

## FINANCE DIRECTOR'S UPDATE

**We have been following the debates at COP26 with great interest. Many important discussions and decisions happened in Glasgow, and many businesses are taking their Net Zero pledges seriously. However, it is the season for greenwashing: there were more COP26 delegates with links to fossil fuel interests than delegates from any single country. This is the finding of research by one of our tenants, Global Witness.**

Authenticity with a Net Zero strategy is key to meaningful success. We have taken time to fully understand carbon emissions across our business and our supply chain. In this report, Astrid Hayles gives an update on where we are on this journey.

At Ethical Property, we want to facilitate collaboration between our tenants and we have a number of initiatives to do this, including our Ex(change)rs webinar programme. As explained below, the webinars are available to tenants, staff and investors, and are proving very popular. If you haven't been able to participate, I would recommend catching up on YouTube.

Recently you will have received a communication regarding a change in share registrar. The new registrar is Neville Registrars Limited and should be the first point of contact for enquiries regarding your shares. If you would like to buy or sell shares, please continue to contact Ethex.

Over the next few months we will be producing the annual report, which we will share early next year along with details on the AGM in the spring.

This is the final update from 2021, so I'd like to take this opportunity to thank all our investors and partners for your support this year. Wishing you all a pleasant festive season – and we look forward to seeing you next year.

**Cate Teideman**  
*Finance Director*

"We have taken time to fully understand carbon emissions across our business and our supply chain."



# TURNING AMBITION INTO ACTION



"We intend to use technology to full advantage."



"For a few of the older buildings the challenges are significant, but not insurmountable."

**The journey to determine the right balance for our buildings to achieve 'Net Zero' has been completed. Now the hard work begins of reshaping our buildings and our own behaviour so that we can ensure the success of a Net Zero business.**

Achieving our ambitions on reducing our carbon footprint will be challenging, as most of our buildings require some adaptations. For a few of the older buildings – such as Green Park Station in Bath and St Pauls Learning Centre in Bristol – the challenges are significant, but not insurmountable.

In the last update we reported on the series of workshops we held with staff, tenants and suppliers to crystallise our vision of a sustainable future and discuss concrete ways of making this a reality. The workshops, now complete, clearly demonstrated that our staff and tenants are fully behind us – and highlighted that they're already doing great things to reduce waste, save energy and promote biodiversity. Now we need to keep them engaged and at the heart of driving the changes forward.

We intend to use technology to full advantage and work with our suppliers in a positive way to help them meet their own Net Zero goals, so they are part of our journey. This includes using the *One Planet Living* framework, which I'll say more about in a future update.

The Net Zero strategy will be published in the spring in time for our AGM – we hope to see you there.

**Astrid Hayles**  
*Head of Assets*



St Pauls Learning Centre, Bristol

# CREATING SYNERGY THROUGH EX(CHANGE)RS

**Ex(change)rs is a hybrid programme of free events, talks, seminars and sessions exclusive to Ethical Property tenants, staff and investors.**

It brings everyone together to look at the issues that matter to us: climate change, sustainable development, wellbeing, new economics, social justice and human rights. The programme seeks to develop an extensive network of organisations and individuals to share contacts and knowledge and to develop collaborations, mutual support and partnerships.

Ex(change)rs kicked off in June with 'How can we travel more sustainably in a post-COVID world?' presented by writer and travel consultant Anna Richards. Since then, we've hosted a session on using mindfulness to overcome anxiety, led by psychologist Elisha Goldstein, and partnered with Suzy Lamplugh Trust to deliver a webinar on personal safety inside and outside of the office. 'It's about race', presented by Russell J Thomas, gave participants a better understanding of various forms of racism as well as racial bias and the issues affecting the Black community.

We are pleased to say that the number of participants grow with each event, and the sessions are receiving very healthy viewing figures via our [YouTube Channel](#), where you can catch up on any you missed.



We will be announcing our 2022 season very soon.

Find out more or register at:  
[mailchi.mp/ethicalproperty.co.uk/exchangers-programme](mailto:mailchi.mp/ethicalproperty.co.uk/exchangers-programme)

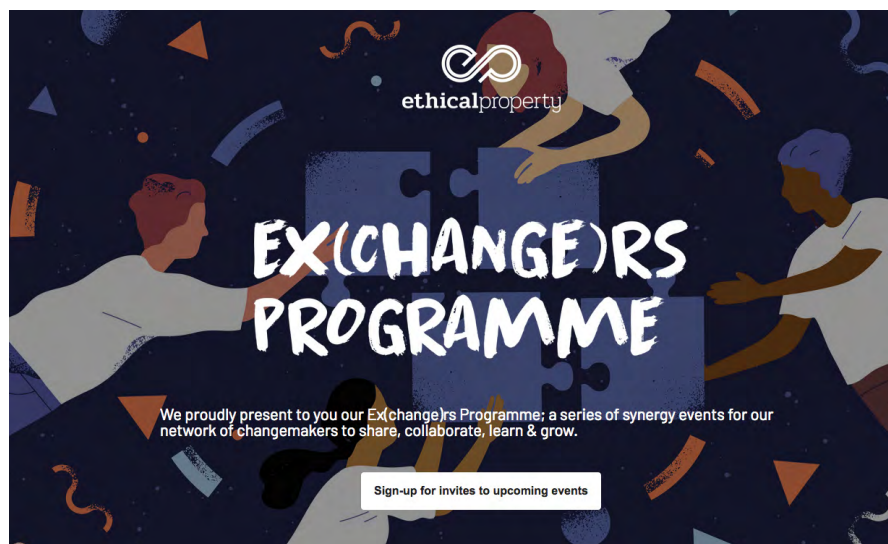
"I really enjoyed the session and actually had need to put the techniques into practice the very next day – and it helped."

Participant, webinar on overcoming anxiety



"I thought the presentation was great and covered a lot of ground in not much time... Thanks for putting it together."

Participant,  
webinar on race



# FINANCIAL RESULTS

For the twelve months ended 30 September 2021

£'000	Prior year to date (30 September 2021)				
	Quarter	Year to date	Prior year to date	Variance £'000	Variance %
Turnover	1,294	5,260	5,217	43	1%
Cost of sales	(702)	(2,899)	(2,885)	(14)	0%
<b>Gross profit</b>	<b>592</b>	<b>2,361</b>	<b>2,332</b>	<b>29</b>	<b>1%</b>
Administrative expenses	(754)	(2,176)	(1,921)	(255)	-13%
<b>Operating profit</b>	<b>(162)</b>	<b>185</b>	<b>411</b>	<b>(226)</b>	<b>-55%</b>
Interest payable	(245)	(985)	(1,125)	140	12%
Other income	23	246	265	(19)	-7%
<b>Loss before tax</b>	<b>(384)</b>	<b>(554)</b>	<b>(449)</b>	<b>(105)</b>	<b>-23%</b>
Occupancy (average)	72%	75%	81%		-6%

Please note that these financial results are produced internally and have not been reviewed or audited. They do not include revaluation of property, investments or financial instruments. Audited financial statements are produced annually and are included in the annual report.

## COMMENTARY ON FINANCIAL PERFORMANCE

Occupancy of the buildings was lower than the prior year, which is directly related to the pandemic. Tenants have returned to their offices this autumn in larger numbers and we are seeing increasing numbers of enquiries and viewings. However, it will take time to build up occupancy and the situation will be affected by any future lockdowns.

Turnover is slightly higher than the same period last year, due to a lower level of discounts to tenants. Levels of recharge income are slightly higher, as more tenants are back in the buildings.

Cost of sales have increased due to spend on maintenance and improvements. This spend makes our centres more attractive to new tenants and helps retain existing tenants.

Administrative expenses are higher as we invested in marketing activities with the aim of building back occupancy levels. An exchange rate loss movement is included, which relates to our investment in Ethical Property Europe. These costs are partially offset by savings in salaries and staff travel.

Interest payable is lower due to lower interest rates and reduced lending costs. Other income includes furlough receipts of £240k this year, which is lower than the £262k received last year.

Overall the loss before tax is £105k greater than last year.

**Thank you for your continuing support.**



The Old Music Hall, Oxford, OX4 1JE  
info@ethicalproperty.co.uk

