First Property Group plc

Annual Report & Accounts 2025

Welcome to First Property Group plc

We are an award-winning property fund manager and investor with operations in the United Kingdom, Poland and Romania.

* Front cover: Warsaw skyline as seen from the Group's Blue Tower property.

Contents

AIM listed

Listed on AIM, the Company has offices in London and Warsaw.

Strategic Report

Governance

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Our business at a glance

We specialise in investing in high-yielding commercial investment property. When property values fall, yields increase and we consider buying. When property values rise, yields reduce and we consider selling.

25
properties managed, of which 7 are directly owned by the Group.

2
offices in London and Warsaw.

11
funds under management.

£220m
total assets under management.

Highlights for the year ended 31 March 2025

Profit/(loss) before tax
£3.03m

2025	£3.03m
2024	(£4.41m)
2023	£2.49m

Total Assets Under Management
£220m

2025	£220m
2024	£274m
2023	£454m

Total Dividend
£0.00p (per share)

2025	£0.00p
2024	£0.00p
2023	£0.50p

Net assets with 7 directly held properties at book value
£45.09m

2025	£45.09m
2024	£38.98m
2023	£43.44m

Net assets with 7 directly held properties at market value
£52.99m

2025	£52.99m
2024	£44.53m
2023	£52.54m

Market value of Group investments in FPAM managed funds
£22.60m

2025	£22.60m
2024	£20.26m
2023	£25.27m

Our operations

First Property Group plc is an award-winning property fund manager and investor with operations in the United Kingdom and Central Europe. Its focus is on higher-yielding commercial property with sustainable cash flow.

A key facet of successful property investing is local knowledge. Our local teams are capable of performing all aspects of property investing and subsequent asset management.

Where we operate

The Group operates via two divisions:

Fund Management

FCA regulated and AIFMD approved subsidiary First Property Asset Management Ltd (FPAM) earns fees from investing for third parties in property. FPAM currently manages 11 funds which are invested across the United Kingdom, Poland and Romania.

Read more on pages 6 and 7

Group Properties

Principal investments by the Group to earn a return on its own capital, usually in partnership with third parties. Investments comprise 7 directly-owned properties in Poland and Romania and non-controlling interests in 9 of the 11 funds managed by FPAM.

Read more on pages 8 to 10

Why invest?

1 Expertise

- ✓ Experienced, nimble management team;
- ✓ Excellent track record.

2 Diversified earnings

- ✓ From directly-owned properties and from fees;
- ✓ From mix of jurisdictions: the United Kingdom, Poland and Romania.

3 Earnings growth

- ✓ Letting vacant space;
- ✓ Investing Group cash;
- ✓ New fund management mandates;
- ✓ Operationally geared – can take on new business without material increases in overheads.

4 Strength

- ✓ Strong balance sheet;
- ✓ Prudent approach to cash management.

Chief Executive's statement

Financial performance

I am pleased to report the Group's results for the year ended 31 March 2025, which yielded a profit before tax of £3.03 million (31 March 2024: loss before tax of £4.41 million).

The turnaround in the Group's fortunes is mainly attributable to lower impairment charges in the value of the Group's direct investments in Poland of £0.24 million (2024: £3.75 million), an increase in the value of the Group's 23% share in Fprop Phoenix Ltd (FPL) by £1.73 million, and cost-cutting measures which resulted in total annualised savings of around £650,000.

In September 2024, the Group raised £2.96 million (before expenses) through an open offer of new Ordinary Shares to all qualifying shareholders. The proceeds were used to:

1. meet contractual liabilities in respect of deferred consideration payments (£1.97 million) for Blue Tower, an office building in Warsaw, which is directly owned by the Group;
2. fund capital expenditure incentives for tenants as the Group continues to lease the remaining vacant space in its portfolio (£1.42 million); and
3. strengthen the Group's balance sheet.

The open offer was underwritten by the Group's CEO and Chairman, demonstrating their confidence in the Group's prospects and the Board's strategy.

The Group ended the financial year with net assets calculated under the cost basis of accounting, excluding non-controlling interests, of £45.09 million (31 March 2024: £38.98 million), equating to 30.50 pence per share (31 March 2024: 35.15 pence per share). It is the accounting policy of the Group to carry its properties and interests in associates at the lower of cost or market value.

The net assets of the Group when adjusted to their market value less any deferred tax liabilities (EPRA basis) amounted to £52.99 million or 35.72 pence per share at 31 March 2025 (31 March 2024: £44.53 million or 39.41 pence per share).

Gross debt at the year-end reduced to £24.37 million (31 March 2024: £27.62 million), £14.92 million of which was non-interest bearing and represented deferred consideration for the purchase of two office properties in Poland. Net debt reduced to £19.55 million (31 March 2024: £22.99 million). The debt was secured against six directly-owned properties in Poland.

The Group's gearing ratio with its properties at their book value was 35.08% (31 March 2024: 41.47%) and with its properties at their market value was 31.50% (31 March 2024: 38.28%).

Group cash balances at the year-end stood at £4.82 million (31 March 2024: £4.63 million), equivalent to 3.26 pence per share (31 March 2024: 4.18 pence per share). The calculation includes new shares issued following completion of the open offer on 23 September 2024.

The diluted earnings per share was 1.64 pence (2024: loss per share 4.04 pence).

Dividend

The Directors have resolved not to pay a dividend in respect of the year ended 31 March 2025 (31 March 2024: £nil).

Current trading and prospects

I am pleased to report a material turnaround in the fortunes of the Group.

We appear to be close to the bottom of the cycle, following what has been a severe downturn, especially for office properties.

The economic outlook remains uncertain and it remains a buyer's market. Even with this uncertain outlook we are seeing interesting deals, some of which we hope to secure.

We are treading cautiously but our fortunes have improved and we expect this to continue.

BEN HABIB
Chief Executive

22 August 2025

Investment Philosophy

1. Sustainability of income

When buying for income, sustainability of income is a priority.

We target higher yielding properties with sustainable income streams, enabling us to boost returns by applying leverage.

2. Capital preservation

Capital is better protected if investments yield a high income.

Over the long term it is income and not capital value movements which largely determine total returns.

3. A fundamental approach to investing

Consensus may chase a particular investment theme but that does not justify it.

4. Flexibility in the light of market changes

Experienced management team with an excellent track record, including in challenging market conditions.

5. An active approach to asset management

Drive income and in turn capital values by hands-on property management, relying as much as possible on internal expertise. The quality of our people is a crucial factor in our success.

Our strategy and markets

The strategy	Our strategic responses
Deliver sustainable revenue	• Establish new funds which will increase the Group's fund management fee income. • Invest in properties with sustainable income streams or loans which yield an attractive rate of interest.
Achieve overall growth with an equal balance between the two operating divisions	• Establish new funds once the investment environment improves. • Consider sale of directly-owned Group Properties.
Active approach to asset management	• Drive income and in turn capital values by hands-on property management, relying as much as possible on internal capabilities.
Remain flexible	• Thinking from first principles. • In-house property teams employed in Poland and the United Kingdom.
Capitalise on market opportunities	• Maximise and exploit new opportunities arising.

Our markets	Commercial property markets outlook
United Kingdom	GDP forecasts for the UK have been lowered for 2025 to around 1%, similar to that achieved in 2024 (0.9%). The economic outlook remains highly uncertain. In August, the base interest rate was cut by 0.25% to 4.25%, marking the third reduction this year. The previous two cuts of 0.25% each occurred in February and May. The market anticipates further cuts to 3.75% by the end of the year. Inflation remains stubbornly high though at above 3% and above the Bank of England's target level of 2%. All commercial property delivered a total return in 2024 of 7.7%, including from capital value growth of 1.8%. This was higher than in both 2022 and 2023. Rental values rose by 2.9% in 2024. Sentiment in the investment market is improving but the market remains bifurcated with large differences in value between well let modern properties which comply with target net zero legislation, and the rest.
Poland	GDP is expected to grow by around 3% in 2025 and again in 2026, similar to that of 2024. Interest rates were cut by 25bp in July to 5.00%, and are expected to be cut to 4.5% by the year end. Inflation is running at similar levels. Turnover in Poland's commercial property market in 2024 was around €5 billion, roughly double that recorded in 2023, though some way below the average of €6 billion per annum recorded in previous years. The market is still suffering from a withdrawal of capital and a scarcity of banks willing to lend against property. In general the occupational market is performing better than the investment market, though there exist pockets of oversupply, such as for offices in Krakow.

Dynamic flexible approach as the market changes

2005: Largely exited the United Kingdom commercial property market.

2008: Reversed asset management policy of waiting until lease expiry to renew leases following the onset of the credit crunch.

2009: Re-entered the United Kingdom commercial property market – we act dynamically.

2016: Varied investment strategy in the United Kingdom with respect to offices, to invest for rental growth as opposed to for development due to the effects of permitted development rights (PDR) legislation resulting in diminishing office supply/ rising rents.

2020: Entered the COVID pandemic with £23.6 million of cash following the sale of an office building (CH8) in Warsaw, Poland.

2022: Reduced Group debt to £23 million with 57% of the debt either interest free or with a fixed interest rate.

Performance review

Fund Management division

First Property Asset Management Ltd (FPAM)

Our Fund Management division earns fees from investing for third parties in commercial property via its FCA regulated and AIFMD approved subsidiary, First Property Asset Management Ltd (FPAM).

Third party assets under management ended the year at £164.0 million (31 March 2024: £221.8 million).

The decrease in value of third-party funds under management was mainly due to the sale by four funds of nineteen properties in the United Kingdom for an aggregate value of £63.1 million.

Fund management fees are levied monthly by reference to the value of properties, except for Fprop Offices LP (“OFFICES”), in which the Group participates in a profit share arrangement. OFFICES has reached the end of its fund life and will be wound up after its last remaining property is sold.

The profit earned by this division before unallocated central overheads and tax increased by £0.22 million to £1.04 million (2024: £0.82 million) even though revenue decreased by 23% to £2.26 million (2024: £2.95 million).

The decrease in revenue was due to a reduction in third-party assets under management and a reduction in one-off advance payments of £300,000 (2024: £411,000), mainly pertaining to the Group’s defined benefit pension scheme clients which are generally recycling their investments into more liquid asset classes. The advance payments were in respect of fund management fees paid by one such client, the BAE Systems Pension Funds Trustees Limited (SIPS), due to property sales prior to the end of the fund’s life.

The increase in profit was mainly attributable to cost saving measures implemented during the year.

At the financial year end fund management fee income, excluding performance fees, was being earned at an annualised rate of £1.20 million (31 March 2024: £1.83 million).

The weighted average unexpired fund management contract term at the financial year-end was 3 years, 4 months (31 March 2024: 1 year, 9 months).

The reconciliation of movement in third-party funds managed by FPAM during the year is shown below:

Reconciliation of movement in third-party funds under management during FY 2025

Funds managed for third parties (including funds in which the Group is a minority shareholder)

	UK £m	CEE £m	Total £m	No. of properties
As at 1 April 2024	115.01	106.76	221.77	35
Property purchases	6.40	–	6.40	2
Property sales	(63.08)	–	(63.08)	(19)
Capital expenditure	0.19	0.37	0.56	–
Property revaluation	(1.75)	2.64	0.89	–
FX revaluation	–	(2.63)	(2.63)	–
As at 31 March 2025	**56.77**	**107.14**	**163.91**	**18**

Funds managed by asset class

	UK £m	Poland £m	Romania £m	Total £m	% of total
Offices	50.22	36.08	8.04	94.34	57.5%
Retail warehousing	6.55	–	–	6.55	4.0%
Supermarkets	–	11.89	–	11.89	7.3%
Shopping centres	–	51.13	–	51.13	31.2%
Total	**56.77**	**99.10**	**8.04**	**163.91**	**100.0%**
% of total third-party AUM	**34.6%**	**60.5%**	**4.9%**	**100.0%**	

Third-party funds under management FY 2025

An overview of the value of assets and maturity of each of the funds is set out below:

Fund	Country of investment	Fund expiry	**Assets under management at market value at 31 March 2025 £m**	No. of properties	% of total third-party assets under management	Assets under management at market value at 31 March 2024 £m
OFFICES	UK	Jun 2024	**27.5**	1	16.8	47.4
SIPS	UK	Jan 2026	**3.5**	1	2.1	33.8
FOP	Poland	Oct 2025	**59.8**	5	36.4	60.3
FGC	Poland	Mar 2026	**23.9**	1	14.5	21.7
UK PPP	UK	Jan 2027	**2.6**	1	1.6	13.6
SPEC OPPS	UK	Jan 2027	**9.5**	3	5.8	12.7
FKR	Poland	Mar 2027	**15.5**	1	9.5	16.4
FCL	Romania	Jun 2028	**8.0**	1	4.9	8.3
FPL	Poland	Jun 2028	**–**	–	–	–
FUL	UK	Indefinite	**13.7**	4	8.4	7.6
Total third-party AUM			**164.0**	**18**	**100.0**	**221.8**

Group properties division

The Group Properties division comprised:

1. seven directly owned commercial properties in Poland and Romania valued at £56.04 million (31 March 2024: £51.90 million); and
2. interests in nine of the eleven funds managed by FPAM (classified as Associates and Investments) valued at £22.60 million (31 March 2024: £20.26 million).

This division made a profit of £3.16 million before tax and unallocated central overheads (year ended 31 March 2024: loss of £3.79 million). The main contribution (£3.21 million) was from the Group's Associates and Investments, in particular from the Group's 23% shareholding in FPL, which contributed £1.73 million. This division also benefited from £422,000 in cash distributions from the Group's share in The UK Pension Property Portfolio ("UK PPP") and Fprop UK Special Opportunities LP ("SPEC OPPS").

1. Directly-owned Group Properties (all accounted for under the cost model)

The book value of the Group's seven directly-owned properties was £46.76 million (31 March 2024: £45.76 million). Their market value, based on valuations at 31 March 2025, was £56.04 million (31 March 2024: £51.90 million).

Blue Tower, an office building located in Warsaw (in which the Group's 80.3% shareholding totals 18,000 square metres) accounted for £30.46 million (54%) of the Group's seven directly owned properties at market value. The net equity invested in these seven properties totalled £31.67 million at market value, of which £20.34 million (64%) was invested in Blue Tower.

The debt secured against six of these seven properties at the year-end totalled £24.37 million (31 March 2024: £27.62 million), of which only £9.45 million was interest bearing. The remainder (£14.92 million) represented deferred consideration liabilities as follows:

- €12 million (£10.04 million) in respect of the purchase in 2021 of a 13,000 square metres office block in Gdynia, Poland, for which payment was due in June 2024. After the financial year end the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property was matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits.
- PLN 24.40 million (£4.87 million) in respect of the purchase in 2022 of an additional 32% or 7,171 square metres in Blue Tower. Payment is due in instalments until August 2028. A total of PLN 16.00 million (£3.20 million) of the original liability has been paid. The August 2025 instalment of £1.00 million was paid prior to the signing of these financial statements.

Interest costs on the Group's debt amounted to £0.69 million (2024: £0.78 million). This equates to an average borrowing cost of 2.8% per annum when expressed as a percentage of total outstanding Group debt of £24.37 million, or 7.3% per annum on the debt which is interest bearing.

At 31 March 2025, the vacancy rate across all seven properties was 29.82%, as measured in terms of square metres. The vacancy rate across the six properties excluding the property in Gdynia was 9.72% and totalled 2,800 square metres. If the vacant space in these remaining six properties is fully let, the net operating income from the Group's directly owned properties should increase by some €0.50 million per annum (£0.42 million per annum).

The weighted average unexpired lease term ("WAULT") as at 31 March 2025 was 4 years, 10 months (2024: 4 years, 10 months) across the Group's seven directly held properties.

Directly-owned Group Properties as at 31 March 2025

Country	Sector	Property/ Fund name	No. of properties as at 31 March 2025	Book value as at 31 March 2025 £m	Market value as at 31 March 2025 £m	**Contribution to Group profit before tax 31 March 2025 £m**	Contribution to Group profit before tax 31 March 2024 £m
Poland	Office	Blue Tower	1	24.35	30.46	**0.97**	0.82
Poland	Offices	Gdynia	1	10.04	10.04	**(0.21)**	(0.15)
Poland	Supermarket	Praga	1	2.06	3.14	**0.08**	0.11
Romania	Office	Dr Felix	1	2.20	3.43	**0.27**	0.10
Poland	Multi use	5PT	3	8.11	8.97	**0.42**	0.33
Total			7	46.76	56.04	**1.53**	1.21
Property impairment						**(0.24)**	(3.75)
Reversal of provision in respect of rental guarantee						**–**	0.13
Interest expense						**(0.69)**	(0.78)
Other overhead costs allocated to the Group Properties division						**(0.65)**	(0.71)
Total contributions to profit/(loss) before tax from Group Properties						**(0.05)**	(3.90)

Debt secured against Group's directly-owned properties

	31 March 2025 £m	31 March 2024 £m
Book value of directly-owned properties	**46.76**	45.76
Market value of directly-owned properties	**56.04**	51.90
Gross debt (all non-recourse to the Group)	**24.37**	27.62
Loan to Value ("LTV") at book value	**52.12%**	60.36%
LTV at market value	**43.49%**	53.22%
Weighted average borrowing cost	**2.8%**	2.8%

Group properties division cont.

2. Associates and Investments

These comprise non-controlling interests in nine of the eleven funds managed by FPAM of which five are accounted for as Associates and held at the lower of cost or fair value (the "cost model"), and four are accounted for as Investments in funds and held at fair value.

The contribution to profit before tax and unallocated central overheads from the Group's Associates and Investments was £3.21 million (31 March 2024: £0.11 million), of which £1.73 million was from the Group's 23% share in FPL. The Group also benefited from cash distributions of £422,000 (2024: £134,000) from its shareholdings in UK PPP and SPEC OPPS.

In 2024 the Group's share of post-tax profits earned by Fprop Opportunities plc ("FOP") was impacted by an impairment charge of £0.97 million. There was no impairment in 2025, allowing FOP's contribution to improve to £0.94 million (2024: loss of £0.14 million). The Group's investment in Fprop Krakow Ltd (FKR) suffered an impairment provision of £0.12 million (2024: £0.10 million).

An overview of the Group's Associates and Investments is set out in the table below:

Associates and investments

	% owned by the Group %	Book value of Group's share in fund £'000	Current market value of holdings £'000	**Group's share of post-tax profits earned by fund 31 March 2025 £'000**	Group's share of post-tax profits earned by fund 31 March 2024 £'000
a) Associates					
FOP	45.7	13,482	13,482	**944**	(141)
FGC	29.1	3,211	3,962	**242**	202
FKR	18.1	962	962	**(128)**	(64)
FPL	23.4	1,733	1,748	**1,733**	(60)
FCL	21.2	676	781	**(2)**	41
Sub total		**20,064**	**20,935**	**2,789**	(22)
b) Investments					
UK PPP	0.9	25	25	**55**	23
FULCRUM	1.5	143	143	**–**	5
SPEC OPPS	11.1	1,158	1,158	**367**	83
OFFICES	1.6	344	344	**–**	23
Sub total		**1,670**	**1,670**	**422**	134
Total		**21,734**	**22,605**	**3,211**	112

Operating responsibly

Environmental, social and governance

The Group has long recognised that Environmental, Social and Governance issues (ESG) can affect the investment performance of the properties and funds which we manage. As a result, the consideration of ESG issues is an integral part of the Group's investment processes. The Group has formalised its commitment to incorporating ESG into its investment and asset management processes by creating a Responsible Investment Policy.

Our responsible investment targets

To measure and track performance against six core responsible investment targets

1. Improve the environmental performance of our buildings and reduce operational costs
Create an accurate baseline of energy, water & waste consumption, to enable reduction targets to be set.
Set building energy, water & waste data collection targets for 2025 by area (landlord & tenant).
Set energy reduction targets for 2025 & 2030 (aligned with CRREM and leading Net Zero Carbon frameworks) for buildings in our operational control.
2. Improve sustainability standards within our investment and asset management processes
Review the potential to install Solar PV panels and Electric Vehicle (EV) charging points across our portfolio.
Set installation targets for Solar PV panels and Electric Vehicle (EV) charging points.
Embed green lease clauses in leases wherever possible.
3. Enhance the health and wellbeing of our tenants
Conduct annual tenant forums to identify areas to enhance tenant experiences (via managing agents). Monitor and track improvements.
4. Contribute to our local communities
Measure our annual social impact from charitable giving, local community events and volunteering using the National TOMs* methodology.
5. Engage with our investors and supply chain partners on material sustainability issues
Complete 100% of investor requested ESG reports.
Set and report against fund specific ESG metrics in investor reports.
Submit pilot Fprop Fund to GRESB, an industry wide sustainability benchmark.
6. Ensure robust processes are in place to manage material legislative, environmental and social risks and opportunities
Create and maintain a sustainability risk matrix, identifying material risks and implementing mitigation measures where required.
Update the Employee Handbook to provide support and clarity to employees on internal policies.

* The National TOMs (Themes, Objectives, Measures) methodology is a social value standard across the United Kingdom. It provides a framework for measuring the value delivered and quantifying the wider value for society.

In 2022, our Environmental, Social and Governance (ESG) Committee developed a set of sustainability Key Performance Indicators (KPIs) to measure and track our performance, and to help drive continual improvement in our environmental, social, and governance (ESG) practices. Progress on our sustainability metrics, carbon footprint and case studies of our initiatives can be found on the Fprop website **https://www.fprop.com/about-us/environment-social-and-governance/**.

Operating responsibly cont.

Sustainable communication practices

The Board regularly reviews the effectiveness and relevance of its communications strategy. Given technological advancements and the principles of sustainability, we encourage our shareholders to download the Annual Report from the Fprop website **https://www.fprop.com/plc-investors/financial-reports/** or by contacting the Company Secretary, Jill Aubrey on **jill.aubrey@fprop.com.**

The Group will not be publishing a hard copy of the 31 March 2025 Annual Report. The physical publication of such a report is expensive, results in additional carbon emissions and serves no purpose which cannot be fulfilled by an online document. Those shareholders who wish to continue to receive a hard copy by post will receive a print of the website version.

Group Finance Director's review

The Group reported a profit before tax for the year to 31 March 2025 of £3.03 million (2024: loss before tax of £4.41 million). The profit was mainly attributable to an increase in the value of the Group's 23% share in Fprop Phoenix Ltd ("FPL") by £1.73 million and cost cutting measures resulting in total annualised savings of around £650,000.

A non-cash impairment of £0.24 million (2024: £3.75 million) was recognised in respect of the directly held Group property in Gdynia, Poland. Post year end, the Directors placed the wholly owned subsidiary which owns the property, Fprop Gdynia sp. z o.o., into administration following failure to agree restructuring terms with its principal creditor. At the year end the value ascribed to this property matched the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits.

During the financial year the Group raised £2.96 million (before expenses) through an open offer of new Ordinary Shares to all qualifying shareholders.

The proceeds were used to:

- meet contractual deferred consideration payments of £1.97 million in respect of Blue Tower, an office building located in Warsaw;
- to fund capital expenditure incentives for tenants of £1.42 million as the Group continues to lease the remaining vacant space in its portfolio; and
- to strengthen the Group's balance sheet.

Group net assets excluding non-controlling interests at 31 March 2025 increased to £45.09 million (31 March 2024: £38.98 million).

Gross debt at the year-end was £24.37 million (31 March 2024: £27.62 million). The decrease was largely due to payments totalling £1.97million of deferred consideration in respect of Blue Tower, bank loan repayments of £0.83 million, and a favourable foreign exchange movement of £0.43 million. Of this gross debt, £14.92 million represented deferred consideration on which no interest is payable. Net debt decreased to £19.55 million (31 March 2024: £22.99 million).

Going concern

The Directors are of the view that the Group is a going concern and this is the basis under which these financial statements have been prepared.

Analysis and scenario testing was carried out on the Group's main divisional income streams, being fund management fees from the fund management division, rental income from its seven directly owned Group Properties, and cash returns from its Associates and Investments. Further details of this analysis is set out in Note 1 to the financial statements, Basis of Preparation.

Based on the results of the analysis conducted, the Board believes that the Group has the ability to continue its business for at least twelve months from the date of approval of the financial statements and therefore has adopted the going concern basis in the preparation of this financial information.

Income statement

A review of the operating and financial performance of the two trading divisions is included in the Chief Executive's statement.

Revenue and gross profit

Revenue for the year decreased by £0.30 million or 3.8% to £7.55 million (31 March 2024: £7.85 million) driven by a reduction in fund management fee income earned by the Group's managed funds.

Gross profit (revenue less the cost of sales) reduced by £0.15 million to £4.82 million (31 March 2024: £4.97 million).

Operating expenses

Operating expenses decreased by £0.84 million or 16% to £4.32 million (31 March 2024: £5.16 million) mainly due to the Group initiating a cost saving program during the year which resulted in annualised cost savings of around £650,000.

In addition, the non-cash charge recognised in respect of outstanding share options reduced to £0.29 million (31 March 2024: £0.64 million). See Note 27 of the Notes to these financial statements for more information on the share-based payment scheme.

Operating expenses included costs of £142,000 in respect of the open offer.

Share of results in associates

The contribution to Group profit from its Associates amounted to £2.79 million (31 March 2024: loss of £0.02 million), of which the Group's 23% interest in a managed fund, FPL, contributed £1.73 million.

A fair value impairment of £0.44 million in respect of the Group's 45.7% shareholding in FOP, which was recognised in the first half of the financial year, was subsequently reversed by £0.52 million, due to a recovery in property values at the year-end (2024: impairment of £0.97 million). An impairment of £0.12 million (2024: £0.10 million) has been charged in respect of the Group's 18.1% holding in FKR.

Investment income (from other financial assets and investments)

Investment income from the Group's investments in the UK funds managed by FPAM increased by 223% to £0.42 million (31 March 2024: £0.13 million) largely driven by distributions received from UK PPP and SPEC OPPS, after the sale of seven properties by these funds during the year.

Finance costs

Finance costs decreased to £0.69 million (31 March 2024: £0.78 million). All bank loans are denominated in Euros and all are used to finance properties valued in Euros.

Group Finance Director's review cont.

Statement of financial position

Investment properties (held using the cost model)

The Group adheres to the "cost model" of valuation whereby investment properties are accounted for at the lower of cost less accumulated depreciation and impairments, or at fair market value.

The Group owed £10.04 million (€12 million) of deferred consideration in respect of the Group's directly held property in Gdynia, which was due for payment in June 2024. After the financial year end, the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property was matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits.

At the year end the Group held seven properties directly, including the property in Gdynia. The book value was £46.76 million (31 March 2024: £45.76 million). The fair market value was £56.04 million (31 March 2024: £51.90 million).

Capital expenditure incurred on the Group's seven directly owned properties amounted to £1.42 million (31 March 2024: £1.67 million).

Foreign exchange revaluations resulted in a debit of £0.42 million (31 March 2024: debit £1.17 million).

Borrowings

Bank and other borrowings, including deferred consideration, decreased by £3.25 million to £24.37 million (31 March 2024: £27.62 million). The decrease was largely due to the payment of deferred consideration of £1.97 million in respect of Blue Tower, capital repayments of £0.83 million in respect of bank loans, and a favourable foreign exchange movement of £0.43 million.

The Group's current financial liabilities increased to £16.19 million (31 March 2024: £13.08 million) due to the repayment date of the bank loan secured against Blue Tower reducing to less than one year. The two loans classified as current liabilities are:

1. deferred consideration of £10.04 million (€12 million) in respect of the property in Gdynia, which was due for payment in June 2024 and which was not paid; and
2. the bank loan due for repayment on 20 June 2025 which totals £4.61 million (€5.5 million). The Group is currently in a technical extension whilst the terms of a two-year extension are finalised.

Both debts are non-recourse to the Group.

The ratio of debt to gross assets at their market value (the gearing ratio) decreased to 31.50% (31 March 2024: 38.28%).

All bank loans are denominated in Euros and are non-recourse to the Group's assets.

Deposits of £0.31 million (31 March 2024: £0.32 million) are held by lending banks as security for Debt Service Cover Ratio (DSCR) covenants in respect of four bank loans (31 March 2024: four). Consequently this cash was restricted as at 31 March 2025.

Trade and other receivables

Trade and other receivables decreased by £0.21 million to £3.94 million (31 March 2024: £4.15 million).

Trade and other payables

Trade and other payables decreased by £1.05 million to £2.74 million (31 March 2024: £3.79 million) due to payment of £1.11 million to OFFICES in respect of profit share previously paid on account and liable to clawback.

Non-controlling interests

The value of the Group's two non-controlling interests increased by £0.28 million to £2.23 million (31 March 2024: £1.95 million). The two non-controlling interests are:

1. 10.00% of the share capital of Corp sp. z o.o., the property management company to Blue Tower; and
2. 52.80% of the share capital of 5th Property Trading Ltd ("5PT"), a fund invested in three commercial properties in Poland.

Investment revaluation reserve

The investment revaluation reserve decreased by £0.26 million to a debit balance of £2.45 million (31 March 2024: £2.19 million). When the four UK fund management mandates to which they pertain expire, the Group will recycle this debit balance from the investment revaluation reserve to the profit and loss account during the financial year in which the funds are wound up. OFFICES (a fund which expired in June 2024) and UK PPP are both in the process of selling their assets and have respective debit balances of £1.08 million and £0.25 million to be released. The remaining reserve balance relates to the Group's investment in SPEC OPPS and FULCRUM.

Foreign exchange translation reserve

A strengthening of the Polish Zloty against Sterling to PLN 5.0056/GBP (31 March 2024: PLN 5.0375/ GBP) resulted in a reduction in the deficit in the foreign exchange translation reserve to £0.42 million (31 March 2024: £1.41 million).

Cash and cash flow

The Group's cash balance increased to £4.82 million (31 March 2024: £4.63 million).

The main inflows were: £2.96 million (before expenses) raised through an open offer of new Ordinary Shares to all qualifying shareholders, £0.70 million of capital repayments received from the Group's investment in UK Funds and £0.24 million of interest income.

The main outflows were: £1.97 million of deferred consideration in respect of Blue Tower, £1.42 million of capital expenditure at Blue Tower, £1.11 million of contractual clawback liabilities in respect of the OFFICES fund, and £0.83 million of capital repayments in respect of the Group's bank loans.

LAURA JAMES
Group Finance Director

22 August 2025

Key performance indicators

Third-Party Assets Under Management

£164m

2025	£164m
2024	£222m
2023	£400m
2022	£517m

The measure on which fee income is generally charged.

Reduction mainly due to the sale by 4 funds of nineteen properties in the United Kingdom for an aggregate value of £63.1 million. The Group's defined pension scheme clients are generally recycling their investments into more liquid asset classes.

Adjusted Net Asset Value (NAV) per share

35.72p

2025	35.72p
2024	39.41p
2023	46.50p
2023 (restated)	46.07p

A measure of NAV mark to market according to EPRA guidelines thereby rebasing Group Properties from a cost basis (per the accounts) to their relevant market values less deferred tax.

Calculation includes new Ordinary Shares issued following the completion of the Company's open offer on 23 September 2024.

Cash Levels

£4.82m

2025	£4.82m
2024	£4.63m
2023	£7.65m
2022	£6.42m

The Group's focus on cash levels enables it to act quickly in respect of new investments and refinancing bank debt.

The Group raised £2.96 million (before expenses) through an open offer of new Ordinary Shares to qualifying shareholders.

WAULT of Group Properties

4yrs 10mths

2025	4yrs 10mths
2024	4yrs 10mths
2023	5yrs 2mths
2022	5yrs 7mths

A measure of the sustainability of the revenue from the 7 directly-held Group Properties.

WAULT for directly-owned Group Properties is 4 years 10 months.

Weighted Average Unexpired Fund Life

3yrs 4mths

2025	3yrs 4mths
2024	1yr 9mths
2023	2yrs 9mths
2022	3yrs 3mths

A measure of the sustainability of the revenue from the Fund Management division.

Weighted average lease term for directly-owned Group Properties increased to 3 years 4 months.

Stakeholder engagement

Our key stakeholder groups

This section of the Annual Report covers the Board's considerations and activities in discharging their duties under s172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of members as a whole. This statement includes consideration of the likely consequences of the decisions of the Board in the longer term and how the Board has taken wider stakeholders' needs into account.

Shareholders

- We believe that engaging with our shareholders and encouraging an open dialogue helps to ensure mutual understanding.
- The Directors provide information via the AGM, Annual Report and Accounts, RNS announcements, and through various media platforms.
- The Group seeks to comply with the QCA Code – see the Governance section of this report and the Company's website.

Investors in funds

- Ensure investors are kept abreast of performance with regular investor reports and direct communication via email. This includes updates on topics such as property purchases/disposals, significant tenant lettings, cash distributions and financing.

Tenants

- Conduct extensive due diligence on tenant covenants.
- Maintain a proactive and continuous dialogue.
- Be responsive to changing tenant requirements.
- Active approach to asset management using our in-house specialist teams.

Employees

- Our people are our most valuable asset. We firmly believe that our people are key to delivering excellent service to our clients and achieving our objectives.
- We are committed to providing a working environment that promotes employees' wellbeing and facilitates high performance.
- We consult and discuss matters likely to affect employees' interest through regular meetings.
- A discretionary bonus incentive scheme is operated for all employees.
- The Group supports employees with practical training and routes to professional qualifications.
- The Group operates a diversity and equal opportunities policy.

Our community and the wider environment

- The Group is mindful of the impact its operations have on both the community and the environment, and expects employees and business suppliers to meet exacting standards in everyday business conduct.
- The Group operates a number of green initiatives including reducing paper usage for example no longer printing our Annual Report unless requested by a shareholder as well as operating a cycle to work scheme to encourage employees to travel to work in an environmentally friendly way.
- Projects to improve the Environment and Community are continually being evaluated by the property management team.
- In larger properties, particularly in the retail sector, we hold events to foster links with the local community. This also helps to drive higher footfall and occupier wellbeing.

Risks and mitigations

The Board sets out below the principal risks and uncertainties that the Directors consider could impact the business.

Economic risk management		
Economic risk	**Impact**	**Mitigation**
Slowdown in the economies of the United Kingdom and Poland	Could lead to: • falls in the value of commercial property; • reduction in overall rent levels and occupier's ability to pay their rental commitments.	The Group closely monitors economic reports of the markets in which it operates and acts pre-emptively in accordance with its proactive property management policy. The Group endeavours to ensure it and the funds it manages have a well-diversified spread of property interests classified by region, by property type, by lot size and by sector classification (tenant mix).
National epidemic or global pandemic	Restrictions on people's movements adversely affect all trade. Consequent reductions in Gross Domestic Product ("GDP") could adversely affect tenants' ability to meet their rental commitments for business premises.	The Group closely monitors debts owed by tenants, aided by maintaining close dialogue with all tenants. Maintaining liquidity in the funds and the property-owning companies is a priority.
Weakening in the Euro ("EUR") and PLN against GBP	Nearly all revenue from the Group Properties division is earned in foreign currencies and overseas profits are converted to GBP (the reporting currency) on remission to the United Kingdom. GBP strength therefore leads to a reduction in reported profits.	The Group closely monitors both movements and forecasts in the pertinent foreign exchange rates against its budgeted rates. Wherever possible, overseas investment is financed and matched in the local currency so that exposure to currency markets is limited. Under the Group's foreign currency risk management policy, hedging instruments can be used to hedge a proportion of specific items as specified in IAS 39.
Extended period of interest rate tightening in the EU	Prolonged interest rate tightening could decrease equity returns due to higher debt servicing costs and may result in breaches of DSCR covenants which could require additional funds to remedy.	The Board regularly reviews property market forecasts and where possible adjusts its geared strategy according to these changing market conditions. The Board also regularly reviews the Group's cash forecasts and the adequacy of available facilities to meet its cash requirements. The Board regularly monitors and reports on its DSCRs against its relevant bank covenants so that it can act in a pre-emptive manner. Interest rate fixes and caps are used to mitigate risk.
Political risk including the war in Ukraine	Political events, such as the war in Ukraine, can lower business confidence and weaken economies.	The Board considers geopolitical and macro-economic conditions when setting strategy and making its investment decisions.

Operational risk management		
Operational risk	**Impact**	**Mitigation**
Rent void periods	Could lead to longer void periods, higher vacancy rates, reduced occupier retention, payment arrears and defaults.	Our asset managers are focused on income generation and maintain close contact with tenants to ensure they fully understand their current business performance and future plans. A proactive approach to asset management is taken with regular interaction with tenants.
Credit risk	Could lead to the tenants defaulting on their rental obligations.	Creditworthiness checks of potential occupiers are carried out prior to letting. Payments of rent and service charge are monitored closely. This ensures early detection of likely tenant defaults thereby enabling swift remedial action. Our asset managers maintain close contact with tenants.
Liquidity risk	Most loans are subject to covenant restrictions. If covenants are breached this could result in financial penalties, additional cash demands to remedy the breach, a forced sale of the property or in some cases foreclosure of the loan.	Long-term loans are taken out in the same currency used to value the property, thus ensuring a natural hedge. The Group prepares monthly budgets, cash flow analyses and forecasts, which enable the Directors to assess the levels of borrowings required in future periods. This detail is used to ensure that appropriate facilities are in place to finance future planned operations. The Group is structured whereby investment properties are held in special purpose vehicles so that the lender has no recourse to the parent entity. The Board regularly monitors and reports its LTV ratios against the relevant bank covenant so that it can act in a pre-emptive manner.
Cyber security risk	A major cyber attack on the Group's computer systems could lead to theft of sensitive data and periods of down time leading to reputational damage and consequent loss of future fund mandates.	The Group has implemented the recommendations of an independent review of its IT operations to enhance the robustness of its security protection and the effectiveness of its disaster recovery plan. The Group retains the services of an IT specialist service provider, part of whose role is to ensure that protections against data theft and corruption are in place and effective, by utilising the latest anti-viral software and technologies.
Climate-related risk	Physical risks e.g. flooding, can result in increased insurance premiums and unplanned repairs and maintenance. Transitional risks e.g. regulation, can result in fines and void periods through non-compliance as space is unlettable. Both physical and transitional risks may ultimately lead to reduced asset values and rental income.	The Group considers physical and transitional risks in investment and asset management processes. During pre-purchase due-diligence an environmental survey is undertaken which assesses flood risk and highlights any required mitigation. Information on the environmental performance, including the Energy Performance Certificate (EPC), is requested from vendors and factored into pricing. Evolving regulation and building standards are monitored by the ESG Committee which instructs actions to mitigate the risk of non-compliance.

The Strategic Report was approved by the Board of Directors on 22 August 2025 and signed on its behalf by:

LAURA JAMES
Group Finance Director

Chairman's introduction to governance

Governance framework

The Group's corporate governance framework underpins the successful delivery of our purpose, strategy, and long-term value creation.

Our purpose is to manage and invest in property and funds in an efficient, effective and entrepreneurial manner for the benefit of all stakeholders which continues to guide the Board's decisions and culture.

As Chairman, I am pleased to confirm that the Directors remain committed to maintaining high standards of corporate governance and that the Company seeks to comply with the Quoted Companies Alliance Corporate Governance Code 2023 for Small and Mid-Size Quoted Companies (the "Code").

This Code encourages Boards to focus on delivering long-term value for shareholders by promoting trust, transparency and accountability. Our Board takes an active role in cultivating a strong corporate culture aligned with our values, and continuously assesses its alignment with strategic objectives and ethical standards. Culture indicators are monitored through employee feedback, performance reviews, and open engagement.

The Board maintains oversight of environmental and social governance (ESG) factors – including climate-related risks and opportunities, as part of our broader risk management framework. These considerations are embedded into strategy development and investment decisions.

Our governance arrangements are designed not only to comply with the Code, but also to engage meaningfully with shareholders and other key stakeholders.

Read more on our website
www.fprop.com/plc-investors/aim-rule-26/

We strive for transparency, open dialogue and inclusive decision-making at every level of the organisation.

To see how the Company addresses each principle of the Code, please refer to the disclosures below and on the Company's website.

No material governance issues have arisen since the publication of our last Annual Report.

Role of the Board

The Board is collectively responsible for the long-term success of the Group and for ensuring that its governance framework supports sustainable value creation for shareholders and wider stakeholders. Its key responsibilities include:

- Defining and overseeing the Group's purpose, strategic direction, values and culture, ensuring these are embedded across the organisation and aligned with long-term objectives.
- Promoting a culture of integrity, ethical behaviour and accountability, with oversight of how these values are demonstrated in day-to-day operations.
- Maintaining effective governance structures and internal controls, including risk management systems that identify, assess and mitigate principal risks and emerging threats.
- Approving business plans and budgets, ensuring they are consistent with the Group's risk appetite and strategic priorities.
- Monitoring the Group's impact on environmental and social matters, including climate-related risks, and integrating these considerations into strategic decision-making.
- Ensuring that the workforce is empowered to raise concerns, with appropriate whistleblowing mechanisms in place and regularly reviewed.
- Overseeing succession planning and Board composition, ensuring the Board maintains the necessary mix of skills, experience and diversity to support the Group's evolving needs.
- Evaluating its own performance and effectiveness, with a commitment to continuous improvement.

The Board operates as a well-functioning, balanced team led by myself as Chairman, with all Directors contributing their expertise and judgement to the Group's strategic and operational decisions.

Board composition

The Group is governed by a Board comprising two Executive Directors and two Non-Executive Directors, both of whom are considered independent in character and judgement. The Board is satisfied that its composition reflects an appropriate balance of independence, experience and skills to support the Group's strategy and long-term success.

The Chair was independent on appointment and continues to demonstrate objective leadership of the Board. In line with the Code, the Board ensures that at least half of its members are independent Non-Executive Directors, and that key committees are chaired and majority-populated by independent members.

The Board benefits from a diverse range of professional backgrounds and sector expertise, including:

- Deep institutional knowledge of the Group, with one Director having served for 15 years and two for over 20 years, providing valuable insight into property cycles and strategic resilience.
- Strategic, financial and commercial leadership experience across financial services and other commercial sectors.
- Strong accounting and financial reporting expertise, supporting robust oversight of financial controls and disclosures.
- International business leadership, contributing a global perspective to strategic decision-making.

The Board recognises the importance of diversity of thought and background. While no formal diversity targets are set, the Board considers a broad range of characteristics, including gender, ethnicity, socio-economic background, nationality and age when evaluating its composition and succession planning.

Directors maintain and enhance their skills through ongoing professional development and engagement with respected commercial organisations. Each Director commits sufficient time to the Group to discharge their responsibilities effectively.

All Directors are subject to retirement by rotation and re-election by shareholders, in accordance with the Company's Articles of Association (the "Articles").

Board meetings

The Board meets formally at least four times per year, with additional meetings convened as required to address urgent matters. A quorum for Board meetings is two Directors, and decisions taken outside scheduled meetings are ratified at the next formal session.

All Directors receive timely and comprehensive information on the Group's financial and operational performance, with relevant papers circulated in advance to support informed decision-making. Minutes are recorded and approved at subsequent meetings to ensure transparency and accountability.

Directors have unrestricted access to the Company Secretary, and may seek independent professional advice at the Company's expense to support the discharge of their duties.

The Board is committed to continuous improvement and regularly evaluates its performance. The Chair leads this process through structured discussions with individual Directors and the Board as a whole. The evaluation considers Board dynamics, decision-making effectiveness, committee performance, and alignment with strategic objectives.

In line with the Code, the Board keeps under review the potential use of external facilitators to enhance the evaluation process. While currently deemed unnecessary, the Board recognises the value of periodic independent reviews and will consider external input where it may add meaningful insight.

Board attendance

During the year ended 31 March 2025, the Board convened five formal meetings, in addition to regular Committee sessions and informational calls.

All Directors were in attendance at each of the five meetings, reflecting a strong commitment to governance and oversight.

Outside of formal settings, Non-Executive Directors maintain unrestricted access to employees across all levels of the organisation. This open engagement supports the Board's understanding of the business and reinforces its ability to challenge and support management effectively.

The Board considers that its current meeting cadence and attendance levels are appropriate to ensure effective oversight and strategic guidance. Attendance records are reviewed annually and disclosed to promote transparency and accountability in line with the Code.

Business model and strategy

The Group's business model and strategy are set out in detail on pages 3 and 5, respectively. Together, they reflect our commitment to building a balanced and resilient business that delivers sustainable value for shareholders and wider stakeholders.

Our strategy centres on two complementary divisions:

- Fund Management; and
- Property Investing.

Both divisions are structured to generate recurring, contractual revenue streams with high forward visibility, supporting long-term financial stability and strategic agility.

This dual-focus model enables the Group to:

- Diversify income sources and mitigate cyclical risk.
- Leverage operational synergies across investment and asset management.
- Maintain a disciplined approach to capital allocation and growth.

The Board regularly reviews the Group's strategic objectives to ensure alignment with its corporate purpose, market dynamics, and stakeholder expectations. Strategic decisions are underpinned by a clear understanding of risk, opportunity, and long-term value creation.

Chairman's introduction to governance cont.

Risk management

The Group's strategy is shaped by the Board's ongoing assessment of principal risks and uncertainties, considering both their likelihood and potential impact. These risks, along with the Group's mitigation strategies, are detailed on pages 18 and 19.

The Group operates within a robust corporate governance framework, which complements its internal controls and is supported by a suite of policies and procedures designed to safeguard the business and its stakeholders.

The Board and the Audit Committee maintain oversight of the Group's whistleblowing arrangements, ensuring that employees are empowered to raise concerns confidentially and without fear of reprisal. The Company's whistleblowing policy is reviewed regularly and forms a key part of its ethical culture and risk assurance framework.

In line with the Code, the Group's risk management approach now includes:

- Consideration of climate-related and ESG risks as part of strategic planning.
- Enhanced internal control disclosures, including auditor independence and assurance activities.
- Clear governance mechanisms for monitoring and responding to emerging risks.

The Board continues to refine its risk oversight processes to ensure they remain proportionate, forward-looking, and aligned with stakeholder expectations.

Members of the Board Committees

Name	Role	Committees (Audit, Remuneration, Nominations)
Alasdair Locke	Chairman & Non-Executive Director	Nominations – Chairman Audit – Member Remuneration – Member
Peter Moon	Non-Executive Director	Nominations – Member Audit – Chairman Remuneration – Chairman

Culture

We work hard to nurture our culture, and it is something we regularly measure and monitor to ensure we keep it alive. We have a number of culture standards we wish to live by, such as:

- Diversity and inclusion, encouraging equity, respect and diverse perspectives;
- Diligence in risk management, embedding thoughtful and proactive approaches at all levels;
- Leadership excellence, setting the tone from the top with authenticity, empathy and responsibility;
- Integrity, maintaining transparency, ethical behaviour, and accountability; and
- Respectful behaviour, fostering trust, collaboration and psychological safety.

Our values are embedded across recruitment, performance management, and strategic planning. Cultural risks are considered alongside financial and operational risks in assurance activities.

Board Committees

The Board constitutes the following committees: Audit Committee, Remuneration Committee and Nominations Committee.

Audit Committee

The Audit Committee is responsible for monitoring the controls that are in force to ensure the integrity of information reported to shareholders.

The Audit Committee meets at least four times a year as part of the quarterly Board meetings and is responsible for ensuring that the Company's financial performance is properly monitored, controlled and reported.

The Audit Committee advises the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and discusses the nature, scope and results of the audit with the external auditors.

Audit Committee Report

During the year, the Audit Committee has continued to focus on the effectiveness of controls throughout the Group. Consideration was given to the audit plan and audit findings reports of the external auditors and these provided opportunities to review the accounting policies, internal controls and the financial information contained in both the annual and interim reports. The Audit Committee met four times in the year.

Remuneration Committee

The role of the Remuneration Committee is to review the performance of the Executive Directors and to set the scale and structure of their remuneration, including any bonus arrangements, with due regard to the interest of shareholders.

The Remuneration Committee is responsible for determining if the Company should adopt any form of share option scheme, and considering the terms of the grant of options under any such scheme, ensuring that due regard is given to any relevant legal requirements, including the provisions and recommendations in the Listing Rules.

Remuneration Committee Report

During the year, the Committee continued to review the performance and remuneration of the Executive Directors. The Committee met once in the year.

Nominations Committee

The role of the Nominations Committee is to evaluate the Board of Directors and examine the skills and characteristics required of Board candidates to ensure the Company has a Board composition with a mix of skills, expertise and perspectives as well as paying attention to diversity, gender, ethnicity and other factors.

Nominations Committee Report

The Committee did not meet during the year as there was no change in the composition of the Board.

Further information on the Board Committees, including their formal written charters, is set out on the Company website at: **https://www.fprop.com/plc-investors/board-committees-terms-of-reference/**.

Board remuneration

The Board recognises that remuneration plays a critical role in supporting long-term value creation and aligning executive incentives with the Company's purpose, strategy and culture. In accordance with Principle 9 of the Code, we have established a remuneration policy that is transparent, proportionate and performance-linked.

Key features of our approach include:

- Alignment with strategic goals – remuneration structures are designed to reward delivery of long-term objectives and sustainable growth.
- Cultural consistency – pay practices reflect our values, including fairness, integrity and accountability.
- Shareholder engagement – whilst we don't seek shareholder approval for forward-looking remuneration policies at the AGM, we welcome dialogue with shareholders on executive remuneration, should a shareholder have any concerns.

Governance and oversight – the Remuneration Committee reviews pay arrangements annually, considering market benchmarks, risk implications and ESG performance.

While we support the intent of Principle 9 of the Code, we have not yet implemented clawback provisions for variable pay. This reflects the current scale and structure of our Executive remuneration. We will continue to monitor market practice and review this position annually.

We remain committed to evolving our remuneration practices in line with stakeholder expectations and regulatory developments.

The Annual General Meeting of the Group will take place on 24 September 2025. The Notice of this Meeting and the proposed Ordinary Resolutions to be put to the meeting are included at the end of this Annual Report.

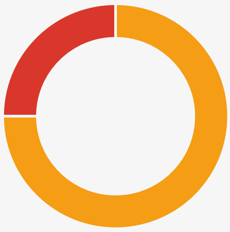
ALASDAIR LOCKE
Non-Executive Chairman

22 August 2025

Read more on our website at **www.fprop.com/plc-investors/aim-rule-26/.**

Governance at a glance

Board composition



Board diversity

Male	75%
Female	25%

Board tenure

1-5 Years	25%
10-15 Years	25%
>20 Years	50%

Board composition

Non-Executive	50%
Executive	50%

Board – Roles and responsibilities

Group Chief Executive Officer, Ben Habib

Responsible for:

- Proposing and delivering the strategy as set by the Board.
- Leading the Group to deliver operational and financial performance.
- Representing the Group internally and externally to stakeholders, including shareholders.

Group Finance Director, Laura James

Responsible for:

- Overseeing the Group's financial, management and tax reporting.
- Treasury management.
- Financial planning and analysis.

Non-Executive Chairman, Alasdair Locke

Responsible for:

- Leadership of the Board.
- Ensuring effective relationships exist between the Non-Executive and Executive Directors.
- Ensuring that the views of all stakeholders are understood and considered appropriately in Board discussions.

Independent Non-Executive Director, Peter Moon

Responsible for:

- Active participation in Board decision-making.
- Advising on key strategic matters.
- Critiquing and challenging proposals and activities, and approving plans where appropriate.

Attendance

Board meetings

Director	Number of meetings attended/ meetings possible	Attendance %
Ben Habib	5/5	100
Laura James	5/5	100
Alasdair Locke	5/5	100
Peter Moon	5/5	100

Audit Committee

Director	Number of meetings attended/ meetings possible	Attendance %
Alasdair Locke	4/4	100
Peter Moon	4/4	100

Remuneration Committee

Director	Number of meetings attended/ meetings possible	Attendance %
Alasdair Locke	1/1	100
Peter Moon	1/1	100

Board of Directors


1.


2.


3.


4.

1. Alasdair Locke, MA (Oxon)

Non-Executive Chairman

Alasdair Locke has considerable experience of leading successful international businesses.

Year appointed
2000

Education
Oxford University

Previous experience

- 1974: Corporate Finance at Citigroup specialising in shipping and oil
- 1982: Established a Singapore-based business providing finance for and investing in shipping and offshore oil service companies, which was subsequently acquired by Henry Ansbacher & Co Ltd
- 1990: Established Abbot Group Plc which he took public in 1995
- 2008: Sold Abbot Group to private equity, at which point the Group was one of the leading oil drilling, engineering and contracting businesses in the world, with approximately 8,000 employees in over 20 countries and an annual turnover of circa USD1.8 billion
- 2008 founded Motor Fuel Group, now the biggest owner and operator of PFS (petrol forecourts) in the UK
- 2017 founded Well Safe Solutions Ltd

External commitments

- Chairman of Motor Fuel Group
- Chairman of Well-Safe Solutions Ltd

Awards

- 1990 Scottish Business Achievement Awards Entrepreneur of the Year
- 1999 EY Overall and Master Entrepreneur of the year for Scotland
- 2000 International Business Achievement Award at Scottish Business Achievement Awards Trust
- 2001 Grampian Industrialist of the Year
- 2007 International Business Achievement Award from the Scottish Business Achievement Awards Trust

2. Ben Habib, MA (Cantab)

Group Chief Executive Officer

Ben Habib has extensive experience of finance and the real estate sector.

Year appointed
2000

Education
Cambridge University

Previous experience

- 1987: Graduate Trainee in Corporate finance at Shearson Lehman Brothers
- 1989-1994: Finance Director of PWS Holdings Plc, a FTSE 350 Lloyds reinsurance broker
- 1994-2000: Managing Director of JKL Property Ltd, a private property development company

3. Laura James, ACA, BA (Hons)

Group Finance Director

Laura James has extensive accounting and financial reporting experience.

Year appointed
2020

Education
University of Kent, Canterbury

Previous experience

- 2011: Qualified as a Chartered Accountant (ACA) with Moore Stephens LLP
- 2014-2020: Group Financial Controller for First Property Group plc

4. Peter Moon, BSc (Econ)

Independent Non-Executive Director

Peter Moon has considerable experience of providing strategic, financial and commercial expertise to financial services and other commercial operations.

Year appointed
2010

Education
University College, London

Previous experience

Executive

- 1972-1985: Various Investment Manager positions at Central Board of Finance of the Church of England, Slater Walker and the National Provident Institution
- 1985-1992: Chief Investment Officer of British Airways Pensions
- 1992-2009: Chief Investment Officer of Universities Superannuation Scheme (USS)

Non-Executive

- 1990-1995: Member of the National Association of Pension Funds (NAPF) Investment Committee
- 1991-1995: Chairman of the NAPF Stock Exchange Sub-Committee
- 1995-2002: Adviser to Lincolnshire County Council
- 2004-2007: Non-Executive Director of MBNA Europe
- 2004-2012: Adviser to London Pension Fund Authority
- 2005-2022: Non-Executive Director, and Chairman (2016-2022) of Scottish American Investment Company P.L.C.
- 2010-2016: Non-Executive Director then Chairman of Arden Partners
- 2014-2017: Non-Executive Director of Gresham House Plc

External commitments

- Investment Advisor to Middlesbrough Council (since 1986)
- Non-Executive Chairman of Bell Potter (UK) Ltd (since 2010)
- Non-Executive Director of JPMorgan Asia Growth and Income Plc (since 2016)

Directors' report
for the year ended 31 March 2025

The Directors present their report and the audited financial statements for the year ended 31 March 2025.

Principal activities and review of the business

The principal activity of the Group is to earn fees from property fund management and to earn a return on the Group's own capital by making principal investments, usually by co-investing with fund management clients of the Group. The Group has operations in the United Kingdom and Central Europe (mainly in Poland).

The Consolidated Income Statement is set out on page 35.

A summary of likely future developments in the business of the Group is included in the Chief Executive's statement.

Results and dividends

The Group made a total profit before taxation of £3.03 million (2024: Loss before taxation of £4.41 million). The total comprehensive profit for the year was £3.07 million (2024: loss of £4.90 million).

The Directors have resolved not to pay a dividend (2024: £nil) until the Group returns to profitability.

The diluted net profit per share was 1.64 pence (2024: diluted net loss of 4.04 pence).

The Group held cash of £4.82 million at 31 March 2025 (31 March 2024: £4.63 million) and had bank borrowings of £24.37 million (31 March 2024: £27.62 million). Net debt decreased to £19.55 million (31 March 2024: £22.99 million).

Section 172 Statement

This section of the Annual Report covers the Board's considerations and activities in discharging its duties under s172(1) of the Companies Act 2006, in promoting the success of the Company for the benefit of its members as a whole.

Please see our section 172 Statement in more detail in the Strategic Report on page 17.

Employees

The Group employed 43 staff on average during the year ended 31 March 2025 (2024: 51); of these, 31 employees were based in Poland (2024: 38) in the Group's Warsaw office providing essential service support to the properties located in Poland which it manages, with the remainder based in the Group's UK head office in London. Of the total average staff across the Group, 19 are male and 24 are female.

The Group's policy is to consult and discuss with employees, through regular meetings with subsidiary Company management, matters likely to affect employees' interests. The Group operates a discretionary cash bonus incentive scheme for which all employees qualify and is based on a combination of the employee's individual and the Group's overall performance.

The Group has a diversity and equal opportunities policy which commits it to promoting diversity and equality of opportunity for all staff and job applicants. It aims to create a flexible working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment, and in which all decisions are based on merit. It does not discriminate against staff on the basis of age, disability, gender, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief. This policy applies to all aspects of the relationship with staff and to relations between staff members at all levels. This includes job advertisements, recruitment and selection, training and development, opportunities for promotion, conditions of service, pay and benefits, conduct at work, disciplinary and grievance procedures, and termination of employment.

Compliance and regulations

The Group is listed on the AIM segment of the London Stock Exchange. FPAM, a wholly owned subsidiary of the Group, is Authorised and Regulated by the Financial Conduct Authority (FCA) and is a full scope Alternative Investment Fund Manager ("AIFM"), allowing it to manage third-party funds with a value in excess of €500 million. FPAM is a provider of property fund management services to various property funds.

Risk management

The Group's economic and operational risks are identified and assessed on pages 18 and 19, together with a description of their impact and countermeasures to mitigate them.

Share capital

At 31 March 2025, the Company's share capital comprised 153,561,892 Ordinary Shares of 1 pence each (2024: 116,601,115), including 5,718,783 shares held in treasury. Each share ranks equally with the others, including the rights to receive dividends and vote (except that no votes are cast or dividends paid in respect of shares held in treasury). Except as set out in the Articles, there are no restrictions on the transfer of the Company's securities.

Directors and their interests

Directors are appointed and retire in accordance with the Articles of Association. In particular, each Director is to retire from office at the third Annual General Meeting after the meeting at which he or she was appointed or last appointed. Any Director who so retires may stand to be re-elected at that Annual General Meeting. Any Director who retires at an Annual General Meeting shall be deemed to have been re-elected at that meeting, unless (i) a Director is appointed by the Company in their place; (ii) it is expressly resolved not to fill the vacated office; or (iii) a resolution for that Director's re-election has been put to the meeting and failed.

The Directors are listed below.

The beneficial interests of the Directors in the share capital of the Company at 1 April 2024, 31 March 2025 and 16 July 2025, as recorded in the register maintained by the Company in accordance with the provisions of the Companies Act 2006, were as follows:

	Ordinary Shares of 1 pence			Option over Ordinary Shares of 1 pence		
	16/07/2025	31/03/2025	1/04/2024	16/07/2025	31/03/2025	1/04/2024
A J D Locke	14,720,341	14,720,341	8,771,990	–	–	–
P Moon	662,406	662,406	496,805	–	–	–
B N Habib	24,818,595	24,218,595	15,030,000	5,875,000	5,875,000	5,875,000
L B James	–	–	–	1,875,000	1,875,000	1,875,000

Substantial shareholdings

At 16 July 2025 the Company had been notified in accordance with Chapter 5 of the Disclosure, Guidance and Transparency Rules Sourcebook published by the Financial Conduct Authority that the following persons had substantial interests in the voting rights of the Company.

	Percentage of issued Ordinary Shares of 1 pence held %
Peter Gyllenhammar AB/Galjaden Invest AB/Bronsstädet AB/Galjaden Holding AB/ Browallia Asset Management Ltd/Silversläggan Invest AB	28.05%
B N Habib	16.79%
A J D Locke	9.96%
Whitehall Associated SA	7.00%
Bjorn Saven	4.18%

Health and safety at work

The wellbeing of the employees is given the highest priority throughout the Group and it is the Group's policy not only to comply with Health & Safety measures, as required by law, but to act positively to prevent injury and ill health, and damage to the environment arising from its operations.

ESG

The Group aims to be a sustainable business, playing its part in tackling key social and environmental challenges. Details of the Group's ESG Objectives and Targets are included in the ESG section on pages 11 and 12.

Political donations

The Group made no political donations and has incurred no political expenditure in the year (2024: £nil).

Directors' professional indemnity insurance

All Directors of the Company have the benefit of the indemnity provision contained in the Company's Articles of Association. The provision, which is a qualifying third-party indemnity provision, remains in force. The Group also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors and Officers, although no cover exists in the event Directors are found to have acted fraudulently or dishonestly.

Directors' report cont.
for the year ended 31 March 2025

Annual General Meeting

The notice convening the Annual General Meeting to be held on 24 September 2025, can be found on page 73.

The Board hopes that as many shareholders as possible will be able to attend the Annual General Meeting either in person or, for those who are unable to attend in person, via a live presentation and the Board invites shareholders to submit questions at any time in advance of the meeting or during the meeting using the online facility that will be provided. Details of how to access the live presentation and to ask questions will be published on the Company's website. Please note that shareholders will be required to register to access the live presentation via **www.investormeetcompany.com** and follow First Property Group plc. Please note that joining remotely will not constitute attendance and shareholders who join remotely will not be able to vote at the meeting. Shareholders are therefore asked to submit their votes by proxy.

To the extent shareholders wish to attend in person, the Board kindly requests that shareholders pre-register their intentions to attend by emailing the Company Secretary, Jill Aubrey, at jill.aubrey@fprop.com.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Chief Executive's Statement and the financial statements in accordance with applicable laws and regulations. The Directors are required by Company law of the United Kingdom to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial period and of the profit and loss of the Group for that period having regard to the commercial substance of transactions. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with UK-adopted international accounting standards.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the Company's financial position and enable them to ensure compliance with the Companies Act 2006, for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that suitable accounting policies have been used and applied consistently in order to adopt new accounting standards, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2025. The Directors also confirm that applicable accounting standards have been followed, that the financial statements have been prepared on a going concern basis and that the integrity of the Group's website has been maintained.

The Directors confirm that this Annual Report and these financial statements taken as a whole are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company's performance, business model and strategy.

Information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements. UK legislation governing the preparation and dissemination of financial statements may therefore differ from that in other jurisdictions.

Statement of disclosure to the auditor

The Board hereby confirms that each Director has taken the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of all such information. So far as each Director is aware, there is no relevant audit information of which the auditors are not aware.

The Strategic Report and Directors' Report, which has been prepared in accordance with the requirements of the Companies Act 2006, comprise the following sections: Chief Executive's Statement, Risks and Mitigation and ESG.

Auditors

The auditors, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved and signed on behalf of the Board

LAURA JAMES
Group Finance Director

22 August 2025

Independent auditor's report
to the members of First Property Group plc

Opinion on the financial statements
We have audited the financial statements of First Property Group plc (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 March 2025 which comprise:

- The Consolidated Income Statement;
- The Consolidated Statement of Comprehensive Income;
- The Consolidated and Company Statements of Financial Position;
- The Consolidated Statement of Changes in Equity;
- The Company Statement of Changes in Equity
- The Consolidated and Company Cash Flow Statements; and
- The Notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards.

In our opinion:
- The financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2025 and of the Group's profit for the year then ended;
- The financial statements have been properly prepared in accordance with UK-adopted international accounting standards; and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Company 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

An overview of the scope of our audit
We adopted a risk-based approach. We gained a detailed understanding of the Group's business, the environment in which it operates and the risks it faces. The key elements of our audit approach were as follows:

In order to assess the risks identified, the engagement team performed an evaluation of identified risks in respect of the Group financial statements and considered the risk of material misstatement at the assertion level to determine the planned audit responses based on a measure of materiality.

The Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

In establishing the scoping of the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as the complexity of operations and the degree of estimation and judgement in the financial results.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we have adequate quantitative coverage of the significant accounts in the financial statements, we selected 14 components across the UK, Poland and Romania, to be in scope for Group reporting purposes, covering both Group subsidiaries and associated entities.

The Group audit is conducted by a central audit team in the UK, directly responsible for the audit of the Company and all UK components, in conjunction with locally based auditors of the other in scope components based overseas. 11 components were subject to full scope audits, and a further 3 components were subject to audit procedures over specific balances, performed either by the Group audit team or by component auditors, representing 97% of Group revenue, 99% of Group profit before tax, and 99% of Group net assets. In addition, we performed centralised testing of the Group consolidation, intercompany eliminations, centralised processes and controls, and foreign currency translation recalculations, to respond to any potential risks of material misstatement to the Group financial statements.

Independent auditor's report cont.
to the members of First Property Group plc

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Audit scoping and planning meetings with local component auditors held remotely;
- Provision of Group engagement instructions, containing information on the significant risks at Group and component level, materiality calculations, summary of significant audit and accounting issues, specific procedures and communications required, considerations in respect of fraud and irregularities;
- Audit progress meetings with local component auditors;
- Review of Group reporting information provided;
- Remote review of local audit file; and
- Audit completion meeting with local component auditors.

The audit work on subsidiaries and associates is carried out to a materiality which is lower than, and in some cases substantially lower than, Group materiality, as set out below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Carrying value of properties, including Group investment properties and properties held by associated entities (see Notes 3, 14 and 18(a)) Whilst the Group's property portfolio is held primarily at cost, the valuation of investment properties is relevant in the context of the possible impairment of individual properties (including those held by the Group's associated entities) The valuation of the property portfolio is a significant judgement area and is underpinned by a number of estimates and assumptions, including capitalisation yields and future rental income. The Group uses professionally qualified external valuation experts to value the majority of the Group's property portfolio at regular intervals. The external valuers perform their work in accordance with relevant valuation standards and the requirements of International Accounting Standard 40 'Investment Property'. Any input inaccuracies or unreasonable assumptions used in these judgements could result in a material misstatement of the Statement of Comprehensive Income and Statement of Financial Position. Refer to Note 3 to the financial statements for the judgements and estimates made by management in relation to the impairment assessment performed over the Gdynia property, in light of the failure to make a scheduled payment for deferred consideration in June 2024.	• We assessed management's process for reviewing and assessing the work of the external valuation experts. • We assessed the competence, objectivity and integrity of the valuation experts. • We obtained the external valuation reports and assessed and challenged the valuation process, the performance of the portfolio and the significant assumptions and critical judgement areas. • We performed audit procedures to assess the completeness and accuracy of a sample of the information provided to the valuation experts by agreeing that information to underlying lease agreements. • We reviewed management's impairment analysis for individual Group properties and those held by associated entities and tested the accuracy of market values for individual assets compared to the carrying values in the Group financial statements. • We focused in particular on management's assessment of impairment, by testing management's calculations against external valuations and other supporting evidence.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Revenue recognition (see Notes 1, 2, and 3)
Group revenue is generated primarily from rental income, asset management fees and performance related fee income, as described more fully in the Group's accounting policy in Note 2 to the financial statements.

Given the material nature of revenue and the variety of methods it is generated through, the appropriateness of revenue recognition and management's application of the Group's revenue recognition accounting policies represents a key risk area of significant judgement in the financial statements.

In particular, we consider that a significant risk arises on the occurrence of performance fees and other variable consideration revenue streams which depend on the use of estimates and judgements by management.</td><td>• We performed detailed testing of rental income for a sample of leases by agreeing the annual rent back to the terms of the lease agreements.
• For a sample of leases, we tested that the rental income, including the treatment of lease incentives, is recorded on an appropriate basis and in accordance with relevant regulations.
• We challenged management over the judgements and estimates used in the recognition of revenue for accelerated asset management fees arising on the sale of properties in certain funds.
• We performed substantive procedures over the recognition of revenue for asset management and performance fees within the Fund Management division.
• We performed cut-off procedures to test transactions around the year end and verified a sample of revenue to originating documentation to provide evidence that transactions were recorded in the correct year.
• We assessed whether the revenue recognition policies adopted complied with IFRS.</td></tr>
<tr><td>Related party transactions (see Notes 3 and 30)
The Group has a number of classes of related parties by virtue of its structure and operating model. These include associated entities and funds managed by the Group, in some of which the Group holds direct financial investments. In addition, key management personnel hold personal investments in certain associated entities and funds, which are typically minority holdings.

The Directors have an obligation to record, monitor and assess related party transactions in order to meet the Group's obligations under FCA regulations, the AIM Rules for Companies, corporate governance principles and the disclosure requirements of IAS 24 – Related Party Disclosures. Material related party transactions carry an increased a risk of non-compliance with laws as and regulations.

The existence of related party interests is also relevant to the Group's assessment of control over its subsidiaries, associated entities and managed funds, as described more fully in Note 3 to the financial statements.</td><td>We obtained a listing of management's identified related party transactions arising in the year which we assessed for completeness and accuracy through a review of Board and Committee minutes, a review of public filings in relation to known related parties, inquiries with the Directors and management and the results or our wider audit procedures.

We inspected (on a sample basis) documentation in relation to the related party transactions disclosed in Note 30 to the financial statements. We obtained supporting evidence over the completeness and accuracy of these transactions and disclosures.</td></tr>
</table>

Independent auditor's report cont.
to the members of First Property Group plc

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level of probability that any misstatements exceed materiality, we use a lower level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We determined overall materiality for the Group to be £0.8m (2024: £1.0m) based on a benchmark of 1% of gross assets. We determined materiality for the Company to be £0.4m (2024: £0.4m) based on 1% of gross assets. This provided a basis for determining the nature, timing and extent of risk assessment procedures. We determined that gross assets is the most appropriate basis for determining overall materiality for the Group given that the key users of the Group financial statements are primarily focussed on the valuation of the Group's assets, and consistent with industry practice.

For each component we allocated a materiality threshold ranging between 5% and 80% of overall Group materiality.

Based on our risk assessment, including the Group's overall control environment, we determined a performance materiality of 80% of overall materiality for both the Group and the Company. The same percentage was applied in the context of component materiality.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £38,500 for the Group, and of £21,000 for the Company, which was determined as 5% of overall materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We reviewed management's cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements;
- We evaluated and challenged management on the key assumptions included in their forecast scenarios;
- We checked the mathematical accuracy of the forecasts and critically assessed the integrity of the models by analysing the assumptions and inputs and obtaining supporting documentation, along with confirming the consistency with Board approved forecasts;
- We evaluated sensitivity analyses in relation to the Group's cash flow forecasts and considered the potential impact of various scenarios on the forecasts;
- We reviewed post year end performance up to the date of approval of the financial statements and assessed these against original budgets; and
- We considered the adequacy of the disclosures in the financial statements.

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 Group and Company'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 Directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report and Accounts 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. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 parent company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 28, the Directors 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 Directors 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 Directors are responsible for assessing the Group's and the Company'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 Directors either intend to liquidate the Group or the Company 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.

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:

Our assessment focused on key laws and regulations the group and parent company have to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, AIM listing rules, UK adopted international accounting standards, the FCA regulations relevant to an authorised Alternative Investment Fund Manager and relevant tax legislation in the jurisdictions in which the group operates.

Independent auditor's report cont.
to the members of First Property Group plc

Auditor's responsibilities for the audit of the financial statements cont.

We are not responsible for preventing irregularities. Our approach to detecting irregularities included, but was not limited to, the following:

- Obtaining an understanding of the legal and regulatory framework applicable to the Group and how the Group is complying with that framework by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through review of Board minutes for instances of non-compliance;
- Obtaining an understanding of the Group's policies and procedures and how it has complied with these, through discussions and sample testing of controls;
- Obtaining an understanding of the Group's risk assessment process, including the risk of fraud;
- Designing our audit procedures to respond to our risk assessment;
- Performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify and recognise non-compliance with laws and regulations through the following:

- Understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation; and
- Knowledge of the industry in which the client operates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at **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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MELANIE HOPWELL ACA
(SENIOR STATUTORY AUDITOR)
For and on behalf of Cooper Parry Group Limited
Statutory Auditors
Sky View
Argosy Road
Castle Donnington
Derby
DE74 2SA

22 August 2025

Consolidated income statement
for the year ended 31 March 2025

	Notes	Year ended 31 March 2025 Total results £'000	Year ended 31 March 2024 Total results £'000
Revenue	4	**7,552**	7,851
Cost of sales		**(2,728)**	(2,884)
Gross profit		**4,824**	4,967
Operating expenses		**(4,317)**	(5,156)
Operating profit/(loss)		**507**	(189)
Share of associates' profit after tax	18a)	**2,827**	1,050
Share of associates' revaluation losses	18a)	**(38)**	(1,072)
Investment income		**422**	134
Interest income	5	**245**	194
Interest expense	5	**(695)**	(780)
Loss from impairment of an investment property	14	**(242)**	(3,746)
Profit/(loss) before tax		**3,026**	(4,409)
Tax charge	10	**(684)**	29
Profit/(loss) for the year		**2,342**	(4,380)
Attributable to:			
Owners of the parent		**2,139**	(4,582)
Non-controlling interests		**203**	202
		2,342	(4,380)
Earnings per share:			
Basic	11	**1.65p**	(4.13p)
Diluted	11	**1.64p**	(4.04p)

All operations are continuing.

Consolidated statement of comprehensive income

for the year ended 31 March 2025

	Year ended 31 March 2025 Total results £'000	Year ended 31 March 2024 Total results £'000
Profit/(loss) for the year	**2,342**	(4,380)
Other comprehensive income		
Items that may subsequently be reclassified to profit or loss		
Exchange differences on retranslation of foreign subsidiaries	**985**	946
Net loss on financial assets at fair value through other comprehensive income	**(258)**	(1,465)
Taxation	**–**	–
Total comprehensive income/(loss) for the year	**3,069**	(4,899)
Total comprehensive income/(loss) for the year attributable to:		
Owners of the parent	**2,759**	(5,149)
Non-controlling interests	**310**	250
	3,069	(4,899)

All operations are continuing.

Company Income Statement

The Company is taking advantage of the exemption in s.408 of the Companies Act 2006 not to present its individual Income Statement and related notes that form a part of these approved financial statements.

Statement of financial position

as at 31 March 2025

	Notes	2025 Group £'000	2025 Company £'000	2024 Group £'000	2024 Company £'000
Non-current assets					
Investment properties	14	**46,759**	**–**	45,756	–
Right of use assets	15	**–**	**–**	17	–
Property, plant and equipment	16	**15**	**–**	40	–
Investment in Group undertakings	17	**–**	**15,217**	–	8,109
Investment in associates	18a)	**20,064**	**13,702**	17,275	12,722
Other financial assets at fair value through OCI	18b)	**1,670**	**1,670**	2,623	2,623
Other receivables	20b)	**–**	**8,260**	–	13,136
Goodwill	19	**153**	**–**	153	–
Deferred tax assets	25	**1,117**	**–**	992	–
Total non-current assets		**69,778**	**38,849**	66,856	36,590
Current assets					
Current tax assets		**170**	**–**	127	–
Right of use assets	15	**–**	**–**	51	–
Trade and other receivables	20a)	**3,939**	**1,612**	4,145	1,305
Cash and cash equivalents		**4,824**	**1,817**	4,628	2,559
Total current assets		**8,933**	**3,429**	8,951	3,864
Current liabilities					
Trade and other payables	21	**(2,743)**	**(8,964)**	(3,788)	(8,895)
Provisions	22	**(332)**	**–**	(125)	–
Lease liabilities	15	**–**	**–**	(52)	–
Financial liabilities	23	**(5,143)**	**–**	(832)	–
Other financial liabilities	24	**(11,042)**	**–**	(12,244)	–
Current tax liabilities		**(22)**	**–**	(48)	–
Total current liabilities		**(19,282)**	**(8,964)**	(17,089)	(8,895)
Net current assets		**(10,349)**	**(5,535)**	(8,138)	(5,031)
Total assets less current liabilities		**59,429**	**33,314**	58,718	31,559
Non-current liabilities					
Financial liabilities	23	**(4,307)**	**–**	(9,690)	–
Other financial liabilities	24	**(3,875)**	**–**	(4,851)	–
Lease liabilities	15	**–**	**–**	(17)	–
Deferred tax liabilities	25	**(3,930)**	**–**	(3,229)	–
Net assets		**47,317**	**33,314**	40,931	31,559
Equity					
Called up share capital	26	**1,536**	**1,536**	1,166	1,166
Share premium		**8,222**	**8,222**	5,635	5,635
Share based payment reserve		**1,105**	**1,105**	815	815
Foreign exchange translation reserve		**(422)**	**–**	(1,407)	–
Purchase of own shares reserve		**(2,440)**	**(2,440)**	(2,440)	(2,440)
Investment revaluation reserve		**(2,451)**	**(2,451)**	(2,193)	(2,193)
Retained earnings		**39,540**	**27,342**	37,401	28,576
Equity attributable to the owners of the parent		**45,090**	**33,314**	38,977	31,559
Non-controlling interests		**2,227**	**–**	1,954	–
Total equity		**47,317**	**33,314**	40,931	31,559
Net assets per share	11	**30.50p**		35.15p	

The Company's loss for the year was £1.23 million (2024: profit £0.15 million).

The financial statements were approved and authorised for issue by the Board of Directors on 22 August 2025 and were signed on its behalf by:

LAURA JAMES
FINANCE DIRECTOR

Registered No. 02967020

Consolidated statement of changes in equity

for the year ended 31 March 2025

Group	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Foreign exchange translation reserve £'000	Purchase of own shares £'000	Investment revaluation reserve £'000	Retained earnings £'000	Non-controlling interests £'000	Total £'000
At 1 April 2024	**1,166**	**5,635**	**815**	**(1,407)**	**(2,440)**	**(2,193)**	**37,401**	**1,954**	**40,931**
Profit for the year	–	–	–	–	–	–	2,342	–	2,342
Net loss on financial assets at fair value through other comprehensive income	–	–	–	–	–	(258)	–	–	(258)
Exchange differences arising on translation of foreign subsidiaries	–	–	–	985	–	–	–	107	1,092
Change in the proportion held in non-controlling interests	–	–	–	–	–	–	–	–	–
Total comprehensive income	**–**	**–**	**–**	**985**	**–**	**(258)**	**2,342**	**107**	**3,176**
Share issue	370	2,587	–	–	–	–	–	–	2,957
Share options charge	–	–	290	–	–	–	–	–	290
Non-controlling interests	–	–	–	–	–	–	(203)	203	–
Dividends paid	–	–	–	–	–	–	–	(37)	(37)
At 31 March 2025	**1,536**	**8,222**	**1,105**	**(422)**	**(2,440)**	**(2,451)**	**39,540**	**2,227**	**47,317**
At 1 April 2023	**1,166**	**5,635**	**179**	**(2,353)**	**(2,440)**	**(728)**	**41,983**	**2,033**	**45,475**
Loss for the year	–	–	–	–	–	–	(4,380)	–	(4,380)
Net loss on financial assets at fair value through other comprehensive income	–	–	–	–	–	(1,465)	–	–	(1,465)
Exchange differences arising on translation of foreign subsidiaries	–	–	–	946	–	–	–	48	994
Change in the proportion held in non-controlling interests	–	–	–	–	–	–	–	(265)	(265)
Total comprehensive income	**–**	**–**	**–**	**946**	**–**	**(1,465)**	**(4,380)**	**(217)**	**(5,116)**
Share options charge	–	–	636	–	–	–	–	–	636
Non-controlling interests	–	–	–	–	–	–	(202)	202	–
Dividends paid	–	–	–	–	–	–	–	(64)	(64)
At 31 March 2024	**1,166**	**5,635**	**815**	**(1,407)**	**(2,440)**	**(2,193)**	**37,401**	**1,954**	**40,931**

Company statement of changes in equity

for the year ended 31 March 2025

Company	Share capital £'000	Share premium £'000	Share-based payment reserve £'000	Purchase of own shares £'000	Investment revaluation reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2024	**1,166**	**5,635**	**815**	**(2,440)**	**(2,193)**	**28,576**	**31,559**
Loss for the year	–	–	–	–	–	(1,234)	(1,234)
Net profit on financial assets at fair value through other comprehensive income	–	–	–	–	(258)	–	(258)
Total comprehensive income	–	–	–	–	**(258)**	**(1,234)**	**(1,492)**
Share issue	370	2,587	–	–	–	–	2,957
Share options charge	–	–	290	–	–	–	290
Dividend paid	–	–	–	–	–	–	–
At 31 March 2025	**1,536**	**8,222**	**1,105**	**(2,440)**	**(2,451)**	**27,342**	**33,314**
At 1 April 2023	**1,166**	**5,635**	**179**	**(2,440)**	**(728)**	**28,425**	**32,237**
Profit for the year	–	–	–	–	–	151	151
Net profit on financial assets at fair value through other comprehensive income	–	–	–	–	(1,465)	–	(1,465)
Total comprehensive income	–	–	–	–	**(1,465)**	**151**	**(1,314)**
Share options charge	–	–	636	–	–	–	636
Dividend paid	–	–	–	–	–	–	–
At 31 March 2024	**1,166**	**5,635**	**815**	**(2,440)**	**(2,193)**	**28,576**	**31,559**

Foreign exchange translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign Group companies. This reserve is non distributable.

Share-based payment reserve

The Group grants certain of its employees rights to its equity instruments as part of its share-based payment incentive plans. The value of these rights has been charged to the Income Statement and has been credited to the share-based payment reserve (which is a distributable reserve).

Purchase of own Ordinary Shares

The cost of the Company's Ordinary Shares purchased by the Company for treasury purposes is held in this reserve. The reserve is non distributable.

Investment revaluation reserve

The change in fair value of the Group's financial assets measured at fair value through other comprehensive income is held in this reserve, and is non distributable.

Cash flow statements
for the year ended 31 March 2025

	Notes	2025 Group £'000	2025 Company £'000	2024 Group £'000	2024 Company £'000
Cash flows (used in)/from operating activities					
Operating profit/(loss)		**507**	**(3,060)**	(189)	(2,041)
Adjustments for:					
Depreciation of property, plant and equipment		**24**	**–**	64	–
Depreciation of investment property		**417**	**–**	350	–
Share options charge		**290**	**290**	636	636
Write back of a provision against the recoverability of a loan		**–**	**–**	–	(6,546)
(Reversal of impairment)/impairment loss on an investment in an associate		**–**	**(979)**	–	998
Impairment loss on amounts due from subsidiaries		**–**	**–**	–	5,950
Profit on the sale of investment property		**–**	**–**	–	–
Decrease in trade and other receivables		**217**	**4,356**	553	1,298
(Decrease)/increase in trade and other payables		**(506)**	**57**	(759)	(1,828)
Other non-cash adjustments		**101**	**–**	(64)	–
Cash generated from/(used in) operations		**1,050**	**664**	591	(1,533)
Taxes paid		**(194)**	**–**	(193)	–
Net cash flow from operating activities		**856**	**664**	398	(1,533)
Cash flow (used in)/from investing activities					
Capital expenditure on investment properties	14	**(1,423)**	**–**	(1,670)	–
Purchase of property, plant and equipment	16	**(15)**	**–**	(31)	–
Proceeds from the sale of investment property		**–**	**–**	–	–
Purchase of investment property		**–**	**–**	–	–
Cash paid on acquisition of new subsidiaries		**–**	**–**	(214)	(214)
Capital injection of new capital into subsidiaries		**–**	**(2,947)**	–	(1,397)
Proceeds from investments in funds	18b)	**695**	**695**	456	456
Proceeds from investment in associates	18a)	**–**	**–**	291	291
Interest received	5	**245**	**211**	194	158
Investment Income		**422**	**649**	134	1,310
Net cash flow (used in)/from investing activities		**(76)**	**(1,392)**	(840)	604
Cash flow (used in)/from financing activities					
Gross proceeds from open offer		**2,957**	**–**	–	–
Repayment of bank loans		**(831)**	**–**	(1,814)	–
Repayment of deferred consideration		**(1,970)**	**–**	–	–
Sale of shares held in treasury		**–**	**–**	–	–
Interest paid	5	**(695)**	**–**	(780)	–
Dividends paid		**–**	**–**	–	–
Dividends paid to non-controlling interests		**(37)**	**–**	(64)	–
Net cash flow (used in)/from financing activities		**(576)**	**–**	(2,658)	–
Net increase/(decrease) in cash and cash equivalents		**204**	**(728)**	(3,100)	(929)
Cash and cash equivalents at the beginning of the year		**4,628**	**2,559**	7,647	3,465
Currency translation (losses)/gains on cash and cash equivalents		**(8)**	**(14)**	81	23
Cash and cash equivalents at the year end		**4,824**	**1,817**	4,628	2,559

Notes to the financial statements
for the year ended 31 March 2025

1. Basis of Preparation
The financial statements for both the Group and Company have been prepared in accordance with applicable UK-adopted International Financial Reporting Standards (IFRS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared on the historical cost basis, except for items carried at fair value in accordance with IFRS 9. These financial statements are presented in GBP since that is the currency in which the Group and Company transact a substantial part of their business and it is the currency considered most convenient for its shareholders. The functional currencies adopted by the Group's foreign operations are set out in Note 29.

Going concern
The Directors have carried out an analysis to support their view that the Group is a going concern and under which basis these financial statements have been prepared.

Analysis and scenario testing, was carried out on the Group's main divisional income streams, being fund management fees from the Fund Management division, rental income from its seven directly-owned Group Properties and cash returns from its Associates and Investments.

Fund Management Fee Income
Fund management fee income is primarily derived from the Group's United Kingdom funds (38%), four of which are limited partnerships whose limited partners are a mix of pension funds and registered charities. With one exception, fees are invoiced monthly and are calculated based on a percentage of the latest valuation, which for the United Kingdom funds is performed quarterly.

Three of the UK funds (following the sale of final remaining properties) will commence the process of being wound up and as a result the Group's management anticipates fund management fees will reduce over the coming twelve months. The anticipated reduction in fund management fees has been included within the forecasts reviewed by the Board as part of the going concern assessment.

Fund management fees on the Group's Polish and Romanian managed funds are also levied as a percentage of funds under management, with reference to the most recent valuations. These funds are established under the ownership of a UK limited company which in turn owns the company domiciled in the country that owns the property. Each of these local companies has borrowings secured against the property and is therefore ring fenced from the Group.

The longevity of this fund management fee income is determined by the fund's life which is fixed by agreement when each fund is first established. The weighted average unexpired fund management contract term is 3 years, 4 months.

At the financial year end, fund management fee income, excluding performance fees, was being earned at an annualised rate of £1.20 million (31 March 2024: £1.83 million).

Rental income from Group Properties
Six of the seven Group Properties are located in Poland, one in Romania. These properties consist of four office blocks, a mini-supermarket, one multi-let property and ground-floor retail property. All were independently valued on 31 March 2025 at £56.04 million (31 March 2024: £51.90 million).

The rental income has been reviewed when setting the forecast revenues and no significant falls in collection rates are expected. The tenants are of good quality, as proven by excellent historic cash collection rates. Any renegotiation of rental payment terms that have been agreed are reflected in the forecasting analysis.

On 12 August 2022 the Group acquired 7,171 square meters in Blue Tower, an office building located in Warsaw for PLN 40.40 million (£7.20 million). The purchase resulted in the Group's interest in the building increasing from 48.20% to 80.30%. Some 5,159 square metres of the newly acquired space was vacant at purchase. At 31 March 2025, 2,400 square metres of the Group's interest in Blue Tower remains vacant, if this was leased in full the Group's net operating income would improve by some c€400,000 per annum.

Post year end, the Directors placed the wholly-owned subsidiary, Fprop Gdynia sp. z o.o., the company which owns the directly held property in Gdynia, into administration. This was following failure by the company to agree restructuring terms with its principal creditor. At the year end the value of the property held by the company matched the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits.

Income from Associates and Investments
Analysis was also conducted on the returns from the Group's investment in its five (2024: five) associates.

All bank loan covenants were reviewed and tested against future decreases in valuation and net operating income.

Dividend income from the Group's UK investments was also stress tested and found not to have a significant impact.

Notes to the financial statements cont.
for the year ended 31 March 2025

1. Basis of Preparation cont.

Going concern cont.

Liquidity

The Group has two deferred consideration liabilities as follows:

- €12 million (£10.04 million) in respect of the purchase in 2021 of a 13,000 square metre office block in Gdynia, Poland, for which payment was due in June 2024. After the financial year end the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property was matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits. The debt itself is non-interest bearing and non-recourse to the Group.
- PLN 24.40 million (£4.87 million) in respect of the purchase in 2022 of an additional 32% or 7,171 square metres in Blue Tower, an office building located in Warsaw. Payment is due in instalments until August 2028. At 31 March 2025 a total of PLN 16.00 million (£3.20 million) of the original liability has been paid. The debt itself is non-interest bearing and non-recourse to the Group. The August 2025 instalment of £1.00 million was paid prior to the signing of these financial statements.

The Group monitors overall debt requirements by reviewing current borrowing levels, debt maturity and interest rate exposure. The Group had one bank loan due for repayment on 20 June 2025 which totals £4.61 million. The Group is currently in a technical extension whilst the terms of a two-year extension are finalised. The Group does not have any other debt due for renewal in the next 12 months other than the deferred consideration referred to above.

A one percentage point increase in interest rates would increase the annual interest cost by £0.09 million per annum (31 March 2024: £0.11 million).

Deposits of £0.31 million (31 March 2024: £0.32 million) are held by lending banks as security for Debt Service Cover Ratio (DSCR) covenants in respect of four bank loans (31 March 2024: four). Consequently, this cash was restricted as at 31 March 2025.

Going concern statement

Based on the results of the analysis conducted as outlined above the Board believes that the Group has the ability to continue its business for at least 12 months from the date of approval of the financial statements and therefore has adopted the going concern basis in the preparation of this financial information.

New standards and interpretations

We do not consider there to be any relevant new standards, amendments to standards or interpretations, that are effective for the financial year beginning on 1 April 2024, which would have had a material impact on the financial statements.

The Group has not adopted any new IFRSs that are issued but not yet effective and it does not expect any of these changes to impact the Group.

2. Significant Accounting Policies

The principal accounting policies set out below have, unless otherwise stated, been applied consistently by the Group and the Company to each period presented in these financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary undertakings which it controls, made up to 31 March 2025. Intra-Group balances, sales and profits are eliminated fully on consolidation.

On acquisition of a subsidiary or business, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. The results of subsidiary undertakings have been included from the dates of acquisition and up to the dates of disposal, being the dates that control passes.

Investments in subsidiaries

In the Company Statement of Financial Position, investments in subsidiaries are held at cost less adequate provisions, where necessary, for impairments to value.

Investments in associates

Entities in which the Group is in a position to exercise significant influence but does not have the power to control are defined as associates. The Group accounts for its investments in associates using the equity method. The carrying value of the associates in the Group's Statement of Financial Position is subject to annual impairment reviews. The Group's share of the associate's profit or loss is included within the Consolidated Income Statement. To be consistent with the Group's accounting policy for investment properties it adopts the cost model in respect of the investment properties held by the associates, thus not recognising any property revaluations when assessing its share of the profit or loss after tax.

The Company's accounting policy is to include the interest in associates at cost subject to an annual impairment review and dividends received are credited to the Income Statement.

Other financial investments

Investment assets have been classified as fair value through other comprehensive income. Fair value has been arrived at by applying the Group's percentage holding in the investments of the fair value of their net assets.

Impairment

The carrying values of the Group's non-financial assets, excluding goodwill, are reviewed at each reporting date to determine whether there are any indications that an asset may be impaired. If there are any indications of impairment, the assets' recoverable value is estimated and any impairment loss, measured against its carrying value, is recognised in the Income Statement. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Property, plant and equipment

Property, plant and equipment are stated at their purchase cost, together with any incidental costs of acquisition, or fair value on acquisition, less accumulated depreciation and, where appropriate, provision for impairment. Depreciation is calculated so as to write off property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected useful lives of the assets concerned.

The principal annual rates used for this purpose are:

	%
Computer equipment	33.33%
Office equipment	33.33%
Motor vehicles	25.00%
Short leasehold improvements	33.33%

The residual values and useful lives of all property, plant and equipment are reviewed and adjusted if appropriate at each financial year end.

Notes to the financial statements cont.
for the year ended 31 March 2025

2. Significant Accounting Policies cont.

Investment properties

Investment properties are properties held for long-term rental income or for capital appreciation or both. Acquisitions through direct asset purchases are initially held at cost including related transaction costs. The Group has adopted the cost model for investment properties so that after initial recognition, investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Where, in the Directors' opinion, a property's estimated residual value at the end of the period of ownership will be lower than the carrying value the property will be depreciated over the lease term.

Inventories – land and buildings

Trading properties held for resale are stated at the lower of purchase cost, together with incidental costs of acquisition and any subsequent development costs, and net realisable value. The latter is assessed by the Group having regard to suitable valuations performed by external valuers.

Lessee accounting

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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, less any lease incentives received.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be paid by the Company under residual value guarantees.
- Payments or penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the Company 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.

To determine the incremental borrowing rate, the Company, where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received.

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.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2. Significant Accounting Policies cont.

Taxation

The tax expense represents the sum of the current tax payable and movements in deferred tax during the year.

Current taxation

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income and expense that are taxable or deductible in other years or that may never be taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted by the reporting date.

Deferred taxation

Deferred taxation is provided in full, on all temporary differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they are recognised based on current tax rates and law. Temporary differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

A net deferred tax asset is regarded as recoverable and is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sufficient taxable profits in the foreseeable future from which the reversal of the underlying temporary differences can be deducted. Management carry out a review of such items at the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Revenue recognition

Rental income arising under the Group's leases is recognised over the term of the lease on a straight-line basis and is adjusted for lease incentives such as rent-free periods and fit-out contributions such that their cost is apportioned evenly over the full lease term.

Turnover rents and other such contingent rents are recorded as revenue in the periods to which they relate.

The Group's revenue from contracts with customers, as defined in IFRS 15, includes service charge income and income from the sale of properties charged by the Group Properties division and fund management fees and performance related fees charged by the Group's Fund Management division.

Service charge income is recognised in the period in which the service is provided according to the terms of the individual lease agreement.

Income from the sale of properties is recognised generally on transfer of control over the property being disposed and when there are no significant outstanding obligations between buyer and seller. This generally occurs on completion.

Fund management and administration fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of assets under management. Management fees are recognised as the service is provided and it is probable that the fee will be collected.

Performance related fees are earned from some arrangements when contractually agreed performance levels are exceeded within specified performance measurement periods. Performance related fees are recognised when the performance period has ended and the performance calculation can be performed with reasonable certainty.

All revenue is classified in the revenue line of the Income Statement except for revenue from the sale of property which is netted off against costs and shown under profit on sale of property.

Interest income and expense are recognised on an accruals basis.

The above policies on revenue recognition result in both deferred and accrued income.

Notes to the financial statements cont.
for the year ended 31 March 2025

2. Significant Accounting Policies cont.

Lessor accounting

The Company does not own any properties itself directly. All commercial properties owned are held by subsidiary entities.

It is determined that these companies are not transferring the entire significant risk and benefits resulting from the ownership of the foresaid properties and therefore those leases are recognised as lease agreements.

Operating profit

Operating profit as stated in the Consolidated Income Statement is described as the profit derived from sales revenue less cost of sales, operating expenses and other items incurred during normal operating activities.

Defined contribution schemes

Contributions to the defined contribution pension scheme are charged to the Consolidated Income Statement in the period to which they relate.

Share-based payments

The Group issues options over the Company's equity to certain employees and these are professionally measured for fair value at the date of grant, using the Black-Scholes-Merton model. This fair value is fully expensed over the vesting period and is credited to the share-based payment reserve shown under equity and reserves in the Statement of Financial Position. Management's best estimates of leavers, price volatility and exercise restrictions have been used in the valuation method.

Foreign currencies

At entity level, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling on the date the transaction is recorded. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date and the resultant exchange differences are recognised in the Income Statement unless they form part of the net investment in which case they are recognised in the Statement of Comprehensive Income.

On consolidation the results of overseas subsidiaries are translated into GBP, the reporting currency, at the average exchange rate for the period and all their assets and liabilities are translated into GBP at the exchange rate ruling at the reporting date.

In the cash flow statement, cash flows denominated in foreign currencies are translated into GBP at the average exchange rate for the period.

On consolidation exchange differences arising from the translation of foreign operations are recognised in other comprehensive income and accumulated in a separate reserve in equity. On disposal of a foreign operation these accumulated gains or losses are reclassified to profit or loss.

Financial instruments

The Group initially records all financial assets at fair value. The Group subsequently holds each financial asset at fair value ("fair value through profit or loss" ("FVTPL") or "fair value through other comprehensive income" ("FVOCI")) or at amortised cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants. Amortised cost is the amount determined based on moving the initial amount recognised for the financial instrument to the maturity value on a systematic basis using a fixed interest rate (effective interest rate), taking account of repayment dates and initial premiums or discounts.

Trade receivables

Trade receivables are measured at initial recognition at fair value. Subsequently, they are measured at amortised cost. The carrying value of amortised cost financial assets is adjusted for impairment under the expected loss model (see Note 20).

Investments

Investments in the Group's managed funds have been designated as fair value through other comprehensive income on adoption of IFRS 9. They are initially recognised at fair value with any changes to the fair value recognised in other comprehensive income and accumulated in a separate reserve in equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, term deposits and other short-term, liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2. Significant Accounting Policies cont.

Financial instruments cont.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities, except for borrowing costs incurred in respect of development and trading property, which are included in acquisition costs of the asset.

Bank borrowing

Interest bearing bank loans and overdrafts are recorded as the proceeds are received, net of direct issue costs. Interest charges are accounted for on an accruals basis in the Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise. Borrowing costs incurred in respect of the purchase of qualifying trading properties are capitalised together with other acquisition costs of the property and are amortised over the period of the loan.

Trade payables

Trade payables are initially measured at fair value.

Equity instruments

Equity instruments issued by the Company are recorded as the proceeds which are received, net of direct issue costs.

Business combinations

Acquisitions of subsidiaries are accounted for using the purchase method. This method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities are included in the Consolidated Statement of Financial Position at their fair values, which are also used as the bases for subsequent measurement in accordance with the Group's accounting policies.

Goodwill

Goodwill is stated at cost less, where appropriate, impairment in value. Under IAS 36 (para 10b), annual impairment tests are mandatory for goodwill and, as such, have been carried out. Goodwill arising on consolidation represents the excess of the fair value of the consideration over the fair value of the net assets acquired.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with IFRS requires management to exercise judgement in applying the Group's accounting policies. The areas where the Group considers the judgements to be most significant involve assumptions or estimates in respect of future events, where actual results may differ from these estimates.

Critical accounting judgements

- The Directors have exercised judgement in respect of the assessment of control over its investments in its managed funds. Where the Group has significant influence but does not have the power to exercise control investments are accounted for as associates. Where the Directors judge that the Group has power, the investment vehicles are consolidated.
- Fprop Phoenix Limited (FPL) is recognised in the Group financial statements as an associate due to the Group's 23.38% holding in the company. Despite the combined interest of both the Group and Ben Habib in FPL being above 50%, the Group does not consider itself to have control of FPL. This is on the basis that Ben Habib, given his majority shareholding, has, in a personal capacity, significant influence over the decision making of FPL. As a result of this the Group continues to account for this investment as an associate.
- The Directors have exercised judgement in respect of the impairment of the directly held Group property in Gdynia. At the balance sheet date the Directors judged the likelihood of the €12 million deferred consideration payment to be low. Given the uncertainty over the property's financing the Directors have adopted the fair value less cost to sell as the recoverable amount. The fair value less costs to sell have been estimated based on a valuation performed of the asset, including an allowance for a forced sale. The investment is categorised as level 3 under IFRS 13. Transaction prices in the case of a forced sale are on average 15-20% lower than the price in a transaction in which market value criteria are met. The most recent third party valuation obtained under the conditions of a forced sale indicated a valuation of €12.5 million. Consistent with the prior year, the Directors have judged to further impair the asset to match the value of the outstanding liability of €12 million. This is due to the uncertainty surrounding the payment of the liability and thus the asset's future. No other assets on the balance sheet are exposed.

Notes to the financial statements cont.
for the year ended 31 March 2025

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty cont.

Key sources of estimation uncertainty

- Valuation of the investment property requires the Group to assess their useful lives and residual values. In addition, the Group's investment properties are reviewed for indications of impairment. Where impairment assessments are performed estimates are made over the rental value and equivalent yield in assessing the value in use (Note 14).
- The Group's investments in its own funds are held at fair value, based on the net asset values of the funds. The Group's managed funds are invested in commercial properties which are valued by external experts, and are classified as Level 3 within the Group's fair value hierarchy (Note 18).
- The calculation of the Group's deferred tax balances requires a degree of estimation around the timing and amount of future taxable profits, in respect of which the Group does not recognise deferred tax assets (Note 25).

4. Segmental Reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Directors and for which discrete financial information is available.

The Fund Management segment is organised into separate funds operating across all the Group's chosen geographic areas. It enjoys recurring income from managing commercial property on behalf of its various fund investors in the form of fund management fees and performance related fees when earned. It includes such fees from associates, but not Group Properties whose fees are eliminated at the Group level. A table of funds managed is listed in this report on page 7.

The Group Properties segment comprises the revenues and profits from the Group's trading in its own properties. Rental and service charge income from the properties owned by the Group is included in this segment. The profits and losses of trading in these properties can be volatile and, depending on the frequency and size of sale and by their nature, unpredictable. At the year end this division owned seven properties held within investment properties.

The Associates and Investments segment includes the contributions to the Group's profit before tax from its investments in associates and other financial investments. The Group recognises its share of associates' profit after tax plus any fair value adjustments. Investment income is received from the Group's other financial investments.

Direct costs incurred by First Property Group plc relating to the cost of the Board and the related share listing costs are shown separately under unallocated central overheads. All other operating expenses are allocated on a percentage basis only across the Fund Management segment and the Group Properties segment.

All surplus cash is managed centrally and all bank interest receivable is disclosed within the unallocated central overheads segment.

All assets and liabilities that relate to Group central activities have not been allocated to business segments.

4. Segmental Reporting cont.

Segment reporting 2025

	Fund Management division	Group Properties division			
	Property fund management £'000	Group properties £'000	Associates and investments £'000	Unallocated central overheads £'000	**Total £'000**
Rental income	–	3,578	–	–	**3,578**
Service charge income	–	1,712	–	–	**1,712**
Fund management fees	2,262	–	–	–	**2,262**
Performance related fee income	–	–	–	–	**–**
Total revenue	**2,262**	**5,290**	**–**	**–**	**7,552**
Depreciation and amortisation	(15)	(9)	–	–	**(24)**
Operating profit	1,040	853	–	(1,386)	**507**
Share of results in associates	–	–	2,827	–	**2,827**
Fair value adjustment on associates	–	–	(38)	–	**(38)**
Property impairment	–	(242)	–	–	**(242)**
Investment income	–	–	422	–	**422**
Interest income	–	38	–	207	**245**
Interest payable	–	(695)	–	–	**(695)**
Profit/(loss) before tax	**1,040**	**(46)**	**3,211**	**(1,179)**	**3,026**

Analysed as:

Underlying profit/(loss) before tax before adjusting for the following items:	633	213	1,094	(941)	**999**
Interest received on loan to associates	–	–	–	207	**207**
Open offer costs	–	–	–	(142)	**(142)**
Fair value adjustment on associates	–	–	(38)	–	**(38)**
Property impairment	–	(242)	–	–	**(242)**
One-off income generated from an associate	91	–	1,733	–	**1,824**
One-off distribution income from UK investments	–	–	422	–	**422**
Payment in lieu of Management Fees	300	–	–	–	**300**
Share option charge	–	–	–	(290)	**(290)**
Realised foreign currency (losses)/gains	16	(17)	–	(13)	**(14)**
Total	**1,040**	**(46)**	**3,211**	**(1,179)**	**3,026**
Assets – Group	993	50,590	1,670	5,394	**58,647**
Share of net assets of associates	–	–	20,064	–	**20,064**
Liabilities	(49)	(31,345)	–	–	**(31,394)**
Net assets	**944**	**19,245**	**21,734**	**5,394**	**47,317**

Additions to non-current assets

Property, plant and equipment	–	15	–	–	**15**
Investment properties	–	1,423	–	–	**1,423**

Geographic analysis	Revenue		Non-current assets	
	2025 £'000	2024 £'000	**2025 £'000**	2024 £'000
United Kingdom	**925**	1,610	**21,734**	19,898
Poland	**5,896**	5,569	**44,569**	43,599
Romania	**731**	672	**2,205**	2,214
Total	**7,552**	7,851	**68,508**	65,711

Notes to the financial statements cont.

for the year ended 31 March 2025

4. Segmental Reporting cont.

Segment reporting 2024

	Fund Management division	Group Properties division			
	Property fund management £'000	Group properties £'000	Associates and investments £'000	Unallocated central overheads £'000	Total £'000
Rental income	–	3,078	–	–	**3,078**
Service charge income	–	1,826	–	–	**1,826**
Fund management fees	2,947	–	–	–	**2,947**
Performance related fee income	–	–	–	–	**–**
Total revenue	**2,947**	**4,904**	**–**	**–**	**7,851**
Depreciation and amortisation	(38)	(26)	–	–	**(64)**
Operating profit	824	586	–	(1,599)	**(189)**
Share of results in associates	–	–	1,050	–	**1,050**
Fair value adjustment on associates	–	–	(1,072)	–	**(1,072)**
Property impairment	–	(3,746)	–	–	**(3,746)**
Investment income	–	–	134	–	**134**
Interest income	–	36	–	158	**194**
Interest payable	–	(780)	–	–	**(780)**
Profit/(loss) before tax	**824**	**(3,904)**	**112**	**(1,441)**	**(4,409)**
Analysed as:					
Underlying profit/(loss) before tax before adjusting for the following items:	350	(87)	1,184	(1,031)	**416**
Interest received on loan to associates	–	–	–	158	**158**
Fair value adjustment on associates	–	–	(1,072)	–	**(1,072)**
Property impairment	–	(3,746)	–	–	**(3,746)**
Payment in lieu of Management Fees	411	–	–	–	**411**
Interest provision	–	(102)	–	–	**(102)**
Reversal of provision in respect of rental guarantee	–	130	–	–	**130**
Share option charge	–	–	–	(636)	**(636)**
Realised foreign currency (losses)/gains	63	(99)	–	68	**32**
Total	**824**	**(3,904)**	**112**	**(1,441)**	**(4,409)**
Assets – Group	515	49,869	2,623	5,525	**58,532**
Share of net assets of associates	–	–	17,275	–	**17,275**
Liabilities	(56)	(34,820)	–	–	**(34,876)**
Net assets	**459**	**15,049**	**19,898**	**5,525**	**40,931**
Additions to non-current assets					
Property, plant and equipment	–	31	–	–	**31**
Investment properties	–	1,670	–	–	**1,670**

Geographic analysis	Revenue		Non-current assets	
	2024 £'000	2023 £'000	**2024 £'000**	2023 £'000
United Kingdom	**1,610**	900	**19,898**	22,212
Poland	**5,569**	5,439	**43,599**	43,324
Romania	**672**	910	**2,214**	3,882
Total	**7,851**	7,249	**65,711**	69,418

5. Interest Income/(Expense)

	2025 Group £'000	2024 Group £'000
Interest income – bank deposits	**104**	62
Interest income – other	**141**	132
Total interest income	**245**	194

	2025 Group £'000	2024 Group £'000
Interest expense – property loans	**(617)**	(761)
Interest expense – bank and other	**(78)**	(19)
Total interest expense	**(695)**	(780)

6. Profit on Ordinary Activities Before Taxation

	2025 Group £'000	2024 Group £'000
Profit on ordinary activities before taxation is stated after charging:		
– Depreciation charge on property, plant and equipment (Note 16)	**31**	72
– Depreciation on investment properties (Note 14)	**417**	350
– Net foreign exchange (gains)/losses (Note 4)	**14**	(32)
– Staff costs (Note 7)	**2,712**	3,238
– Rental income from investment properties (Note 14)	**3,578**	3,078
– Direct operating expenses arising from investment property that generated rental income during the period	**4,722**	4,510
– Direct operating expenses arising from investment property that did not generate rental income	**703**	593

7. Employee Information

The average monthly number of persons (including Directors) employed during the year was:

	2025 Number	2024 Number
Management	**10**	10
Property operations	**6**	8
Technical operations	**27**	33
	43	51

An analysis of staff costs is set out below:

	2025 Group £'000	2024 Group £'000
Wages and salaries	**2,360**	2,825
Social security costs	**327**	387
Defined contribution pension costs	**25**	26
Share-based payments	**–**	–
Total staff costs	**2,712**	3,238

The Company employs two Executive Directors and two Non-Executive Directors. Analysis of these costs can be found in Note 8.

Notes to the financial statements cont.
for the year ended 31 March 2025

8. Directors' Remuneration and Emoluments
The remuneration of the Directors was as follows:

	2025 £'000	2024 £'000
Basic pay	518	570
Pension	6	7
Fees	66	66
Benefits	17	13
Annual bonus	–	–
Total Directors' remuneration	**607**	656

	Salary and benefits £'000	Annual bonus £'000	Fees £'000	2025 £'000	2024 £'000
A J D Locke	–	–	33	33	33
P Moon	–	–	33	33	33
B N Habib	378	–	–	378	409
L B James	163	–	–	163	141
P Guiry*	–	–	–	–	40
	541	–	66	607	656

The Group remunerates and incentivises its executives via a mixture of salary and discretionary bonuses. The latter is decided by the Remuneration Committee based on the level of profits earned by the Group (excluding the non-controlling interest) in the year under consideration.

There are no retirement benefits accruing to Directors (2024: £nil) under money purchase pension schemes run by the Company.

* Paul Guiry served as Interim Finance Director during Laura James' maternity leave. Paul Guiry was not a member of the Board of Directors at any time during this interim period. Laura James remained on the Board of Directors during this period.

9. Audit Fees

	2025		2024	
	Group auditor £'000	Other auditors £'000	Group auditor £'000	Other auditors £'000
Audit fees				
– Audit of parent company and consolidated financial statements	62	–	64	–
– Audit of subsidiary undertakings	32	41	32	33
Non-audit fees				
– Other services	2	12	5	13
Total audit fees	**96**	**53**	101	46

10. Tax Expense

	2025 Group £'000	2024 Group £'000
Analysis of tax charge for the year		
Current tax	**(127)**	(244)
Deferred tax (see Note 25)	**(557)**	273
Total tax charge for the year	**(684)**	29

The tax charge includes current and deferred tax for continuing operations.

As in prior years, brought forward and current UK tax losses have not been recognised as a deferred tax asset due to insufficient foreseeable taxable income being earned in the UK.

Factors affecting the tax charge for the period

The effective rate of tax applicable to the profit in the period is lower than the standard rate of corporation tax. The differences are explained as follows:

	2025 £'000	2024 £'000
Profit/(loss) on ordinary activities before tax	**3,026**	(4,409)
Profit/(loss) profit on ordinary activities multiplied by the standard rate of 25% (2024: 25%)	**757**	(1,102)
Effect of:		
Expenses not deductible for tax purposes	**–**	–
Income not taxable	**(106)**	(34)
Depreciation in excess of capital allowances on plant and equipment	**–**	–
Fair value adjustments	**70**	1,204
Prior year adjustments	**–**	–
Movement on deferred tax unprovided	**(592)**	69
Effect of overseas mainstream tax rates	**–**	–
Other adjustments including overseas tax allowable deprecation on property	**(2)**	107
Total tax charge for the period	**127**	244

Unrecognised deferred tax

	2025		2024	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Depreciation in excess of capital allowances	**14**	**–**	14	–
Tax losses carried forward	**2,375**	**2,041**	1,783	1,548
Unrecognised deferred tax asset	**2,389**	**2,041**	1,797	1,548

The Directors have concluded that there is insufficient evidence to support the recoverability of this asset from future taxable profits and therefore have not recognised this asset in the Statement of Financial Position. UK deferred tax has been calculated at a rate of 25% for 2025 and 25% for 2024.

Notes to the financial statements cont.
for the year ended 31 March 2025

11. Earnings/NAV per Share

	2025	2024
Basic earnings per share	**1.65p**	(4.13p)
Diluted earnings per share	**1.64p**	(4.04p)

The following earnings have been used to calculate both the basic and diluted earnings per share:

	£'000	£'000
Basic earnings	**2,139**	(4,582)
Notional interest on share options assumed to be exercised	**3**	16
Diluted earnings assuming full dilution	**2,142**	(4,566)

The following numbers of shares have been used to calculate the basic and diluted earnings per share and the net assets and adjusted net assets per share:

	2025 Number	2024 Number
Weighted average number of Ordinary Shares in issue (used for basic earnings per share calculation)	**130,020,926**	110,875,483
Number of share options	**500,000**	2,110,000
Total number of Ordinary Shares used in the diluted earnings per share calculation	**130,520,926**	112,985,483

For the purpose of calculating diluted earnings per share, the number of Ordinary Shares was the weighted average number of Ordinary Shares, plus the weighted average number of Ordinary Shares that would be issued on the conversion of all the dilutive potential Ordinary Shares into Ordinary Shares. Options have a dilutive effect only when the average market price of the Ordinary Shares during the period exceeds the exercise price of the options and thus they are "in the money".

	2025	2024
Net assets per share	**30.50p**	35.15p
Adjusted net assets per share	**35.72p**	39.41p

The following numbers have been used to calculate both the net assets and adjusted net assets per share:

	2025 £'000	2024 £'000
For net assets per share		
Net assets excluding non-controlling interests	**45,090**	38,977

Number of shares	2025 Number	2024 Number
Number of shares in issue at the year end	**147,843,109**	110,882,332
Number of shares assumed to be exercised	**500,000**	2,110,000
Total	**148,343,109**	112,992,332

The adjusted net assets is a measure based on IFRS net assets to include the fair value of i) financial instruments, ii) debt and iii) deferred taxes. The metric adjusts for the dilutive impact of share options. The calculation assumes only the share options which are in the money will not have a dilutive impact.

	£'000	£'000
For adjusted net assets per share		
Net assets excluding non-controlling interests	**45,090**	38,977
Investment properties at fair value net of deferred tax	**6,966**	4,872
Investments in associates and other financial investments	**872**	362
Other items	**58**	323
Total	**52,986**	44,534

Adjusted net assets per share are calculated using the fair value of all investments.

12. Parent Company Result for the Year

As permitted by section 408 of the Companies Act 2006, the Company's Income Statement has not been included in these financial statements. The Company's loss for the year was £1.23 million (2024: profit £0.15 million).

13. Dividend on Ordinary Shares

	2025 £'000	2024 £'000
Interim dividend paid during the year ended 31 March 2025: £nil pence per share (2024: £nil pence per share)	**–**	–
Final dividend paid for the year ended 31 March 2024: £nil pence per share (2023: £nil pence per share)	**–**	–
Total	**–**	–

14. Investment Properties

i. Investment properties:

	2025 Group £'000	2024 Group £'000
Investment properties		
At 1 April	**45,756**	47,009
Impairment	**(242)**	(3,746)
Capital expenditure	**1,423**	1,670
Depreciation	**(417)**	(350)
Foreign exchange translation	**239**	1,173
At 31 March	**46,759**	45,756

At the year end the Group held seven properties.

Investment properties owned by the Group are stated at cost less depreciation and any accumulated impairment in value. The properties were valued at the Group's financial year end by independent valuers who hold recognised and relevant qualifications at €66.97 million (31 March 2024: €60.72 million), the GBP equivalent at closing foreign exchange rates being £56.04 million (31 March 2024: £51.90 million).

The Group owes £10.04 million (€12 million) of deferred consideration in respect of the purchase in 2021 of a 13,000 square metre office block in Gdynia, Poland, for which payment was due in June 2024. In view of the non-payment of this liability and the uncertainty over its future, the Directors impaired the value of the property by £0.24 million (2024: £3.75 million) to match its value to the value of the €12 million liability. The property was independently valued at 31 March 2025 at €15.73 million with an enforced sales value of €12.5 million.

After the financial year end the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following the failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property is matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits. The debt itself is non-interest bearing and non-recourse to the Group.

ii. Amounts recognised in the income statement:

	2025 Group £'000	2024 Group £'000
Rental income from operating leases	**3,578**	3,078

Notes to the financial statements cont.

for the year ended 31 March 2025

14. Investment Properties cont.

iii. Leasing arrangements where the Group is a lessor:

	2025 Group £'000	2024 Group £'000
Minimum lease receipts under non-cancellable operating leases to be received:		
Not later than one year	**3,422**	2,569
Later than one year and not later than five years	**7,084**	7,043
Later than five years	**3,747**	4,610
Total	**14,253**	14,222

Investment properties are comprised of commercial properties that are leased to third parties. The Group has approximately 75 leases granted to its tenants. These vary depending on the individual tenant and the respective property and demise but typically are let for a term of five years. The WAULT of the leases granted was 4 years and 10 months (2024: 4 years and 10 months). No contingent rents are charged.

15. Leases and Right-of-Use Assets

This note provides information for leases where the Group is a lessee. For leases where the Group is a lessor, see Note 14.

The amounts recognised in the financial statements in relation to the leases are as follows:

i. Amounts recognised in the balance sheet:

	31 March 2025 £'000	31 March 2024 £'000
Right-of-use assets		
Current	**–**	51
Non-current	**–**	17

	31 March 2025 £'000	31 March 2024 £'000
Lease liabilities		
Current	**–**	52
Non-current	**–**	17

ii. Amounts recognised in the Income Statement:

	2025 £'000	2024 £'000
Depreciation/Rent charge of right-of-use assets		
Buildings	**68**	977
Total	**68**	977

	2025 £'000	2024 £'000
Interest expense		
Buildings	**68**	1,059
Total	**68**	1,059

iii. Summary of the Group's leasing activity:

The Group has reviewed the terms of its leases and has identified only one remaining lease, it being in respect of the Group's headquarters in the UK, located on 32 St. James's Street, London, SW1A 1HD. This lease expired in July 2025. On 30th July 2025, the Group signed a lease extension, extending the term until 1 July 2028.

As at 31 March 2025 the Group recognised a lease liability under IFRS 16 of £nil (31 March 2024: £0.07 million) and a right of use asset of £nil (31 March 2024: £0.07 million). The net credit to the Income Statement was £488. Rental contracts are typically made for fixed periods of six months to four years but may have extension options.

16. Property, Plant and Equipment

Group 2025	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Short leasehold improvements £'000	Total £'000
Cost					
At 1 April 2024	340	77	45	37	499
Foreign currency translation	1	–	–	–	1
Additions	15	–	–	–	15
Disposals	(10)	(4)	(13)	–	(27)
At 31 March 2025	**346**	**73**	**32**	**37**	**488**
Depreciation					
At 1 April 2024	320	69	33	37	459
Foreign currency translation	1	–	–	–	1
Charge for year	21	5	5	–	31
Disposals	(1)	(4)	(13)	–	(18)
At 31 March 2025	**341**	**70**	**25**	**37**	**473**
Net book value at 31 March 2025	**5**	**3**	**7**	**–**	**15**

Group 2024	Computer equipment £'000	Office equipment £'000	Motor vehicles £'000	Short leasehold improvements £'000	Total £'000
Cost					
At 1 April 2023	333	69	42	37	481
Foreign currency translation	7	3	3	–	13
Additions	26	5	–	–	31
Disposals	(26)	–	–	–	(26)
At 31 March 2024	**340**	**77**	**45**	**37**	**499**
Depreciation					
At 1 April 2023	276	62	26	37	401
Foreign currency translation	7	3	2	–	12
Charge for year	63	4	5	–	72
Disposals	(26)	–	–	–	(26)
At 31 March 2024	**320**	**69**	**33**	**37**	**459**
Net book value at 31 March 2024	**20**	**8**	**12**	**–**	**40**

The Company had no property, plant or equipment (2024: £nil). The Group holds no property, plant and equipment under a finance lease.

17. Investment in Group Undertakings

	2025		2024	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Investment in consolidated subsidiaries				
At 1 April	**–**	**8,109**	–	3,841
Additional investment	**–**	**2**	–	214
Additions – capital injection	**–**	**2,947**	–	1,398
Additions – capitalisation of loans	**–**	**11,445**	–	8,225
Reallocation of impairment	**–**	**(6,391)**	–	(2,044)
Reversal of previously recognised impairment	**–**	**2,001**	–	–
Additional impairments	**–**	**(2,896)**	–	(3,525)
At 31 March	**–**	**15,217**	–	8,109

Notes to the financial statements cont.
for the year ended 31 March 2025

17. Investment in Group Undertakings cont.

In July 2024 the Group invested £2,000 in First Property Solutions sp. z o.o., a new operating company managed by the Group, resulting in it owning 100% of the shares in issue.

During the year the Company invested additional capital of £2.95 million (2024: £1.40million) into its investment in subsidiaries.

The carrying value of these investments have been subjected to an impairment review carried out by the Directors. During this impairment review which is conducted on an entity by entity basis the Directors have identified four entities where there are indicators of impairment. The main indicators of impairment identified were negative net assets, forecasted losses and a temporary default position on an outstanding liability. As a result of the impairment review, additional impairment losses of £2.90 million (2024: £3.52) has been recognised in the profit and loss during the period. There has been one reversal of impairment losses during the year of £2.00 million (2024: £nil).

18. Investments in Associates and Other Financial Investments

The Group has the following investments:

	2025		2024	
	Group £'000	**Company £'000**	Group £'000	Company £'000
a) Associates				
At 1 April	**17,275**	**12,722**	17,588	14,011
Additions	**–**	**–**	–	–
Disposals	**–**	**–**	–	–
Shareholder loan repayments	**–**	**–**	(291)	(291)
Share of associates' profit/(loss) after tax	**2,827**	**–**	1,050	–
Share of associates' revaluation gains/(losses)	**(38)**	**–**	(1,072)	–
Reversal of impairment of associate/(impairment of associate)	**–**	**980**	–	(998)
Dividends received	**–**	**–**	–	–
At 31 March	**20,064**	**13,702**	17,275	12,722

An impairment of £0.98 million in respect of the Company's investment in FPL was reversed (2024: impairment of £1.0m), an associate in which the Company owns 23.4%.

The Group's investments in associated companies are held at cost plus its share of post-acquisition profits less dividends received, adopting the cost model for accounting for investment properties under IAS 40, and comprises the following:

	2025		2024	
	Group £'000	**Company £'000**	Group £'000	Company £'000
Investments in associates				
Fprop Galeria Corso Ltd	**3,211**	**983**	2,968	983
Fprop Krakow Ltd	**962**	**962**	1,090	980
Fprop Cluj Ltd	**676**	**330**	678	330
Fprop Phoenix Ltd	**1,733**	**998**	–	–
Fprop Opportunities plc	**13,482**	**10,429**	12,539	10,429
	20,064	**13,702**	17,275	12,722

If the Group had adopted the alternative "fair value" model for accounting for investment properties, the carrying value of the investments in associates would have increased to £20.94 million (31 March 2024: £17.64 million).

18. Investments in Associates and Other Financial Investments cont.

Associates that are material to the Group:

Fprop Opportunities plc (FOP) is considered by the Group to be its only material associate. FOP is involved in the investment in commercial property located in Poland. Its principal place of business is 32 St James's Street, London, SW1A 1HD. The Group's ownership interest in the associate is 45.71% and Ben Habib (the Group's CEO) has a personal interest of 0.71% giving a combined interest of 46.42%. Based on this combined shareholding being below 50% the Group does not consider it has control of FOP and therefore accounts for the Group's investment as an associate, measured using the equity method. There were no dividends received in the year to 31 March 2025 and a financial summary of FOP in the year to 31 March 2025 is as follows;

	Year ended 31 March 2025 £'000
Current assets	4,112
Non-current assets	61,999
Current liabilities	5,731
Non-current liabilities	31,463
Net assets	28,917
Revenue	8,169
Profit after tax from continuing operations	1,649

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
b) Other financial investments				
At 1 April	2,623	2,623	4,544	4,544
Additions	–	–	–	–
Disposal	–	–	–	–
Repayments	(695)	(695)	(456)	(456)
Decrease in fair value during the year	(258)	(258)	(1,465)	(1,465)
At 31 March	1,670	1,670	2,623	2,623

The Group holds four (2024: four) unlisted investments in funds managed by it. Each is designated at fair value through "other comprehensive income" (OCI) as per IFRS 9. The Directors consider their fair value to be not materially different from their carrying value. Fair value has been calculated by applying the Group's percentage holding in the investments to the fair value of their net assets.

The Group's investments are in The UK Pension Property Portfolio LP, a fund established in February 2010, in which the Group has a 0.9% interest, Fprop Offices, a fund established in July 2017, in which the Group has a 1.6% interest, Fprop Fulcrum Property LP, a fund established in August 2021 in which the Group has a 1.5% interest, and Fprop UK Special Opportunities LP, a fund established in January 2017 in which the Group has an 11.1% interest.

Notes to the financial statements cont.
for the year ended 31 March 2025

18. Investments in Associates and Other Financial Investments cont.

Associates that are material to the Group cont.

The principal investments of the Group at 31 March 2025 were as follows:

	Principal activities	% of Ordinary Shares held by	
		Company %	Subsidiary %
Group undertakings			
United Kingdom			
First Property Asset Management Ltd	Property asset management	100	–
Fprop Corktree Limited	Property holding company	100	–
GDY Property (1) Ltd (formerly Fprop Gdynia Podolska Limited, sold 31 July 2025)	Property holding company	100	–
Regional Property Trading Limited	Property holding company	100	–
E and S Estates Limited	Property holding company	100	–
5th Property Trading Limited	Property fund	47	–
GDY Property (2) Ltd (formerly Fprop Gdynia Limited, sold 31 July 2025)	Property holding company	100	–
Fprop Company 1 Limited	Property holding company	100	–
Fprop UK General Partner Limited	General partner of property fund	100	–
First Property Sterling General Partner Limited	General partner of property fund	100	–
Fprop Offices General Partner Limited	General partner of property fund	100	–
Fprop Fulcrum General Partner Limited	General partner of property fund	100	–
First Property General Partner Limited	General partner of property fund	51	–
SIPS Property Nominee Limited	Nominee	100	–
Fprop Company 2 Limited	Property holding company	100	–
Poland			
First Property Poland sp. z o.o.	Property investment and management	100	–
Ross sp. z o.o.	Property investment and management	100	–
Corp sp. z o.o.	Property services management	–	90
Ross 2 sp. z o.o.	Property holding company	100	–
Ross 3 sp. z o.o.	Property holding company	100	–
Corktree sp. z o.o.	Property holding company	–	100
Corktree Fprop sp. z o.o.	Property holding company	–	100
First Property Solutions sp. z o.o.	Service management company	100	–
First Property Services sp. z o.o. (liquidated 31 July 2025)	Service management company	100	–
E and S Estates Poland sp. z o.o.	Property holding company	–	100
Fprop Gdynia sp. z o.o. (in administration)	Property holding company	–	100
5th Property Trading Poland sp. z o.o.	Property holding company	–	47
Romania			
First Property Asset Management Romania SRL	Property asset manager	90	10
Felix Development SRL	Property holding company	100	–

18. Investments in Associates and Other Financial Investments cont.

Associates that are material to the Group cont.

	Principal activities	% of Ordinary Shares held by Company %	% of Ordinary Shares held by Subsidiary %
Associates and other investments			
United Kingdom			
The UK Pension Property Portfolio LP	Property fund	1	–
Fprop Galeria Corso Ltd	Property fund	29	–
Fprop Krakow Limited	Property fund	18	–
Fprop UK Special Opportunities LP	Property fund	11	–
Fprop Offices LP	Property fund	2	–
Fprop Fulcrum Property LP	Property fund	1	–
Fprop Cluj Limited	Property fund	21	–
Fprop Phoenix Limited	Property fund	23	–
Fprop Opportunities plc	Property fund	46	–
Fprop Opportunity Lodz Limited	Property holding company	–	46
Fprop Opportunity Krasnystaw Limited	Property holding company	–	46
Fprop Opportunities Lodz II Limited (dissolved 1 April 2025)	Property holding company	–	46
Fprop Opportunity Lublin Limited	Property holding company	–	46
Fprop Opportunity Ostrowiec Limited	Property holding company	–	46
Fprop Zinga Limited	Property holding company	–	46
Poland			
Galeria Corso sp. z o.o.	Property holding company	–	29
Fprop Krakow sp. z o.o.	Property holding company	–	18
Fprop Lodz sp. z o.o.	Property holding company	–	46
Fprop Krasnystaw sp. z o.o.	Property holding company	–	46
Lublin Zana sp. z o.o.	Property holding company	–	46
Galeria Ostrowiec sp. z o.o.	Property holding company	–	46
Fprop Ostrowiec sp. z o.o.	Property holding company	–	46
Zinga Fprop sp. z o.o.	Property holding company	–	46
Zinga Poland sp. z o.o.	Property holding company	–	46
Zinga Fprop Poland sp. z o.o.	Property holding company	–	46
Sucha Development sp. z o.o.	Property holding company	–	23
Romania			
Fprop CJ SRL	Property holding company	–	21

Notes to the financial statements cont.
for the year ended 31 March 2025

18. Investments in Associates and Other Financial Investments cont.
Associates that are material to the Group cont.

	Principal activities	% of Ordinary Shares held by Company %	% of Ordinary Shares held by Subsidiary %
Dormant nominee companies in which the Group has no beneficial interest			
First Property Sterling General Partner (Nominee 2) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 5) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 6) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 8) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 9) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 11) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 12) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 13) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 15) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 16) Limited (dissolved 1 July 2025)	Nominee	–	100
First Property Sterling General Partner (Nominee 17) Limited	Nominee	–	100
First Property Sterling General Partner (Nominee 24) Limited (dissolved 1 July 2025)	Nominee	–	100
Fprop UK GP (Nominee) 1 Limited	Nominee	–	100
Fprop UK GP (Nominee) 2 Limited	Nominee	–	100
Fprop UK GP (Nominee) 3 Limited (dissolved 3 June 2025)	Nominee	–	100
Fprop UK GP (Nominee) 4 Limited	Nominee	–	100
Fprop UK GP (Nominee) 5 Limited	Nominee	–	100
Fprop UK GP (Nominee) 6 Limited	Nominee	–	100
Fprop UK GP (Nominee) 7 Limited	Nominee	–	100
Fprop Offices (Nominee) 1 Limited	Nominee	–	100
Fprop Offices (Nominee) 2 Limited (dissolved 27 May 2025)	Nominee	–	100
Fprop Offices (Nominee) 3 Limited (dissolved 4 December 2024)	Nominee	–	100
Fprop Offices (Nominee) 4 Limited	Nominee	–	100
Fprop Offices (Nominee) 5 Limited	Nominee	–	100
Fprop Offices (Nominee) 6 Limited (dissolved 27 May 2025)	Nominee	–	100
Fprop Offices (Nominee) 7 Limited (dissolved 27 May 2025)	Nominee	–	100
Fprop Offices (Nominee) 8 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 1 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 2 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 3 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 4 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 5 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 6 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 7 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 8 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 9 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 10 Limited	Nominee	–	100
Fprop Fulcrum GP Nominee 11 Limited	Nominee	–	100
Warmely Corum Management Limited	Property management company	–	100

18. Investments in Associates and Other Financial Investments cont.

Associates that are material to the Group cont.

All companies located in the UK are registered at 32 St James's Street, London, SW1A 1HD with the exception of Warmely Corum Management Limited, which is registered at Vintry Building, Wine Street, Bristol, England BS1 2BD.

The registered address for Galeria Ostrowiec sp. z o.o. and Fprop Ostrowiec sp. z o.o. is ul. Adama Mickiewicza 30, 27-400 Ostrowiec Swietokrzyski. All other Polish companies are registered at Plac Bankowy 2, Warsaw 00-095, Poland.

The Romanian companies are as follows:

First Property Asset Management Romania SRL – Office 37, 1st floor, 24 Burnitei Street, District 3 Bucharest, Romania;
Felix Development SRL – Office B4, 1st floor, 24 Burnitei Street, sector 3, Bucharest, Romania; and
Fprop CJ SRL – Ground Floor Office ap. 4 at Reception, 104 Blvd. 21 Decembrie 1989, Cluj Napoca, Romania.

First Property Sterling General Partner Limited, First Property General Partner Limited, SIPS Property Nominee Limited, Fprop UK General Partner Limited and Fprop Fulcrum General Partner Limited have not been consolidated for the reason that they are not material to the Group.

19. Goodwill

	2025 Group £'000	2024 Group £'000
At 1 April	153	153
At 31 March	**153**	153

The existing goodwill arose on the acquisition of Corp sp. z o.o., the management company of Blue Tower, in 2009. The amount represents the excess paid above the percentage share relating to the fair value of the net assets.

The Directors have carried out an annual impairment test by reviewing the cash generating unit in Corp sp. z o.o. and concluded that no impairment write down is necessary because the estimated recoverable amount was higher than the value stated. The estimated recoverable amount was determined using the "value in use" basis. The "value in use" basis was calculated by applying a price earnings multiple of four to the average of the past three years' earnings and next year's forecast earnings, which is based on information consistent with external sources.

20. Trade and Other Receivables

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
a) Current assets				
Trade receivables	1,312	115	2,077	165
Less provision for impairment of receivables	(109)	–	(220)	–
Trade receivables net	1,203	115	1,857	165
Other receivables	1,948	1,462	1,804	1,123
Prepayments and accrued income	788	35	484	17
At 31 March	**3,939**	**1,612**	4,145	1,305

The estimated fair values of receivables are the amount of the estimated future cash flows expected to be received and approximate to their carrying amounts.

There is no significant concentration of credit risk with respect to trade receivables as the Group has a large number of tenants and the perceived overall credit quality is considered good.

The Group performs an expected credit loss ("ECL") assessment for all trade receivables to calculate a provision for ECL, based on historical credit loss information, current conditions and forecasts of future economic conditions. The simplified approach is used in accordance with IFRS 9. A provision for uncollected receivables is recognised for amounts not expected to be recovered and all amounts over three months old. There are no unimpaired trade debts greater than three months old. Movements in the accumulated impairment losses on trade receivables were as follows:

Notes to the financial statements cont.
for the year ended 31 March 2025

20. Trade and Other Receivables cont.

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Accumulated impairment losses as at 1 April	**(220)**	**–**	(242)	–
Increase in provision	**(551)**	**–**	(222)	–
Provision used	**47**	**–**	112	–
Release of provision	**619**	**–**	118	–
Effect of translation on presentation currency	**(4)**	**–**	14	–
Accumulated impairment losses as at 31 March	**(109)**	**–**	(220)	–

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
b) Non-current assets				
Amounts owed by subsidiaries and other undertakings	**–**	**8,260**	–	13,136

Other receivables of £8.26 million held by the Company comprise loan and dividend balances due from subsidiaries and associates (2024: £13.14 million). Loans and dividends in subsidiaries and associates are stated at cost less provision for impairment. The provision for impairment is calculated as an ECL on the balance in accordance with IFRS 9.

An accumulated provision of £nil (31 March 2024 £6.39 million) is being carried in the Company accounts at the year-end in respect of the recoverability of these loans. Details of this movement in provision are below as follows:

	2025 Company £'000	2024 Company £'000
Accumulated impairment losses as at 1 April	**6,391**	6,009
Increase in provision	**–**	2,426
Provision used	**–**	–
Reallocation of impairment	**(6,391)**	(2,044)
Release of provision	**–**	–
At 31 March	**–**	6,391

During the year £11.44 million of shareholder loans that had previously been advanced to subsidiaries were converted into share capital and included as part of the Company's cost of investment in these companies. An impairment loss of £6.39 million which had been previously recognised in respect of one of these loans was also reallocated to investment in group undertakings, see Note 17.

21. Trade and Other Payables

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Current liabilities				
Trade payables	**1,839**	**27**	2,040	36
Amounts due to subsidiary undertakings and associates	**–**	**8,843**	–	8,776
Other taxation and social security	**178**	**14**	226	3
Other payables and accruals	**631**	**80**	1,405	80
Deferred income	**95**	**–**	117	–
At 31 March	**2,743**	**8,964**	3,788	8,895

Deferred income of £95,000 (2024: £117,000) is in respect of rental and service charge income on Group Properties invoiced in advance. The income is subsequently credited to the Consolidated Income Statement in the period to which it relates. All deferred income is deemed to be current.

The decrease in other payables and accruals was due to the payment of £1.11 million to Fprop Offices in respect of the profit share previously paid on account and liable to clawback. No further liability remains outstanding.

22. Provisions

	2025 Group £'000	2024 Group £'000
Current liabilities		
At 31 March	**332**	125

Movements in the provisions were as follows:

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Provisions as at 1 April	**125**	**–**	158	–
Increase in provision	**190**	**–**	119	–
Provision used	**–**	**–**	(35)	–
Release of provision	**–**	**–**	(123)	–
Effect of translation on presentation currency	**17**	**–**	6	–
At 31 March	**332**	**–**	125	–

The provisions relate to contractual obligations regarding challenged property taxes in Poland and interest relating to a settled liability.

23. Financial Liabilities

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Current liabilities				
Bank loan	**5,143**	**–**	832	–
At 31 March	**5,143**	**–**	832	–
Non-current liabilities				
Bank loans	**4,307**	**–**	9,690	–
At 31 March	**4,307**	**–**	9,690	–

	2025		2024	
	Group £'000	Company £'000	Group £'000	Company £'000
Total obligations under bank loans				
Repayable within one year	**5,143**	**–**	832	–
Repayable within one and five years	**3,218**	**–**	6,948	–
Repayable after five years	**1,089**	**–**	2,742	–
At 31 March	**9,450**	**–**	10,522	–

Four bank loans all denominated in Euros and totalling £9.45 million (31 March 2024: £10.52 million), included within financial liabilities, are secured against investment properties owned by the Group. The reduction was largely due to capital repayments totalling £0.83 million and a favourable foreign exchange movement of £0.24 million. These bank loans are otherwise non-recourse to the Group's assets.

See financial instruments Note 29 for information on any covenant breaches in respect of these financial liabilities.

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for the year ended 31 March 2025

24. Other Financial Liabilities

	2025 Group £'000	2024 Group £'000
Current liabilities	**11,042**	12,244
Non-current liabilities	**3,875**	4,851

Current liabilities include the balance of £10.04 million (€12 million) in respect of the purchase in 2021 of a 13,000 square metre office block in Gdynia, Poland, for which payment was due in June 2024. After the financial year end the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following the failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property was matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits. The debt itself is non-interest bearing and non-recourse to the Group.

During the year Sterling strengthened against the Euro by 2.15% which reduced the Group's liability in respect of the property by £0.21 million.

Other financial liabilities also includes £4.87 million (PLN 24.40 million) of deferred consideration for the Group's purchase in 2022 of an additional 32% or 7,171 square metres in Blue Tower, an office building located in Warsaw. Payment is due in instalments until August 2028. The debt itself is non-interest bearing and non-recourse to the Group. The August 2025 instalment of £1.00 million was paid prior to the signing of these financial statements.

During the year to 31 March 2025 Sterling weakened against the Polish Zloty by 0.6% which increased the Group's liability in respect of Blue Tower by £0.04 million.

25. Deferred Tax

Deferred tax assets and liabilities are attributable to the following items:

			2025			2024
	Group net assets £'000	Group assets £'000	Group liabilities £'000	Group net assets £'000	Group assets £'000	Group liabilities £'000
Accrued interest payable	214	214	–	182	182	–
Accrued income	(7)	11	(18)	(14)	–	(14)
Foreign bank loan	(590)	147	(737)	(539)	153	(692)
Investment properties and inventories	(2,431)	446	(2,877)	(1,817)	496	(2,313)
Other temporary differences	1	299	(298)	(49)	161	(210)
At 31 March	**(2,813)**	**1,117**	**(3,930)**	(2,237)	992	(3,229)

Relevant Group companies are making taxable profits.

The movement in deferred tax assets and liabilities during the year:

			2025			2024
	Group net assets £'000	Group assets £'000	Group liabilities £'000	Group net assets £'000	Group assets £'000	Group liabilities £'000
At 1 April	(2,237)	992	(3,229)	(2,120)	930	(3,050)
Additions	–	–	–	(216)	–	(216)
(Charge)/credit in the year	(557)	117	(674)	273	10	263
Foreign exchange translation	(19)	8	(27)	(174)	52	(226)
At 31 March	**(2,813)**	**1,117**	**(3,930)**	(2,237)	992	(3,229)

The Directors have exercised their judgement in assessing the amounts to recognise as deferred tax assets. Where there is doubt as to the future recoverability of the asset, they have restricted the asset to the value of the deferred tax liability of the relevant entity based on the reasonable expectation of that entity making realisable taxable profits over the foreseeable future.

26. Called-Up Share Capital

	2025 £'000	2024 £'000
Authorised		
240,000,000 (2024: 240,000,000) Ordinary Shares of 1 pence each	**2,400**	2,400
Issued and fully paid		
153,561,892 (2024: 116,601,115) Ordinary Shares of 1 pence each of issued share capital, of which 5,718,783 Ordinary Shares of 1 pence each (2024: 5,718,783) are held in treasury	**1,536**	1,166

	Ordinary Shares number	Treasury Shares number	Share options number
1 April 2024	110,882,332	5,718,783	12,560,000
Purchase of shares into treasury	–	–	–
Exercise of share options	–	–	–
Issue of new shares	36,960,777	–	–
Issue of share options	–	–	–
Lapse of share options	–	–	–
31 March 2025	**147,843,109**	**5,718,783**	**12,560,000**

During the year the Group undertook an open offer to issue new Ordinary Shares open to qualifying shareholders. Priced at 8 pence per open offer share. The open offer raised £2.96 million (before related expenses) and resulted in the issue of 36,960,777 new Ordinary Shares. The net proceeds from the open offer provided the Group with additional working capital to, inter alia, settle the deferred consideration payment due on the Blue Tower property and to complete its fit-out works following the signing of a new lease, as announced on 25 July 2024.

	Ordinary Shares number	Treasury Shares number	Share options number
1 April 2023	110,882,332	5,718,783	12,560,000
Purchase of shares into treasury	–	–	–
Exercise of share options	–	–	–
Issue of new shares	–	–	–
Issue of share options	–	–	–
Lapse of share options	–	–	–
31 March 2024	**110,882,332**	**5,718,783**	**12,560,000**

For the year to 31 March 2025, there are 500,000 shares with an exercise price of 11.50 pence which are included in diluted earnings/(loss) per share calculation. The weighted average share price at the date of exercise of these shares was 11.50 pence. The weighted average contractual life of the share options is 47.00 months.

For the other share options the average market price of the Ordinary Shares did not exceed the exercise price and therefore these options were not included in the diluted earnings/(loss) per share calculation.

Year of grant	Exercise price (p)	Exercise period	31 March 2025 Numbers	31 March 2024 Numbers
2008/09	11.50	Feb 2011 to Feb 2029	**500,000**	500,000
2009/10	16.50	Dec 2011 to Dec 2029	**1,610,000**	1,610,000
2022/23	23.50	Mar 2024 to Mar 2033	**3,482,985**	3,482,985
2022/23	23.50	Mar 2025 to Mar 2033	**3,482,985**	3,482,985
2022/23	23.50	Mar 2026 to Mar 2033	**3,484,030**	3,484,030

All share options are issued under the Company's Unapproved Share Option Scheme.

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for the year ended 31 March 2025

27. Share-based Payments

The Company has one unvested share-based payment arrangement scheme in place, which is described below:

Date of grant	31 March 2023
Number granted	10,450,000
Contractual life	10 years to 31 March 2033
Vesting conditions	The options vest as follows: • 33.3% on the first anniversary of grant; • 33.3% on the second anniversary of grant; and • the remainder on the third anniversary of grant.

The estimated fair value of each share option granted has been calculated using the Black-Scholes pricing model. The model inputs were the share price at grant date and the exercise price based on the mid- market closing price on 30 March 2023 of 23.5 pence per Ordinary Share, expected volatility of 30%, a dividend yield of 1%, a contractual life of 10 years and a risk-free interest rate of 4.25%.

	2025 Group £'000	2024 Group £'000
Expenses arising from share-based payments	**290**	636

28. Contractual Commitments

At 31 March 2025, the Group has contractual commitments relating to the development of investment properties amounting to £0.60 million (2024: £nil) which are expected to be expended over the next 12 months.

29. Financial Instruments and Risk Management

The Group and Company's financial instruments comprise or have comprised cash and liquid resources, including trade receivables, trade payables and short-term deposits derived from its operations. The primary objective of these financial instruments is to finance the Group and Company's operations.

Objective, policies and strategies

As outlined on pages 18 and 19 the main areas of the Group and Company's exposure to economic and operational risk are interest rates, liquidity, capital management, foreign exchange and credit.

Interest rate risk

The Group and Company is exposed to interest rate risk on their short-term cash balances, deposits and also their bank borrowings.

The Group and Company regularly review market rates of interest to ensure that beneficial rates are secured on its cash and short-term deposits, so that maximum returns are being achieved.

The Group and Company's policy is to consider on a case-by-case basis whether or not to enter into interest rate swaps, options and forward rate agreements to manage interest rate exposures, in the event that long-term or short-term finance is in place. Interest rate fixes and caps are utilised to mitigate this risk on both bank loans and finance leases if they are not a requirement of the borrowing agreement at the outset of the agreement.

The Group's policy does not permit entering into speculative trading of financial instruments and this policy has continued to be applied throughout the year.

Liquidity risk

The liquidity risk is related to the repayment of financial liabilities. Long-term loans are incurred in the same currency used to value the property asset. Most loans are subject to loan-to-value and Debt Service Cover Ratio ("DSCR") restrictions.

The Group and Company prepare monthly budgets, cash flow analyses and forecasts, which enable the Directors to assess the levels of borrowings required in future periods. This detail is used to ensure that appropriate facilities are put in place to finance the future planned operations of the Group.

Budgets and projections will be used to assess any future potential investment and the Group/Company will consider the existing level of funds held on deposit as part of the process to assess the nature and extent of any future funding requirement.

Deposits of £0.31 million (31 March 2024: £0.32 million) are held by lending banks in respect of four bank loans as security for DSCR covenants, of which €111,000 (31 March 2024: €113,000) are accounted for as prepayments.

29. Financial Instruments and Risk Management cont.

Capital management

The Group and Company monitor the capital structure by combining actions aimed at evaluating investment projects and disposal processes, management of financial expenses, risk monitoring, solvency control and verification of the key financial ratios. The main actions undertaken by the Company include: forecasting cash flows, monitoring the interest coverage ratio and debt service ratio, verification of the debt to security ratio and guaranteeing sufficient capital to fulfil the contracted obligations. The Group's capital is made up of share capital, retained earnings and other reserves.

Market risk

Currency risk

The Group and Company is exposed to currency risk through their overseas operations. Wherever possible, overseas investment is financed in the local currency so that exposure to currency markets is limited. The Group/Company regularly reviews the pertinent currency rates and calculates and reports the currency exposure on a monthly basis.

The tables below show the extent to which the Group has residual assets and liabilities in currencies other than GBP at the year-end date. Foreign exchange differences on translation of these assets and liabilities are taken to the foreign exchange translation reserve in the Statement of Financial Position.

	Net foreign currency monetary assets/liabilities			
	EUR, Poland and Romania £'000	PLN, Poland £'000	Romanian Leu ("RON"), Romania £'000	Total £'000
2025				
Sterling equivalent	**(2,736)**	**1,525**	**375**	**(836)**
2024				
Sterling equivalent	(9,359)	887	305	(8,167)

All United Kingdom Group companies use GBP as their functional currency; all Polish companies use the PLN as their functional currency and the Romanian companies uses the Romanian New Leu as their functional currency.

Sensitivity analysis

The following table illustrates the effect on the Income Statement and items that are recognised directly in equity that would result from possible movements in interest rates and foreign exchange rates before the effect of tax.

	2025 Income Statement £'000	2024 Income Statement £'000	**2025 Equity £'000**	2024 Equity £'000
Interest rate sensitivity analysis				
UK interest rate +1%	**28**	31	**28**	31
EURO interest rate +1%	**(80)**	(94)	**(80)**	(94)
RON interest rate +1%	**–**	–	**–**	–
PLN interest rate +1%	**6**	5	**6**	5
	(46)	(58)	**(46)**	(58)
Foreign currency sensitivity analysis				
EURO exchange rate +5%	**17**	4	**505**	17
RON exchange rate +5%	**5**	6	**19**	15
PLN exchange rate +5%	**(37)**	(68)	**666**	621
	(15)	(58)	**1,190**	653

The interest rate sensitivity analysis has been determined based on the exposure to interest rates for cash, bank loans and finance leases. The analysis is prepared assuming the amounts at the Statement of Financial Position date were outstanding for the whole year.

The foreign currency sensitivity analysis includes all foreign currency Statement of Financial Position items and adjusts their translation at the period end for a 5% change in foreign currency rates.

Notes to the financial statements cont.
for the year ended 31 March 2025

29. Financial Instruments and Risk Management cont.

Market risk cont.

Credit risk

The Group and Company's principal financial assets are bank deposits, bank current account balances, and trade and other receivables which represent the Group and Company's maximum exposure to credit risk in relation to financial assets. It is the policy of the Group and Company to present the amount for trade and other receivables net of allowances for doubtful debts, estimated by the Group's management based on prior experience and making due allowance for the prevailing economic environment. See Note 20 for the Group's process for provisioning for trade receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group uses a number of banks thereby spreading this exposure over a number of counterparties.

Financial assets

The interest rate profile of the Group's financial assets at 31 March 2025 and 31 March 2024 was as follows:

	Fixed rate financial assets £'000	Floating rate financial assets £'000	Non-interest bearing £'000	Total £'000
Other receivables due after one year	–	–	–	–
Cash	–	2,200	–	2,200
Short-term deposits	2,314	–	310	2,624
At 31 March 2025	**2,314**	**2,200**	**310**	**4,824**
Other receivables due after one year	–	–	–	–
Cash	–	3,628	–	3,628
Short-term deposits	684	–	316	1,000
At 31 March 2024	**684**	**3,628**	**316**	**4,628**

The fair value of the financial assets is considered to be their book value.

Floating rate financial assets earn interest at floating rates based on the central bank rate in the country where the assets are held.

Fixed rate short-term deposits at 31 March 2025 were £2.31 million (31 March 2024: £0.68 million).

Financial liabilities

The interest rate profile of the Group's financial liabilities at 31 March 2025 and 31 March 2024 was as follows:

	Floating rate financial liabilities £'000	Non-interest bearing £'000	Total £'000
Bank loans	9,450	–	9,450
Other financial liabilities	–	14,917	14,917
At 31 March 2025	**9,450**	**14,917**	**24,367**
Bank loans	10,522	–	10,522
Other financial liabilities	–	17,095	17,095
At 31 March 2024	**10,522**	**17,095**	**27,617**

29. Financial Instruments and Risk Management cont.

Financial liabilities cont.

The Group's debt maturity other than short-term trade creditors and accruals at 31 March 2025 and 31 March 2024 was as follows:

	Bank loans £'000	Other financial liabilities £'000	Total £'000
In one year or less	5,143	11,042	16,185
Between one and five years	3,218	3,875	7,093
Over five years	1,089	–	1,089
Total at 31 March 2025	**9,450**	**14,917**	**24,367**
In one year or less	832	12,244	13,076
Between one and five years	6,948	4,851	11,799
Over five years	2,742	–	2,742
Total at 31 March 2024	**10,522**	**17,095**	**27,617**

Four bank loans all denominated in Euros and totalling £9.45 million (2024: £10.52 million), included within financial liabilities, are secured against investment properties owned by the Group. These bank loans are otherwise non-recourse to the Group's assets. There are no loan to value covenant breaches based on the current market values. The reduction was largely due to capital repayments totalling £0.83 million and a favourable foreign exchange movement of £0.24 million.

Included within other financial liabilities, due in one year or less, a balance of £10.04 million (€12 million) in respect of the purchase in 2021 of a 13,000 square metre office block in Gdynia, Poland, for which payment was due in June 2024. After the financial year end the company which owns this property, Fprop Gdynia sp. z o.o., was placed into administration following the failure to agree restructuring terms with its principal creditor. This should have no material impact on the Group since the value of its investment in the property was matched to the value of the debt secured against it. The company operated on a breakeven basis so there should be no material impact on the Group's trading profits. The debt itself is non-interest bearing and non-recourse to the Group.

During the year Sterling strengthened against the Euro by 2.15% which reduced the Group's liability in respect of the property by £0.21 million.

Other financial liabilities also include £4.87 million (PLN 24.40 million) of deferred consideration for the Group's purchase in 2022 of an additional 32% or 7,171 square metres in Blue Tower, an office building located in Warsaw. Payment is due in instalments until August 2028. The debt itself is non-interest bearing and non-recourse to the Group. The August 2025 instalment of £1.00 million was paid prior to the signing of these financial statements.

During the year to 31 March 2025 Sterling weakened against the Polish Zloty by 0.6% which increased the Group's liability in respect of Blue Tower by £0.04 million.

In the year to 31 March 2025 there were no other defaults in respect of any of the Group's other borrowings.

Bank loans £'000	Matures	Denominated		Capital Repayments	Interest Repayments	Secured
1,335	2030	Euro	Non-recourse	€4,500 per month	2.80% over one-month EURIBOR and 60% of the loan secured with an IRS rate of 3.05%	One property in Praga, a suburb of Warsaw, Poland
4,610	2025*	Euro	Non-recourse	€31,500 per month	Annualised rate of six-month EURIBOR plus a margin of 2.4%.	28% share of Blue Tower office building
635	2028	Euro	Non-recourse	€16,500 per month	2.60% over three-month EURIBOR and 20% of the loan secured with an IRS rate of 3.26%	20% share of Blue Tower office building
2,870	2032	Euro	Non-recourse	€31,000 per month	Annualised rate of one-month EURIBOR plus a margin of 2.75%.	Three properties in Poland
Total bank loans £9,450						

* This Loan expired on 20 June 2025, the Group is currently in a technical extension whilst the terms of a two-year extension are finalised with the current lender.

Borrowing facilities

At 31 March 2025 the Group had no committed borrowing facilities available (31 March 2024: £nil).

Notes to the financial statements cont.
for the year ended 31 March 2025

30. Related Party Transactions

First Property Group plc is the Parent Company of the Group and the ultimate controlling party. The Parent Company incurs the costs of the Board of Directors and other unallocated central costs and also provides finance for funding to member companies of the Group on an unsecured basis.

During the year, Group companies entered into the following transactions with the Parent Company, its subsidiaries and its associates.

Related party transactions for the Group	2025 £'000	2024 £'000
Property management fees to associates	**916**	1,157
Property management fees to funds	**475**	984
Amounts owed by associates at year end	**1,481**	1,279
Amounts owed by funds at year end	**31**	65
Related party transactions for the Company		£'000
Management charge to subsidiaries	**200**	350
Management charge paid to subsidiaries	**–**	–
Dividends received from subsidiaries during the year	**227**	1,177
Net funding transactions with subsidiaries and associates	**2,947**	971
Shareholder loan interest receivable from subsidiaries during the year	**–**	173
Shareholder loan interest payable to subsidiaries during the year	**–**	–
Amounts owed by subsidiaries at year end	**8,260**	13,136
Amounts owed to subsidiaries at year end	**8,843**	8,776
Amounts owed by associates at year end	**3,703**	3,288
Key management compensation		
Short-term employee benefits (see Note 8)	**607**	656

Key managers are the Group Directors. Key management personnel hold personal investments in Fprop funds and associates. None are controlling other than Ben Habib's 72.10% interest in FPL as at 31 March 2025.

All transactions were made in the ordinary course of trading or funding of the Group's continuing activities.

All loans made by the Company to UK subsidiary companies totalling £0.01 million (2024: £5.64 million) are unsecured and are interest free. All loans made by UK subsidiary companies to the Company totalling £8.18 million (2024: £8.13 million) are unsecured and are interest free.

All loans made by the Company to non-UK subsidiaries totalling £1.97 million (2024: £4.85 million) are unsecured but interest bearing at commercial rates of interest.

On 22 May 2024 FPL acquired a property from a third-party client of FPAM, for a consideration of £7.5 million. Under pre-existing contractual arrangements, the sale crystallised a payment of £75,082 in asset management fees by the third-party client to FPAM. This additional management fee was recognised as revenue in the year to 31 March 2025.

31. Five Year Financial Summary

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Continuing operations					
Profit/(loss) before tax	**3,026**	(4,409)	2,488	7,080	(5,089)
Performance related fee income	**–**	–	(372)	578	40
Net (borrowings)/cash	**(19,543)**	(22,989)	(22,008)	(17,243)	(18,850)
Net cash flow from operating activities	**855**	398	3,478	(1,441)	38,726
Net assets (excluding non-controlling interest)	**45,090**	38,977	43,442	42,765*	35,412*
Total assets under management	**£220m**	£274m	£454m	£559m	£569m
Earnings/(loss) per share	**1.64p**	(4.04p)	1.70p	6.14p	(6.75p)
Dividend per share	**–**	–	0.50p	0.50p	0.45p
Dividend cover	**–**	–	3.4x	12.3x	(15.0x)
Adjusted net asset value per share	**35.72p**	39.41p	46.50p	46.07p*	41.58p*

* Restated

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING (the "**Meeting**") of FIRST PROPERTY GROUP PLC (the "**Company**") will be held at the Company's Registered office of 32 St James's Street, London, SW1A 1HD on 24 September 2025 at noon for the following purposes:

Ordinary resolutions

To consider and, if thought fit, pass the following resolutions, each of which will be proposed as an Ordinary Resolution:

1. To receive and adopt the Directors' Report and Accounts for the year ended 31 March 2025.
2. To re-appoint Peter Moon as a Director who retires in accordance with Article 97 of the Articles of Association (the "**Articles**") and is eligible for re-appointment in accordance with Article 97 of the Articles.
3. To re-appoint Benyamin Habib as a Director who retires in accordance with Article 97 of the Articles and is eligible for reappointment in accordance with Article 97 of the Articles.
4. To re-appoint Cooper Parry as Auditors of the Company to hold office from the conclusion of the meeting until the conclusion of the next General Meeting of the Company at which accounts are laid.
5. To authorise the Directors to determine the remuneration of the Auditors.
6. That the Directors be and are hereby generally and unconditionally authorised and empowered pursuant to and in accordance with Section 551 of the Companies Act 2006 ("**Act**") to exercise all the powers of the Company to allot shares and/or grant rights to subscribe for or to convert any security into shares ("**Rights**") up to an aggregate nominal amount of £492,810 (being 33.33% of the issued share capital of the Company as at 16 July 2025, less shares in treasury), such authority to expire on the earlier of the next Annual General Meeting of the Company held after the date on which this resolution is passed and the date 15 months after the passing of this resolution, save that the Company may at any time before such expiry make an offer or enter into an agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

   This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot shares or grant Rights but without prejudice to any allotment of shares or grant of Rights already made, offered or agreed to be made pursuant to such authorities.

By Order of the Board

JILL AUBREY
Company Secretary

22 August 2025

Registered Office:
32 St James's Street
London
SW1A 1HD

Notes to the Notice of Annual General Meeting

Please note First Property Group plc no longer uses a hard copy proxy form; please see below for instructions on how to lodge your vote.

1. To facilitate shareholder engagement, the Company will be providing a facility to enable shareholders to join remotely via a live presentation for those shareholders who are unable to attend in person and we invite shareholders to submit questions at any time in advance of the meeting or during the meeting using the online facility that will be provided. Details of how to access the live presentation and to ask questions will be published on the Company's website. Please note that shareholders will be required to register for free to access the live presentation via **www.investormeetcompany.com** and follow First Property Group plc. Please note that joining remotely will not constitute attendance and shareholders joining remotely will not be able to vote at the meeting. Shareholders are therefore asked to submit their votes by proxy.

2. To the extent shareholders wish to attend in person, the Board kindly requests that shareholders pre-register their intentions to attend by emailing the Company Secretary, Jill Aubrey, at jill.aubrey@fprop.com.

3. A member entitled to attend and vote at the meeting may appoint one or more proxies to exercise all or any of the member's rights to attend, speak and vote at the meeting. A proxy need not be a member of the Company. However, they must attend the meeting in person for the member's vote to be counted. If a member appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the member. If a member wishes to appoint more than one proxy they may do so via the Investor Centre app or by accessing the web browser at **https://uk.investorcentre.mpms.mufg.com/**.

4. To be effective, the proxy vote must be submitted via the Investor Centre app or at **https://uk.investorcentre.mpms.mufg.com/** so as to have been received by the Company's Registrar not less than 48 hours before the time appointed for the meeting or any adjournment of it. Investor Centre is a free app for smartphone and tablet provided by MUFG Corporate Markets (the Company's Registrar). It allows you to securely manage and monitor your shareholdings in real time, take part in online voting, keep your details up to date, access a range of information including payment history and much more. The app is available to download on both the Apple App Store and Google Play, or by scanning the relevant QR code below. Alternatively, you may access the Investor Centre via a web browser at: **https://uk.investorcentre.mpms.mufg.com/**.

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   Any power of attorney or other authority under which the proxy is submitted must be returned to the Company's Registrars, MUFG Corporate Markets, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL. If a paper form of proxy is requested from the Registrar, it should be completed and returned to MUFG Corporate Markets, PXS1, Central Square, 29 Wellington Street, Leeds, LS1 4DL to be received not less than 48 hours before the time of the meeting.

5. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 (as amended), the Company has specified that only those members registered on the register of members of the Company at close of business on 22 September 2025 (the Specified Time) (or, if the meeting is adjourned to a time more than 48 hours after the Specified Time, by close of business on the day which is two days prior to the time of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. If the meeting is adjourned to a time not more than 48 hours after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purposes of determining the number of votes they may cast) at the adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.

6. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

7. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instruction, as described in the CREST Manual (available via **www.euroclear.com**). The message, regardless of whether it constitutes the appointment of a proxy, or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID: RA10) by the latest time(s) for receipt of proxy appointments specified in Note 4 above. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

8. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings (**www.euroclear.com**).

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 (as amended).

10. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to **www.proxymity.io**. Your proxy must be lodged by noon on 22 September 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

11. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

12. Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.

13. Submission of a Proxy vote shall not preclude a member from attending and voting in person at the meeting in respect of which the proxy is appointed or at any adjournment thereof.

14. Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.

15. If you need help with voting online, or require a paper proxy form, please contact our Registrar, MUFG Corporate Markets, by email at **shareholderenquiries@cm.mpms.mufg.com**, or you may call on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales.

16. As at midday on 16 July 2025, the Company's issued share capital comprised 147,843,109 Ordinary Shares of 1 pence each and 5,718,783 treasury shares. Each Ordinary Share (except the treasury shares) carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company at midday on 16 July 2025 is 147,843,109.

Communication

17. Except as provided above, members who have general queries about the Meeting should use the following means of communication (no other methods of communication will be accepted):

    - calling the MUFG Corporate Markets shareholder helpline on 0371 664 0300. From overseas, +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 09:00 and 17:30, Monday to Friday excluding public holidays in England and Wales. Alternatively, you can email at **shareholderenquiries@cm.mpms.mufg.com**.

      or

    - First Property Group plc on 020 7340 0270.

    You may not use any electronic address provided either:

    - in this Notice of Annual General Meeting; or
    - in any related documents (including the proxy form), to communicate with the Company for any purposes other than those expressly stated.

Directors and advisers

Directors
Alasdair J D Locke
(Non-Executive Chairman)

Peter G Moon
(Non-Executive Director)

Benyamin N Habib
(Group Chief Executive)

Laura B James
(Group Finance Director)

Company Secretary
Jill A Aubrey

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Registered No. 02967020
Incorporated in England and Wales

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