

Alpha Real Capital LLP

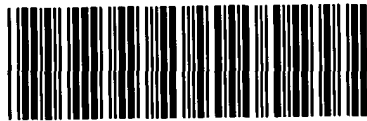
Report and Financial Statements

Year Ended

31 March 2023

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ALPHA REAL CAPITAL LLP

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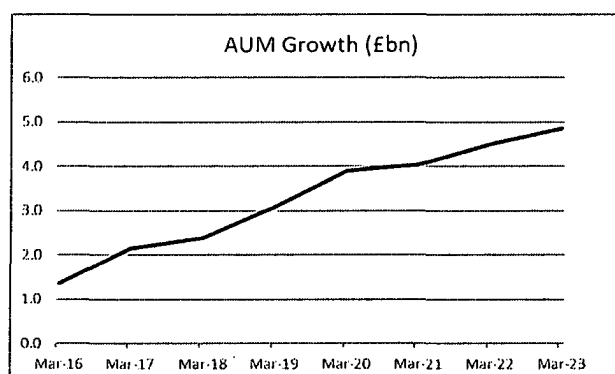
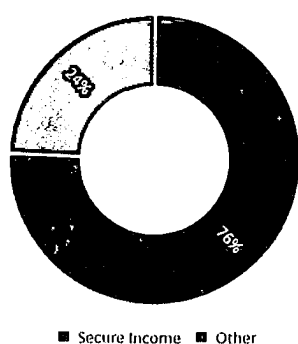


ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

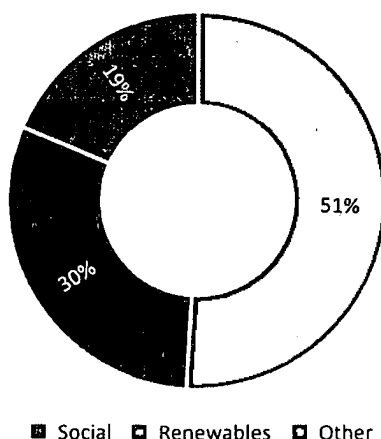
Alpha Real Capital LLP ("AlphaReal") is a specialist real assets investment manager focused on secure income strategies. We invest in UK and European real assets with predictable secure long term cash flows. We provide market leading and innovative real asset solutions across a range of investments such as commercial ground rents, UK renewable infrastructure, social infrastructure and secured lending, combining operational real estate expertise and fixed income skills.

Highlights

- AUM¹ grew to £4.8 billion (2022: £4.5 billion) focussed on secure income assets



- Social infrastructure and renewable energy infrastructure represent around 49% of group AUM



- £1.5 billion invested in social infrastructure, including long leases and ground rents on social accommodation, care, health and education assets
- Over £0.9 billion invested in over 170 renewable energy infrastructure assets in wind, solar and hydro with over 406 MW of clean energy capacity
- Over 80% invested has been originated by AlphaReal
- AlphaReal's team has grown to over 180 people as we continue to invest for future growth

¹ Including capital commitments (2023: £0.0 billion, 2022: £0.2 billion)

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About AlphaReal

AlphaReal is a specialist real assets investment manager focused on secure income strategies. We invest in UK and European assets with predictable secure long term cash flows. We provide market leading and innovative real asset solutions across a range of investments such as commercial ground rents, renewable infrastructure, social infrastructure and secured lending, combining operational real estate expertise and fixed income skills.

AlphaReal has a 180 plus strong professional team with £4.8 billion of assets under management, including capital commitments.

We look for long term relationships with our investment partners, tenants, lenders and other stakeholders.

AlphaReal works with a wide range of UK, European and international investors, including pension funds and other large institutional investors as well as private investors, family offices and wealth managers through TIME Investments (www.time-investments.com), AlphaReal's authorised wealth management investment solutions arm.

AlphaReal is a signatory to the United Nations Principles for Responsible Investment, the UN Global Compact UK and is a member of INREV and AREF.

Key Statistics

£4.8 BILLION

ASSETS UNDER MANAGEMENT

£2.4 BILLION

SOCIAL & RENEWABLES AUM

£54 MILLION

REVENUE

180+

PROFESSIONAL TEAM

Signatory of:



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We offer each of our stakeholders:

- robust investment and operating processes with financial accountability;
- a strong emphasis on identifying, measuring and controlling risk;
- an active-management approach that continuously seeks to add value;
- a commitment to innovation;
- a passion for integrity and responsibility in all we do and all we think; and
- a deep respect and genuine spirit of partnership with our investors, business partners and other stakeholders.

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Our investment style

Established in 2005 and independently owned and managed by its partners, AlphaReal thinks independently and acts responsively.

We focus on real assets that can provide income and capital security, income longevity and inflation protection, including Secure Income (SI) and Cash flow Driven Investing (CDI) strategies.

Investors benefit from our ability to bring together specialist sector knowledge, industry connectivity and pro-active management to originate, credit structure and manage real asset investments.

We integrate ESG into our investment processes and have a strong emphasis on social infrastructure and renewable energy infrastructure.

Communication

We strive to be leaders in transparency and provide our investment partners and stakeholders with clear, regular and relevant communication.

Investment Process

AlphaReal operates a robust investment process which integrates local market intelligence, strategic research, active management strategies with financial and risk management.

Origination <ul style="list-style-type: none">➤ Focus on asset selection, valuation metrics, operational cash flow and credit➤ Assess and quantify active management opportunities➤ Assess asset and operational risk	Structuring <ul style="list-style-type: none">➤ Detailed assessment of valuation fundamentals, rental profile and cash flows➤ Forensic due diligence-physical, technical, legal, environmental➤ Evaluate lease structuring options to deliver value and flexibility➤ Financial and credit stress testing➤ Develop risk management and monitoring strategies	Investment Committee <ul style="list-style-type: none">➤ Independently review all investments based on risk return profile and strategic fit➤ Sense test and stress test underwriting assumptions➤ Review and test detailed due diligence including ESG factors
Active Asset Management <ul style="list-style-type: none">➤ Detailed business plan including investment horizon➤ Utilise optimum mix of in-house and closely managed service providers➤ Partner-based relationships with key tenants	Portfolio Management <ul style="list-style-type: none">➤ Monitor portfolio and asset level characteristics, cash flows, financial covenants, projected IRRs, exit multiples and ESG factors➤ Ongoing risk optimisation including rent rebalancing and/or asset substitutions	Liquidity Management <ul style="list-style-type: none">➤ Continually review liquidity options for investors➤ Optimise cash balances

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AlphaReal utilises its core strengths in establishing, building and managing specialist investment platforms focussed on discrete investment strategies:

Specialist Platforms	Investment Funds	Wealth Management Solutions & Funds
AlphaReal Long Income Long-income real estate and social infrastructure	Index Linked Income Fund Long-income, inflation-linked commercial freehold ground rents	TIME: Freehold Long-income, inflation-linked freehold ground rents
AlphaReal Renewables Renewable energy infrastructure	European Long Income Fund Long-income, inflation linked European commercial property investment	TIME: Commercial Long Income Long-income, inflation linked commercial property investment
AlphaReal Alternative Credit Real asset lending	Social Long Income Fund Long-income, inflation-linked social infrastructure	TIME: Social Long Income Long-income, inflation-linked social infrastructure
	Wind Renewable Income Fund Renewable energy infrastructure	TIME: Advance IHT investment services focussed on renewable energy infrastructure and property lending
	Alpha Real Trust Property lending and other asset-backed investing	TIME: UK Infrastructure Income Renewable energy and infrastructure securities

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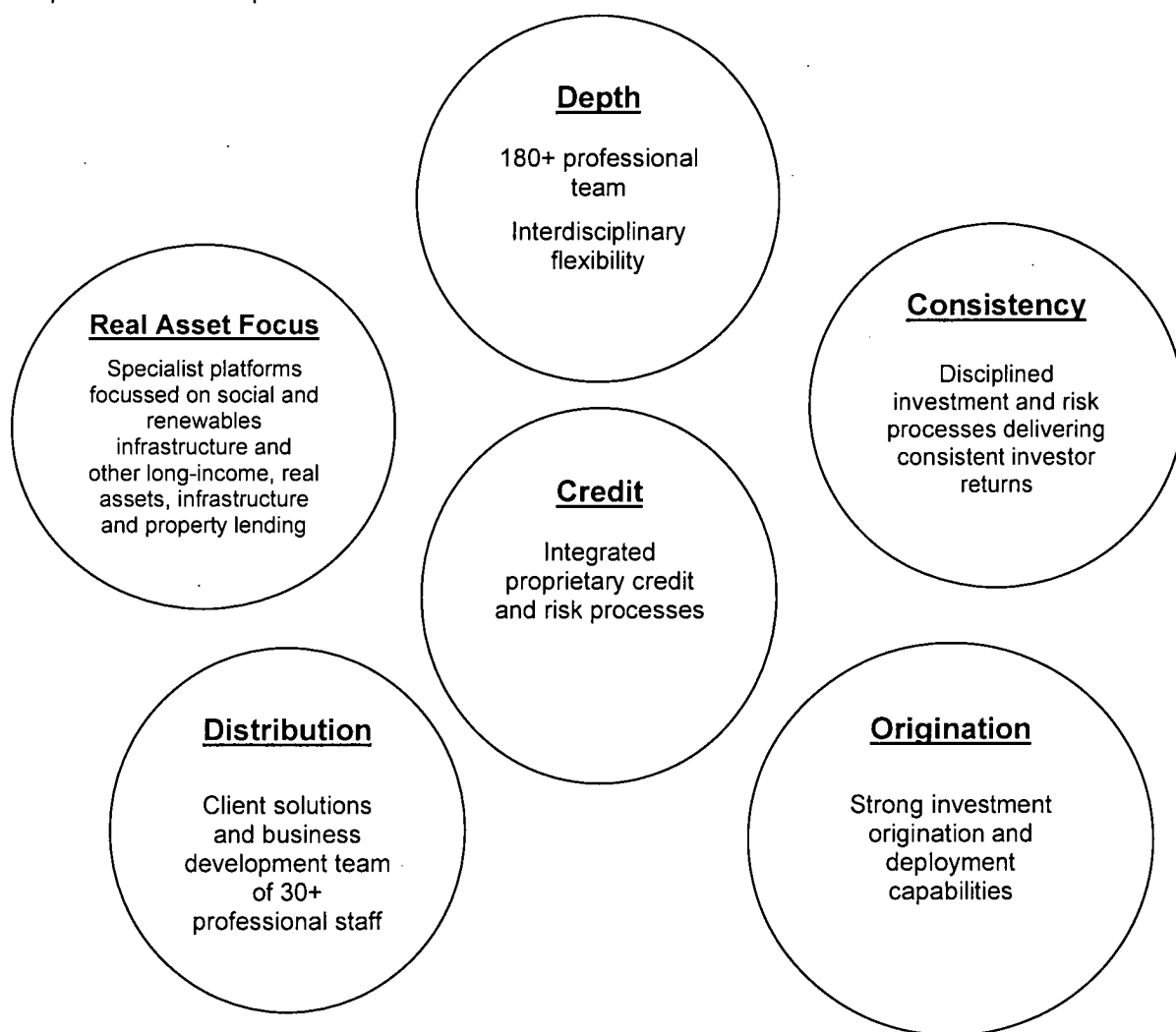
AlphaReal's expert platforms benefit from sector specialist teams who can draw on the wider group's resources and skill base to bring together cross-functional teams with deep experience in investment sourcing and selection, active asset management, credit and risk management, financing and structuring.

AlphaReal has specialist expertise in secure income investing including freehold ground rents, social infrastructure and renewable energy infrastructure.

AlphaReal continues to create new funds and services that enable our investment partners to access a wider choice of secure income strategies from real assets with attractive risk-adjusted investment returns.

Our organisational strengths

AlphaReal's business is built on the breadth and depth of our 180 plus expert staff's collective experience, our ability to work flexibly on an inter-disciplinary basis, our expert sector-focussed investment platforms, and our disciplined investment processes.



Our Values



We focus on doing what is right. We take pride in having integrity at the core of everything we do.



We respect each individual, each investor, business partner, stakeholder, and their data privacy.



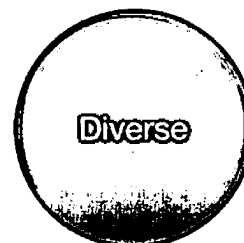
We act responsibly and for the long term.



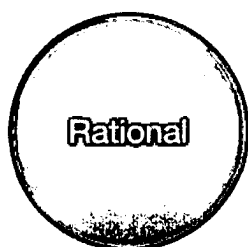
We work together inclusively to achieve more. We appreciate the best ideas can come from anyone.



We put the interests of investors at the centre of all we do.



We value diversity of thought. We welcome difference.



We believe in the power of intelligent enquiry, thinking analytically and testing empirically.



We focus on identifying, measuring and controlling risk. We believe two pairs of eyes are better than one. We pay attention to detail.



We embrace good governance and financial accountability. We focus on clear and relevant communication with all our stakeholders.

ALPHA REAL CAPITAL LLP

CHIEF EXECUTIVE'S REPORT

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Our commitment to Environmental, Social & Governance ("ESG")

AlphaReal has continued to make significant progress on its sustainability journey over the past year. Key highlights include our inaugural TCFD² report (produced on a voluntary basis) and our first Group Sustainability report. This enhanced level of disclosure is part of our commitment to monitoring climate-related risks, impact investing and tenant engagement and both reports are available on our website. AlphaReal continues to participate in GRESB³ which provides us with an objective assessment of progress year over year. Finally, the company has made a commitment to Net Zero by 2050 both at the corporate and fund level, with the intention of accelerating that date in line with increased visibility on tenant decarbonisation plans where FRI⁴ leases are in place (please see further information below under "Our journey to net zero").

Our approach

Our sustainability philosophy is built around four pillars:

- i. a quantitative approach;
- ii. rigorous analysis;
- iii. transparency; and
- iv. continuous improvement.

Quantitative approach

We believe that sustainability characteristics should be quantified wherever possible. We believe that if a sustainability risk can be measured, it can be more easily mitigated or avoided. To this end, we selectively make use of third-party decision tools to enhance our understanding of such risks, but only once we have thoroughly reviewed the methodology to ensure it is robust and the output reliable. We are constantly seeking better ways of identifying, measuring and managing sustainability risks, and where possible, sustainability opportunities.

Rigorous analysis

A broad and sophisticated analytical approach to investment risks is required for the long-term nature of many of the assets in which we invest. The same is true for our assessment of sustainability characteristics. As well as detailed asset-specific environmental due diligence, we also seek practical and relevant indicators, such as Ofsted ratings for education assets or CQC ratings for care assets. The UN Sustainable Development Goals (SDGs) are also a core component of our analysis, based on an outcomes-focused approach.

Transparency

We believe in the importance of transparency for all our stakeholders and seek to present information in a way that is easy-to-understand and supported by our quantitative approach and rigorous analysis. Examples include expressing renewable energy output in terms of homes powered, or care facilities in terms of beds provided as well as transparency on carbon emissions. We also seek to be transparent about challenges we may face in meeting stakeholder expectations, for example when constraints imposed by FRI leases reduce our ability to directly influence tenant behaviour or collect data.

Continuous improvement

We take a positive approach in our efforts to find better ways to measure the sustainability characteristics of the assets we manage.

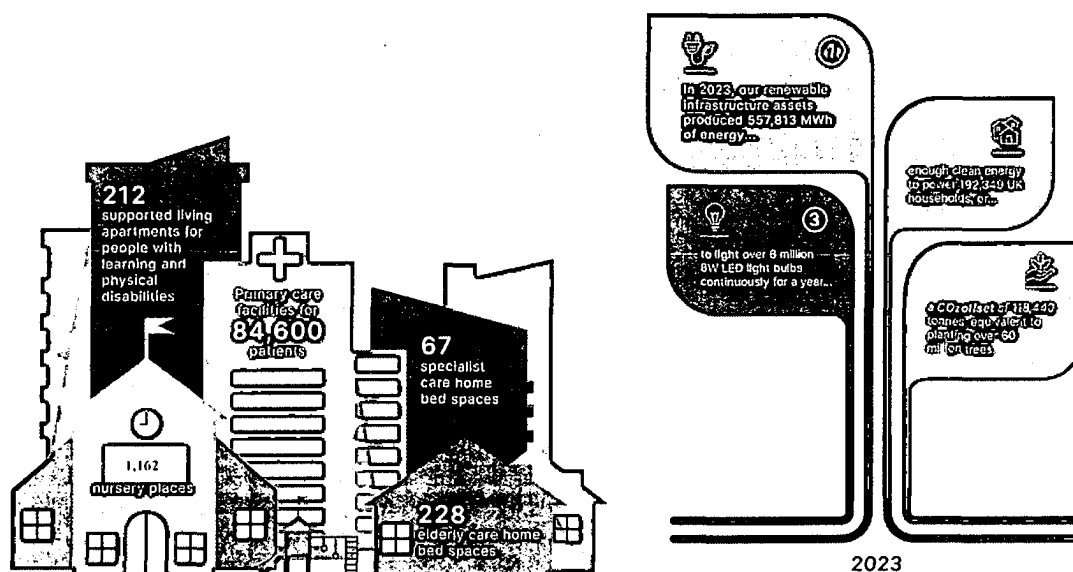
² Taskforce on Climate-Related Financial Disclosures

³ Global Real Estate Sustainability Benchmark

⁴ Fully Repairing and Insuring leases. Under FRI leases, the tenant controls how an asset is operated.

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Our real assets provide real world benefits



Working with others

AlphaReal is a signatory to the United Nations Principles for Responsible Investment, the UN Global Compact Network UK and also participates in other industry bodies such as Pensions for Purpose the UK Sustainable Investment and Finance Association. AlphaReal is also a member of INREV (the European Association for Investors in Non-Listed Real Estate Vehicles) and AREF (the Association of Real Estate Funds).

People

Our culture combines an entrepreneurial and meritocratic approach with collaboration and respect for the individual. We believe that the best ideas can come from anyone, and that by working inclusively as a group we are able to leverage our collective strengths to achieve more.

We believe that sustainability and integration of ESG factors is a firmwide responsibility, not just that of one team. As such, we have incorporated ESG into key processes across the firm, from staff appraisals, through to Investment Committee (IC) and ongoing management.

We also believe that combining individuals with different backgrounds and experiences can enhance a range of business processes, from idea generation and decision making to problem solving and risk management. The Group seeks to foster a culture where differences are valued, and where all colleagues are treated with respect.

We are constantly looking for ways to nurture and protect this culture and engage with our staff regularly through engagement surveys, with most recent completion rate of over 90% across the business. Each member of staff has an ESG performance objective which is considered as part of the annual review process.

Diversity and inclusion

AlphaReal has an established Diversity and Inclusion (D&I) policy. This policy centres on six core group commitments:

- To not discriminate, and to ensure everyone should be treated equally regardless of race, sex, gender identification, sexual orientation, ethnic or national origin, nationality, religion, age, disability, marital or civil partner status, pregnancy, or any other characteristic protected by law
- To promote equality of opportunity for all staff
- To promote the Group's commitment to diversity and inclusion to all staff
- To create a working environment free of bullying, harassment or victimisation

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- To adhere to the principle that promotion and compensation decisions should be based on merit, reflecting both business and individual results
- To regularly review our D&I policy and processes and take action to address any issues raised

AlphaReal also encourages staff to participate in charitable and voluntary work, through flexibility on time off and corporate donations.

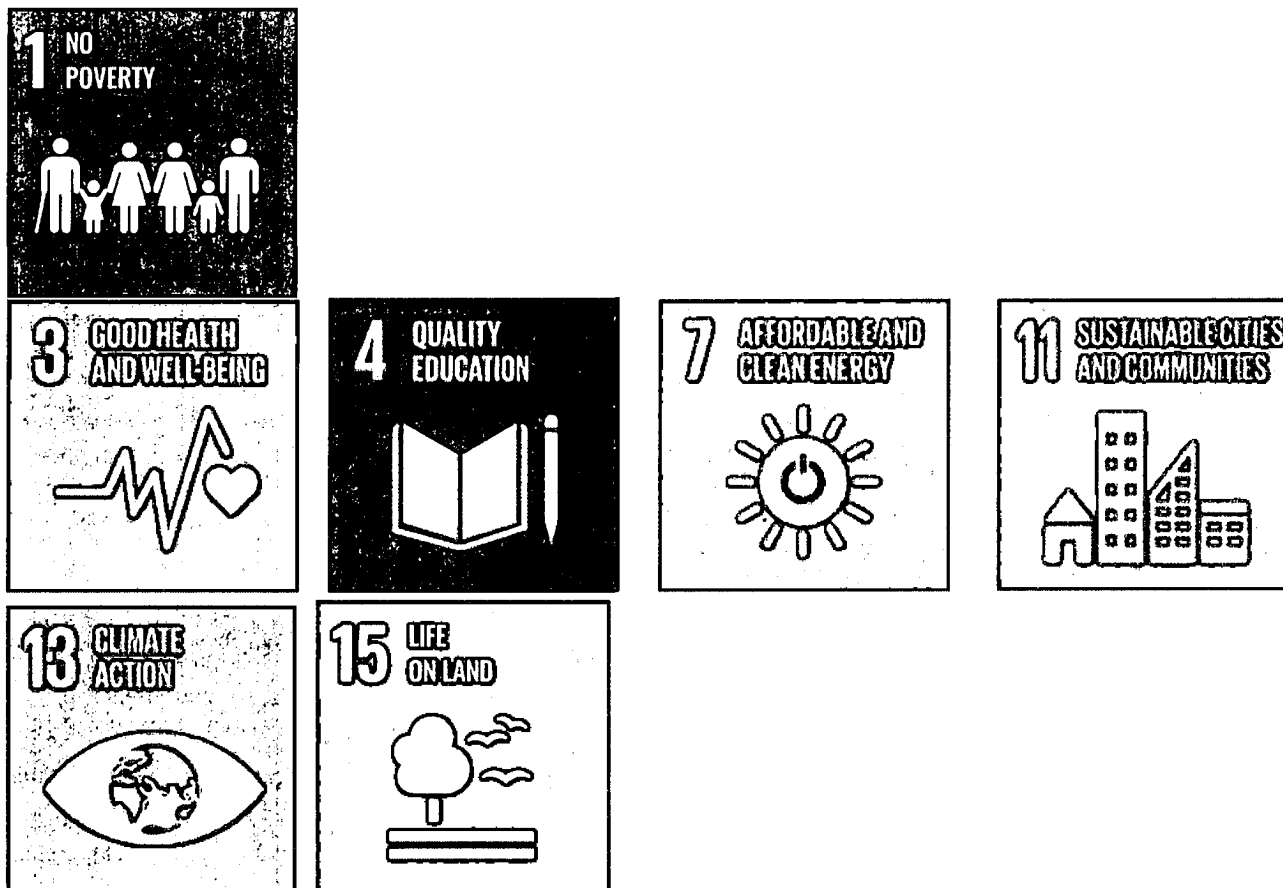
Sustainability measurement and management tools

To ensure we are appropriately measuring and managing sustainability and ESG performance, we employ a range of third-party decision tools. Impact measurement and management is constantly evolving, and we keep these tools and methodologies under continuous review.

Aligning with the UN SDGs

The UN's Sustainable Development Goals (SDGs) are an invaluable tool for aligning sustainability strategies. We evaluate managed assets against the SDGs, in most cases identifying a primary goal that is of core relevance to the investment, plus any secondary goals on which the investment may have an additional impact.

Across AlphaReal and TIME, our core goals are:



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Assessing carbon intensity

We use MSCI Climate Value at Risk (VaR) to provide a forward-looking and valuation-based assessment of climate-related risks and opportunities within real estate investment portfolios. This model consists of two main components:

Transition Risk – risks of transitioning to a low-carbon economy. This includes governmental legislation, technology and policy changes which can lead to capital and operational risks to assets. We assess risks over a timeline to 2100 under temperature increase scenarios, including 3°C, 2°C and 1.5°C and under different integrated assessment models, including CRREM pathways.

Physical Risk – refers to impacts such as heat stress changes in flooding drought and sea level rise as well as the likelihood and intensity of extreme weather events. Physical risk are assessed using different cost functions for acute and for chronic risks. Extreme weather events are based on MSCI scenarios that seek to align with those recommended by the Network for Greening the Financial System (NGFS) and the Intergovernmental Panel on Climate Change (IPCC).

Transition Policy Risk



Physical Risk



Figure: MSCI, 2022

Assessing social value

We have developed an impact framework in-house which consists of four key elements which when taken together enable assessment of impact. The elements are market return, intentionality, contribution and measurement. For measurement, we have worked with Loop since 2020 to provide an independent measurement and quantification of social value.

Independent verification and measurement constitute an area of ongoing development. As an industry stakeholder, we are actively collaborating with third party providers with the aim of moving towards achieving consensus on an industry agreed methodology.

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Our ESG scorecard

ESG is fully embedded in our investment process, from initial appraisal through to Investment Committee and ongoing management. This is facilitated through the use of an ESG Scorecard, which covers a range of sustainability risks and opportunities pertinent to the transaction in question and forms an integral part of the materials reviewed by the Investment Committee.

The scorecard takes a holistic view and includes climate value at risk, environmental due diligence as well as metrics relevant to societal benefits and governance. Risk level and mitigants (where risk is medium or higher) are identified for each of the factors across E, S and G.

The format and contents of the ESG Scorecard may vary across funds, depending on the nature of the investments and the availability of tools and data. In such cases, ESG due diligence may be evidenced using an adapted form of the ESG Scorecard or alternative methods approved by the Group's Chief Investment Officer.

E/S/G	Factor	Description
Environmental	Climate Risk	Assessment of Physical & transition risks as well as the asset carbon intensity based on MSCI Real Estate Climate Value-at-risk
	Energy Efficiency	Energy efficiency rating, and proposed future improvements
	Asbestos	External assessment of asbestos-containing materials, registers, and management plans. Confirmation on lease requirements regarding tenant management of asbestos in line with regulations
	Deleterious materials	External assessment on presence of deleterious materials and confirmation of lease requirements regarding tenant management of deleterious materials in line with regulations
	Flood Risk	Environmental survey findings on likelihood of flooding from tidal/ fluvial/ reservoir/ surface water sources and analysis of mitigants and insurability. Confirmation of lease requirements regarding tenant management of flood risks in line with regulations
	Land Contamination	External assessment land contamination and confirmation of lease requirements regarding tenant management of land contamination issues in line with regulations
	Mining	Site assessment for coal mining activity and confirmation of lease requirements regarding tenant management in line with regulations
	Radon	Risk assessment of radon gas at the site area and confirmation of lease requirements regarding tenant management in line with regulations
Social	Social Value	Quantitative assessment of social value generated in the case of social assets
Governance	Compliance with Group policies	Investment compliance with the Group's Sustainable Investing Policy
	Cladding	Confirmation of lease requirements regarding tenant management of cladding in line with regulations
	Fire Risk	Asset compliance and operation in line with regulation
	Green clause	Confirmation on whether a green clause ⁵ has been included in the lease
	Independent regulator rating	Independent regulator rating received by the tenant/asset in the case of social assets
E, S and/or G	Other characteristics	Any other ESG characteristics that demonstrate tenants' alignment with responsible and sustainable practices within their strategy and/or operations
	SDGs	Asset alignment/contribution to the Sustainable Development Goals, including both core and ancillary goals where there is clear linkage between investment and the respect goal's target(s).
Summary Rating	Impact / Risk	Overall assessment of ESG risk abased on the individual assessment and attributed rating to the risk factors described above. Based on overall risk, we identify the transaction's green premium/ discount.

Figure: Illustrative ESG Scorecard applies for our Long Income funds. Categories will differ between asset classes.

⁵A green clause requires a tenant to consider environmental good practice, energy and water efficiency and waste reduction in providing any services and carrying out any works.

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Our journey to net zero

We recognise the challenge posed by climate change, and the target to limit the extent of warming in line with the Paris Agreement. Our journey to net zero encompasses actions at two levels.

At the firm level, in 2021, we engaged an independent consultant to assess the company's emissions and assist us in devising a plan to make reductions from a defined baseline level over the medium term. To the extent it is not possible to reduce emissions further, we intend to offset them using an accredited programme. Our ambition is to be net zero as a firm by 2050.

At the fund level, we are equally committed to net zero by 2050, but believe we must be transparent in recognising the constraints imposed by managing real estate assets under FRI leases.

The majority of real estate assets managed by the AlphaReal and TIME have FRI lease contracts, which means the funds (as Landlord) do not have operational control of the asset, and hence are unable to directly change an asset's carbon footprint. With that being the case, our strategy is to form a partnership and work collaboratively with tenants to collect and aggregate emissions data for portfolio assets and to encourage and positively influence tenants to develop an emissions reduction strategy, particularly in cases where one does not already exist. Over time, we anticipate being able to collect a detailed picture of current and future expected emissions and from this, project a net zero pathway for individual funds.

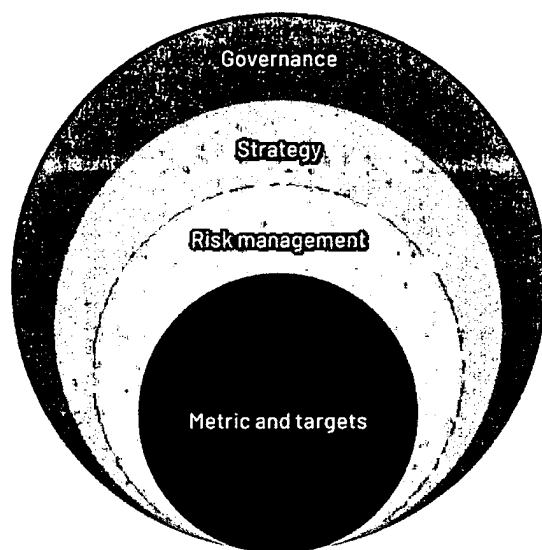
Our data-led approach reflects our belief that a net zero commitment should be backed by robust data and an achievable reduction plan. Whilst this is an evolutionary process requiring tenants' voluntary participation, we are enhancing actual emissions data collection at asset level, and experiencing positive engagement from tenants. We will continue to keep investors and other stakeholders updated on our progress, as we look forward to being able to share greater detail over time.

TCFD reporting

The TCFD, first launched in 2017, was created to improve and increase reporting of climate-related information. It demonstrates how an organisation considers and mitigates climate-related risks and opportunities.

The TCFD recommendations are structured consistent with four key pillars, and eleven recommended disclosures to support disclosures under each pillar, set out by the Financial Stability Board's TCFD.

For further information please, refer to the TCFD report available on our website.



Governance

The organisation's governance around climate-related risks and opportunities.

Strategy

The impacts and potential impacts of climate-related risks and opportunities on the organisation's business, strategy, and financial planning.

Risk management

The organisation's process in identifying, assessing, and managing climate-related risks.

Metrics and targets

The metrics and targets used to assess and manage the relevant climate-related risk and opportunities.

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Governance

AlphaReal puts good business governance at the centre of its risk framework. It manages this through well communicated protocols and open information flows throughout the organisation.

AlphaReal, and its subsidiary TIME Investments, are authorised and regulated by the Financial Conduct Authority to provide investment management services to professional investors and regulated financial advisers and their investors.

The group therefore adheres to an established compliance environment which is supported by a code of conduct incorporated into personnel contracts. This code covers a wide range of conduct requirements including client confidentiality, data protection, market abuse regarding price-sensitive information, personal interests disclosure, conflicts of interest, anti-money laundering procedures, bribery act and whistleblowing processes.

AlphaReal commissions an annual Assurance Report on Internal Controls (AAF01/20) to independently review and report upon its investment management processes and internal controls.

Fundamental to its investment management operational framework AlphaReal holds **Investment Committees** to make investment/divestment and other fund critical recommendations/decisions. The committees are made up of senior personnel including the CEO.

Additionally, AlphaReal maintains monthly **Risk Committees**. This forum is made up of the CFO, COO and TIME's Operations Director. This seeks to establish an internal body independent of the investment decision environment so providing an objective view on activities. For each fund/platform there are risk matrices developed to measure any evolving risks that need further focus and attention from the AlphaReal executive.

Within its authorised fund business activities, to support its role as Authorised Corporate Director (ACD), AlphaReal has established an **ACD Board** with two Independent Directors.

AlphaReal complements its governance with a team of **Senior Advisors** who have deep industry knowledge and reach to help provide valuable insight and input into Alpha's business development and growth.

AlphaReal abides by the laws and values of the Equality Act 2010 and is an equal opportunity employer. AlphaReal is also committed to ensuring that all staff can work in a workplace where health and safety is provided in accordance with applicable laws and regulations.

AlphaReal is a member of INREV, the European Association for Investors in Non-Listed Real Estate Vehicles whose mission is to promote transparency, professionalism, and best practice.

Signatory of:



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Independent Directors and Senior Advisors

Gerald Parkes Independent Director

Gerald has over 40 years' experience in real estate and related sectors, having started his career in London in 1977. Prior to founding Property Capital Partners Europe in 2010 he was the Managing Director and Head of Real Estate Private Equity Europe for Lehman Brothers. Prior roles include Chief Executive of Invesco Real Estate Limited, founder and CEO of Parkes and Company, Head of Investment Management Europe for Lend Lease and founding Partner and Head of Europe for The Yarmouth Group. From 1993 until 2003, Gerald had a mandate from Teachers Insurance Annuity Association, to develop and then execute its direct investment strategy in Europe.

Gerald has an MA in Land Economy from Cambridge University. He is a Governor of the Urban Land Institute and former Chair of ULI Europe. Prior to BREXIT, he was also the private sector member of the UK Government's Property Star Chamber and an independent adviser to the Government Property Unit reporting to Cabinet.

Richard Gray Independent Director

Richard is an investment banker with extensive international experience in equity capital markets, corporate broking and corporate finance. He works with Zeus Capital and has held senior positions at Panmure Gordon, Lazard and UBS.

He holds board positions across a wide range of public and private companies. He is also an adviser to several multinational organisations focussed on environmentally sustainable investment.

Roger Mountford Senior Advisor

Roger joined AlphaReal as a Senior Advisor in 2020. He has held a range of board and trustee positions across the private and public sectors and chaired several large pension schemes. He has a special interest in private assets, including infrastructure, social housing, and private equity.

Roger is currently chair of the trustee of the Lafarge UK Pension Plan, is a government-appointed director of HS2 Limited and has served on the boards of the Allied Domecq, Civil Aviation Authority and Church of England pensions boards. He has degrees in economics and management from the LSE and the Stanford Business School.

Phil Redding Senior Advisor

Phil joined AlphaReal as a Senior Advisor in 2021. Phil has held a range of positions across both business development and consulting and brings with him over 40 years of pension and investment experience. Phil is currently an Executive Director at Cardano, and prior to that, was Head of Business Development EMEA at Aviva Investors. He has also worked at Credit Suisse, Zurich, CIS and Scottish Mutual. His formative years were spent as a pensions consultant at Hogg Robinson Benefit Consultants.

Philip Hebson Senior Advisor

Philip joined AlphaReal as a Senior Advisor in November 2021. He has over 41 years' experience in the securities industry, having been with Charterhouse Securities (formerly Tilney & Co) for 20 years, being appointed a Director in 1992. He was a member of the UK equities sales team, responsible for marketing the firm's analytical output to a wide range of institutional clients.

In 2000 he joined Merseyside Pension Fund as Head of UK Equities, where he was responsible for research and portfolio structure decisions for the internally managed portfolio. He was also involved in the monitoring process for the Fund's external investment managers and advised on the risk profiling of the Fund, including asset allocation.

Philip was a Non-Executive Director of Aberdeen Private Equity Fund from 2009 until 2018 and has been a Senior Advisor at MJ Hudson (formerly Allenbridge) since 2011.

Philip is the Independent Investment Advisor to Worcestershire Pension Fund, the Independent Financial Advisor to Oxfordshire Pension Fund and is an External Member of West Yorkshire Pension Fund's Investment Advisory Panel. He is the alternate advisor to five other LGPS Funds.

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Mark Futyan Senior Advisor

Mark joined Alpha as Senior Advisor in 2023. He brings 25 years' experience in the energy sector spanning solar, energy storage, wind, nuclear, carbon capture, gas fired power generation and interconnectors.

Mark currently serves as a Non-Executive Director on the boards of Anesco and Origami Energy. He was CEO at Anesco until January 2023, where he oversaw the development and construction of over 500MW of solar PV and energy storage projects. Prior to that, he held a series of executive roles at Centrica.

Mark is a Fellow of the Institute of Directors and a Chartered Engineer. He studied Chemical Engineering at Cambridge University and received an MBA from Columbia Business School.

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Key Funds and platforms review

AlphaReal Long Income

Established in 2014, AlphaReal Long Income is a division of AlphaReal that specialises in long income real asset investment.

AlphaReal has raised over £2 billion from UK and European pension funds and insurers for investment in long-income ground rents and social infrastructure through funds and direct mandates. These assets all have long term cash flows with substantial inflation indexation.

The AlphaReal Long Income team has deep experience in the origination and credit structuring of long income investments and has extensive knowledge of pension fund de-risking and Cash flow Driven Investing (CDI).

Occupiers benefit from AlphaReal's track record in clearly identifying the long-term needs of tenants and in delivering flexible partnership-based real estate solutions.

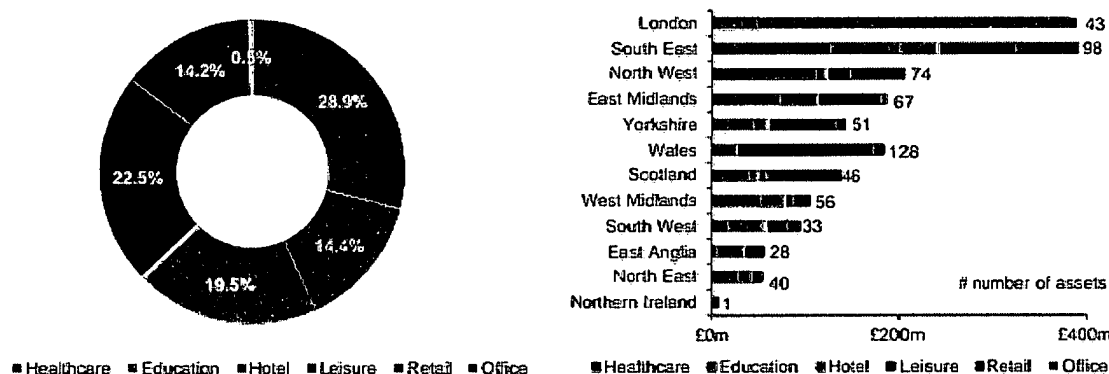
Over the year to 31 March 2023, the Long Income platform transacted on over £685 million of acquisitions across all of its managed funds and mandates.

Index Linked Income Fund (ILIF)

The Index Linked Income Fund invests in a portfolio of UK commercial ground rent assets to provide a long-term secure and predictable inflation-linked income stream with associated capital growth. ILIF's investment strategy includes:

- Long-lease tenancies, typically over 100 years
- Rents indexed to inflation
- Defensive rental levels set at well below market levels
- Geographic and economic diversification

As at 31 March 2023, ILIF held 665 individual properties, with a total property portfolio valuation of £1,894 million.



ILIF completed a number of transactions over the period, including several with existing tenants, demonstrating the strength of AlphaReal's partner relationships.

As at 31 March 2023, ILIF's annualised net performance since inception was 4.05% (2.33% income return and 1.72% capital return).

ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

Social Long Income Fund (SLIF)

The Social Long Income Fund invests in UK social infrastructure. Social infrastructure supports the delivery of essential needs-based services. By our definition, social infrastructure includes real estate assets across three core sectors – health, housing, and education – which make up the 'pillars' of this asset class.

Social infrastructure investments can deliver long-term, resilient, inflation-linked income streams for investors whilst also providing societal benefits and impacts which assist in building stronger, better communities. Throughout the UK, there is an overwhelming shortage in the provision of accessible, suitable, and affordable essential services in each of these pillars. AlphaReal estimates the shortage of fit-for-purpose social infrastructure assets to be more than £50 billion. Our investment strategy is underpinned by strong and long-term market drivers which collectively support a multi-billion-pound market opportunity.

Our investment strategy is characterised by:

Future-fit assets - We focus on new build and change of use assets, which recognises the embodied carbon, to deliver future-fit assets for 25+ years. Our long-term approach supports positive environmental and social impact outcomes.

Income focus - We generate market returns by investing in long-lease real estate with predominately inflation-linked leases using caps and collars to support the affordability for tenants and the delivery of income growth for investors.

Supporting communities - Our approach enables additional provision of essential needs-based services to assist the wellbeing of communities in the UK. We support alignment of institutional capital and public funding to alleviate capacity constraints across our three pillars of health, housing, and education.

SLIF invests across the three pillars of health, housing and, education targeting real estate assets let on long leases to providers of services such as:

The Three Pillars



Pillar 1 Health

- Elderly care
- Primary & secondary care
- Treatment clinic
- Specialist care



Pillar 2 Housing

- Extra care
- Homelessness & supported living
- Key Worker & social housing
- Student (university let)



Pillar 3 Education

- Day nurseries
- Primary, secondary
- University faculty
- Special educational needs

Source: Information for illustration purposes only

SLIF has two Local Government Pension Scheme investors and a UK Corporate Pension fund investor and is in active discussions with several pension funds and investment consultants to deliver its pipeline of opportunities and diversify and expand its portfolio.

SLIF continued to deliver shareholders attractive, inflation-linked return in the year to 31 March 2023.

ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

Platform focus: Social Real Estate

AlphaReal, through its funds and separate account mandates, has been an active investor in UK social infrastructure (or social real estate) since 2015. AlphaReal's socially focussed vehicles are managed by a dedicated portfolio and investment team with a wide range of investment experience across the full range of social infrastructure assets, covering health, housing, and education uses. In sectors where many opportunities are secured off-market, the AlphaReal team are experienced at origination, development and forward funding, and liaise extensively with developers and operators directly. AlphaReal manages an active pipeline of assets across the full range of social infrastructure sub-sectors for the swift deployment of committed capital.

To date, the Social Long Income Fund ("SLIF"), the Social Long Income NW Partnership and the Social Long Income PAIF ("SLIP"), which all focus on social investments, have deployed over £168 million across a combined portfolio of 46 assets. The investments within these portfolios provide the following:

- Primary care facilities for 84,600 patients
- 1,162 nursery places*
- 212 supported living apartments for people with learning and physical disabilities
- 67 specialist care home bed spaces
- 228 elderly care home bed spaces

*Includes assets under development

In addition to these social-specific investment platforms, AlphaReal has further invested in the health, housing, and education sectors through commercial ground rents and investments into Irish social housing. AlphaReal's combined social investment totals circa £1.25 billion, across over 754 social assets.

Place-based Impact Investing

Investor appetite for social infrastructure investments made with the intention to generate positive, measurable, social, and environmental impact alongside a financial return is expected to continue to grow. For clients such as Local Government Pension Schemes ("LGPS") investment in social infrastructure can generate the dual focus of positive impact to communities without compromising their fiduciary duty to members. The UK Government has encouraged institutional investors to support its levelling up ambitions. In setting out its levelling up plan, the Government specifically mentioned the c.£320 billion LGPS.

"...the Prime Minister and Chancellor have called on the UK's institutional investors to seize the moment for an "Investment Big Bang" to boost Britain's long-term growth. The UK Government will go further and work with Local Government Pension Funds to publish plans for increasing local investment, including settling an ambition of up to 5% of assets invested in projects which support local areas"⁶.

The UK Government's levelling up white paper identified 12 key missions to be achieved by 2030, with the collective objective to facilitate equal opportunity within communities geographically dispersed across the UK.

AlphaReal's Investment in social infrastructure could directly contribute towards three of the 12 missions in the focus areas of health, housing and education and indirectly contributes to the delivery of missions in the focus areas of living standards, well-being, and pride of place. Private market capital, especially from institutional investors, will be vital in plugging the gap between public funding allocations and delivering the concept of levelling up.

⁶ The Policy Programme: Policy Initiatives to Level Up the United Kingdom
(<https://www.gov.uk/government/publications/levelling-up-the-united-kingdom/levelling-up-the-united-kingdom-executive-summary>)

ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

United Nations Sustainable Development Goals (UN SDGs)

Investors are increasingly viewing the impact of their investment through the lens of SDGs. Investment in social infrastructure is closely aligned to supporting UN SDGs. Many investors identify multiple SDGs with which their products are aligned. However, at AlphaReal, we feel what is more useful for investors is for managers to differentiate between the core and ancillary SDGs towards which their product contributes. For example, investing in health, such as elderly care, most obviously aligns with SDG3. Good health and wellbeing. This would be the core SDG. Here the focus is to ensure healthy lives and promote well-being for all at all ages. Two ancillary SDGs could be SDG 8: Decent work and economic growth; and SDG 10: Reduced inequalities.

Across AlphaReal's social infrastructure platform, the portfolio is currently aligned to two core SDGs those being, SDG3 (Health & Wellbeing) & SDG4 (Education). Additionally, the portfolio aligns with five additional secondary/ancillary SDGs covering SDG5 (Gender Equality), SDG7 (Access to Energy), SDG8 (Employment & Economic Growth), SDG10 (Inequality) and SDG11 (Safe Settlements).

European Long Income Fund (ELIF)

The European Long Income Fund invests in European ground rent and other long-income commercial property assets to provide a long-term secure and predictable inflation-linked income stream with associated capital growth. ELIF seeks to invest in opportunities to create new ground leases as well as existing assets and portfolios. ELIF's investment strategy includes:

- Long-lease tenancies
- Rents indexed to inflation
- Defensive rental levels set at well below market levels
- Geographic and economic diversification

During the year, ELIF completed its first commercial ground rent transaction, via the acquisition of a €75 million newly developed serviced apartment block in Dublin, Ireland occupied by a leading international operator. ELIF's acquisition is understood to be the first major institutional inflation-linked commercial ground rent used as part of a financing structure to complete in Ireland. As at 31 March 2023, ELIF's portfolio includes the above ground rent investment and a portfolio of 44 houses located in Dublin and Cork, Ireland's two largest cities, leased to the respective local authorities on 25-year lease contracts.

Alpha Real Trust (ART)

ART currently focusses on asset-backed lending, debt investments and high return property investments in Western Europe that are capable of delivering strong risk adjusted cash flows. ART is a closed-ended Guernsey registered investment company listed on the Specialist Fund Segment of the London Stock Exchange.

TIME:Freehold (Freehold Income Authorised Fund)

TIME:Freehold is the UK's largest authorised freehold ground rent fund with over £200 million of Net Assets. TIME:Freehold seeks to provide a secure and stable investment with an attractive income stream and capital growth prospects from a portfolio of over 50,000 ground rents. For over two decades, TIME:Freehold has consistently produced inflation-beating investor returns, with regular income and relatively low volatility. The investors in TIME:Freehold include individuals, charities, trusts and pension funds. TIME:Freehold has provided the best risk-adjusted return of any fund in the IMA unit trust and OEIC universe over a 10-year period, according to FE Trustnet research.

**ALPHA REAL CAPITAL LLP
CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

TIME: Commercial Long Income (CLIP)

TIME: Commercial Long Income invests in UK commercial property with long dated income streams that falls into two categories:

- Commercial freeholds with ground rents
- Commercial freeholds which benefit from long leases.

The income streams, security of the underlying investments and associated risk differs between these two asset types. By investing in both, CLIP provides diversification and is able to spread risk.

CLIP is traded daily, is accessible via ISA, SIPP, offshore and SSASs, and aims to deliver:

- Consistent income returns
- Inflation mitigation
- Income security
- Potential for capital growth

CLIP has continued to deliver an attractive income return in each year since inception.

TIME: Social Long Income (SLIP)

TIME: Social Long Income invests in UK social infrastructure with long dated income streams including specialist social housing, care homes, primary care facilities, medical care facilities and childcare.

SLIP has continued to deliver an attractive income return in each year since inception.

TIME:Advance

TIME:Advance provides a streamlined service that invests in asset backed operating businesses that produce a steady and consistent annual return, with a target return of between 3% and 4.5% net of costs and also mitigates inheritance tax (IHT) liability after a two year qualifying period through the use of Business Relief (BR). TIME:Advance focuses on renewable energy infrastructure, property lending, forestry and self-storage.

Over a period of 26 years, TIME's BR services: have achieved 100% BR from IHT for all of its qualifying investors and an inflation beating return over that period.

TIME:Advance has raised over £1 billion from investors to date.

Alpha Property Lending

Alpha Property Lending is a principal provider of Senior, Stretch Senior, Mezzanine and Investment Debt Finance for residential and commercial properties throughout the UK. We have over a decade of experience of providing development and investment finance in addition to financing operational real estate businesses. With over £350 million of debt deployed, we're well placed to finance a broad range of development funding and investment lending requirements as well as other asset backed lending opportunities.

ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

Platform focus: Alpha Real Renewables

Alpha Real Renewables continues to grow its presence in the UK renewable energy sector. Over the last 12 months the platform added a further 11 assets (42.2MW) in the onshore wind and solar PV sectors. This has grown the platform to 406 MW of installed capacity across 174 operating schemes, together with 30MW of assets under construction, all situated throughout the UK, including Northern Ireland.

The portfolio is managed by a dedicated portfolio and investment team of 16 with a track record of over 69 completed transactions, having invested over £900 million in equity to date. The team has experience in funding projects through the planning, design, build and operational phases, and has successfully commissioned 16 schemes spanning onshore wind, solar PV, and hydro generation.

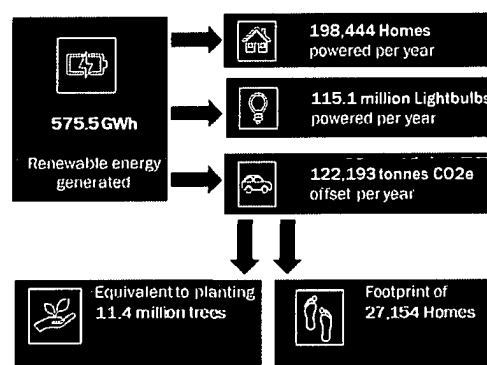
Through its proactive, direct origination efforts Alpha Real Renewables has successfully completed deployment of Wind Renewables Income Fund (WRIF) in December 2022 and continues to support its ongoing investment mandates for Time:Advance (Elm Trading) in UK onshore wind and solar.

WRIF was established in May 2018 as a closed ended institutional investment fund dedicated to UK renewables (sub 5MW onshore wind). WRIF has now deployed £180 million into 81 operating turbines (46.5MW) with an average remaining economic life of 18 years benefiting from 70% long term inflation linked revenues.

Good availability continues to be achieved across the portfolio **April 2022 - March 2023** with a 96% portfolio availability over the last 3 years.

The total achieved output of 576 GWh is equivalent to the annual electricity consumption of over 198,444 average UK households, providing a CO₂ reduction of over 122,193 tonnes equivalent.

Including projects under development, the expanded renewables portfolio will be capable of producing 669 GWh per annum, equivalent to the annual consumption of over 231,018 average UK households, and a CO₂ reduction of over 142,866 tonnes equivalent. In addition, 31 schemes make annual contributions to community benefit funds.



The portfolio's geographical spread offers excellent resource diversification, together with income quality comprising 20% Feed in Tariff (FIT) and 72% Renewables Obligation (ROC) accredited assets (by generation) with a weighted average remaining economic life of c.28 years.

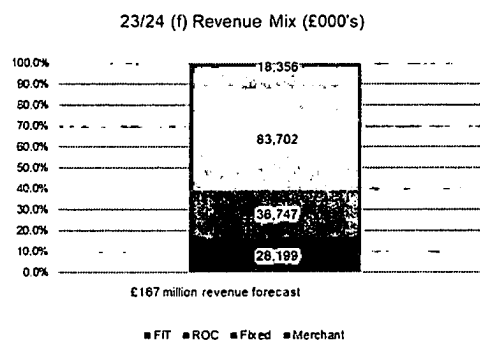
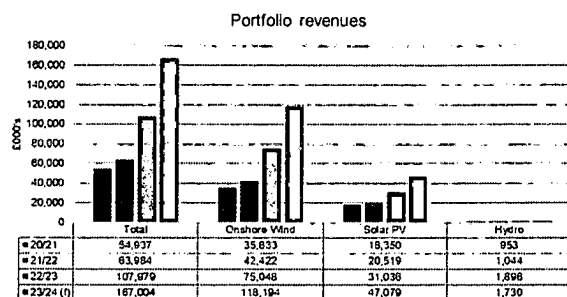
AlphaReal is actively pursuing further value enhancement through asset life extension, which is anticipated to improve long term value by £30 million to £40 million from the current programme. Extensions are in place at 4 sites with the rolling implementation programme over the next 12 to 18 months targeting a further 45 schemes. Further asset optimisation is being implemented through performance improvement at both wind and solar sites, together with competitive procurement at portfolio level of power generation revenues, all risk insurance, O&M and asset management services.

Consistent with AlphaReal's aims to provide investors with predictable cash flows, forecast portfolio revenues of £167 million for the next 12 months are 90% price fixed, with power price exposure hedged at an average price of £170/MWh.

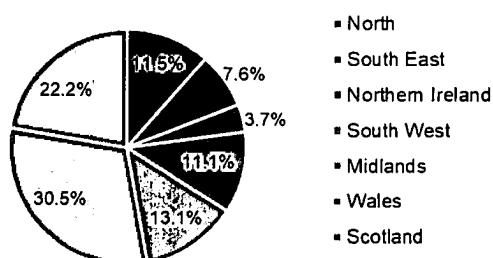
ALPHA REAL CAPITAL LLP

CHIEF EXECUTIVE'S REPORT

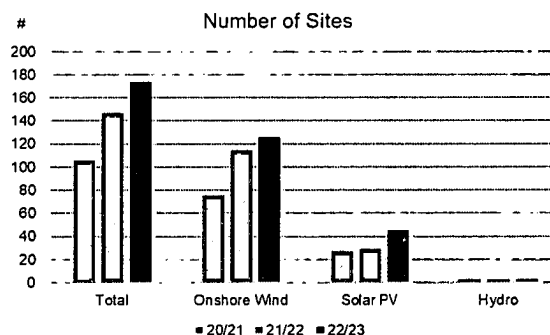
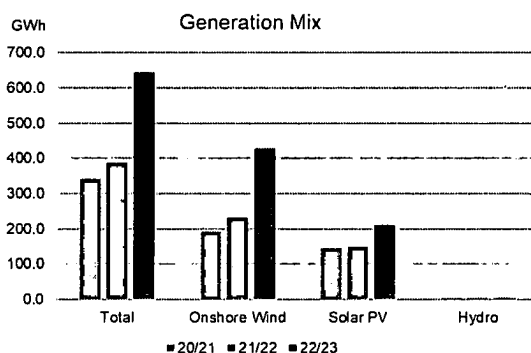
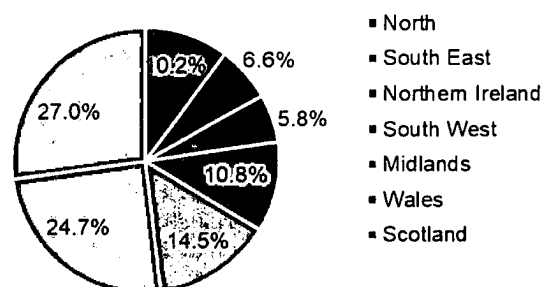
FOR THE YEAR ENDED 31 MARCH 2023



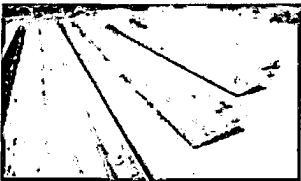
Regional holdings (% generation)



Regional holdings (% revenue)



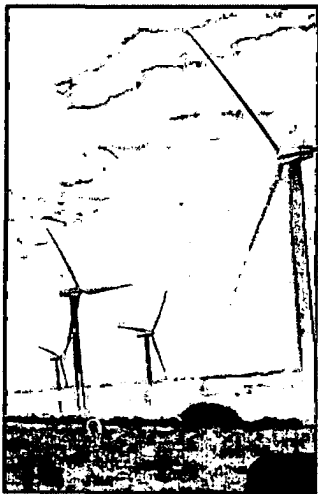
New Acquisitions



Project Merlin A 1.1 MW solar farm located in Merseyside. Acquired by Elm Trading Ltd in Q3 2022.



The Project contributes 1,250 MWh worth of renewable energy per year to a UK army training base, with a lifetime value of around 29,366 MWh



Project Stellar 14 x 660 kW Vestas turbines located in Cumbria, England. Acquired by Elm Trading Ltd in Q4 2022.



6,283 average UK households powered



Project Airfield 3 x 2.85MW General Electric turbines located in Bedfordshire, acquired by Wind Renewable Income Fund Q4 2022.

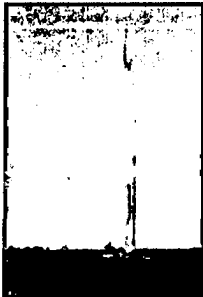


6,728 average UK households powered

WindFX Photo of WindFx turbine located in Appleby by Elm Wind Holdings Ltd in Q4 2022, consisting of 1 x 500kW EWT wind turbine.



Annual forecast generation is equivalent to offsetting 446 tonnes of CO₂



ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

AlphaReal Alternative Credit

- AlphaReal Alternative Credit has invested in excess of £800 million onto asset backed lending to date, in a wide range of sectors and structures, delivering consistent returns over relevant credit benchmark rates that typically includes a material illiquidity premium.
- AlphaReal's current alternative credit portfolio stands at over £420 million, managed by a dedicated portfolio and investment team of 8 people with a track record of over 190 completed transactions, and is supported by an 8 person investment committee comprising of 5 internal members and 3 external independent members with deep market experience.
- AlphaReal has supported the creation of over 2,800 new homes, provided social infrastructure financing for over 2,175 beds across care homes and student accommodation, as well as funded over 1.75m sq ft of commercial space.
- AlphaReal has the ability to provide integrated credit solutions across the capital stack with the ability to combine senior and junior debt with commercial ground rents, where AlphaReal is a market leader.



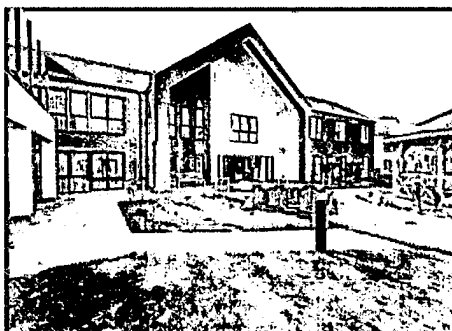
Case study 1: premium care home senior development loan

Provision of a £40.1 million senior facility to assist with the development of a new build 44 suite premium care home in Belgravia. The scheme is being delivered by a joint venture between Amazon Properties, an experienced high end residential developer, and an experienced care operator.



Case study 2: residential senior development loan

Provision of a £28 million senior facility to assist with the regeneration of a derelict site in Birmingham into a residential development which will provide 438 new dwellings. The scheme is being delivered by a joint venture between Galliard Homes and local development partners.



Case study 3: care home portfolio senior investment loan

Provision of a £65 million stabilisation/investment facility secured against a recently completed purpose-built care home portfolio consisting of six homes. The homes were developed and currently being operated by Care UK, one of the largest independent providers of health and social care in the UK.

ALPHA REAL CAPITAL LLP CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 MARCH 2023

Financial performance

AlphaReal's consolidated operating profit for the year ending 31 March 2023 was £29.5 million (31 March 2022: £23.0 million). Recurring revenues have increased 12.7% as average AUM improves; AUM has grown 8% year on year. Alpha continues to enjoy a strong balance sheet with no borrowings.

Outlook

AlphaReal's long-term strategy remains resilient. AlphaReal's strong balance sheet and significant cash reserves, provides it with a robust platform from which to continue the expansion of its expert platforms and diversified funds management business.

Our team

AlphaReal is headquartered in London with an international network of offices with experienced management teams, deep local market knowledge and an extensive investment sourcing, credit structuring, asset management and realisation track record.

Phillip Rose CEO, Partner, Alpha Real Capital LLP

Phillip has over 40 years' experience in the real estate, funds management and banking industries in Europe, the USA and Australasia. Prior to founding Alpha Real Capital in 2005, he has been the Head of Real Estate for ABN AMRO Bank and Managing Director of Lend Lease Global Investment.

Phillip has served as an independent member of the Management Committee of Hermes Property Unit Trust and as a Non-Executive Director of Great Portland Estates plc.

Brad Bauman Partner, Alpha Real Capital LLP

Brad has been a Partner of Alpha Real Capital since its inception in 2005. He is Joint-Fund Manager of Alpha Real Trust and oversees business development opportunities for the AlphaReal group, including AlphaReal's asset-backed lending growth.

Brad has over 25 years' experience across the real estate and finance industries, working within investment banks, property companies and institutions in both Australasia and Europe. Prior to joining Alpha Real Capital, Brad was Managing Director of CBRE Financial Services.

Mark Rattigan COO, Partner, Alpha Real Capital LLP

Mark joined Alpha Real Capital as Chief Operating Officer in 2010 and is the fund manager for the Index Linked Income Fund.

Mark has over 30 years' experience in real estate, funds management and investment banking. Mark has previously been Chief Operating Officer and Director – Finance and Operations at RREEF (Deutsche Bank's real estate funds management group) and has held investment banking roles at HSBC and Macquarie Bank.

Karl Devon-Lowe CFO, Partner, Alpha Real Capital LLP

Karl Devon-Lowe joined Alpha Real Capital in 2007 and is responsible for financial control across the firm and its funds including structuring, debt finance and financial reporting. He is also responsible for regulatory compliance and IT.

Karl has over 20 years' finance experience in finance across real estate and leisure sectors. Prior to Alpha Real Capital, he worked in group finance at Hammerson plc and at Heron International. Karl is a Chartered Accountant and an Associate Member of the Corporate Treasurers.

**ALPHA REAL CAPITAL LLP
CHIEF EXECUTIVE'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

Patrick Grant Head of Real Estate Origination, Partner, Alpha Real Capital LLP

Patrick joined as a Partner of Alpha Real Capital in 2015 and leads the Alpha Real Capital origination team. His primary focus is on growing the group's institutional ground rent and other long income property businesses in the UK and Europe.

Patrick has over 20 years' experience in the property market, the majority which has been spent in alternative asset sectors (hotels, healthcare and leisure). Prior to Alpha Real Capital, he was at CBRE, Gerald Eve, Christie & Co and St Martins Property Corporation.

Ed Palmer Partner, CIO and Head of Sustainability, Alpha Real Capital LLP

Ed joined Alpha Real Capital in April 2022 as Chief Investment Officer and Head of Sustainability. Ed has over 20 years' financial services and investment management experience, spanning funds management, insurance, investment banking and credit ratings.

Prior to joining Alpha, Ed spent 14 years at MetLife where he was Chief Investment Officer, EMEA, overseeing approximately £10 billion equivalent of AUM across public and private credit, infrastructure and real estate. Previously, Ed was a Senior Analyst at Moody's Investors Service, having started his career at Barclays Investment Bank.

Nigel Ashfield Partner, Alpha Real Capital LLP; Managing Director, TIME Investments

Nigel joined Alpha Real Capital as a Partner in 2011 and is a founder and Managing Director of TIME Investments. He is also the fund manager of TIME:Freehold and TIME:Commercial Freehold.

Nigel has over 25 years' experience in fund management and finance, having previously been employed by Close Brothers as Managing Director of its Tax Efficient and Property Funds Management business. Nigel qualified as a chartered accountant with PwC in their London SME business assurance division.

Stephen Daniels Head of Investments, Partner, TIME Investments

Stephen has worked in the business since 2007 and is one of the founding Partners of TIME Investments. Stephen is responsible for TIME:Advance and TIME:UK Infrastructure Income, looking after more than £700 million of investments.

Stephen has over 15 years' experience in finance, fund management and investing UK Smaller Companies. Previously, Stephen was a Divisional Director at Close Brothers Group's tax efficient and property funds division.

Anthony Buckley Operations Director, Partner, TIME Investments

Anthony is a founding Partner of TIME and has been responsible for finance and operations at TIME since 2011, having previously worked as Director of Operations at Close Brothers' Property Division.

Anthony is a chartered accountant by profession. In New Zealand Anthony spent seven years in public practice, specialising in business advisory and taxation advice for SMEs and high net worth individuals across a wide variety of business sectors.

ALPHA REAL CAPITAL LLP REPORT OF THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2023

The members present their report together with the audited financial statements for the year ended 31 March 2023.

Principal activity, trading review and future developments

The principal activity of Alpha Real Capital LLP (the "Partnership" or "LLP") is the provision of investment management services. The Partnership is authorised and regulated by the Financial Conduct Authority. The Chief Executive's report on pages 1 to 28 provides an update on the Partnership's performance for the year. The members are actively exploring opportunities to expand the Partnership's business base and assets under management.

Principal risks and uncertainties

The members are responsible for determining the level of risk acceptable to the Partnership. This is subject to regular review. The members believe the principal risks facing the Partnership are:

- (1) credit risk – the risk of loss if another party fails to perform its obligations or fails to perform them in a timely fashion.
- (2) market risk – the risk of loss that arises from adverse movements in cash deposit interest rates and foreign exchange rate.
- (3) operational risk – the risk of loss through the loss of one or more of the Partnership's management contracts.

The members seek to mitigate risks through the application of strict controls, a monitoring process at the operational level of cash flows and fund performance and the use of insurance policies and foreign currency hedge contracts where appropriate. The Partnership has updated its Pillar 3 disclosures, as required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), and includes these on the Partnership's website.

Designated members

The designated members during the year were:

P Rose
B J Bauman
Rockmount ARC Limited (Termination of appointment: 31 March 2023)
K Devon-Lowe
M Rattigan
Alpha Real Capital Holdings Limited (Appointed: 31 March 2023)

Allocation of profits

Any profits are shared among the members as governed by the Limited Liability Partnership Deed (the "Deed") dated 25 March 2015 (as amended from time to time). Members are remunerated solely out of the profits of the Partnership and final allocation of profits to members is made in accordance with the Deed.

Capital

The members may only contribute to the Partnership's capital in accordance with the Deed. No member is entitled to interest on their capital.

Policy for drawings, subscriptions and repayment of members' capital

The Deed governs policies for members' drawings, subscriptions and repayment of members' capital. No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the members. The Partnership will reserve, out of profits before distribution, sufficient funds to provide for the working capital requirements of the business.

**ALPHA REAL CAPITAL LLP
REPORT OF THE MEMBERS
FOR THE YEAR ENDED 31 MARCH 2023**

Environment

The Partnership and the Group recognise the importance of their environmental responsibilities, further details of which can be found within the ESG section of this annual report. The Partnership and each subsidiary of the Partnership consumed less than 40,000 kWh of energy in the UK in the reporting period and is exempt from reporting under the Streamlined Energy and Carbon Reporting ("SECR").

Disclosure of information to auditor

At the date of making this report each of the LLP's members confirms the following:

- so far as each member is aware there is no relevant information needed by the LLP's auditor in connection with the preparation of their report of which the LLP's auditor are unaware; and
- each member has taken all the steps that he/she or it ought to have taken as a member in order to make his/her/ itself aware of any relevant information needed by the LLP's auditor in connection with the preparation of their report and to establish that the LLP's auditor are aware of that information.

Auditor

A resolution to re-appoint BDO LLP as auditor will be proposed at the next member's meeting.

Approved by the members of the Alpha Real Capital Limited Liability Partnership on 28 July 2023.



Karl Devon-Lowe
Designated member
28 July 2023

ALPHA REAL CAPITAL LLP
STATEMENT OF MEMBERS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2023

Members' responsibilities

The members are responsible for preparing the members' report and the financial statements in accordance with applicable law and regulation. The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Limited Liability Partnership and of the profit or loss of the Group and Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**ALPHA REAL CAPITAL LLP
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPHA REAL CAPITAL LLP GROUP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and of the Limited Liability Partnership's affairs as at 31 March 2023 and of the Group's result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRS"); and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Alpha Real Capital LLP ("the Limited Liability Partnership") and its subsidiaries ("the Group") for the year ended 31 March 2023 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of movement in members' interest, consolidated statement of cash flows, partnership statement of financial position, partnership statement of movement in members' interest, partnership statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including International Financial Reporting Standards ("IFRS").

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members' 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 Limited Liability Partnership'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 Members with respect to going concern are described in the relevant sections of this report.

Other information

The Members are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. 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.

ALPHA REAL CAPITAL LLP
INDEPENDENT AUDITOR'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Statement of Member's Responsibilities, the Members are 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 Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership'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 Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have 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.

Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to Alpha Real Capital Limited Liability Partnership and the industry in which it operates and considered the risk of acts by the Limited Liability Partnership which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, and IFRS, and in addition other laws and regulations that may have a material effect on the financial statements including the permissions and supervisory requirements of the Financial Conduct Authority ('FCA').

**ALPHA REAL CAPITAL LLP
INDEPENDENT AUDITOR'S REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023**

We focused on laws and regulations that could give rise to a material misstatement in the financial statements.

Our tests included, but were not limited to:

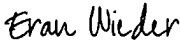
- reviewing the financial statement disclosures and verifying to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the Members regarding any known or suspected fraud or breaches of laws and regulations;
- reviewing minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- considering the effectiveness of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members 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 Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Eran Wieder (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London UK
28 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ALPHA REAL CAPITAL LLP
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Revenue	4	54,355	44,701
Cost of sales		(2,545)	(2,548)
Gross profit		51,810	42,153
Administrative expenses		(22,325)	(19,096)
Operating profit		29,485	23,057
Interest receivable		133	4
Interest payable	8	(30)	(51)
Losses from changes in fair value of investments		(3)	-
Profit on ordinary activities before taxation		29,585	23,010
Taxation on profit on ordinary activities	9	(1)	(5)
Profit on ordinary activities after taxation		29,584	23,005
Profit for the financial year before members' remuneration and profit shares		29,584	23,005
Profit for the financial year before members' remuneration and profit shares attributable to:			
Members as owners of the parent entity		25,458	18,888
Non-controlling interests		4,126	4,117
		29,584	23,005
Profit for the financial year before members' remuneration and profit shares		25,458	18,888
Members' profit share charged as an expense		(25,458)	(18,888)
Result for the financial year available for discretionary division among the members		-	-

All amounts relate to continuing activities.

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £000	2022 £000
Profit for the financial year before members' remuneration and profit shares	29,584	23,005
<i>Items that may be subsequently reallocated to profit or loss</i>		
Currency translation differences	(16)	2
Other comprehensive (losses) / income for the year	(16)	2
Total comprehensive income for the year	29,568	23,007
Total comprehensive income attributable to:		
Members as owners of the parent entity	25,442	18,890
Non-controlling interests	4,126	4,117
	29,568	23,007

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2023

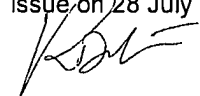
	Note	2023 £000	2022 £000
Non-current assets			
Property, plant and equipment	11	154	153
Right-of-use assets	12	381	811
Investments	13	17	20
Trade and other receivables	14	270	293
Total non-current assets		822	1,277
Current assets			
Trade and other receivables	14	13,879	10,147
Cash and cash equivalents		23,048	17,087
Total current assets		36,927	27,234
TOTAL ASSETS		37,749	28,511
Non-current liabilities			
Lease liabilities	12	-	(278)
Total non-current liabilities		-	(278)
Current liabilities			
Lease liabilities	12	(292)	(447)
Trade and other payables	15	(8,272)	(7,248)
Amounts due to members		(16,151)	(7,335)
Amounts due to non-controlling interests		(2,667)	(2,837)
Total current liabilities		(27,382)	(17,867)
Net current assets		9,545	9,367
TOTAL LIABILITIES		(27,382)	(18,145)
NET ASSETS ATTRIBUTABLE TO MEMBERS		10,367	10,366
Represented by:			
Members' other interests			
Members' capital classified as equity		10,367	10,366
TOTAL MEMBERS' EQUITY		10,367	10,366

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £000	2022 £000
Total members' interests		
Loans and other debts due to members within one year		
Amounts due to members	16,151	7,335
Members' other interests		
Members' capital classified as equity	10,367	10,366
Total members' interests	26,518	17,701

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 28 July 2023.



Karl Devon-Lowe
Designated member

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF MOVEMENT IN MEMBERS' INTEREST
FOR THE YEAR ENDED 31 MARCH 2023

	Members' capital (classified as equity) £000	Amounts attributable to members £000	Non-controlling interests £000	Total £000
As at 1 April 2022	10,367	7,335	2,836	20,538
Profit for the year	-	25,458	4,126	29,584
Members' interests after profit for the year	10,367	32,793	6,962	50,122
Comprehensive income - currency translation differences	-	(16)	-	(16)
Other comprehensive income for the year	-	(16)	-	(16)
Total members' interests after profits for the year and comprehensive income	10,367	32,777	6,962	50,106
Contributions by and distributions to members				
Distributions	-	(13,131)	-	(13,131)
Drawings	-	(3,495)	(4,295)	(7,790)
Total contributions by and distributions to members, recognised directly in equity	-	(16,626)	(4,295)	(20,921)
As at 31 March 2023	10,367	16,151	2,667	29,185

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF MOVEMENT IN MEMBERS' INTEREST
FOR THE PRIOR YEAR ENDED 31 MARCH 2022

	Members' capital (classified as equity) £000	Amounts attributable to members £000	Non-controlling interests £000	Total £000
As at 1 April 2021	10,357	4,360	2,384	17,101
Profit for the year	-	18,888	4,117	18,819
Members' interests after profit for the year	10,357	23,248	6,501	40,106
Comprehensive income - currency translation differences	-	2	-	2
Other comprehensive income for the year	-	2	-	2
Total members' interests after profits for the year and comprehensive income	10,357	23,250	6,501	40,108
Contributions by and distributions to members				
Distribution in specie	-	(11,315)	(58)	(20,551)
Drawings	-	(4,600)	(3,665)	(8,265)
Capital contribution	10	-	-	10
Total contributions by and distributions to members, recognised directly in equity	10	(15,915)	(3,665)	(19,570)
As at 31 March 2022	10,367	7,335	2,836	20,538

Members' other reserves rank after unsecured creditors and loans and other debts due to members rank pari passu with ordinary creditors in the event of a winding up.

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Profit for the year before members' remuneration and profit shares		29,584	23,005
Adjustments for:			
Depreciation of property, plant and equipment	11	97	85
Depreciation of right-of-use assets	12	430	430
Currency translation		(16)	-
Interest receivable		(133)	(4)
Interest payable	8	30	51
Fair value movement of investments	13	3	1
Taxation charge	9	1	5
Increase in debtors		(3,709)	(1,941)
Decrease in creditors		1,023	(953)
Interest paid		(3)	(51)
Taxation received		-	-
Net cash inflow from operating activities		<u>27,307</u>	<u>20,628</u>
Cash flows from investing activities			
Interest received		133	4
Purchase of property, plant and equipment	11	(98)	(127)
Sale of investments	13	-	313
Net cash generated from/(used in) investing activities		<u>35</u>	<u>190</u>
Cash flows from financing activities			
Payments to members		(16,626)	(15,915)
Capital contributions		-	10
Drawings of non-controlling interests		(4,295)	(3,665)
Principal element of lease payments		(460)	(412)
Net cash used in financing activities	17	<u>(21,381)</u>	<u>(19,982)</u>
Increase in cash and cash equivalents		5,961	836
Cash and cash equivalents at start of year		17,087	16,251
Exchange gains on cash and cash equivalents		-	-
Cash and cash equivalents at end of year		<u>23,048</u>	<u>17,087</u>

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
PARTNERSHIP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

OC312705

	Note	2023 £000	2022 £000
Non-current assets			
Property, plant and equipment	11	82	88
Right-of-use assets	12	381	811
Investments	13	1,321	1,321
Trade and other receivables	14	270	293
Total non-current assets		2,054	2,513
Current assets			
Trade and other receivables	14	10,861	7,415
Cash and cash equivalents		12,688	10,575
Total current assets		23,549	17,990
TOTAL ASSETS		25,603	20,503
Non-current liabilities			
Lease liabilities	12	-	(278)
Total non-current liabilities		-	(278)
Current liabilities			
Lease liabilities	12	(292)	(447)
Trade and other payables	15	(5,289)	(4,816)
Amounts due to members		(9,358)	(4,298)
Total current liabilities		(14,939)	(9,561)
Net current assets		8,610	8,429
TOTAL LIABILITIES		(14,939)	(9,839)
NET ASSETS ATTRIBUTABLE TO MEMBERS		10,664	10,664
Represented by:			
Members' other interests			
Members' capital classified as equity		10,367	10,367
Other reserves		297	297
TOTAL MEMBERS' EQUITY		10,664	10,664


The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
PARTNERSHIP STATEMENT OF FINANCIAL POSITION (continued)
AS AT 31 MARCH 2023

OC312705

	2023 £000	2022 £000
Total members' interests		
Loans and other debts due to members within one year		
Amounts due to members	9,358	4,298
Members' other interests		
Members' capital classified as equity	10,367	10,367
Other reserves	297	297
Total members' interests	20,022	14,962
Total members' interest		
Amounts due to members	9,358	4,298
Members' capital	10,367	10,367
Members' other interests – other reserves	297	297
	20,022	14,962

The financial statements were approved by the members of the Limited Liability Partnership and authorised for issue on 28 July 2023. The Partnership has taken advantage of the exemption under section 408 of the 2006 Companies Act not to disclose the Partnership profit and loss account. Included in the consolidated profit and loss account is a profit of £21,686k (2022: £18,364k) relating to the Partnership.

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Karl Devon-Lowe
Designated member

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
PARTNERSHIP STATEMENT OF MOVEMENT IN MEMBERS' INTEREST
FOR THE YEAR ENDED 31 MARCH 2023

	Members' capital (classified as equity) £000	Other reserves £000	Amounts attributable to members £000	Total £000
As at 1 April 2022	10,367	297	4,298	14,962
Profit for the year	-	-	21,686	21,686
Total members' interests after profits for the year and comprehensive income	10,367	297	25,984	36,648
Contributions by and distributions to members				
Drawings	-	-	(16,626)	(16,626)
Total contributions by and distributions to members recognised directly in equity	-	-	(16,626)	(16,626)
As at 31 March 2023	10,367	297	9,358	20,022

	Members' capital (classified as equity) £	Other reserves £	Amounts attributable to members £	Total £
As at 1 April 2021	10,357	297	1,850	12,504
Profit for the year	-	-	18,364	18,364
Total members' interests after profits for the year and comprehensive income	10,357	297	20,214	30,868
Contributions by and distributions to members				
Capital contribution	10	-	-	10
Drawings	-	-	(15,916)	(15,916)
Total contributions by and distributions to members recognised directly in equity	10	-	(15,916)	(15,906)
As at 31 March 2022	10,367	297	4,298	14,962

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP
PARTNERSHIP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Profit for the year before members' remuneration and profit shares		21,686	18,364
Adjustments for:			
Depreciation of property, plant and equipment	11	59	58
Depreciation of right-of-use assets	12	430	430
Interest receivable		(48)	(2)
Interest payable		30	51
Fair value movement of investments		-	1
Increase in debtors		(3,422)	(3,359)
Increase in creditors		472	149
Interest paid		(3)	(51)
Net cash inflow from operating activities		19,204	15,641
Cash flows from investing activities			
Interest received		48	2
Purchase of property, plant and equipment	11	(53)	(72)
Sale of investments	13	-	314
Net cash generated from/(used in) investing activities		(5)	244
Cash flows from financing activities			
Payments to members		(16,626)	(15,915)
Capital contributions		-	10
Principal element of lease payments		(460)	(412)
Net cash used in financing activities	17	(17,086)	(16,317)
Increase / (decrease) in cash and cash equivalents		2,113	(432)
Cash and cash equivalents at start of year		10,575	11,007
Exchange gains on cash and cash equivalent		-	-
Cash and cash equivalents at end of year		12,688	10,575

The notes on pages 46 to 66 form part of these financial statements

ALPHA REAL CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 General information

Alpha Real Capital LLP ('the LLP') and its subsidiaries (together, 'the Group') provide investment management services. The LLP is incorporated in the United Kingdom and registered in England and Wales at 338 Euston Road, Floor 6, London, NW1 3BG. The LLP is authorised and regulated by the Financial Conduct Authority.

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards ('UK-adopted International Accounting Standards'). The financial statements have been prepared under the historical cost convention, as modified by the revaluation financial assets and financial liabilities at fair value through profit or loss.

The presentation currency is £ sterling.

The preparation of financial statements in conformity with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's and the LLP's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2023 reporting periods and have not been early adopted by the Group or the LLP. None of these are expected to have a material impact on the Group or the LLP in the current or future reporting periods and on foreseeable future transactions.

Going Concern

Alpha's long-term strategy remains resilient through volatile domestic and international economic events. Alpha maintains significant cash reserves and has no external borrowings. The Partnership mitigates its financial risks through a process of continual monitoring of forecast earnings and cash flows. Given the nature of its business the members consider that the firm has adequate resources to continue in operational existence for the foreseeable future. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

The following principal accounting policies have been applied:

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Basis of consolidation (continued)

Profitability and revenue is all generated by one segment, that of the asset manager. Although this is primarily derived within the United Kingdom, the Isle of Man and the Channel Islands, the review of the business is and profitability is performed on a consolidated basis, hence no segmental or geographical analysis is deemed required.

Revenue

Revenue represents the invoiced value of services provided net of value added tax. Management fees, authorised corporate director fees, rent collection fees, initial fees, dealing fees, performance fees and acquisition fees are recognised as earned in accordance with the relevant investment management agreement.

Dividend income from investments is recognised when the shareholders' rights to receive payment is established.

Interest income is accrued on a time proportionate basis by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

Gains or losses on sale of investments are recognised on disposal date.

Other income is accrued when prudent to do so.

Cost of sales

Cost of sales reflects costs attributable to adviser commission, bad debt provision, staff sale commissions and other fund related costs of sales.

Operating expenses

Operating expenses reflect costs attributable to wages and salaries, legal and professional, sales and marketing and other fund related operating expenses.

Leases

The Group and LLP assesses whether a contract is or contains a lease, at inception of a contract. The Group and LLP recognise a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets. For these leases, the Group and LLP recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Leases (continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Taxation

Taxation on a members' share of the LLP's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. The tax within these consolidated financial statements relate to the corporate subsidiaries of the Group.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the LLP's subsidiaries operate and generate taxable income.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in 'sterling', which is the LLP's functional and the Group's presentation currency.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transaction took place. All assets and liabilities of overseas operations are translated at the rate ruling at the operating date. Exchange differences arising on translating opening net assets at opening rate and the results of the overseas operations at actual rate are taken to reserves and are recognised in other comprehensive income.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the Group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit and loss within 'other operating income or expense'.

Property, plant and equipment

Property, plant and equipment, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation

Depreciation is provided on all property, plant and equipment to write off the cost or valuation, less estimated residual values, evenly over their estimated useful lives using the straight-line method. The estimated useful lives range as follows:

Leasehold improvements	-	16.66%
Computer equipment	-	33.33%
Fixtures and fittings	-	20.00% to 33.33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

Disposals are recognised on unconditional exchange.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are re-measured to fair value at each balance sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

Trade and other receivables

Trade and other receivables are initially measured as transaction price and subsequently these assets are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash balances held with banks.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Trade and other payables

Creditors are measured at the transaction price and subsequently these assets are measured at amortised cost using the effective interest method.

Financial assets

(a) Recognition and de-recognition

Financial assets are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Regular way of purchases and sales of financial assets are recognised on trade-date, the date on which the Group or LLP commit to purchase or sell the assets.

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group or LLP has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the net sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to the asset is reclassified from other comprehensive income to profit or loss.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or LLP has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(b) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

After initial recognition, loans and receivables are carried at amortised cost, where applicable, using the effective interest rate method, less impairment loss, if any. Current asset investments are subsequently carried at fair value.

The effective interest method is a method that calculates the amortised cost of a financial instrument and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

Interest and dividend income from current asset investments are recognised separately in profit or loss.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Financial assets (continued)

(c) Impairment

(i) Trade and other receivables

The Group and LLP assess, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and LLP apply the IFRS 9 simplified approach to measuring expected credit losses on trade and other receivables, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets.

(ii) Investments

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

If any evidence of impairment exists, the cumulative loss that was recognised in the fair value reserve is reclassified to profit or loss. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised as an expense.

Financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at cost which represents the fair value of the consideration to be paid in the future, less transaction cost, for goods received or services rendered, whether or not billed to the Group, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Other financial liabilities comprise loans and borrowings and trade and other payables.

Gains or losses are recognised in profit and loss when the liabilities are derecognised as well as through the amortisation process.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Recognition and de-recognition

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are derecognised when the contractual obligation has been discharged or cancelled or expired.

On de-recognition of a financial liability, the difference between the carrying amount and consideration paid is recognised in the statement of profit or loss and other comprehensive income.

Members' capital

Initial capital contributions ('principal capital') of each of the members are amounts as set out in the Deed. Further members shall contribute upon admission to the LLP such capital as determined by the members. No member can withdraw or receive back any part of their principal capital contribution account except for in specific circumstances as detailed in the Deed and approved by the members. Members' principal capital is therefore classified as equity.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

2 Accounting policies (continued)

Profit allocations

Profit allocations are recognised in the year in which they are declared and become a present obligation of the LLP.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Pension costs

Contributions to the Group's defined contribution pension scheme are charged to profit or loss in the year to which they become payable.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

The areas where judgements are most significant to the financial statements are disclosed below:

- As the implicit interest rate in the Group's lease commitments cannot be determined, the Group has calculated its lease liabilities and, by extension, the initial recognition of right of use assets, using an incremental borrowing rate, further details of which are included in note 12.
- Determine whether there are indicators of impairment of the Group's assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.
- To establish a provision for receivables which are estimated not to be recoverable, if applicable. When assessing recoverability, factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers are considered.

(b) Other key sources of estimation uncertainty

The areas where estimates are most significant to the financial statements are disclosed below:

Recoverability of receivables

The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the Group considers factors such as the age of the receivables, past experience of recoverability, and the credit profile of customers. Credit risk disclosures are provided in note 16.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

4 Revenue

	2023	2022
	£000	£000
<i>Group revenue consists of:</i>		
<i>Recurring revenues</i>		
Management fees	37,042	32,725
Authorised corporate director fees	730	784
Rent collection fees	490	436
Total recurring revenue	<u>38,262</u>	<u>33,945</u>
<i>Non-recurring revenue</i>		
Initial fees	3,911	4,295
Dealing fees	2,531	2,443
Performance fees	386	-
Acquisition fees	8,179	1,490
Total non-recurring revenue	<u>15,007</u>	<u>8,228</u>
Other income	1,086	2,528
Revenue	<u><u>54,355</u></u>	<u><u>44,701</u></u>

Consequently, the Group derives revenue from the transfer of services over time and at a point in time as follows:

	2023	2022
	£000	£000
At a point in time	16,093	10,756
Over time	<u>38,262</u>	<u>33,945</u>
	<u>54,355</u>	<u>44,701</u>

Fee income is wholly attributable to the principal activity of the Group, and arises primarily within the United Kingdom, the Isle of Man and the Channel Islands.

The principal components of revenue comprise management fees, Authorised Corporate Director fees, Rent Collection fees, Initial fees, Dealing fees, Performance fees and Acquisition fees.

Management fees and Authorised Corporate Director fees are generally based on a percentage of fund Net Asset Value ("NAV") as defined in the funds' Prospectus and/or offering documents.

Rent Collection fees are based on a percentage of the rent roll collected, as defined in the funds' Prospectus and/or offering documents.

Management, Authorised Corporate Director and Rent Collection fees are recognised over time to the extent that it is probable that there will be economic benefit and income can be reliably measured. This revenue is recognised over time on the basis that the customer simultaneously receives and consumes the economic benefits of the provided asset as the Group performs its obligations.

Dealing and Acquisition fees are generally based on a percentage of the capital raised, deal concluded or acquisition price of an asset or portfolio as defined in the funds' Prospectus and/or offering documents.

The initial fee represent a fee to introduce clients to specific funds and is recognised at the point in time when the investor has successfully been given access to the relevant investment.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

4 Revenue (continued)

Performance fees are recognised when the fee amount can be reliably estimated and its probable that there will be an economic benefit which is usually at the end of the performance period.

Other fees are based on the contract agreed before services are provided and are recognised in line with the delivery of the services provided.

Materially all fee income arises from the United Kingdom, the Isle of Man and the Channel Islands, which is considered to be a single geographical segment.

5 Operating profit

	2023 £000	2022 £000
Group operating profit has been arrived at after charging:		
Wages and salaries (note 6)	17,184	14,502
Depreciation of property, plant and equipment (note 11)	97	85
Depreciation of right-of-use asset (note 12)	430	430
Auditor's remuneration (note 7)	160	150
Operating lease payments	<u>19</u>	<u>26</u>

Included within auditor's remuneration for audit services above is £33k (2022: £34k) payable to the auditors of the subsidiary entities.

6 Employees

	2023 £000	2022 £000
Staff costs includes:		
Wages and salaries	14,814	12,682
Social security costs	1,924	1,546
Pension	446	274
	<u>17,184</u>	<u>14,502</u>

The average number of employees during the year was 159 (2022: 145)

7 Auditors' remuneration

During the year, the group (including its overseas subsidiaries) obtained the following services from the company's auditors and its associates:

	2023 £000	2022 £000
Fees payable to the company's auditors and its associates for the audit of LLP and consolidated financial statements	51	43
Fees payable to company's auditors and its associates for other services:		
Audit of the financial statements of the LLP's subsidiaries	33	34
Other assurance work	40	40
Tax compliance services	<u>36</u>	<u>33</u>
	<u>160</u>	<u>150</u>

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

8 Interest payable

	2023 £000	2022 £000
Bank interest payable	3	3
Interest on lease liabilities	27	48
	<u>30</u>	<u>51</u>

9 Taxation on profit on ordinary activities

	2023 £000	2022 £000
Group foreign tax	1	5
Other taxes	-	-
Total current tax charge	<u>1</u>	<u>5</u>

The Group tax assessed for the year is different to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before taxation	<u>29,585</u>	<u>23,010</u>
Corporation tax in the UK of 19% (2022: 19%)	5,621	4,372
Effect of:		
Income taxed as members' personal tax	(5,620)	(4,367)
	<u>1</u>	<u>5</u>

10 Members' share of profits

Profits and losses are shared by the members at the end of the year in accordance with agreed profit and loss sharing arrangements governed by the Deed. Members are required to make their own provision for pensions and other benefits from their profit shares.

	2023 Number	2022 Number
Average number of members	<u>10</u>	<u>11</u>
	£000	£000
Average profit per member	<u>2,958</u>	<u>2,091</u>
Entitlement of partner with largest profit share	<u>16,427</u>	<u>10,465</u>

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

11 Property, plant and equipment

Group	Leasehold Improvements £000	Fixtures and fittings £000	Computer Equipment £000	Total £000
At 1 April 2022	233	93	498	824
Additions	-	3	95	98
Disposals	(15)	(26)	(16)	(57)
At 31 March 2023	218	70	577	865
<i>Accumulated depreciation</i>				
At 1 April 2022	233	84	354	671
Charge for the year	-	6	91	97
Disposals	(15)	(26)	(16)	(57)
At 31 March 2023	218	64	429	711
<i>Net book value</i>				
At 31 March 2023	-	6	148	154
At 31 March 2022	-	9	144	153

Group	Leasehold Improvements £000	Fixtures and fittings £000	Computer Equipment £000	Total £000
At 1 April 2021	234	100	393	727
Additions	-	1	126	127
Disposals	(1)	(8)	(21)	(30)
At 31 March 2022	233	93	498	824
<i>Accumulated depreciation</i>				
At 1 April 2021	234	83	299	616
Depreciation provided	-	9	76	85
Disposals	(1)	(8)	(21)	(30)
At 31 March 2022	233	84	354	671
<i>Net book value</i>				
At 31 March 2022	-	9	144	153
At 31 March 2021	-	17	94	111

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

11 Property, plant and equipment (continued)

Partnership	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<i>Cost</i>				
At 1 April 2022	217	58	274	549
Additions	-	1	52	53
Disposals	-	-	-	-
At 31 March 2023	217	59	326	602
<i>Accumulated depreciation</i>				
At 1 April 2022	217	50	194	461
Depreciation provided	-	5	54	59
Disposals	-	-	-	-
At 31 March 2023	217	55	248	520
<i>Net book value</i>				
At 31 March 2023	-	4	78	82
At 31 March 2022	-	8	80	88

Partnership	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<i>Cost</i>				
At 1 April 2021	217	58	202	477
Additions	-	-	72	72
Disposals	-	-	-	-
At 31 March 2022	217	58	274	549
<i>Accumulated depreciation</i>				
At 1 April 2021	217	42	144	403
Depreciation provided	-	8	50	58
Disposals	-	-	-	-
At 31 March 2022	217	50	194	461
<i>Net book value</i>				
At 31 March 2022	-	8	80	88
At 31 March 2021	-	16	58	74

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

12 Leases

Amounts recognised in the balance sheet

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
Right of use assets				
Buildings	381	381	811	811
Equipment	-	-	-	-
	381	381	811	811

Additions to the right-of-use assets during 2023 financial year were £nil (2022: £nil)

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
Lease liabilities				
Current	292	292	447	447
Non-current	-	-	278	278
	292	292	725	725

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

As the implicit interest rate in the lease could not be calculated an incremental borrowing rate has been utilised. A discount rate of 5% has been applied when calculating the lease liability.

Amounts recognised in the statement of profit or loss

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
Depreciation charge of right-of-use assets				
Buildings	430	430	430	430
Equipment	-	-	-	-
	430	430	430	430
Interest expense	27	27	48	48
Expense relating to short-term leases	-	-	-	-
Expense relating to low value assets	19	19	26	26
Total operating lease costs	19	19	26	26

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

13 Investments

Group	2023 £000	2022 £000
<i>Cost and net book value</i>		
At 1 April	20	334
Investment disposals	-	(313)
Losses on changes in fair value	(3)	(1)
At 31 March	17	20
 Analysed as:		
Non-current	17	20
	17	20

Partnership	Subsidiaries £000	Total £000
<i>Cost and net book value</i>		
At 1 April 2022	1,321	1,321
Provision against investment in subsidiary	-	-
At 31 March 2023	1,321	1,321
 Analysed as:		
Non-current		
	1,321	1,321

Partnership	Subsidiaries £000	Investments £000	Total £000
<i>Cost and net book value</i>			
At 1 April 2021	1,321	315	1,636
Investment made	-	-	-
Investment disposals	-	(314)	(314)
Losses on changes in fair value	-	(1)	(1)
Provision against investment in subsidiary	-	-	-
At 31 March 2022	1,321	-	1,321
 Analysed as:			
Non-current	1,321	-	1,321
	1,321	-	1,321

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

13 Investments (continued)

Subsidiary undertakings:	Country of incorporation	Percentage owned and voting rights	Principal activity
Alpha Real Property Investment Advisers LLP	England and Wales	98.70%	Property fund management
Alpha Real Capital France S.a.r.l.	France	100.00%	Property management services
Alpha Real Capital Germany GmbH	Germany	100.00%	Property management services
Alpha Real Capital India Pvt Ltd	India	100.00%	Property management services
Alternative Real Capital LLP *	England and Wales	100.00%	Fund management services
Alpha Property Lending LLP *	England and Wales	100.00%	Asset backed lending
ARC SP LLP *	England and Wales	100.00%	Asset management
OWN PRS LLP *	England and Wales	100.00%	PRS asset management
Fitzrovia Finance Limited *	England and Wales	100.00%	P2P lending platform
Fitzrovia Finance Security Ltd *	England and Wales	100.00%	P2P lending platform
Alpha Real Capital Services Ltd	England and Wales	100.00%	Management Services
ARC SP Holdings Limited *	England and Wales	100.00%	Management Services
ARC SP No.1 Limited *	England and Wales	100.00%	Management Services
ARC SLINW GP Limited	England and Wales	100.00%	General partner to Social Long Income North-West LP
ELIF GP S.a.r.l.	Luxembourg	100.00%	General partner to European Long Income Fund Sp SICAV-RAIF
ARC Finance Luxembourg S.a.r.l.*	Luxembourg	100.00%	Management Services

* Dormant as at 31 March 2023

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

14 Trade and other receivables

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
Due after more than one year				
Trade receivables	<u>270</u>	<u>270</u>	<u>293</u>	<u>293</u>
Due within less than one year				
Trade receivables	8,617	6,141	7,125	4,919
Other receivables	3,559	3,135	2,189	1,874
Prepayments and accrued income	1,703	1,435	833	544
Amount due from group undertakings	-	150	-	78
	<u>13,879</u>	<u>10,861</u>	<u>10,147</u>	<u>7,415</u>

15 Trade and other payables

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
Trade payables	758	297	752	364
Other tax and social security	2,326	1,631	862	1,181
Other payables	935	121	1,691	109
Accruals and deferred income	4,253	1,756	3,943	1,425
Amount owed to group undertakings	-	1,484	-	1,737
	<u>8,272</u>	<u>5,289</u>	<u>7,248</u>	<u>4,816</u>

Amounts owed to group undertakings are interest-free and repayable on demand.

16 Financial instruments and financial risk management

The Group's financial instruments which are carried at amortised cost at 31 March 2023 can be summarised as follows:

	Financial instruments £000	Other £000	Total £000
<i>Non-current assets</i>			
Trade receivables	270	-	270
<i>Current assets</i>			
Trade receivables	8,617	-	8,617
Other receivables	3,559	-	3,559
Prepayments and accrued income	<u>1,034</u>	<u>669</u>	<u>1,703</u>
Total assets	<u>13,480</u>	<u>669</u>	<u>14,149</u>
<i>Non-current liabilities</i>			
Lease liabilities			
<i>Current liabilities</i>			
Amounts due to members	(16,151)	-	(16,151)
Amounts due to non-controlling interests	(2,667)	-	(2,667)
Lease liabilities	(292)	-	(292)
Trade payables	(758)	-	(758)
Other tax and social security	-	(2,326)	(2,326)
Other payables	(935)	-	(935)
Accruals and deferred income	<u>(4,253)</u>	<u>-</u>	<u>(4,253)</u>
Total liabilities	<u>(25,056)</u>	<u>(2,326)</u>	<u>(27,382)</u>

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

16 Financial instruments and financial risk management (continued)

The Group's financial instruments which are carried at amortised cost at 31 March 2022 can be summarised as follows:

	Financial instruments £000	Other £000	Total £000
<i>Non-current assets</i>			
Trade receivables	293	-	293
<i>Current assets</i>			
Trade receivables	7,125	-	7,125
Other receivables	2,189	-	2,189
Prepayments and accrued income	-	833	833
Total assets	9,607	833	10,440
<i>Non-current liabilities</i>			
Lease liabilities	(278)	-	(278)
<i>Current liabilities</i>			
Amounts due to members	(7,335)	-	(7,335)
Amounts due to non-controlling interests	(2,837)	-	(2,837)
Lease liabilities	(447)	-	(447)
Trade payables	(752)	-	(752)
Other tax and social security	-	(862)	(862)
Other payables	(1,691)	-	(1,691)
Accruals and deferred income	(3,944)	-	(3,944)
Total liabilities	(17,284)	(862)	(18,146)

The LLP's financial instruments which are carried at amortised cost at 31 March 2023 can be summarised as follows:

	Financial instruments £000	Other £000	Total £000
<i>Non-current assets</i>			
Trade receivables	270	-	270
<i>Current assets</i>			
Trade receivables	6,141	-	6,141
Other receivables	3,135	-	3,135
Amounts due from group undertakings	150	-	150
Prepayments and accrued income	1,034	401	1,435
Total assets	10,730	401	11,131
<i>Current liabilities</i>			
Lease liabilities	(292)	-	(292)
Trade payables	(297)	-	(297)
Other tax and social security	-	(1,631)	(1,631)
Other payables	(121)	-	(121)
Accruals and deferred income	(1,756)	-	(1,756)
Amounts owed to group undertakings	(1,484)	-	(1,484)
Total liabilities	(3,950)	(1,631)	(5,581)

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

16 Financial instruments and financial risk management (continued)

The LLP's financial instruments which are carried at amortised cost at 31 March 2022 can be summarised as follows:

	Financial instruments £000	Other £000	Total £000
<i>Non-current assets</i>			
Trade receivables	293	-	293
<i>Current assets</i>			
Trade receivables	4,919	-	4,919
Other receivables	1,874	-	1,874
Amounts due from group undertakings	78	-	78
Prepayments and accrued income	-	544	544
Total assets	7,164	544	7,708
<i>Non-current liabilities</i>			
Lease liabilities	(278)	-	(278)
<i>Current liabilities</i>			
Lease liabilities	(446)	-	(446)
Trade payables	(364)	-	(364)
Other tax and social security	-	(1,181)	(1,181)
Other payables	(109)	-	(109)
Accruals and deferred income	(1,425)	-	(1,425)
Amounts owed to group undertakings	(1,737)	-	(1,737)
Total liabilities	(4,359)	(1,181)	(5,540)

Financial risk management

The Group and the LLP are exposed to various financial risks arising directly from operations. However, the Group's and LLP's affairs are relatively straightforward and no derivative instruments are currently used to manage these risks.

Credit risk

The Group and LLP's cash is all held with banks with strong external credit ratings (range from A+ to BBB+) and the credit risk arising from these balances is not considered to be significant.

The Group and LLP's credit rating of banking institutions (S&P) can be summarised as follows:

	2023 Group £000	2023 Partnership £000	2022 Group £000	2022 Partnership £000
A+	1,144	1,118	1,280	1,118
A	16	5	123	5
BBB+	21,888	11,565	15,684	9,452
	23,048	12,688	17,087	10,575

Credit risk exposure arises from cash and cash equivalents, which is measured using credit ratings and managed through diversification of counterparties, and trade and other receivables, which is primarily measured through ageing analysis. As the Group does not hold collateral against its trade and other receivables balance its aggregate exposure at 31 March 2023 was £13,480k (2022 - £9,607k). The LLP's credit risk exposure at 31 March 2023 was £10,730k (2022 - £7,164k).

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

16 Financial instruments and financial risk management (continued)

Credit risk (continued)

The Group and LLP's credit loss provisions can be summarised as follows:

	2023	2023	2022	2022
	Group	Partnership	Group	Partnership
	£000	£000	£000	£000
Gross trade receivables	8,887	6,411	7,521	5,212
Credit loss provision	-	-	(103)	-
Net trade receivables	8,887	6,411	7,418	5,212

Liquidity risk

Other than the Group's and LLP's trade and other receivables, all of which are short term and payable from the Group's and LLP's cash reserves and the realisation of short-term trade and other receivables, the Group's and LLP's only financial liabilities are its lease liabilities. The undiscounted payments of these lease liabilities are as follows:

	2023	2023	2022	2022
	Group	Partnership	Group	Partnership
	£000	£000	£000	£000
Within one year	298	298	460	460
Within one to two years	-	-	299	299
Within two to five years	-	-	-	-
In more than five years	-	-	-	-
Aggregate undiscounted payments	298	298	759	759
Impact of discounting	(6)	(6)	(34)	(34)
Amounts recognised as a liability	292	292	725	725

The Group and LLP anticipate being able to meet these gross cash outflows through their future operating activities. Details of financing cash flows can be found in note 18.

Foreign currency risk

The group undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise. Given the small size of these transactions, there is no need for hedging to mitigate exchange rate exposures.

	2023	2022
	Group	Group
	£000	£000
Financial assets	1,496	887
Financial liabilities	(72)	(163)
Net	1,423	724

Capital risk management

The group manages its capital to ensure that the entities in the group will be able to continue as going concerns. The group is subject to FCA capital requirements and has met all of those requirements throughout the period.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

17 Financing cash flows

The Group and LLP's financing cash flows can be summarised as follows:

	1 April 2022 £000	Cash flows £000	Non-cash movements £000	31 March 2023 £000
Group				
<i>Financing cash flows</i>				
Lease liabilities	(725)	460	(27)	(292)
Amounts due to members	(7,335)	16,626	(25,443)	(16,152)
Amounts due to non-controlling interests	(2,836)	4,295	(4,125)	(2,666)
Aggregate financing liabilities	(10,896)	21,381	(29,595)	(19,110)

	1 April 2021 £000	Cash flows £000	Non-cash movements £000	31 March 2022 £000
Group				
<i>Financing cash flows</i>				
Lease liabilities	(1,137)	412	-	(725)
Capital Repayment	-	(10)	10	-
Amounts due to members	(4,360)	15,915	(18,890)	(7,335)
Amounts due to non-controlling interests	(2,384)	3,665	(4,117)	(2,836)
Aggregate financing liabilities	(7,881)	19,982	(22,997)	(10,896)

	1 April 2022 £000	Cash flows £000	Non-cash movements £000	31 March 2023 £000
LLP				
<i>Financing cash flows</i>				
Lease liabilities	(725)	460	(27)	(292)
Amounts due to members	(4,298)	16,626	(21,686)	(9,358)
Aggregate financing liabilities	(5,023)	17,086	(21,713)	(9,650)

	1 April 2021 £000	Cash flows £000	Non-cash movements £000	31 March 2022 £000
LLP				
<i>Financing cash flows</i>				
Lease liabilities	(1,137)	412	-	(725)
Capital Repayment	-	(10)	10	-
Amounts due to members	(1,849)	15,915	(18,364)	(4,288)
Aggregate financing liabilities	(2,986)	16,317	(18,354)	(5,023)

Non-cash movements in respect of amounts due to members and non-controlling interests relate to profit allocations; those relating to lease liabilities arise from the initial recognition of lease liabilities and right-of-use assets on the inception of leases.

18 Ultimate controlling parties

At 31 March 2023, the ultimate controlling party was Philip S Gower OBE.

ALPHA REAL CAPITAL LLP
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 MARCH 2023

19 Related party transactions

The Partnership recognises members and subsidiary partnerships with non-controlling interests as related parties and the transactions with these parties are detailed below. Transactions with wholly owned subsidiary companies, which are related parties, are eliminated on consolidation and not disclosed in this note.

Alpha Real Capital LLP ("ARC") provides property and investment management services to Alpha Real Trust Limited ("ART"). ARC partners own shareholdings in ART either directly or indirectly through shareholdings in Alpha Global Property Securities Fund PTE Limited ("AGPSF"). During the year property and investment management services totalling £2,361k (2022: £2,297k) were supplied to ART. At 31 March 2023, the balance of fees owed to ARC was £3k (2022: £581k).

ARC is a related party to Landa Asset and Management plc ("Landa"), whose ultimate controlling party is also Philip S Gower OBE. At 31 March 2023, the balance owed by Landa to ARC was £2,777k (2022: £1,619k).

ARC is a related party to Antler Property Investments plc ("API"), whose ultimate controlling party is also Philip S Gower OBE. At 31 March 2023, the balance owed to API by ARC was £12k (2022: £12k).

ARC is a related party to Tempo Structured Products Limited ("Tempo"), whose ultimate controlling party is also Philip S Gower OBE. At 31 March 2023, the balance owed by Tempo to ARC was £235k (2022: £216k).

20 Post balance sheet events

Subsequent to the balance sheet date, the group underwent a restructuring transaction. Following the transaction, the partnership's immediate parent undertaking is Alpha Real Capital Holdings Limited ("ARCH"), a newly-incorporated company registered in Guernsey. Alpha Real Property Investment Advisers LLP has been transferred to ARCH at its carrying value of cost less impairment. There is no change in the ultimate controlling party.

**ALPHA REAL CAPITAL LLP
MEMBERS' INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023**

Members

P Rose *
B J Bauman *
Rockmount ARC Limited * (Termination of appointment 31 March 2023)
K Devon-Lowe *
M Rattigan *
N Ashfield
P Grant
S Gardner
T Pissarro
E Palmer
Alpha Real Capital Holdings Limited* (Appointed 31 March 2023)

* Designated members

Registered office

338 Euston Road, London, NW1 3BG

Registered number

OC312705

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Lawyers

Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS

Bankers

Royal Bank of Scotland PLC, Barclays PLC, HSBC Bank PLC and Santander UK PLC