

FINANCE DIRECTOR'S UPDATE

We are starting to see the signs of recovery in our buildings. More people are coming back to work and we are welcoming many more new tenants. Since the start of the financial year, 34 new tenants have taken spaces across our portfolio. Viewings and enquiries have grown and are starting to convert into leases.

The financial impact of this recovery will become more visible later this year. In the meantime, the first quarter's results are in line with expectations, especially given the impact of the Omicron variant on our business over the winter. You'll find further details in the finance section on the back page.

There has been a lot of interest and engagement in our Ex(change)rs programme – the latest webinar was on Deaf Awareness, which was very well received. You can catch up on previous sessions on our [YouTube Channel](#) and we encourage all our investors to join the programme. There are details on upcoming events on the following page.

Our AGM will be held on Zoom this year, on 30 March – see below for more information. If you would like to send a question in advance, please get in touch.

We welcome all feedback from our investors and look forward to hearing from you.

Cate Teideman
Finance Director



“Since the start of the financial year, 34 new tenants have taken spaces across our portfolio.”

ETHICAL PROPERTY ANNUAL GENERAL MEETING 2022



Our 2022 AGM will take place on Wednesday 30 March at 1pm. Once again, due to the pandemic and to enable more people to attend, the AGM will be held online via Zoom. You can use this link to join: <https://us02web.zoom.us/j/3326956475>

You should now have received your information pack and Annual Report (either printed or digital). If you are missing your pack, please do contact us at invest@ethicalproperty.co.uk

Further information about the AGM can be found on our website: www.ethicalproperty.co.uk/investment/investing

We look forward to seeing you on the 30 March.

COMING UP IN EX(CHANGE)RS

Ex(change)rs is our online programme of engaging educational events exclusive to Ethical Property tenants, staff and investors – allowing our network of changemakers to connect and grow alongside each other.

We have three webinars planned for this spring. To sign up for an event or find out more, please visit: mailchi.mp/ethicalproperty.co.uk/exchangers-programme

You can also catch up on past events on our [YouTube Channel](#)

24 March 2022

The journey to Net Zero for charities and non-profits

With Jess Stillerman and Nicolas Ponset from Aeron

This session is an introduction to 'Net Zero' and what it means for charities and non-profits. Jess and Nick will give an overview on the actions charities and non-profits can take to play their part, from sustainability strategies and ways of working to carbon reduction plans and impact reports.



27 April 2022

The role of urban gardens in supporting pollinators

With Nicholas Tew of Bristol University

Vital pollinators like bees, butterflies and hoverflies have declined from our countryside as we have cleared many of the meadows and woodlands they called home. In this webinar, Nick will discuss how we can each do something to improve the fate of bees and other insects that are such important components of a healthy, functioning ecosystem.



26 May 2022

Why it took a pandemic for non-profits to digitally transform

With Matt Haworth from Reason Digital

Matt will explore how digital is transforming the third sector and enabling organisations to do more. He'll also discuss the impact of Covid on ways of working. Matt brings a wealth of technical experience and thought leadership around using digital as a force for social good.



ENVIRONMENTAL SUSTAINABILITY STRATEGY WITH NET ZERO

As a company, minimising our impact on the environment has been a key part of our values – as set out in our ‘Quintessentials’ – since the very beginning. A vital component of our environmental policy is looking at how we can achieve Net Zero, but the policy is about more than simply reducing our carbon emissions.

We’ve been assessing our centres to understand their strengths and weaknesses, and we have taken time to find out about the needs and day-to-day realities of those we work with. As part of this, we held a series of workshops last year with staff, tenants and suppliers to share views and ideas on what a sustainable future looks like.

We also brought consultants from OnePlanet on board, benefiting from their extensive experience in creating sustainable environments. Achieving zero emissions isn’t enough: we want to take positive action to protect the planet – such as using our outdoor spaces to promote biodiversity and building partnerships in the local community and beyond.

We’ll be sharing further details at the AGM on 30 March, and in future issues of this update we’ll be calling on our investors for support and involvement as we implement our policy.



“Our environmental policy is about more than simply reducing our carbon emissions.”



FINANCIAL RESULTS

For the twelve months ended 31 December 2021

£'000	Prior year to date (31 December 2020)			
	Quarter	Prior year to date	Variance £'000	Variance %
Turnover	1,293	1,405	(112)	-8%
Cost of sales	(725)	(751)	(26)	3%
Gross profit	568	654	(86)	-13%
Administrative expenses	(520)	(457)	(63)	-14%
Operating profit	48	197	(149)	-76%
Interest payable	(246)	(250)	4	2%
Other income	0	71	(71)	-100%
Profit/(Loss) before tax	(198)	18	(216)	-1200%
Occupancy (average)	71%	77%		-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 in our buildings was at its lowest in August 2021, but since then it has stabilised and improved. More tenants are using office space, and the number of enquiries and viewings has increased. Most of the impact of this will be visible in the financial performance for Q2 and Q3. Turnover is lower than for the same quarter last year, as occupancy is 6% lower this year.

We have broadened our offer to include Share London and Share Bristol, a new initiative to lease desks and shared facilities to small and start-up social enterprises. We want to help them grow by creating space where they can work alongside like-minded groups, and synergies can thrive. This will help to expand the social enterprise sector in these cities and attract future tenants for our core product. The new hubs went live in December and have already reached 48% occupancy – a great result given the challenges presented by the new Covid variant at the end of 2021.

Cost of sales is lower than last year due to lower levels of occupancy. Spend on maintenance is £43k higher this quarter than last year, due to the challenge of arranging planned maintenance under Covid restrictions.

Administrative expenses are higher this quarter as we focus our spend on marketing and advertising with the aim of improving occupancy. With lower occupancy the costs relating to these spaces, such as rates, increase.

Other income last year relates to furlough receipts. Overall the loss for the quarter is £198k.

Thank you for your continuing support.



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

