	**Share premium account**	**Retained earnings**	**Non-controlling interest**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2016	2,491	11,015	(13,188)	-	318
Total comprehensive loss for the year	-	-	(136)	-	(136)

Issue of preference shares	-	-	-	16	16
Issue of share capital	108	1,925	-	-	2,033
At 31 December 2016	**2,599**	**12,940**	**(13,324)**	**16**	**2,231**

	Share capital	Share premium account	Retained earnings	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000
At 1 January 2015	2,491	11,015	(13,022)	-	484
Total comprehensive loss for the year	-	-	(166)	-	(166)
At 31 December 2015	**2,491**	**11,015**	**(13,188)**	**-**	**318**

Notes to the accounts
For the year ended 31 December 2016

1. General Information

Specialist Investment Properties plc is incorporated in the Isle of Man under the Companies Acts 1931 to 2004. The nature of its principal activities is set out in the Directors' Report. This financial information is presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates and is rounded to the nearest thousand pounds.

The financial information set out in the announcement does not constitute the company's statutory accounts for the years ended 31 December 2016 or 2015. The annual report and financial statements for the year ended 31 December 2016 were approved by the Board of Directors on 26 May 2017 along with this preliminary announcement. The auditor's report for on the statutory accounts for the year ended 31 December 2016 and the previous auditor's report on the statutory accounts for the year ended 31 December 2015 were both unqualified.

2. Accounting Policies

Basis of preparation

This financial information is prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis of accounting

The financial information has been prepared on the historical cost basis, except for investment properties which are held at fair value. The principal accounting policies adopted in the preparation of the financial information are set out below.

Basis of consolidation

The consolidated financial information incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present; power over the subsidiary; exposure, or rights to, the variable returns from its involvement with the subsidiary; and the ability to affect those returns through its power over the subsidiary.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interest's share of changes in equity since the date of the combination.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Adoption of new and revised standards

In the current year, there were no new and revised Standards and Interpretations that were adopted.

Standards in issue but not yet effective

New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on 1 January 2016 are:

- IFRS 15 Revenue from Contracts with Customers (EU effective date 1 January 2018)
- IFRS 9 Financial Instruments (EU effective date 1 January 2018)
- IFRS 16 Leases

The directors have assessed the impact of these standards, and do not consider that there will be a material impact on the financial information.

Going Concern
The Group continues to adopt the going concern basis in preparing the financial information. Cash flow forecasts indicate that the Group will have sufficient resources to continue for at least twelve months from the date of signing this financial information.

Judgements and key sources of estimation uncertainty
In preparing this financial information, the directors have made the following judgements:

- They have determined the fair value of the investment properties as at 31 December 2016. In reaching this fair value, they have considered the economic viability and expected future financial performance of the assets.
- They have estimated the level of provision required for both current and deferred tax.

Revenue recognition
Rental income arising from operating leases on investment properties is accounted for on a straight line basis over the lease term. For leases which contain fixed or minimum deemed uplifts, the rental income is recognised on a straight line basis over the lease term. Incentives for lessees to enter into lease agreements are spread evenly over the lease terms, even if the payments are not made on such a basis. Rental income is measured at the fair value of the consideration receivable, excluding discounts, rebates, VAT and other sales taxes or duty.

Finance Costs
Transaction costs associated with loans are set off against the total loan balance and amortised over the term of the loan facility. Other finance costs are expensed in the period in which they occur.

Taxation
Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that is not a business combination and affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in profit or loss for the period except when it relates to items charged or credited in other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity.

Deferred tax arising as a consequence of investment property carried at fair value is calculated on the basis that the property will be recovered through a sale of the property in line with the Group's business model which is to generate value in the form of capital appreciation.

Investment properties
The Group's investment properties are held for long term investment. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value based on market data and a valuation made as of each reporting date. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect future benefits from this future expenditure.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.
Investment properties are recognised for accounting purposes upon completion of contract, when the risks and rewards of ownership are transferred to the Group. Investment properties cease to be recognised when they have been disposed of. Any gains and losses arising are recognised in profit or loss during the year of disposal.

Intangible assets
Intangible assets purchased are measured initially at purchase cost, and then amortised on a straight line basis over their estimated useful lives.

Financial instruments
Financial assets and financial liabilities are recognised in the Group’s Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. The classification of the Group’s financial assets and liabilities depends on their nature and purpose and is determined at the time of initial recognition.

Financial assets
Financial assets of the Group are all classified as ‘loans and receivables’.

Financial liabilities
Financial liabilities are classified as ‘other financial liabilities’.

Loans and receivables
Trade and other receivables which have fixed or determinable payments which are not quoted in an active market are classified as loans and receivables. Financial assets in this category are measured at amortised cost using the effective interest method, less any impairment.

Other financial liabilities
Other financial liabilities comprise bank loans, trade payables, preference shares and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Cash and Cash Equivalents
Cash comprises cash in hand which may be accessed without penalty.

Equity
The following describes the nature and purpose of each reserve within equity:
- 'Share capital' represents the nominal value of equity shares;
- 'Share premium' represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue;
- 'Retained earnings' represents retained profits.
- 'Non-controlling interest' represents the equity element of the B preference shares.

3. **Turnover**

	2016	**2015**
	£'000	**£'000**
Rental income	**174**	-

All turnover has arisen in the United Kingdom.

Certain of the Group's tenants individually contribute more than 10% of the Group's revenue. Tenants meeting this criteria contributed £104,023 and £29,491 to revenue respectively during the year.

4. Loss for the year
Loss for the year has been arrived at after charging:

	2016	**2015**
	£'000	**£'000**
Audit fees	**28**	19
Taxation services	**18**	**-**
	46	19

The prior year audit fees were payable to the previous auditors, Crowe Morgan LLC. Taxation services in the current year are payable to Deloitte LLP.

5. Finance costs

	2016	2015
	£'000	£'000
Amortisation of loan arrangement fee	**6**	-
Interest payable	**76**	-
	82	-

6. Taxation

Profits arising from property rentals are taxable in the UK via corporation tax where the property is owned by a UK tax resident company, and via the Non Resident Landlord Scheme where the property is owned by an oversees company. Profits are currently taxable at 20% under both schemes.

	2016	2015
	£'000	£'000
Loss for the year	**(136)**	(166)
Items not subject to taxation	**61**	-
	(75)	(166)
Taxable at 20%	**(15)**	(33)
Tax losses carried forward / written off	**15**	33
Tax payable	**-**	**-**

As at 31 December 2016, the Group had tax losses carried forward of £75,000. No deferred tax asset has been recognised in respect of these losses due to uncertainty over the timing of any recovery.

7. Loss per share

	2016	2015
	£'000	**£'000**
Losses for the purposes of basic earnings per share being net loss attributable to owners of the Group	**(136)**	(166)

Number of Shares	**2016**	**2015**
	No.	**No.**
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**11,678,518**	2,490,953

Loss per share - continuing operations		
Basic and diluted (pence)	**(1.16)**	(6.66)

The loss per share for the year ended 31 December 2015 has been restated to take account of the share reorganisation in the year (see note 16). The calculation for the current year also assumes that the share reorganisation was in place from 1 January 2016.

8. Emoluments of the Directors of the Company

The remuneration of the Directors of the Company, who are the key management personnel, is set out below:

	2016	2015
	£'000	**£'000**
David Craine (resigned)	**8**	14
Derek Short (resigned)	**3**	24
John Le Poidevin	**8**	-
Elizabeth Lynn Bruce	**4**	-
Simon Clements	**2**	-

	25	38

9. Dividends

The Directors do not propose a final dividend in relation to the year ended 31 December 2016 (2015: £nil).

10. Investment properties

	2016	**2015**
	£'000	**£'000**
At 1 January	**-**	-
Additions	**6,223**	-
At 31 December	**6,223**	-

There has been no movement in the valuation during the year to 31 December 2016.

The different valuation method levels are defined below.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

These levels are specified in accordance with IFRS 13 Fair Value Measurement. Our property valuation approach and process is set out below. Property valuations are inherently subjective as they are made on the basis of assumptions made by the valuer which may not prove to be accurate. For these reasons we have classified the investment property valuations as Level 3 as defined by IFRS 13.

There have been no transfers between the fair value hierarchy levels during the period.

At 31 December 2016 there were no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal (2015: £nil).

At 31 December 2016 the Group had a contractual obligation to purchase two properties on practical completion. Further details are outlined in note 22.

Valuation and sensitivity

The property portfolio is subject to annual valuations by the Directors and was valued at 31 December 2016 on the basis of fair value in accordance with the RICS Valuation Professional Standards, which takes account of the properties' highest and best use.

The Directors valued the properties with reference to rental income and yields. Rental income varies from £15,600 per annum to £210,000. The Directors have applied yields between 8.3% and 10.85%.

10. Trade and other receivables

	2016	2015
	£'000	£'000
Trade debtors	**29**	-
Prepayments and accrued income	**130**	8
	159	8

All amounts included in trade and other debtors fall due for payment within one year. The carrying value of trade and other receivables classified as loans and receivables approximates fair value.

11. Trade and other payables

Due in less than one year

	2016	2015
	£'000	£'000
Other payables	**46**	-
Accrued interest	**33**	-
Accruals and deferred income	**113**	23
	192	23

The carrying value of trade and other payables classified as other financial liabilities measured at amortised cost approximates fair value.

Due in more than one year

	2016	2015

	£'000	**£'000**
Other payables	**31**	-

Other payables of £31,360 (2015: £nil) are preference shares. See note 17 for further information.

12. Loans due in over one year

As at 31 December 2016, the Group had drawn loans totaling £4,297,500 from loan facilities advanced in the year by Heritage Square Limited, a related entity to whom the Group's Investment Adviser, Puma Investment Management Limited, acts as Trading Adviser. Costs of £3,686 were set off against this loan balance which are being released over the loan term, resulting in a loan balance at 31 December 2016 of £4,294,920.

Under a £7.4m principal loan facility, interest is payable on drawn funds at a fixed rate of 6% – 6.5% per annum and loans are repayable two years after the date of drawdown. Loans are used to fund the purchase of investment properties and are secured on those properties by way of a first charge. As at the year end £4,017,500 had been drawn from this principal loan facility.

In addition the Group has signed a £2.5m bridging facility with Heritage Square Limited, whereby interest is payable on drawn funds at a rate of 1% per month for the first six months. This will then step up to 1.25% per month between seven months from drawdown and twelve months from drawdown, 1.5% per month between thirteen months from drawdown and eighteen months from drawdown, and 1.75% per month between nineteen months from drawdown and twenty-four months from drawdown. Loans are repayable two years after the date of drawdown. The Group is only able to draw down on the facility until the earlier of reaching the £2.5m limit or 30 June 2017. As at the year end £280,000 had been drawn from this loan facility.

13. Financial Instruments

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the basis of measurement and the basis for recognition of income and expenses) for each class of financial asset and liability are disclosed in note 2. Categories of financial instruments are as follows:

	2016	**2015**
	£'000	**£'000**
Cash and cash equivalents	**365**	333

Loans and receivables	**159**	8
Other financial liabilities	**4,518**	23

Capital risk management
The Group manages its capital to ensure that the Group will be able to continue as a going concern. This is achieved by maintaining sufficient liquid resources to meet ongoing liabilities as they fall due, including payment of dividends, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the Group, comprising issued capital, share premium and retained losses. The Group does not have a target gearing ratio.

The Group is not subject to any externally imposed capital requirements. Equity includes all capital and reserves of the Group that are managed as capital.

Credit risk
At the end of the reporting year, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

Financial risk management objectives
The Board of Directors monitor and manage financial risks, relating to the operation of the Group, through periodic assessment of its exposure to them. These risks include credit risk, cash flow interest rate risk and liquidity risk.

Market risk

The Group's exposure to market risks has changed due to its new investment policy. It is now exposed to movements in the property market in the United Kingdom. This is both for the residential property market and also for properties that are held for investment purposes. The Board of Directors monitor these risks through assessment of its exposure to them in Board meetings. All loans have a fixed interest rate so there is no exposure to risk regarding variable rate instruments.

Foreign currency risk management

All assets and liabilities are denominated in sterling. As a result the Group has no exposure to foreign currency risk.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the Group's Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows.

The following table sets out the contractual maturities of financial liabilities:

At 31 December 2016	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	192	-	-	-	-
Loans	-	-	4,295	-	-
Interest payable	71	212	200	-	-
	263	**212**	**4,495**	**-**	**-**

At 31 December 2015	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Trade and other payables	23	-	-	-	-

B Preference shares of £31,360 (see note 17) are entitled to an 8% dividend each year if there are sufficient profits, after amounts due to the A preference shareholders have been settled.

14. Investments

Information on the principal subsidiaries of the Company is as follows:

Subsidiary	Country of registration	Activity	Portion of ordinary shares and voting rights held
SIPP Holdings Limited	Isle of Man	Intermediate holding co.	100%
Secta Limited*	Isle of Man	Intermediate holding co.	70%
EA Capital Limited**	Isle of Man	Intermediate holding co.	75%
Secta Properties Limited*	Isle of Man	Holds investment properties	70%
SL Boathouse Limited	England and Wales	Holds investment properties	100%

SL Workington Limited	England and Wales	Holds investment properties	100%
EA Bedford Limited**	England and Wales	Holds investment properties	75%
EA Northampton Limited**	England and Wales	Holds investment properties	75%

* The Company owns 70% of the equity in Secta Limited, which is the 100% shareholder of Secta Properties Limited.

** The Company owns 75% of the equity in EA Capital Limited, which is the 100% shareholder of EA Bedford Limited and EA Northampton Limited.

15. Called Up Share Capital

The total number of ordinary shares in issue at the start of the year was 49,819,050 at a par value of £0.05 per share. There was no movement in this number of shares during 2015. On 24 February 2016, these shares were reorganised such that the number of shares was reduced by a ratio of 1:20, reducing the number of shares to 2,490,953 at a par value of £0.01. On the same date, 10,713,142 new ordinary shares were issued for net proceeds (after transaction costs of £99,083) of £2.03m.

In April 2016, 125,795 shares were issued for net proceeds of £20,756. A further 416 shares were issued in August 2016 for net proceeds of £69.

As at 31 December 2016, the total number of ordinary shares in issue was 13,330,306. In addition 2,490,953 deferred shares were in issue. The deferred shares are effectively valueless as they do not carry any rights to vote or dividend rights. In addition, holders of deferred shares are only entitled to a payment on a return of capital or on a winding up of the Company after each of the holders of ordinary shares have received a payment of £10,000,000 on each such share.

Authorised:

	Number	**£'000**
Ordinary shares of 1p each	153,395,703	1,534
Deferred shares of 99p each	2,490,953	2,466
As at 31 December 2016	155,886,656	4,000

Issued and fully paid:

	Number	**£'000**
Ordinary shares of 1p each	13,330,306	133
Deferred shares of 99p each	2,490,953	2,466
As at 31 December 2016	15,821,259	2,599

16. Non-controlling interest

25% of the ordinary equity in EA Capital Limited is owned by non-controlling interests. The non-controlling interests have also invested £47,040 through Class B preference shares issued by EA Capital Limited. These shares have a right to a fixed dividend of 8% per annum. £31,360 of the preference shares has been classified as a liability (see note 12), with the remainder of £15,680 classified as non-controlling interest within equity.

No dividends were paid to non-controlling interests in the year.

17. Net asset value per share

	2016	2015
	£'000	£'000
Net assets attributable to equity shareholders of the parent	**2,215**	318
	No.	No.
Number of shares	**13,330,306**	2,490,953
Net asset value per share (pence)	**16.62**	12.77

The net asset value per share for the year ended 31 December 2015 has been restated to take account of the share reorganisation in the year (see note 16).

18. Related party transactions

During the year the Group entered into the following related party transactions.

It entered into two facility agreements with Heritage Square Limited, a related entity to whom the Group's Investment Adviser, Puma Investment Management Limited ("PIML"), acts as Trading Adviser. Further details of these facilities are included in note 13. Interest of £76,180 was payable to Heritage Square Limited during the year (£32,936 of which is accrued at the reporting period). Arrangement fees of £25,000 were payable to Heritage Square Limited during the year, all of which were accrued at the end of the reporting period.

PIML is entitled to receive an advisory fee payable at an annual rate of 0.5% of the total investment assets, to be calculated at the end of each accounting period. During the year the fee totalled £37,340 including VAT, all of which was accrued at year end.

Key management personnel are considered to be the directors of the Company. See note 8 for details of emoluments made to the key management personnel.

19. Intermediate and Ultimate Controlling Party

In the opinion of the Directors there is no immediate and ultimate controlling party.

20. Operating lease commitments

The Group lets properties under non-cancellable operating lease agreements to third parties. All leases have a 25 year term and annual upward only rent reviews based on CPI.

The future aggregate minimum lease receipts under non-cancellable operating leases for the Group's properties are as follows:

	2016	2015
	£'000	£'000
Due in less than one year	**774**	-
Due later than one year and not later than five years	**2,292**	-
Due later than five years	**11,382**	-

21. Post Balance Sheet Events

Subsequent to the year end, the Company has purchased two further properties as part of its short term accommodation portfolio for a total of £0.3m.

At 31 December 2016, the Company was committed to purchase two further supporting living properties for a price of £3.06m before acquisition costs. The properties were under construction at the year end and the purchases were due to complete on practical completion of the build. Since the year end the Company has agreed terms for the assignment of these property purchases to Puma Social Care Investments Limited ("PSCI") in a process that will cover all of the Company's costs to date in relation to the two prospective purchases. PSCI is deemed to be a related party under Rule 13 of the AIM Rules as it is one-third owned by Shore Capital Group Limited, the majority shareholder of the Company's Investment Adviser, Puma Investment Management Limited. An independent valuation of the properties was obtained by the Board which indicated that the open market value of the two properties, once developed, operating and with the agreed lease in place, net of costs, was £3,335,000. The cash consideration payable by PSCI is £121,100, which will result in the Group achieving a profit on reassignment of £26,858 after adjusting for construction monitoring fees of £31,950 and the reimbursement of £62,292 of legal expenses incurred by the Group.