THE LOCAL AUTHORITIES' PROPERTY FUND ANNUAL REPORT AND FINANCIAL STATEMENTS

Year ended 31 March 2026

CCLA

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*Collectively, these comprise the Manager's Report.
^Audited.

References to "CCLA" refer to the CCLA Group, comprising CCLA Investment Management Limited and CCLA Fund Managers Limited.

Disability Discrimination Act 1995
Extracts from the Annual Report and Unaudited Financial Statements are available in large print and audio formats.

STRUCTURE OF THE FUND
for the year ended 31 March 2026

Structure and management
The Local Authorities' Property Fund (the "Fund") is established under a Scheme approved by HM Treasury under Section 11 of the Trustee Investments Act 1961 together with the Trust Deed dated 6 April 1972 as amended by supplemental trust deeds dated 6 April 1972, 13 September 1978, 21 April 2016 and 23 September 2019 (the 'Scheme').

The Local Authorities' Mutual Investment Trust (the "Trustee") is a company limited by guarantee. It does not have share capital and acts as the Trustee and Operator of the Fund.

The Trustee is controlled by members and officers of a council appointed by the Local Government Association, the Convention of Scottish Local Authorities, the Northern Ireland Local Government Association, The Welsh Local Government Association and Unitholders represented by the Trustee.

The Members of the Council meet regularly to receive reports and monitor the progress of the Fund.

The Fund is an open-ended, unregulated collective investment scheme. It is classified as an Alternative Investment Fund under the Alternative Investment Fund Managers Directive ("AIFMD"). It is domiciled in the United Kingdom and subject to appropriate UK laws and regulations.

CCLA Fund Managers Limited ("CCLA FM"), an authorised full-scope UK Alternative Investment Fund Manager ("AIFM"), has been appointed by the Trustee as the Manager of the Fund. The Manager has appointed CCLA Investment Management Limited ("CCLA IM") as the Investment Manager of the Fund under an Investment Management Agreement dated 22 July 2014. The Manager has delegated to the Investment Manager the fund management, administration and secretarial functions of the Fund. CCLA FM is a wholly owned subsidiary of CCLA IM.

The Trustee has delegated to CCLA IM the registrar functions of the Fund under a Registrar Agreement dated 1 October 1998. CCLA FM and CCLA IM are both authorised and regulated by the Financial Conduct Authority ("FCA"). As at 31 March 2026 the Trustee owns 0.00% (31.03.2025 13.41%) of the ordinary share capital of CCLA IM. Shares have been disposed.

HSBC Bank plc, an AIFMD authorised Depositary, has been appointed in accordance with the AIFMD requirements as the Depositary of the Fund. The primary functions of the Depositary are cash flow monitoring, safekeeping of assets and oversight of operational functions.

STRUCTURE OF THE FUND
for the year ended 31 March 2026

Investment objectives
The Fund aims to provide a high level of income and long-term capital appreciation.

Investment policy
The Fund is an actively managed, diversified portfolio of UK commercial property. It will principally invest in UK commercial properties but may invest in other assets, which may be either liquid or illiquid in nature.

The Fund may invest a proportion of its assets in liquid instruments and cash in order to obtain appropriate levels of liquidity. Instruments used for this purpose may include cash and near cash equivalents, participation notes, UK real estate investment trust, regulated or unregulated investment funds and loan notes.

A suitable spread is maintained between different types of property and geographic location. Overriding importance is attached to location, standard of construction and to covenant quality of the tenants. The portfolio is kept under constant review with the object of disposing of any property if appropriate returns have not been achieved or if future growth prospects diminish unacceptably. Properties are regularly inspected to ensure that the tenants comply with maintenance and other contractual obligations. Finance may be provided for suitable property developments.

Any proposed amendment to the investment objective or policy of the Fund must be approved by HM Treasury and sanctioned by a special resolution of the Trustee.

Comparator benchmark
The UK Other Balanced Open-Ended Property Fund Index covers the investment performance of 16 property funds valued at £15.51bn as at 31 March 2026, ranging in size from £220m to £3.28bn.

Eligible contributors
Units of the Fund can only be issued to and owned by local authorities in the United Kingdom.

Subscription dates
Investment in the Fund may be made by a local authority on any month end valuation date. Withdrawals from the Fund are subject to a notice period of at least 180 days. Unit holders will receive the price ruling when the redemption request is processed. The Fund may, however, at its discretion, defer the processing of any application or withdrawal for a period, as it may deem fit, to allow time for the purchase or sale of properties to utilise funds, meet the withdrawals or to protect the interest of the Unitholders in the Fund, if required.

STRUCTURE OF THE FUND
for the year ended 31 March 2026

Borrowing powers
The Trustee believes that the management of a property portfolio is facilitated by the exercise of a limited power to borrow and the Scheme provides for borrowings of up to 25% of the value of the Fund.

This power could also be used to accommodate timing differences between the availability of funds for investment and the making of suitable property purchases. However, the Fund has no borrowings, and it has no borrowing facilities available.

The Fund does not use any financial instruments or derivatives for the purpose of interest rate hedging or for any other purpose.

Sustainable Investment Label
This product does not have a UK sustainable investment label. Sustainable investment labels help investors find products that have a specific sustainability goal. The fund does not use a sustainable investment label because it does not have a sustainability goal.

Sustainability approach
The restrictions that apply to the fund are set out in the scheme particulars. They apply a number of values based restrictions on property tenants. These restrictions are applied in accordance with Our values-based screening policy (which also sets out how we consider the eligibility of third party managed funds) and are implemented based upon datapoints selected by CCLA. These restrictions are applied based upon data points selected by CCLA and in accordance with our values-based screening policy which sets out our approach for implementing restrictions across different asset classes and investment structures.

We continue to apply these values-based screens post investment. Where possible we review new tenants against criteria and seek to avoid entering into leases with businesses that conduct activities that are proscribed by the values-based screens. However, as per standard practice in property investment management, we do not include restrictive clauses within the leases that are granted to tenants as they significantly impact upon the economic value of the asset. This means that existing tenants can pass on their lease to another business without our approval. For this reason, it is possible that, post acquisition, a property can move into a position where it is no longer in compliance with the values-based screens.

REPORT OF THE TRUSTEE
for the year ended 31 March 2026

We have pleasure in presenting our report of the Fund to the Unitholders of the Fund.

Responsibilities of the Trustee
The Trustee is responsible for approving the Fund's property investment strategy, monitoring diversification, suitability and risk, reviewing the performance of the Fund and approving its distribution payments. In addition, we have monitored the administration, expenses and property valuations of the Fund.

The Trustee meets four times in each calendar year to undertake the responsibilities detailed above.

Controls and risk management
CCLA FM has a risk management framework which provides a methodology for the assessment, mitigation and reporting of risk, ensuring a high quality of risk management and control is maintained for all funds under the Manager's control. The effectiveness of risks and controls is assessed by the directors of the Manager, with the help of the Risk and Compliance function, on a continuing basis. The Trust receives and considers relevant operational risk information from the Manager.

Compliance with Trust Deed and Management Agreement
Following our regular meetings and consideration of the reports and papers we have received, we are satisfied that the Manager, to whom we have delegated the administration and management of the Fund, has complied with the terms of the Scheme and the Management Agreement.

On 2 February 2026, CCLA Investment Management Limited was acquired by the Jupiter Group (a UK-based active investment management company). The transaction followed an extensive strategic review and engagement with key stakeholders and is expected to support the long-term sustainability of the business. CCLA will retain its brand, investment philosophy and client service model, while benefiting from access to the Jupiter Group's broader investment capabilities, resources and infrastructure.

CCLA's teams will continue to focus on delivering investment returns and outstanding client service to all CCLA clients regardless of their size. CCLA also retains its mission, its stewardship activities, and its drive to build a better world. At the same time however, CCLA stands to benefit from Jupiter's strength and resources. Jupiter's investment capabilities, including its 100 plus investment professionals, will add support to CCLA's existing investment team and product range.

CCLA remains committed to serving churches, charities and local authorities.

R Kemp CBE
Chairman of The Local Authorities' Mutual Investment Trust
22 September 2026

REPORT OF THE INVESTMENT MANAGER
for the year ended 31 March 2026

The UK commercial property market continued to recover in the period under review, as transaction volumes increased. Prices were initially stable to higher, compared to previous periods, but that momentum slowed in early 2026. For the review period as a whole, commercial property values were broadly stable, with some areas of growth.

Overall, growth remained modest. But it is encouraging that the property market showed resilience despite the political and economic uncertainty that went on.

The recovery in capital values has been slower than many expected, even though the sector was well-placed to progress. Risks across the property market are now more balanced, especially after the pricing and valuation corrections seen in recent years.

That slower recovery mainly reflects the economic backdrop. Falling interest rates in 2026 helped support market conditions, but they did not increase activity or performance as much as expected. This is because investment yields remained high, due to ongoing uncertainty.

The conflict in the Middle East came too late to materially impact the first quarter of 2026 or the Fund's year-end results. It did, however, change the outlook for 2026 significantly. The conflict increased uncertainty and weakened short-term prospects for the property market and its investment performance. As a result, it is likely to delay progress in the recovery.

The slowdown in the recovery can be seen both in market data and in the Fund's performance figures. During 2025, the Fund's 12-month returns peaked, before falling back later in the 12 months under review. Total returns for the year to 31 March 2026 finished at 4.7%.

Total return against benchmark to 31 March 2026 (after expenses)

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
Performance (after expenses) the comparator benchmark				
The Local Authorities' Property Fund	**+4.7**	**+4.3**	**+3.7**	**+4.1**
Benchmark	+4.0	+3.0	+2.8	+3.7

Source: CCLA, MSCI/AREF UK Quarterly Property Funds Digest Q1 2026

Past performance is not a reliable indicator of future returns.

REPORT OF THE PROPERTY MANAGER
for the year ended 31 March 2026

Capital values were broadly flat over the review period, so income once again drove overall returns. The Fund's comparator benchmark, the MSCI/AREF UK Other Balanced Open-Ended Property Fund Index, followed a similar pattern. Its 12-month total return to the end of the first quarter of 2026 was 4.0%.

Despite the ongoing challenges, the Local Authorities' Property Fund consistently met its performance objectives over the year under review. The Fund outperformed its comparator benchmark, the MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index, by delivering a higher income yield for unitholders. It also remained competitive over all longer timeframes.

From a sector perspective, retail properties with high initial yields delivered the strongest total returns. However, these assets make up only a small part of both the MSCI comparator index and of the Fund's portfolio.

Industrial warehouses and properties in retail parks also continued to perform well. The Fund's high exposure to these sectors, relative to its comparator benchmark, continued to support its performance. As capital values remained under pressure, rental value growth helped support property valuations. Industrial properties led the market for this rental value growth. The Fund also benefited from its active property management strategy, which added further value.

Capital growth and the Fund's unit price were at a standstill over the year, so income accounted for substantially all the Fund's performance. Generating income remains a key aim for the Fund. This reflects the needs of local authority investors and the long-term role of property as an income-producing investment.

Maintaining that income in the current market remains challenging. The Fund continues to face pressure from tenants leaving when leases expire, higher vacancy rates and rising property running costs. As a result, income distributions were lower over the year than in the previous year.

The Fund pays income quarterly.
Total distributions for the year were 12.98p per unit, down 6.7% from the previous year's level. Despite this fall, the Fund still delivered an annual income return of 4.7% for investors, ahead of its comparator benchmark's income return of 3.2%.

Investors generally remained cautious during the year. Ongoing uncertainty around yields, rents and inflation meant that many investors preferred to keep their money in more liquid assets rather than commit to property investments. As a result, unitholder redemption requests totalled £25.79m during the year, while new inflows were negligible.

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

The Fund's size at the end of the year under review, ending 31 March 2026, was £1.012 billion, compared with £1.040 billion at the start of the financial year on 1 April 2025. At the year-end, outstanding redemption requests totalled £10.33m, which remain subject to the Fund's six-month notice period.

As of 31 March 2026, the Fund held £57.42m in cash, or 5.67% of its total assets. Asset sales are under way, to be completed over the coming period, which will further support the Fund's liquidity.

Strategy
The UK's economic and financial backdrop is challenging for investors, and those risks are made worse by economic and geopolitical uncertainty. To manage these risks, we invest the Fund's assets across a range of property sectors and regions.

A diversified portfolio remains central to this strategy, but the Fund also focuses on income as the main driver of returns. It balances higher-quality assets with shorter leases, which can provide higher yields and allow more active management of properties.

This dual approach has supported the Fund's long-term performance, especially during periods when capital growth has been weak or uncertain, as is the case now. For the time being, investing mainly for capital growth remains risky.

Property investment carries a high level of property-specific risk. This means that selecting the right properties and managing them actively remains essential. In addition, property is a relatively illiquid asset class and should be viewed as a long-term investment. We therefore regularly monitor the Fund's short-term liquidity in the property market, concentrations within the portfolio, and features of the Fund's portfolio such as leases, income and security.

The last 10 years have been more volatile than usual for property markets, with major structural change across the sector.

- The biggest challenges remain in the office and retail sectors. These sectors continue to face long-term structural pressures, weaker income streams and falling valuations. These days, older properties can quickly become obsolete and need significant capital investment to remain fit for purpose.

- By contrast, industrial and warehouse properties have performed more strongly. For strategic and tactical reasons, the Fund holds more industrial warehouses and retail parks than its benchmark. We believe these sectors have stronger long-term fundamentals. They continue to deliver rental growth and offer a more positive outlook for both capital values and income.

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

One important consideration for the Fund is to diversify and re-allocate, away from traditional holdings and into alternative sub-sectors and opportunities, especially if those offer attractive income.

Market Review

Capital growth in the UK commercial property market slowed in 2025 and in the early months of 2026. Economic uncertainty and wider market risks continued to weigh on investor confidence. Several factors affected the market during the year, including tariff disruption earlier in the 12 months under review, delays to the UK Budget later in the year, and investment yields that remained at high levels.

On the positive side, the market remained stable and resilient despite these pressures. As capital growth weakened, total returns across the UK property sector slipped and became mainly returns from income, together with returns from active lease management.

Economic, financial and political uncertainty – in the UK and globally – kept investment yields at high levels during the year. Investors' confidence to buy property understandably weakened, which was a setback to market conditions that lowered transaction volumes for much of the year under review.

By contrast, tenant demand remained healthy, which came as a relief to investors. Strong occupier demand, combined with a shortage of high-quality space, continued to drive rental growth, especially for better-quality properties. This helped to underpin valuations in the face of investment yields that remained high, weaker market momentum, and cautious valuers that looked for more evidence before adjusting valuations. Attractive rates of rental growth also provided active managers opportunity to negotiate higher rents and add value when navigating lease events (lease expiries, rent reviews etc.).

At the end of calendar year 2026, the UK property market was resilient. The Bank of England cut interest rates several times during 2026, which helped support investment viability. Even in early 2026, many investors expected further interest rate cuts. But that outlook has changed significantly.

In the first quarter of 2026, the conflict in the Middle East added further uncertainty to already difficult market conditions. That conflict increased inflation risks, weakened investor sentiment and unsettled financial markets. Political uncertainty in the UK and concerns around the Labour government also fed into higher investment yields.

The fall in interest rates over 2026 increased the viability of property investment. But that outlook has now reversed, with the prospect that interest rates may rise in 2026. As a result, investors remain cautious and have paused market activity. How long this situation will last depends on how long the conflict with Iran continues, and its effects – direct and indirect – on oil prices and inflation.

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

For much of the 12 months under review, property transaction volumes remained close to historical lows. Transaction activity in the fourth quarter of 2025 was encouraging and helped support the full-year figures. But that momentum has now faded.

Lambert Smith Hampton's UK Investment Transactions report for the first quarter of 2026 confirmed that investment volumes have fallen back below their long-term averages. The report also warned that the current uncertainty is likely to continue to weigh on prices and activity over the coming year.

Meanwhile, most market activity remains concentrated in larger transactions and in various residential uses in the 'Living' segment of the market. Overseas investors continue to dominate the market, accounting for around half of all investment activity, often acquiring large properties in central London. Outside of these narrow areas, the market remains subdued, which negatively affects fund investment activity and market liquidity for most investors.

MSCI's quarterly index data showed capital growth of 0.6% for the 12 months under review. Capital values were flat in the first quarter 2026, and annual growth slowed compared with the previous 12 months, to 31 March 2026. Income returns remained steady at 1.2% per quarter, or 5.0% (after rounding) over the full year. As a result, total property investment returns reached 5.6% for the year to 31 March 2026.

Demand from tenants-occupiers and rental growth continued to support the market recovery. These factors helped maintain stability even as yields moved higher and capital growth weakened. Rental value growth, as assessed by independent valuers based on their analysis of occupier market leasing deals, remained consistent throughout the year and reached 3.3% overall. Industrial warehouse properties continued to lead in this respect, with rental growth of 4.1%.

Activity

The 12 months under review were busy for the Fund's property and lease management activity, but completions slowed towards the end of the year. That slowdown in activity reflected the more challenging market environment for the Fund, whose focus is on managing leases and vacancies while selling assets when needed to meet investors' liquidity requirements.

We sold five of the Fund's properties during the year and raised around £26 million in total. These sales included:

- an older retail warehouse in Cheltenham, which became vacant after Homebase entered administration. The Fund sold this property to an owner-occupier for £6.5 million, well above its valuation;

- a lower-specification industrial property in Motherwell, Scotland, which presented risk for the future, was sold for £4.3 million;

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

- two offices in the South-East, in Maidenhead and Dartford, with vacant space, management challenges and maintenance costs and another retail warehouse in Wakefield, which carried significant income risk. These three sales added a further £15m to the Fund's cash holdings.

As of 31 March 2026, three more of the Fund's properties were under offer for sale, with completions expected later in 2026.

We also made good progress in the Fund's property management:

- We refurbished and re-let two vacant distribution warehouses near Huntingdon during the period under review. These lettings created new income streams worth £1.2 million a year in total.

- We completed a series of important lease renewals and new leases at the Fund's largest holding, a retail park in Beckton, East London. We continue to prepare this site for redevelopment. In the meantime, we are managing vacancy levels here carefully, to maintain strong short-term income. Activity during the fourth quarter of 2025 was successful.

- Offices in Edinburgh and Kingsway, London are key examples of how specification upgrades, environmental improvements and engaging with the occupier market can improve asset quality and raise rents. These projects are still ongoing but expected to help future performance.

- We are also improving and repurposing several smaller properties that need further attention. The benefits of this capital expenditure will come later, when these projects are completed.

New leases and lease renewals across the wider portfolio also increased the Fund's income.

- Industrial warehouse properties in Leeds, Northampton and Warrington were let on new five-year leases at annual rents of £203k in Leeds, £258k in Northampton and £470k in Warrington.

- At St Neots, the Fund agreed a 10-year lease renewal worth £1.7 million a year, representing a 42% increase on the previous rent.

- The Fund also agreed a new lease at Watermill Estate in Enfield.

- At Stafferton Way Retail Park in Maidenhead, the Fund agreed a new lease with Tapi Carpets at a higher rent after Hobbycraft surrendered its previous lease.

- At Imperial House in Kingsway, London, the third-floor offices were let at £418k a year following a six-month half-rent incentive period.

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

Overall rental income increased during the year, including by rent reviews on several offices. However, some of this increase was offset by new vacancies, by lease incentives such as the one we agreed to at New Castle House, an office building in Nottingham, and by tenant issues such as the restaurant tenant at Threadneedle Street in London entering administration.

By 31 March 2026, the Fund's investment vacancy rate had fallen to 10.3%, marginally below the MSCI UK Monthly Property Index rate of 10.4%. Development-related vacancy stood at 6.2%. This mainly reflects ongoing refurbishment and repurposing projects across the portfolio, particularly within office properties and in some lower-quality industrial assets.

Outlook

Looking ahead, the UK commercial property sector, in our analysis, appears increasingly well placed for a stronger recovery. But the Middle East conflict has changed the outlook for 2026 significantly.

Optimism at the start of the year has faded, and the recovery that we expected at the end of 2026 now looks delayed. The current uncertainty may not begin to ease until later in 2026 or even into 2027.

The expected path for interest rates has also changed sharply. As a result, the commercial property sector's recovery momentum has weakened, investment activity has slowed again, and market liquidity remains under pressure. These effects are not yet fully visible in the market data, but the second quarter of 2026 is likely to provide a clearer picture of transaction volumes, pricing and valuations.

Among the traditional UK property sectors, we expect industrial warehouses and retail park properties to remain popular. Overall, these sectors are operationally less complex and continue to benefit from strong occupier demand. These same assets also offer realistic opportunities to maintain and grow income returns. Nevertheless, rental growth is likely to slow compared with the exceptionally strong levels seen in recent years.

Alternative property sectors, particularly residential and 'Living' assets, are also expected to remain an important area for investment activity. These sectors continue to attract investor interest because demand for residential property remains strong and income here is supportive and seen as reliable.

For now, broad stability remains a positive across the UK commercial property market. However, property-specific risk remains high, especially in lower-quality retail and office properties. Many of these assets face obsolescence, weakening tenant demand and/or falling income. These properties are opportunities, however, for investors willing to undertake large refurbishment or repurposing projects. But uncertainty around investment yields and inflation continues to create significant risk for such investment or development decisions.

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

In the short term, these assets run the risk of increasing vacancy levels, reducing income materially, requiring significant management time and consuming large amounts of capital. Over the longer term, however, successful refurbishment and repurposing projects can improve asset quality and benefit from shortages of high-quality space. This could help support stronger demand and rental growth in the longer run.

For now, uncertainty and risk continue to limit the pace of recovery. Progress has been steady, but modest. The longer the conflict with Iran continues, the harder it becomes for investors to look through current market disruption.

We do not expect a major downturn in commercial property values, but our expectations for increases in value have now been pushed back into 2027. More positively, while short-term property market performance and income growth may face delays, longer-term return expectations remain broadly intact. For the five years from 2026 to 2030, we continue to expect income to remain the main driver of total returns, with modest capital growth alongside reliable income yields.

Association of Real Estate Funds
The Fund complies with the minimum requirements of the Association of Real Estate Funds (AREF) Code of Practice, which is a voluntary Code which aims to encourage members of AREF to adopt best practice whenever possible.

The Code is publicly available and published on AREF's website: www.aref.org.uk

Paul Hannam
Head of Property
CCLA Investment Management Limited
22 September 2026

REPORT OF THE PROPERTY MANAGER (continued)
for the year ended 31 March 2026

Risk warning

Investors should consider the risk factors identified in the Scheme Information. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money.

Property and property related assets are inherently difficult to value because of the individual nature of each property. As a result valuations are open to substantial subjectivity. There is no assurance that the valuations of the properties will reflect the sale price achieved even where such sale occurs shortly after the valuation point.

The performance of the fund could be affected adversely by a downturn in the property market in terms of capital value or a weakening of rental yields. The revenue received by the fund is dependent to a large extent upon the occupancy levels of any property owned by the fund and the rents paid by these tenants.

Rental revenues and property values are affected by changes in general economic climate and local conditions.

Property values are dependent in particular on current rental values, prospective rental growth, lease lengths, tenant credit worthiness and the valuation yield (which is itself related to interest rates, the market appetite for property investment in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned.

The Fund's units are intended only for long term investment and are not suitable for money liable to be spent in the near future. The units are realisable only on each monthly valuation date and a period of delay may be imposed for redemption of units depending on the Fund's liquidity. Redemptions are subject to a notice period of 180 calendar days and which can be increased to up to six months if so determined by the Manager. The units are realisable only on each monthly dealing day.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of The Local Authorities Property Fund (the 'Fund'):

- give a true and fair view of the state of the Fund's affairs as at 31 March 2026 and of the net revenue and the net capital losses for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds" and the Trust Deed.

We have audited the financial statements which comprise:

- the statement of total return;
- the statement of change in net assets attributable to unitholders;
- the balance sheet;
- the cash flow statement;
- the distribution table; and
- the individual notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014 and the Trust Deed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Depositary and Manager
As explained more fully in the Statement of Depositary Responsibilities and Report of the Depositary, and the Statement of Trustee and Manager Responsibilities, the Depositary is responsible for the safeguarding the property of the Fund and the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Fund's industry and its control environment, and reviewed the Fund's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Fund's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Fund operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Fund's ability to operate or to avoid a material penalty.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

We discussed among the audit engagement team including relevant internal specialists such as Real Estate specialists and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investment properties. Investment properties constitute more than 90% of the net asset value (NAV) of the Fund and are a key measure of performance. Our specific procedures performed to address this are described below:

- involved our real estate specialists to assess the key inputs and assumptions that are used to derive the fair value of a sample of investment properties and agreed the price to the report provided by the valuation specialists appointed by management;
- assessed the professional competence of management's specialists and reviewed the scope of their work; and
- agreed 100% of the Fund's property portfolio at the year end to a confirmation received directly from the depositary.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of the management and the manager concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

INDEPENDENT AUDITORS' REPORT
to the Unitholders of The Local Authorities' Property Fund

Use of our report

This report is made solely to the Fund's unitholders, as a body, in accordance with the Trust Deed. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Glasgow
22 September 2026

REPORT OF THE VALUERS

Dear Sirs,

The Local Authorities' Property Fund
Property valuation as at 31 March 2026

In accordance with your instructions received from The Local Authorities' Property Fund ("the Fund") to value all the property investments owned by the Fund ("the Properties") on a monthly basis, we have valued the Properties as at 31 March 2026. The valuation has been prepared on the basis of Fair Value, in accordance with the current edition of the RICS valuation – Professional Standards published by the Royal Institution of Chartered Surveyors (RICS). We understand that our valuation is required for unit pricing and financial statements purposes. Our report is addressed to the Fund.

We are of the opinion that the aggregate Fair Values of all the properties held by the Fund as at 31 March 2026 is **£979,225,000 (Nine Hundred and Seventy Nine Million, Two Hundred and Twenty Five Thousand Pounds)**.

Details of the basis of our valuation and the individual properties are set out in our valuation report, addressed to CCLA, dated 15 April 2026.

Yours faithfully,
Knight Frank LLP
22 September 2026

SUMMARY RISK INDICATOR

The UK PRIIPs Regulation requirements set out detailed guidelines for the calculation of the risk ratings of products to be portrayed through a summary risk indicator. It is intended to be a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Manager is not able to pay you. The risk of the product may be significantly higher than the one represented in the summary risk indicator where the product is not held for the recommended holding period (RHP).



The Manager has classified The Local Authorities' Property Fund as 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level and poor market conditions are unlikely to impact the Manager's capacity to pay you. This classification is not guaranteed and may change over time and may not be a reliable indication of the future risk profile of the Fund. The lowest category does not mean risk free.

The summary risk indicator assumes investment in the Fund for the RHP of five years. The actual risk can vary significantly if you cash in at an early stage and you may get back less.

Property is recognised as an illiquid asset and is thus most suited to long-term investment.
Whilst, investors can request redemption at any time, all such requests are subject to a minimum notice period of 180 days. The Fund normally deals on the last day of each month. The Fund does not include any protection from future market performance, so you could lose some or all your investment.

Property can be an illiquid asset class and the Manager may also defer redemptions on a dealing day if it considers there is insufficient liquidity in the Fund to meet redemptions and, in agreement with the Trustee, may suspend the buying and selling of units in the Fund due to stressed market conditions. Where an investor makes an application to sell or cancel units the Manager may, with the agreement of the Trustee, arrange to transfer Fund property out of the Fund in place of payment in cash for the units, but only if it is judged by the Manager not to disadvantage the remaining investors.

A more detailed description of risk factors that apply to this product is set out in the latest Scheme Information, which is available on the Manager's website or by request.

* With effect from 17 October 2022 and until further notice, the Manager has exercised its discretion (as provided for in the Scheme Particulars) to extend the redemption notice period from 90 days to 180 days.

COMPARATIVE TABLE

Change in net assets per Unit

	Income Units				
	Year to 31.03.2026 pence per Unit	Year to 31.03.2025 pence per Unit	Year to 31.03.2024 pence per Unit	Year to 31.03.2023 pence per Unit	Year to 31.03.2022 pence per Unit
Opening net asset value per unit	**279.71**	273.90	285.04	342.44	291.21
Return before operating charges	**16.05**	23.33	6.35	(41.75)	65.89
Operating charges	**(3.55)**	(3.62)	(3.19)	(3.36)	(3.44)
Return after operating charges	**12.50**	19.71	3.16	(45.11)	62.45
Distributions on income units	**(12.98)**	(13.90)	(14.30)	(12.29)	(11.22)
Closing net asset value per unit	**279.23**	279.71	273.90	285.04	342.44
Performance					
Return after charges**	**4.47%**	7.20%	1.11%	(13.17%)	21.45%
Gross yield***	**4.60%**	4.92%	4.84%	3.99%	3.04%
Other information					
Closing net asset value (£'000)	**1,011,918**	1,039,540	1,030,707	1,189,677	1,427,774
Closing number of units	**362,393,537**	371,647,745	376,304,050	417,369,030	416,943,212
Prices (pence per unit)					
Highest unit price (offer)	**302.09**	301.41	308.72	387.73	368.46
Lowest unit price (bid)	**277.86**	271.34	272.73	283.80	289.98
Annual management charge*	**0.63%**	0.62%	0.63%	0.64%	0.63%
Other costs	**0.08%**	0.12%	0.07%	-0.01%	0.02%
Total expense ratio (TER)	**0.71%**	0.74%	0.70%	0.63%	0.65%
Property Expense Ratio (PER)	**0.56%**	0.58%	0.42%	0.35%	0.39%
Real Estate Expense Ratio (REER) (TER+PER)	**1.27%**	1.32%	1.12%	0.98%	1.04%
Transaction costs ratio	**0.02%**	0.02%	0.08%	0.01%	0.1%

All of the above figures are ratios set against the Fund's average net assets calculated over the period.

* The Annual Management Charge is 0.65% (plus VAT, which is recoverable) of the net asset value of the Fund and is charged to income. The month end valuation forms the basis of the charge for the following month.

** The return after charges has been calculated in accordance with the Statement of Recommended Practices' prescribed calculation methodology. This is for financial statement reporting purposes only and may differ from the Fund's performance disclosed on the Report of the Fund Manager.

*** The gross yield is calculated as the sum of the gross of tax, net of expenses income distributed over the previous 12 months expressed as a percentage of the offer price at the year end.

**** Closing net asset value per Unit shown is calculated using the closing net assets attributable to Unitholders as presented in these financial statements. This is for financial statements reporting purposes only and may differ from the Unit price disclosed in the Report of the Property Manager.

PORTFOLIO ANALYSIS
at 31 March 2026

Tenure

	31.03.2026		31.03.2025	
	£'000	%	£'000	%
Freehold or heritable	**871,925**	**89.04**	887,400	89.26
Leasehold	**107,300**	**10.96**	106,750	10.74
	979,225	**100.00**	994,150	100.00

Tenants' unexpired lease terms

Unexpired term	31.03.2026 %*	31.03.2025 %*
Over 10 years	**18.82**	18.97
5-10 years	**14.87**	16.48
Under 5 years	**66.31**	64.55
	100.00	100.00

Investment Void	**10.31**	11.87
Void	**6.18**	5.85
Total Void Rate	**16.49**	17.72

Lease termination is calculated at first break clause, if any.

* Percentage of total revenue from contracted leases plus estimated rental values of unlet units/developments.

Use of Capital

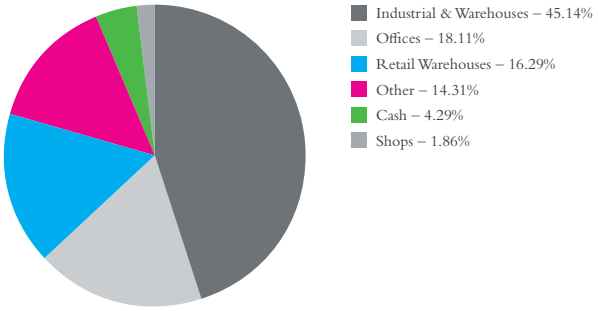
	31.03.2026		31.03.2025	
	£'000	%	£'000	%
Completed properties	**979,225**	**96.77**	994,150	95.63
Indirect investments	**–**	**–**	1,120	0.11
Net other assets	**32,693**	**3.23**	44,270	4.26
	1,011,918	**100.00**	1,039,540	100.00

PORTFOLIO ANALYSIS
at 31 March 2026

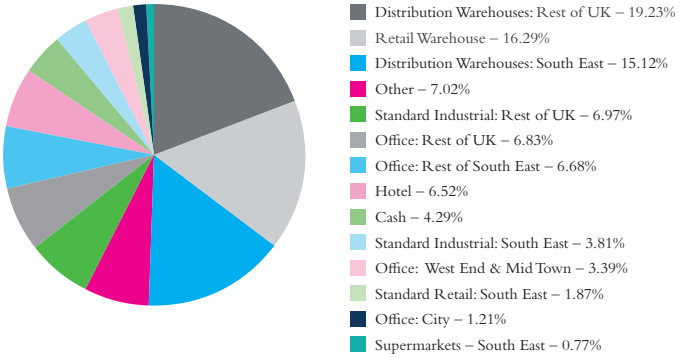
Largest top ten property holdings

Property		% of Fund
London, Beckton Retail Park	Retail Warehouse	6.28
London, 1 Goodman's Yard	Other	4.34
Leeds, 27 Industrial Estate	Offices	4.00
London, Imperial House	Retail & Office	3.84
London, 3 Cathedral Street	Offices	3.78
Maidenhead, Retail Park	Retail Warehouse	3.48
Coventry, Torrington Avenue	Industrial	3.38
Bristol, Gallagher Retail Park	Retail Warehouse	3.37
London, 5 Pickett's Lock Lane	Industrial	3.11
Bolton, Great Bank Road	Industrial	2.93

Asset by type



Geographical distribution



Portfolio turnover rate

The portfolio turnover rate gives an indication of how frequently assets are purchased and sold by the Fund.

	31.03.2026	31.03.2025
Portfolio turnover rate	0.00%	0.00%

The portfolio turnover rates are calculated by the total sales or purchases (excluding cash), whichever is less, divided by average monthly assets during the year.

PORTFOLIO STATEMENT
at 31 March 2026

Properties

Total in valuation ranges	31.03.2026 £'000	31.03.2026 % of Fund	31.03.2025 £'000	31.03.2025 % of Fund
Valued between £0 and £5m 9 properties	**27,025**	**2.67**	32,125	3.09
Valued between £5 and £10m 16 properties	**122,750**	**12.13**	161,475	15.53
Valued between £10 and £25m 25 properties	**425,150**	**42.01**	401,050	38.58
Valued at over £25m 11 properties	**404,300**	**39.95**	399,500	38.43
Other investments	**0**	**0.00**	1,120	0.11
Net other assets/(liabilities)	**32,693**	**3.24**	44,270	4.26
	1,011,918	**100.00**	1,039,540	100.00

OWNERSHIP OF THE FUND
at 31 March 2026

	31.03.2026			31.03.2025		
	Number of investors	**Number of Units in issue**	**% of Units in issue**	Number of investors	Number of Units in issue	% of Units in issue
Less than 1%	**217**	**183,597,196**	**50.65**	229	195,950,873	52.72
1% or greater but less than 2%	**13**	**65,430,808**	**18.06**	13	64,987,388	17.49
2% or greater but less than 4%	**9**	**93,485,642**	**25.80**	9	90,829,593	24.44
4% or greater but less than 8%	**1**	**19,879,891**	**5.49**	1	19,879,891	5.35
Greater than 8%	**0**	**0**	**0.00**			
	240	**362,393,537**	**100.00**	252	371,647,745	100.00
Held by the largest investor	**1**	**19,879,891**	**5.49**	1	19,879,891	5.35
Held by top 5 investors	**5**	**68,394,740**	**18.87**	5	68,124,774	18.33

PROPERTY PORTFOLIO
at 31 March 2026

Standard Retail

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
84, 85 & 86 East St CHICHESTER	Mountain Warehouse Ltd	10 yrs 07.12.23	5 yrs	2028/ 2033	210,000	0-5
22 and 23 Gentleman's Walk NORWICH	The White Company (U.K.) Ltd	5 yrs 13.02.25	0 yrs	2030	162,500	0-5
89-89A Broad Street READING	Excelity Ltd	10 yrs 27.09.23	5 yrs	2028/ 2033	60,000	0-5
	Waterstones Booksellers Ltd	10 yrs 24.06.16	5 yrs	2021/ 2026	270,000	

PROPERTY PORTFOLIO
at 31 March 2026

Offices

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
The Arena BRACKNELL	Epicor Software (UK) Ltd	11 yrs 01.01.16	5 yrs	2026/ 2027	534,664	10-25
	Eli Lilly and Company Ltd	10 yrs 07.04.20	5 yrs	2025/ 2030	1,085,021	
	Southern Electric Power Distribution	99 yrs 22.07.20	0 yrs	2119	–	
	Eli Lilly and Company Ltd	1 yr 05.11.25	0 yrs	2026	12,000	
	Eli Lilly and Company Ltd	1 yr 09.02.26	0 yrs	2027	18,000	
Kings Orchard BRISTOL	Bevan Brittan LLP	20 yrs 14.03.07	5 yrs	2027	2,033,000	10-25
Lakeview East & West DARTFORD	Launch Diagnostics Ltd	10 yrs 26.10.23	5 yrs	2028/ 2033	247,588	5-10
9-10 Lochside Place EDINBURGH	Ooni Ltd	10 yrs 26.10.23	5 yrs	2028/ 2033	449,050	5-10
	Ecojet Airlines Ltd	5 yrs 30.07.24	0 yrs	2029	78,590	
	Dalkia Operations Ltd	16 yrs 21.01.16	0 yrs	2027/ 2032	48,994	
	Computacenter Plc	10 yrs 27.04.20	5 yrs	2025/ 2030	133,043	

PROPERTY PORTFOLIO
at 31 March 2026

Offices ***(continued)***

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
1 Park Row LEEDS	Pinset Masons LLP	30 yrs 30.07.99	5 yrs	2029	1,820,000	10-25
Castle Boulevard NOTTINGHAM	Telefonica UK Ltd	15 yrs 08.03.01	0 yrs	2016	18,186	5-10
	AM Trust Management Services Ltd	10 yrs 03.02.25	5 yrs	2030/ 2035	135,987	
	Entain Holdings (UK) Ltd	10 yrs 03.01.23	5 yrs	2028/ 2033	313,880	
Trinity Park SOLIHULL	Vacant					0-5
Warwick Technology Park WARWICK	Vacant					0-5
3 Longwalk Road WEST LONDON	Marks & Spencer Plc	16 yrs 29.09.10	5 yrs	2021/ 2026	2,600,000	5-10

PROPERTY PORTFOLIO
at 31 March 2026

Offices/Shops

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Imperial House LONDON	Wasabi Co Ltd	10 yrs 09.09.22	5 yrs	2027/ 2032	100,000	>25
	Coco Di Mama Ltd	5 yrs 17.05.23	0 yrs	2028	77,500	
	SV London Ltd	10 yrs 31.01.19	5 yrs	2024/ 2029	30,700	
	Live Ramp UK Ltd	3 yrs 26.06.24	0 yrs	2027	372,260	
	Z100 Community Limited	5 yrs 04.04.25	0 yrs	2030	418,500	
	Agatha Christie Ltd	10 yrs 25.03.22	5 yrs	2027/ 2032	140,382	
	Kenny Wax Ltd	10 yrs 19.07.21	5 yrs	2026/ 2031	209,453	
	AC Priggen & TP Gale	10 yrs 09.01.18	0 yrs	2028	1,500	
	DX Network Services Ltd	10 yrs 26.07.15	0 yrs	2025	1,500	
	SV London Ltd	5 yrs 24.10.23	0 yrs	2028	3,000	
	SV London Ltd	10 yrs 24.08.18	5 yrs	2023/ 2028	4,770	
	SV London Ltd	9 yrs 02.09.19	5 yrs	2023/ 2028	2,700	
	SV London Ltd	10 yrs 24.08.18	5 yrs	2023/ 2028	8,660	

PROPERTY PORTFOLIO
at 31 March 2026

Offices/Shops ***(continued)***

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
3 Cathedral Street LONDON	Nero Holdings Ltd	10 yrs 11.06.22	5 yrs	2027/ 2032	150,000	>25
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2027/ 2032	148,925	
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2027/ 2032	351,843	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2027/ 2032	660,699	
	Kaplan Estates Ltd	15 yrs 04.06.17	5 yrs	2027/ 2032	660,100	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2027/ 2032	575,367	
	Kaplan Estates Ltd	14 yrs 01.09.18	5 yrs	2027/ 2032	76,980	
34 Threadneedle Street LONDON	Korea Money Brokerage Corporation	5 yrs 08.08.24	0 yrs	2029	103,063	5-10
	InCloudCounsel Limited	5 yrs 13.10.25	0 yrs	2030	101,154	
	W T Partnership Ltd	5 yrs 06.07.22	0 yrs	2027	64,000	
	Excel Projects Services Ltd	4 yrs 26.09.25	0 yrs	2029	54,937	

PROPERTY PORTFOLIO
at 31 March 2026

Offices/Shops ***(continued)***

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
157 – 159 Fenchurch Street LONDON	Hawes & Curtis Ltd	10 yrs 13.07.23	5 yrs	2028/ 2033	300,000	10-25
	EE Ltd	10 yrs 23.07.15	5 yrs	2025	5,005	
	Central Bank of the Republic of Turkey	10 yrs 10.08.20	5 yrs	2025/ 2030	128,586	
	IF P & C Insurance Ltd	5 yrs 24.08.24	0 yrs	2029	124,320	
	Codestone Solutions Ltd	5 yrs 20.01.25	0 yrs	2030	152,078	
	API software Ltd	5 yrs 05.08.24	0 yrs	2029	132,772	

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Aker Solutions Village ABERDEEN	MW Wirth Ltd	10 yrs 20.12.17	0 yrs	2027	310,000	0-5
The Boulevard ASHFORD	Menzies Distribution Ltd	10 yrs 25.03.16	5 yrs	2026	283,500	10-25
	L'Artisan Du Chocolat Ltd	10 yrs 13.09.21	5 yrs	2026/ 2031	410,500	
Unit 16 Junction Six BIRMINGHAM	Pointbid Logistics Systems Ltd	10 yrs 04.11.19	5 yrs	2029	1,008,304	10-25
Great Bank Road BOLTON	Tesco Stores Ltd	11 yrs 01.01.17	0 yrs	2028	1,914,000	>25
Plot 5 Interlink Park COALVILLE	MTS Logistics Ltd	5 yrs 15.05.25	0 yrs	2030	551,493	5-10
Torrington Avenue COVENTRY	Peugeot Motor Company Plc	15 yrs 13.12.13	3 yrs	2025/ 2028	1,752,887	>25
	Western Power Distribution	99 yrs 14.09.22	0 yrs	2121	1	
Unit 4 500 Purley Way CROYDON	Vacant					10-25
Cardinal North HUNTINGDON	Coveris Flexibles UK Ltd	11 yrs 19.12.25	5 yrs	2031/ 2036	900,000	10-25
	Mega Trucking Company Ltd	10 yrs 19.12.25	5 yrs	2030/ 2035	300,000	
Cardinal North HUNTINGDON	DHL Supply Chain Ltd	10 yrs 25.05.17	5 yrs	2027	1,600,000	>25
Stadium Gate LEEDS	Mailing and Marketing Solutions Ltd	20 yrs 11.02.19	5 yrs	2029/ 2039	490,000	5-10

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Leeds 27 Industrial Estate LEEDS	AAH Pharmaceuticals	10 yrs 22.03.24	0 yrs	2029/ 2034	600,000	>25
	Vulcan Two Ltd	10 yrs 03.03.26	0 yrs	2031/ 2036	101,741	
	Morley Glass & Glazing Ltd	15 yrs 17.05.16	5 yrs	2026/ 2031	233,000	
	Aptar UK Ltd	5 yrs 09.07.20	0 yrs	2025	209,000	
	Nobia Holdings UK Ltd	5 yrs 07.08.20	0 yrs	2025	292,127	
	Nobia Holdings UK Ltd	5 yrs 07.08.20	0 yrs	2025	360,250	
Watermill Business Centre LONDON	Chevron Distribution Ltd	10 yrs 23.09.20	5 yrs	2025/ 2030	52,650	10-25
	Transport for London	15 yrs 12.12.22	5 yrs	2022/ 2037	150,000	
	Security Fibres UK Ltd	10 yrs 23.06.21	5 yrs	2026/ 2031	129,300	
	Eyre & Elliston Ltd	10 yrs 11.05.16	5 yrs	2026	46,000	
	Riel Chyc (UK) Ltd	5 yrs 29.08.25	0 yrs	2030	75,500	
	The Blinking Lamp Co. Ltd	10 yrs 17.05.24	5 yrs	2029/ 2034	71,663	
	Eurocell Building Plastics Ltd	5 yrs 29.09.21	0 yrs	2026	44,600	
	Security Fibres UK Ltd	5 yrs 07.06.22	0 yrs	2027	53,680	

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Watermill Business Centre LONDON *(continued)*	Baker Crafts Ltd	5 yrs 24.06.24	0 yrs	2029	48,020	
	P Fitzsimmons Ltd	10 yrs 29.11.21	5 yrs	2026/ 2031	28,575	
	Mega Packaging Ltd	6 yrs 13.03.23	3 yrs	2026/ 2029	32,000	
	Bushfire Ltd	5 yrs 25.03.21	0 yrs	2026	29,000	
	Print4uk Ltd	5 yrs 01.11.21	0 yrs	2026	50,960	
	Comex 2000 (UK) Ltd	5 yrs 22.06.21	0 yrs	2026	59,500	
	Nu Vending Ltd	10 yrs 20.10.21	5 yrs	2026/ 2031	55,250	
	Stars Day Services Ltd	5 yrs 01.06.22	0 yrs	2027	52,920	
	Comex 2000 (UK) Ltd	1 yr 29.04.25	0 yrs	2026	19,800	
5 Pickett's Lock Lane LONDON	Enzo Wholesales Ltd	15 yrs 02.09.11	5 yrs	2026	946,000	>25

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
3310 Hunter Boulevard LUTTERWORTH	DHL Supply Chain Ltd	10 yrs 16.01.19	0 yrs	2029	1,366,225	10-25
Garamonde Drive MILTON KEYNES	Whittan Industrial Ltd	25 yrs 17.10.17	5 yrs	2027/ 2042	1,208,172	10-25
Brackmills Business Park	Stertil UK Ltd	10 yrs 25.03.24	5 yrs	2029/ 2034	129,200	10-25
NORTHAMPTON	In 'N' Out Centres Ltd	10 yrs 17.04.24	5 yrs	2029/ 2034	171,030	
	Nefab Packaging UK Ltd	10 yrs 13.02.26	5 yrs	2031/ 2036	258,192	
	Howden Joinery Ltd	5 yrs 09.05.22	5 yrs	2027	116,413	
Corner Rhosili & Kilvey Road NORTHAMPTON	Johnson & Starley Ltd	15 yrs 25.03.16	5 yrs	2026/ 2031	396,006	5-10
Brackmills 192	Uniserve Holdings Ltd	10 yrs 04.05.18	5 yrs	2028	1,400,000	10-25

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Cray Avenue ORPINGTON	Nicholls & Clarke Ltd	10 yrs 13.02.23	5 yrs	2028/ 2033	95,627	10-25
	Stiled Holdings Ltd	25 yrs 29.09.05	5 yrs	2025/ 2030	58,025	
	Bathroom and Plumbing Superstore Ltd	12 yrs 16.10.18	0 yrs	2025/ 2030	44,800	
	Crown Paints Ltd	26 yrs 29.09.05	0 yrs	2026/ 2031	44,713	
	Carpets 4 Less (No 1) Ltd	10 yrs 29.09.20	5 yrs	2030	104,525	
	Carpets 4 All Ltd	15 yrs 05.10.23	5 yrs	2028/ 2038	149,500	
	Toolstation Ltd	10 yrs 05.10.23	5 yrs	2028/ 2033	76,986	
	Hamilton Villiers Ltd	4 yrs 12.12.23	0 yrs	2027	37,587	
	Ranebrook Windows Ltd	5 yrs 01.04.22	0 yrs	2027	34,370	
	Teamframes Ltd	13 yrs 30.10.14	5 yrs	2027	37,400	
	Fresh Eric's Cakes Company Ltd	10 yrs 22.12.15	5 yrs	2025	48,438	
	Trade Spray Services Ltd	20 yrs 24.10.11	0 yrs	2026/ 2031	49,221	

PROPERTY PORTFOLIO
at 31 March 2026

Industrial Property *(continued)*

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
1 Ivatt Way PETERBOROUGH	GXO Logistics UK II Ltd	15 yrs 28.09.18	5 yrs	2028/ 2033	1,289,515	10-25
Alpha Park ST NEOTS	Applehill Properties Ltd	5 yrs 02.07.20	0 yrs	2025	1,718,960	10-25
Wellingborough Road SYWELL	Premium Warehousing Ltd	16 yrs 07.02.17	5 yrs	2027/ 2033	1,088,300	10-25
Wakefield Eurohub WAKEFIELD	Verallia UK Ltd	10 yrs 19.01.17	5 yrs	2027	1,073,846	10-25
Grandstand WARRINGTON	Kenji (UK) Ltd	10 yrs 09.05.25	5 yrs	2030/ 2035	469,588	10-25
	Topgrade Sportswear Ltd	3 yrs 29.09.23	0 yrs	2026	318,000	
70 Sinclair Drive WELLINGBOROUGH	IFCO Systems UK Ltd	10 yrs 12.02.18	5 yrs	2028	756,250	10-25

PROPERTY PORTFOLIO
at 31 March 2026

Retail Warehouses

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Goodliffe Park BISHOPS STORTFORD	Wickes Building Supplies Ltd	42 yrs 29.09.89	5 yrs	2026/ 2031	517,110	5-10
Gallagher Retail Park BRISTOL	B&Q Plc	33 yrs 29.09.98	5 yrs	2026/ 2031	1,730,000	>25
	Currys Group Ltd	5 yrs 01.02.24	0 yrs	2029	292,600	
Wincheap Retail Park CANTERBURY	Next Holdings Ltd	10 yrs 07.10.24	5 yrs	2029/ 2034	335,214	5-10
	Boots UK Ltd	10 yrs 12.04.16	5 yrs	2021/ 2026	143,700	
	Hobbycraft Trading Ltd	10 yrs 16.06.23	5 yrs	2028/ 2033	–	
Victoria Street North GRIMSBY	CDS (Superstores International) Ltd	20 yrs 25.03.15	5 yrs	2035	357,107	0-5
Birstall Retail Park LEEDS	CDS (Superstores International) Ltd	10 yrs 21.06.19	0 yrs	2029	429,390	5-10
Beckton Retail Park LONDON	Iceland Food Ltd	6 yrs 23.12.25	5 yrs	2031	125,000	>25
	Kacha Bazar International Ltd	11 yrs 22.11.17	5 yrs	2028	234,000	
	Kacha Bazar International Ltd	8 yrs 09.11.20	5 yrs	2028	185,000	
	Kacha Bazar International Ltd	8 yrs 09.11.20	5 yrs	2028	150,000	
	Kacha Bazar International Ltd	5 yrs 10.07.23	0 yrs	2028	323,000	

PROPERTY PORTFOLIO
at 31 March 2026

Retail Warehouses ***(continued)***

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
Beckton Retail Park LONDON *(continued)*	TJ Morris Ltd	15 yrs 09.09.13	5 yrs	2028	300,000	
	TJZ Leisure Ltd	10 yrs 19.12.25	0 yrs	2030/ 2035	388,990	
	Lituanica UK Ltd	5 yrs 17.07.23	0 yrs	2028	120,000	
	Kacha Bazar International Ltd	9 yrs 20.09.19	5 yrs	2028	107,579	
	Primo Padel Club Ltd	10 yrs 19.12.25	0 yrs	2030/ 2035	387,240	
	Lituanica UK Ltd	1 yr 17.07.23	0 yrs	2028	11,000	
Stafferton Way MAIDENHEAD	Halfords Ltd	20 yrs 24.06.05	5 yrs	2025	195,000	>25
	Pure Gym Ltd	10 yrs 10.10.22	5 yrs	2027/ 2032	267,000	
	Tapi Carpets & Floors Ltd	10 yrs 06.10.25	5 yrs	2030/ 2035	144,000	
	Pets at Home Ltd	21 yrs 31.07.06	5 yrs	2027	135,244	
	Marks & Spencer Plc	20 yrs 28.11.24	5 yrs	2029/ 2044	1,125,000	
27 Tollbar Way SOUTHAMPTON	TJX UK	15 yrs 08.06.15	5 yrs	2025/ 2030	371,423	10-25

PROPERTY PORTFOLIO
at 31 March 2026

Other

Property	Tenant	Term/ from	Lease review period	Next review/ expiry	Rent £	Mkt value range £m
14 West Street BRIGHTON	Travelodge Hotels Ltd	41 yrs 20.12.07	5 yrs	2027/ 2048	1,469,594	10-25
Bickley Road BROMLEY	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	518,556	5-10
Locomotive Way DERBY	Derby College	20 yrs 20.10.09	5 yrs	2029	1,086,228	5-10
Mobberley Road KNUTSFORD	R Stratton & Co Ltd	50 yrs 24.06.08	5 yrs	2028/ 2058	467,109	5-10
A10 Great Cambridge Road	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	804,769	10-25
1 Goodman's Yard LONDON	Travelodge Hotels Ltd	40 yrs 15.12.08	5 yrs	2028/ 2048	2,675,209	>25
Duke of Wellington Avenue LONDON	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	385,380	5-10
Queens Drive NOTTINGHAM	Car Shops Ltd	20 yrs 22.05.19	5 yrs	2024/ 2039	1,338,370	10-25
52-55 Friar St & 12 Greyfriars READING	Sainsbury's Supermarkets Ltd	20 yrs 29.09.18	5 yrs	2023/2038	485,000	5-10
Maidstone Road SIDCUP	DC Management Services Ltd	32 yrs 31.12.15	5 yrs	2027/ 2047	510,067	5-10

STATEMENT OF TOTAL RETURN
for the year ended 31 March 2026

	Note	Year ended 31.03.2026 £'000	£'000	Year ended 31.03.2025 £'000	£'000
Income					
Net capital (losses)/gains	*2*		**(1,864)**		21,569
Revenue	*3*	**63,871**		67,843	
Expenses	*4*	**(16,013)**		(15,921)	
Net revenue before taxation		**47,858**		51,922	
Taxation	*5*	**(42)**		(40)	
Net revenue after taxation			**47,816**		51,882
Total return before distributions			**45,952**		73,451
Distribution	*6*		**(47,816)**		(51,882)
Change in net assets attributable to unitholders from investment activities			**(1,864)**		21,569

STATEMENT OF CHANGE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
for the year ended 31 March 2026

	Year ended 31.03.2026 £'000	£'000	Year ended 31.03.2025 £'000	£'000
Opening net assets attributable to unitholders		**1,039,540**		1,030,707
Amounts receivable on issue of units	**30**		58	
Amounts payable on cancellation of units	**(25,788)**		(12,794)	
		(25,758)		(12,736)
Change in net assets attributable to unitholders from investment activities		**(1,864)**		21,569
Closing net assets attributable to unitholders		**1,011,918**		1,039,540

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

BALANCE SHEET
at 31 March 2026

	Note	31.03.2026 £'000	31.03.2026 £'000	31.03.2025 £'000	31.03.2025 £'000
ASSETS					
Investment assets	7		**968,057**		985,596
Debtors	8	**14,716**		14,362	
Cash and bank balances	9	**17,317**		15,390	
Cash equivalents	9	**40,099**		56,219	
Total other assets			**72,132**		85,971
Total assets			**1,040,189**		1,071,567
LIABILITIES					
Creditors	10	**15,615**		19,586	
Distribution payable		**12,656**		12,441	
Total liabilities			**28,271**		32,027
Net assets attributable to unitholders			**1,011,918**		1,039,540

The financial statements on pages 42 to 57 were approved on behalf of the Trustee by R Kemp CBE, Chairman, on 22 September 2026.

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

CASH FLOW STATEMENT
for the year ended 31 March 2026

	Note	31.03.2026 £'000	31.03.2026 £'000	31.03.2025 £'000	31.03.2025 £'000
Net revenue for the year			**47,816**		**51,882**
Net cash inflow from operating activities					
(Increase)/decrease in accrued revenue		**(433)**		307	
Decrease in debtors		**79**		4,952	
(Decrease)/increase in creditors		**(3,971)**		3,290	
			(4,325)		8,549
Net cash flow from investment activities					
Capital expenses		**(11,600)**		(11,315)	
Payments to acquire investments		**–**		–	
Proceeds on disposal of investments		**27,275**		26,835	
			15,675		15,520
Net cash inflow from financing activities					
Issue of Units	*15*	**30**		58	
Cancellation of Units	*16*	**(25,788)**		(12,794)	
Distributions paid		**(47,601)**		(53,394)	
			(73,359)		(66,130)
(Decrease)/increase in cash			**(14,193)**		9,821

	31.03.2026 £'000	31.03.2025 £'000
Net cash and cash equivalents at beginning of the year	**71,609**	61,788
Movement during the year	**(14,193)**	9,821
Net cash and cash equivalents at the end of the year	**57,416**	71,609

The notes on pages 45 to 57 and the distribution table on page 58 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on a going concern basis, in compliance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Ireland", and in accordance with the Statement of Recommended Practice for UK Authorised Funds (SORP) issued by The Investment Association in May 2014 (and amended in June 2017) and the Trust Deed.

Having taken into account the investment property portfolio, existing tenancies and pending redemptions at the year end, it has been assessed that The Local Authorities' Property Fund would be considered a going concern for at least 12 months from the date of the approval of these financial statements.

(b) Financial assets and liabilities

The Company records financial assets and liabilities when an agreement is made. They are initially recorded at their fair value.

Financial assets are checked for any losses.

Receivables and payables are initially recognised at the transaction price and are subsequently measured at amortised cost using the effective interest method, less any allowance for credit losses.

Assets and liabilities are removed when the rights or obligations end or are passed on.

(c) Revenue recognition

Rental revenue and interest on bank deposits are accrued on a monthly basis. Dividends on unit trusts are accrued on the dates when the investments are first quoted ex-dividend.

In accordance with FRS 102 the rent free period is recognised on a straight line basis over the entire term of the lease. Lease incentives in the form of capital contributions are also shown as capital debtors and are amortised over the shorter of the entire term of the lease or to the period when the first market break option takes place.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

1. Accounting policies ***(continued)***

(d) Expenses

During the year, the Manager's periodic charge, paid by the Trustee to the Manager and recharged to the Fund, was deducted from revenue of the Fund before distribution. The fee is based on a fixed percentage of the value of the Fund, which is currently 0.65% p.a. plus VAT. Each month, the value at the end of the previous month is taken to calculate the fee due. This fee covers the provision of investment services and other expenses incurred by the Manager. The audit, insurance, property valuation fees and direct property fees are paid either directly by the Fund or by the Trustee and recharged to the revenue of the Fund before distribution.

(e) Distributions

Distributions are prepared quarterly and paid one month after each quarter end. Each month the revenue is applied to unitholders in the Fund and no revenue is included in the unit price. A net distribution is paid after deduction of expenses.

(f) Capitalised costs

All costs associated with buying, selling and the development of properties are charged to capital. Other expenses, subsequent to initial recognition, reflecting servicing, refurbishment, including the replacement of major part, or redevelopment, including the property valuation fees payable to Knight Frank LLP, are deducted from revenue.

These costs are added to the carrying value which is then subject to re-measurement to fair value at the next balance sheet date, or expensed. Where costs are capitalised, the change in fair value recognised in profit or loss will be affected by a similar amount.

(g) Basis of valuation

Freehold and leasehold properties are valued each month, on the basis of Fair Value in accordance with the current RICS Appraisal and Valuation Standards (The Red Book) is advised by Knight Frank LLP, Chartered Surveyors. Additions to the portfolio are valued externally after acquisition.

(h) Unit pricing policy

The Fund follows AREF's fund pricing recommendations and is priced at the Standard (NAV). Any adjustments around the Mid price (Bid/Offer) would follow AREF's fund pricing recommendations as required.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

1. Accounting policies *(continued)*

(i) Cash equivalents

The manager has treated some assets as Cash equivalents for the purpose of the Balance Sheet disclosure. Investments are regarded as Cash equivalents if they meet all of the following criteria:

- highly liquid investments held in sterling that are readily convertible to a known amount of cash;
- are subject to an insignificant risk of change in value; and
- provide a return no greater than the rate of a three month high quality government bond.

(j) Estimation uncertainty

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

There are no critical judgements used and the source of estimation uncertainty is discussed in note 18.

(k) Currency

The functional and presentational currency of the company is Great British Pound (GBP). There were no foreign transactions translated to GBP.

2. Net capital gains

	31.03.2026 £'000	31.03.2025 £'000
The net capital gains during the period comprise:		
Unrealised gains on investment properties*	**12,096**	25,676
Unrealised gains on collective investment schemes*	**1,886**	427
Realised losses on investment properties*	**(13,815)**	(4,156)
Realised losses – other	**(2,031)**	(378)
Net capital (losses)/gains	**(1,864)**	21,569

* Where net realised gains include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

3. Revenue

	31.03.2026 £'000	31.03.2025 £'000
Rental revenue	**58,063**	61,452
Service charge income	**2,826**	2,279
Interest on the Public Sector Deposit Fund	**2,141**	2,460
Bank Interest	**475**	568
Other revenue	**364**	1,084
Income from collective investment schemes	**2**	–
	63,871	67,843

4. Expenses

	31.03.2026 £'000	31.03.2025 £'000
i) Property expenses:		
Services charge expenses	5,054	4,658
Property ground rent and empty rates	**1,404**	1,584
Other property outgoings	**1,057**	1,245
Property legal and professional fees	**1,039**	694
Property valuation fees	**138**	142
Property repairs and maintenance	**56**	104
	8,748	8,427

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

4. Expenses *(continued)*

	31.03.2026 £'000	31.03.2025 £'000
ii) Management expenses:		
Payable to The Local Authorities' Mutual Investment Trust:		
Manager's periodic charge – see note 1(c)	**6,549**	6,390
Bad debt	**312**	798
Legal fees	**178**	42
Audit fee	**127**	84
Taxation fees	**27**	8
Investment Property Database fee	**45**	105
Depositary fee	**15**	15
Miscellaneous expenses	**12**	27
Insurance fee	**–**	25
	7,265	7,494
Total expenses	**16,013**	15,921

The above expenses include irrecoverable VAT where applicable.

5. Taxation
The Fund has been approved as an Exempt Unauthorised Unit Trust ("EUUT") under Regulation 3 of the Unauthorised Unit Trusts (Tax) Regulations 2013 (the "UUT Regulations"). Under the UUT Regulations, the Fund, as an EUUT is exempt from capital gains tax on its chargeable gains.

With regard to income arising to the Fund, such income will be treated as income of the Trustee and not of the unitholders, and will be chargeable to income tax at the basic rate. Under Regulation 18 of the UUT Regulations, where unitholders are treated as receiving income from an EUUT in respect of a period of account, the trustees are treated as making a deemed payment of the same amount on the final day of the period of account. Relief is available for the deemed payment against the income of the EUUT that is subject to income tax in the Trustees' hands.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

5. Taxation *(continued)*

	31.03.2026 £'000	31.03.2025 £'000
Income tax	**42**	40
Income tax is calculated as follows:		
Net taxable revenue at 20%	**42**	40
Income tax	**42**	40

6. Finance Costs: interest and distributions

Distributions

Distributions take account of revenue received on the issue of Units and revenue deducted on the cancellation of Units, and comprise:

	31.03.2026 £'000	31.03.2025 £'000
30 June – interim distribution	**11,703**	14,082
30 September – interim distribution	**11,705**	12,868
31 December – interim distribution	**11,752**	12,863
31 March – final distribution	**12,656**	12,068
Distribution for the year	**47,816**	51,882
Interest:		
Interest for the year	**–**	–
Total finance costs	**47,816**	51,882
Net revenue for the year	**47,816**	51,882
Net distribution for the year	**47,816**	51,882

Details of the distribution per Unit are set out in the distribution table on page 58.

There were no unclaimed distributions as at 31 March 2026 (31.03.2025, £nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

7. Investment property

	31.03.2026 £'000	31.03.2025 £'000
Market value at the start of the year	**985,596**	979,547
Unrealised gains on revaluation	**13,982**	26,103
Capitalised expenses	**11,600**	11,315
Disposals at cost	**(43,121)**	(31,369)
Market value at the end of the year	**968,057**	985,596
Historical cost at the end of the year	**1,056,103**	1,087,624

8. Debtors

	31.03.2026 £'000	31.03.2025 £'000
less than a year:		
Rents receivable	**2,169**	2,328
Property payments recoverable	**555**	1,227
Prepayments	**693**	912
Accrued interest	**131**	217
Accrued Revenue	**–**	4
	3,548	4,688
more than a year:		
Unamortised rent free periods	**7,636**	6,575
Unamortised lease incentives	**3,532**	3,099
	11,168	9,674
	14,716	14,362

9. Cash and bank balances and Cash equivalents

	31.03.2026 £'000	31.03.2025 £'000
Cash in the Public Sector Deposit Fund	**40,000**	56,000
Restricted cash	**99**	219
Total cash equivalents	**40,099**	56,219
Cash at bank	**17,317**	15,390
Total cash	**57,416**	71,609

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

10. Creditors

	31.03.2026 £'000	31.03.2025 £'000
Rent received in advance	**13,460**	12,783
Accrued expenses	**981**	1,426
VAT payable	**1,048**	1,255
Due to The Local Authorities' Mutual Investment Trust	**126**	23
Other creditors	**–**	4,099
	15,615	19,586

11. Financial instruments

The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year and the comparative year.

Market price risk

Whilst the value of direct property is independently valued on a monthly basis, such valuations are a matter of the valuer's opinion and such values may or may not be achieved on disposal. The Fund seeks to minimise the impact of these risks by maintaining a well diversified property portfolio, both geographically and by sector.

At 31 March 2026, if the value of investment held by the Fund increased or decreased by 5%, with all other variables remaining constant, then the net assets attributable to unitholders, and profit or loss, would increase or decrease respectively by approximately £48,403,000 (31.03.2025: £49,280,000).

Financial assets

All cash and bank balances earn interest at a floating rate based on either SONIA or base rate. Debtors and creditors of the Fund do not pay or receive interest.

Financial liabilities

Under the Scheme of the Fund, the Manager may borrow a maximum of 25% of the value of the property of the Fund to assist with investing in, improvements to, or the managing of property and the short-term financing of, or meeting payments to be made out of the Fund.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

11. Financial instruments ***(continued)***

Liquidity risk

By their very nature, direct properties are less liquid and therefore the investments may not be readily realisable. The Fund's liquidity may be affected by unexpected or high levels of redemptions. Under these circumstances, a period of notice of up to six months may be imposed for the redemption of units. The units are realisable only on each monthly dealing day.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, revenue and short term debtors and creditors are denominated in sterling.

Interest rate risk

The majority of the Fund's assets are direct property investments and therefore do not pay interest or have maturity dates. As a consequence any changes in interest rates will not significantly affect the Fund, except in so far as they affect rental levels generally. The Fund also invests in cash deposits, the revenue of which may be affected by changes to interest rates. A sensitivity analysis for interest rate risk is not shown as the impact is unlikely to be significant.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

11. Financial instruments ***(continued)***

Interest rate risk (continued)

The total exposure at 31 March 2026 was:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	**57,416**	**–**	**982,773**	**1,040,189**

Currency	Floating rate financial liabilities** £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	**–**	**–**	**28,271**	**28,271**

31 March 2025:

Currency	Floating rate financial assets* £'000	Fixed rate financial assets £'000	Financial assets not carrying interest £'000	Total £'000
Sterling	71,609	–	999,935	1,071,544

Currency	Floating rate financial liabilities** £'000	Fixed rate financial liabilities £'000	Financial liabilities not carrying interest £'000	Total £'000
Sterling	–	–	32,004	32,004

* The floating rate financial assets of the Fund earn interest at rates based on either SONIA, base rate or the interest rate of The Public Sector Deposit Fund.

** All financial liabilities are due to be settled within one year or on demand.

There were no derivatives held by the Fund as at 31 March 2026 (31.03.2025, £nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

12. Commitments and contingent liabilities
There were no contingent liabilities as at 31 March 2026 (31.03.2025, £nil). At 31 March 2026 there were no redemption notices outstanding (31.03.2025, nil units).

13. Trustee remuneration
The Trustee is controlled by the Members of the Council who receive no remuneration from the Fund.

14. Related party transactions
CCLA FM the Manager, charges an annual management charge for the management of LAPF to LAMIT, the Trustee of LAPF. CCLA IM is a parent company of the Manager (CCLA FM) and both these companies are related parties of both, LAPF and LAMIT. There were no outstanding balances due to or from CCLA FM and CCLA IM as of 31.03.2026 (31.03.2025, £nil).

The annual charge is paid by LAMIT on behalf of LAPF. LAMIT receives reimbursement from LAPF to cover these management expenses. LAMIT held shares in CCLA IM and the dividends received by LAMIT in respect of these shares was used to offset the reimbursement. In the year to 31.03.2026 LAMIT contributed £227,000 of its dividend income towards these costs (31.03.2025, £341,000). The amounts received by LAMIT from LAPF in respect of the recharges were £6,839,319 (31.03.2025, £7,852,867). There was an outstanding balance of £1,188,318 due to LAMIT (31.03.2025, £1,277,813.

15. Turnover of Units
The number and net asset value of units in the Fund issued, cancelled and transferred in the year to 31 March 2026 was as follows:

	Number of Units	Value £'000	% of NAV
Units issued	**9,956**	**30**	**0.00%**
Units cancelled	**9,264,164**	**25,788**	**2.55%**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

15. Turnover of Units *(continued)*

Year to 31 March 2025 was as follows:

	Number of Units	Value £'000	% of NAV
Units issued	19,541	58	0.01%
Units cancelled	4,675,846	12,794	1.23%

At 31 March 2026 there were no redemption notices outstanding (31 March 2025, nil).

16. Reconciliation of net cash flow to movement in cash balances

	31.03.2026 £'000	31.03.2025 £'000
Net cash and cash equivalents at beginning of the year	**71,609**	61,788
Movement during the year	**(14,193)**	9,821
Net cash and cash equivalents at the end of the year	**57,416**	71,609

17. Unitholders' funds – reconciliation of Units

	31.03.2026 Income Units	31.03.2025 Income Unit
Opening number of Units at beginning of period	**371,647,745**	376,304,050
Units issued in period	**9,956**	19,541
Units cancelled in period	**(9,264,164)**	(4,675,846)
Closing number of Units at end of period	**362,393,537**	371,647,745

18. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments, there is no material difference between their value, as shown on the balance sheet, and fair value.

Investment property is held at fair value. The fair value of all investments are derived from valuation techniques using non-observable data.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2026

18. **Fair value of financial assets and financial liabilities** ***(continued)***

The Fund's freehold and leasehold investment properties were independently valued by Knight Frank LLP, Chartered Surveyors, acting in the capacity of external valuers. As described in note 1(f), the valuation was to fair value in accordance with the Professional Standards of The Royal Institution of Chartered Surveyors (the 'Red Book'). Knight Frank LLP's opinions were primarily derived from comparable recent market transactions on arm's length terms. The Manager discusses these valuations with Knight Frank LLP at least once every quarter to assess them.

The fair value of investment property has been determined using the following hierarchy:

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date

Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly

Level 3 Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability

For the year ended 31 March 2026:

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment property	**–**	**–**	**979,225**	**979,225**
Indirect investments			**–**	**–**
	–	**–**	**979,225**	**979,225**

For the year ended 31 March 2025:

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment property	–	–	994,150	994,150
Indirect investments			1,120	1,120
	–	–	995,270	995,270

19. **Post Balance Sheet Event**

Property in Warwick has been sold on 30 July 2026 for total consideration of £9.5m.

There were £10.3m redemptions logged at the year end, subject to 180 days notice period.

DISTRIBUTION TABLE

for the year ended 31 March 2026

Period ended	Date paid/payable	Dividends paid/payable pence per Unit 2026	2025
Income Units			
30 June	31 July	**3.15**	3.74
30 September	31 October	**3.17**	3.44
31 December	31 January	**3.19**	3.45
31 March	30 April	**3.47**	3.28
		12.98	13.91

The distributions for income Units were paid in the same year, apart from the distribution declared on 31 March, which is payable on 30 April in the subsequent year.

STATEMENT OF TRUSTEE AND MANAGER RESPONSIBILITIES

Responsibilities of the Trustee and Manager
The Trustee of the Fund is required by the Trust Deed to prepare accounts which give a true and fair view of the financial position of the Fund at the end of each half-yearly accounting period and the movement in net assets for the period then ended, together with the information set out in clause 15(1) of the Trust Deed. In preparing these accounts the Trustee is required to:

- select accounting policies that are appropriate for the Fund and apply them on a consistent basis;
- comply with the disclosure requirements of the Statement of Recommended Practice relating to Authorised Funds issued by The Investment Association (IA) in May 2014;
- follow generally accepted accounting principles and applicable United Kingdom accounting standards;
- keep proper accounting records which enable the Manager to demonstrate that the accounts, as prepared, comply with the above requirements;
- make judgments and estimates that are reasonable and prudent; and
- prepare the accounts on a going concern basis that the Fund will continue in operation unless it is inappropriate to presume this.

The Trustee has delegated to the Manager the day-to-day management, accounting and administration as permitted by the Trust Deed and the Manager is required to carry out these duties in accordance with the terms of the Trust Deed.

The Trustee is also required to manage the Fund in accordance with the Trust Deed and take reasonable steps for the prevention and detection of fraud and other irregularities.

Under AIFMD the Manager acquired certain additional responsibilities including, ensuring compliance with AIFMD and that any delegation by the Manager is in accordance with AIFMD.

Should the Manager wish to retire, the Manager can only be discharged from its duties under the Scheme following the appointment of a replacement Manager who is eligible under AIFMD to act as Manager of the Fund.

STATEMENT OF DEPOSITARY RESPONSIBILITIES AND REPORT OF THE DEPOSITARY
for the year ended 31 March 2026

Responsibilities in Respect of the Scheme
The Depositary must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Investment Funds Sourcebook, ("the Sourcebook"), the Alternative Investment Fund Managers Directive ("AIFMD") (together "the Regulations") and the Fund's Scheme Particulars.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Depositary is responsible for the safekeeping of the assets of the Fund in accordance with the Regulations.

The Depositary must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the Regulations;
- the assets under management and the net asset value per share of the Fund are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- that the Fund's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the Scheme Particulars in relation to the investment and borrowing powers applicable to the Fund.

Report of the Depositary to the Unitholders of the Local Authorities' Property Fund ("the Scheme") for the Period Ended 31 March 2026

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Fund, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Fund, acting through the AIFM has been managed in accordance with the rules in the Sourcebook, the Scheme Particulars of the Company and as required by the AIFMD.

Yours sincerely



Claire Sewell
Associate Director Trustee & Depositary
22 September 2026

AIFMD DISCLOSURES (UNAUDITED)

Manager Remuneration

The Manager has no employees, but delegates the performance of its services to employees of its parent company, CCLA Investment Management Limited.

Recharges for the services of CCLA IM to the Manager are levied in respect of the year ending on 31 March each year. The recharge for the year to 31 March 2026 was £39,336,000. A recharge of £37,160,000 was levied in the year to 31 March 2025.

The average number of full time equivalent staff of CCLA IM, including temporary staff, for the year ended 31 March 2026 was 182 (year ended 31 March 2025: 184).

During the year ended 31 March 2026 and the prior year, remuneration was paid to CCLA IM staff as shown below. Totals for staff whose actions have a material impact on the risk profile of the Fund ("identified staff") are shown separately.

	Year to 31 March 2026			Year to 31 March 2025		
	Fixed remuneration £000	**Variable remuneration** £000	**Total** £000	Fixed remuneration £000	Variable remuneration £000	Total £000
Identified staff	**1,142**	**5,659**	**6,801**	1,116	1,838	2,954
Other staff	**17,514**	**8,149**	**25,663**	17,678	6,850	24,528
Total	**18,656**	**13,808**	**32,464**	18,794	8,688	27,482

Remuneration above is the total remuneration for CCLA IM; it is not possible to separate the element of that relating only to this Fund. The components of remuneration are appropriately balanced and do not create a conflict of interest for the Fund.

TRUSTEE AND MANAGER

Members of the Council and the Trustee

Chairman
R Kemp CBE

Local Government Association
R Kemp CBE – resigned 22 September 2025
R Love – resigned 22 September 2025
B Ingram
C West
R Woodley – resigned 22 September 2025
G Taylor – appointed 22 September 2025
J Laban – appointed 22 September 2025
J Robbins – appointed 22 September 2025
M Evemy – appointed 22 September 2025

Independent Members
R Kemp CBE
B Ingram
C West

Northern Ireland Local Government Officers' Superannuation Committee
T Andrews

Convention of Scottish Local Authorities
G Macgregor

Welsh Local Government Association
C Weaver

National Association of Local Councillors
K Stevens – passed away 6 November 2025

The Manager/Alternative Investment Fund Manager (AIFM)

CCLA Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority
The Zig Zag Building, 70 Victoria Street
London SW1 6SQ
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk

Investment Manager, Administrator and Registrar
CCLA Investment Management Limited
Authorised and regulated by the Financial Conduct Authority
The Zig Zag Building, 70 Victoria Street
London SW1 6SQ
Telephone: 0207 489 6000
Client Service:
Freephone: 0800 022 3505
Email: clientservices@ccla.co.uk
www.ccla.co.uk

Executive Directors of the Manager
D Sloper (Chief Executive) – resigned 2 February 2026
E Sheldon (Chief Operating Officer)
J Berens – resigned 2 February 2026
S Fuschillo – appointed 2 February 2026
J Singh – appointed 2 February 2026

Non-Executive Directors of the Manager
J Bailie (Chair)
N McLeod-Clarke
R Fuller

Head of Property
P Hannam

Company Secretary
M Mochalska

Chief Risk Officer
J-P Lim

Third party Advisers

External Property Valuer
Knight Frank LLP
55 Baker Street
London W1U 8AN

Managing Agents
BNP Paribas Real Estate
5 Aldermanbury Square
London EC2V 7BP

Depositary
HSBC Bank plc
8 Canada Square, London E14 5HQ

Banker
HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Solicitors
Hogan Lovells LLP
Atlantic House, Holborn Viaduct
London EC1A 2FG

DLA Piper Scotland LLP
Collins House
Rutland Square
Edinburgh
EH1 2AA

Independent Auditors
Deloitte LLP
110 Queen Street
Glasgow G1 3BX

ABOUT CCLA

Founded in 1958, CCLA look after the investments of more charities than any other asset manager in the UK. Well known for managing investments for charities, religious organisations and the public sector, CCLA began a new phase in its development in 2022, now welcoming other types of investor.

Our purpose is to help our clients maximise their impact on society by harnessing the power of investment markets. This requires us to provide a supportive and stable environment for our staff and deliver trusted, responsibly managed and strongly performing products and services to all organisations, irrespective of their size.

CCLA

CCLA Investment Management Limited
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CCLA is the trading name for CCLA Investment Management Limited (Registered in England and Wales No. 2183088) and CCLA Fund Managers Limited (Registered in England and Wales No. 8735639)

Both companies are authorised and regulated by the Financial Conduct Authority.
Registered address: The Zig Zag Building, 70 Victoria Street, London, SW1E 6SQ

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