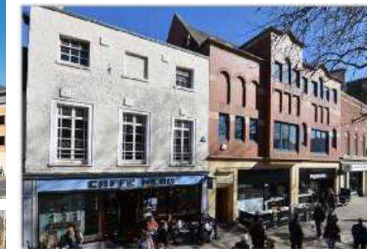


CIFCO BUSINESS PLAN 23/24 Redacted Version





Chairman's Statement 2023

Sir Christopher Haworth



Following the unprecedented conditions of the previous year due to the pandemic, we had hoped to see a return to more normal market conditions. However, the invasion of Ukraine by Russia and the rapid change of UK Prime Ministers, and their policies, have caused turmoil in the financial markets. Rising inflation and interest rates have caused property yields to soften and therefore we have seen a fall in value in most sectors of the commercial property market. The value of the portfolio therefore has fallen back by 12.34%, roughly to where it was the previous year, before the gains of last year. This compares favourably to the MSCI All Property Index where the fall in values has equated to 17%, and reflects the strength of the assets held by CIFCO.

However, the income delivered for the shareholders by the portfolio remains strong and the contracted rent now stands at £5.53m, growth of over 3.2% on the previous year. The Estimated Rental Value of the portfolio is now over £6.5m and the Board and its advisers, Jones Lang Lasalle and Workman are working hard to maximise the rent from the portfolio on rent reviews and re-lettings.

The portfolio comprises 21 assets, with 81 tenants. It is well-spread geographically, with 41% of assets in the eastern region. In terms of sector spread, there is an emphasis on the industrial sector, which has seen strong growth, and the portfolio continues to demonstrate a strong emphasis on secure, well-let, secure assets. Contracts were exchanged some time ago for the acquisition of a small pre-let supermarket asset and completion of this final addition to the portfolio is expected shortly.

The Board has continued to focus on opportunities to improve the quality of the assets, to create rental income growth but particularly to improve the sustainability credentials of the portfolio. A key KPI is that all properties should have an EPC rating of at least C by 2027. A specialist adviser has been appointed and a detailed plan drawn up for each asset so that improvements can be made when the opportunity arises.

To deliver the desired improvement in the sustainability of the portfolio, capital investment in the assets is required. The Board is concerned that the current financing model does not allow adequate funds for this investment and this has resulted in a temporary requirement for the company to reduce its debt repayment to its shareholders. The board is currently considering the sale of an asset, where a rent review is to be agreed to maximise value, to potentially allow reinvestment in new assets and to provide funds for investment in improvements to the existing portfolio. The board will be reporting on this proposal to its shareholders during the current year.

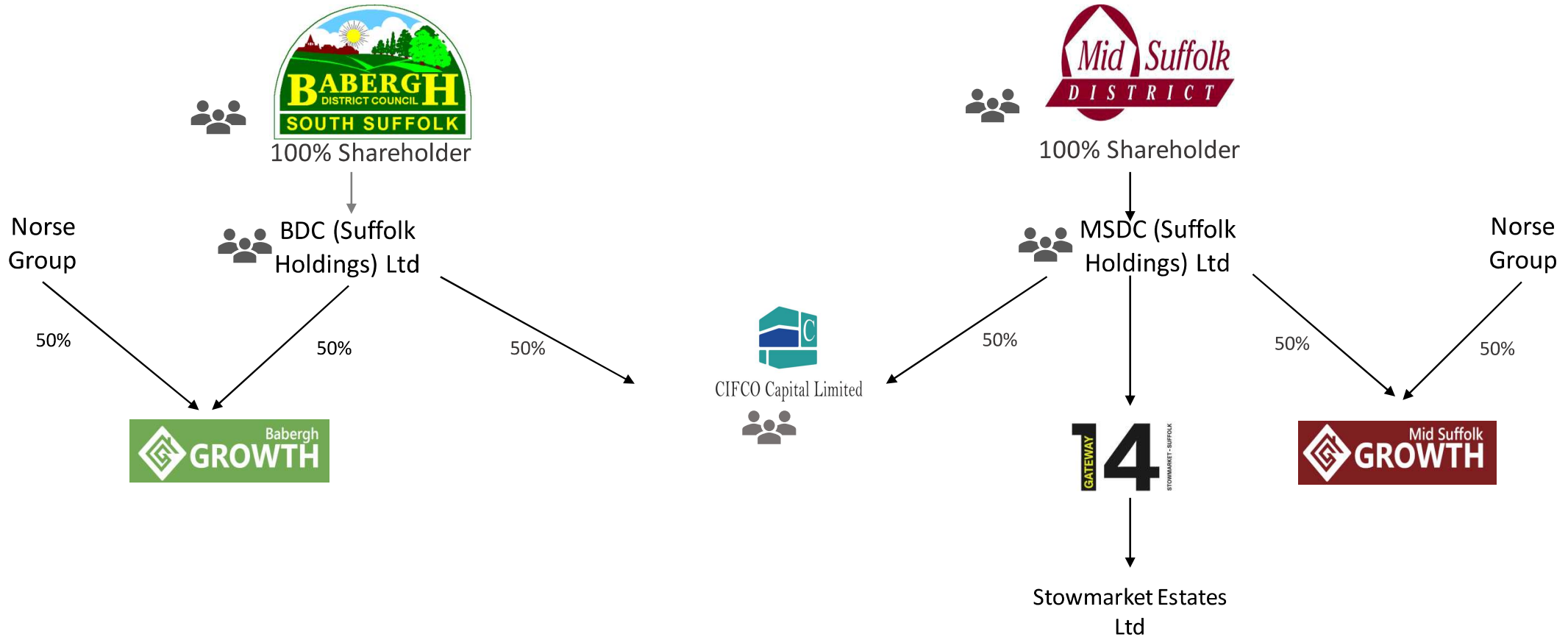
My thanks go to the executive team for their hard work in delivering what has been a strong year for the Company in difficult market conditions. We were particularly sorry to see the departure of Cler Hobbs, who has provided invaluable support to the company since its inception. Her role has been taken by Sarah Ford, who has taken on the role with great skill and enthusiasm.

CIFCO Governance



CIFCO Capital Limited

Trading Companies Structure



The Holding Companies

MSDC (Suffolk Holdings) Ltd



Austin Davies



Colin Lay



John Matthissen



Richard Winch

Boards comprising solely
of Councillor Elected
Members

BDC (Suffolk Holdings) Ltd



David Busby



Brian Riley



Deborah Saw



John Ward



Board of Directors



Chris Haworth
Non-Executive Director & Chair



Henry Cooke
Non- Executive Director



Mark Sargeantson
Non-Executive Director



Emily Atack
Managing Director



Austin Davies
Cllr Director



John Ward
Cllr Director

Birketts



CIFCO & its partners

The board has appointed a range of corporate partners to support its investment activity:

- JLL – Fund Manager and Acquisitions Adviser
- Workman – Property Manager
- Birketts LLP - Legal Adviser
- Aquilla - Portfolio Insurer
- Lloyds Bank PLC – Corporate Banking
- Ensors – Accountancy and Financial Audit
- Cushman & Wakefield- Valuers
- Braithwaites – EPC Assessors & Advisers

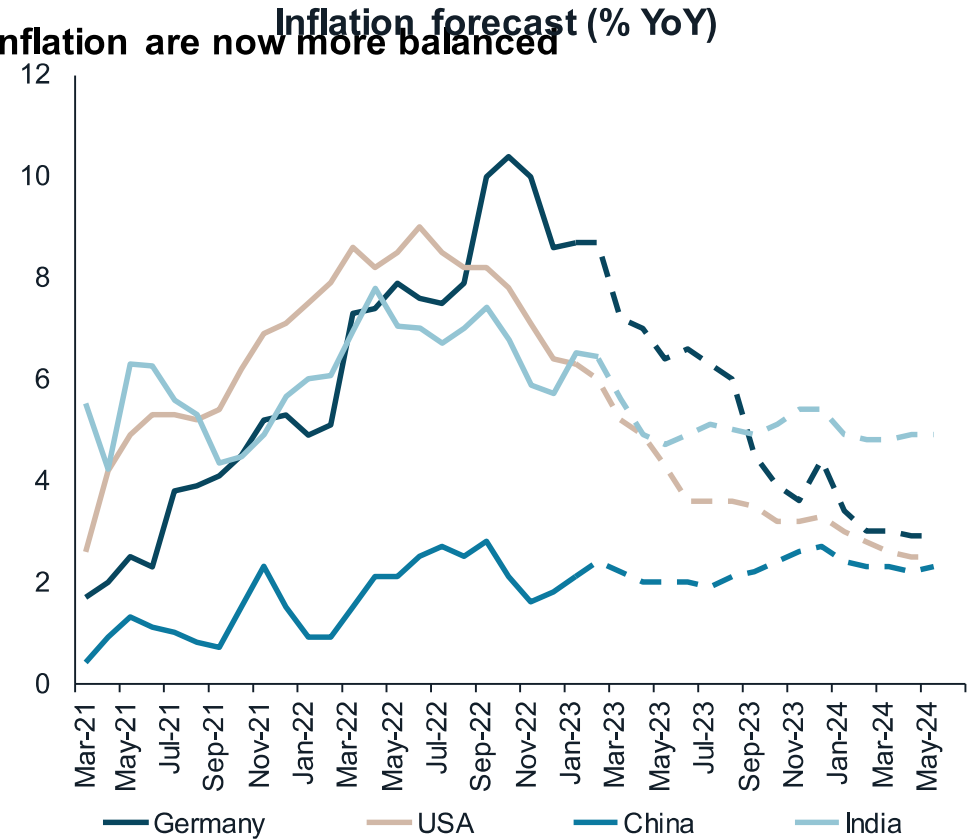
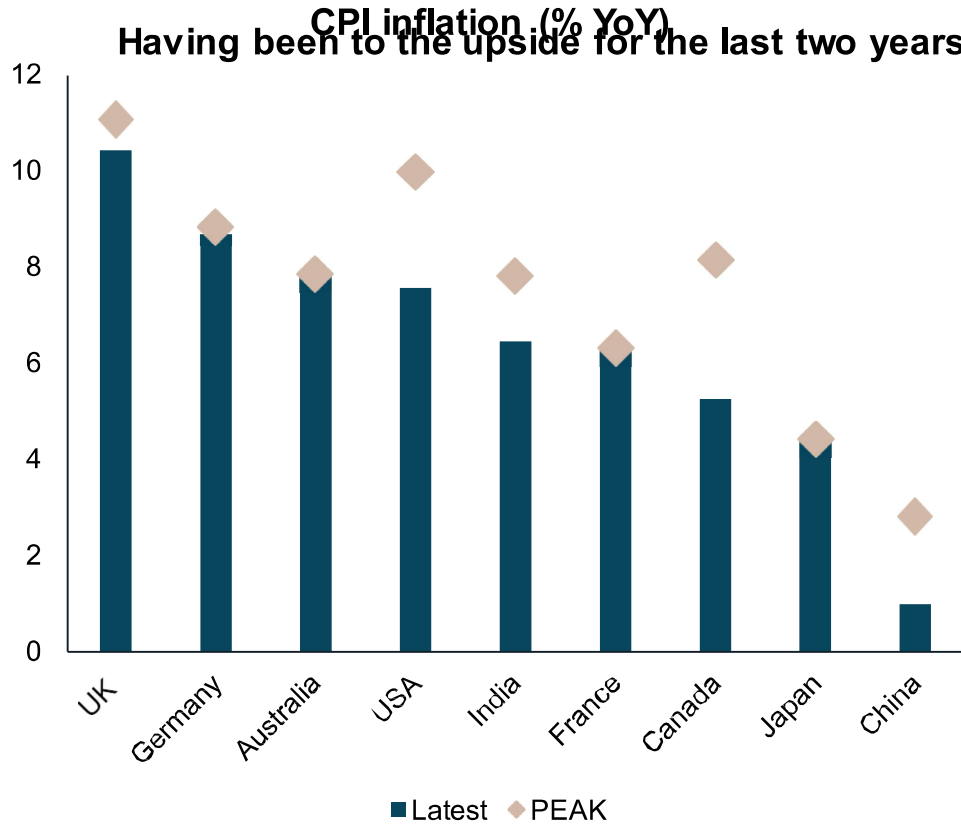


UK Macro-Economic Outlook



Inflation | Past its peak and starting to head lower

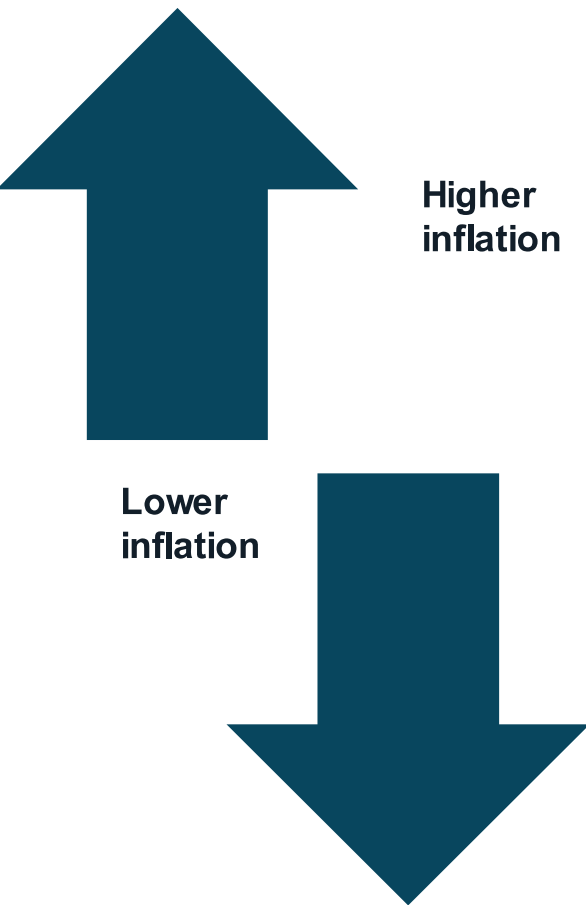
Having been to the upside for the last two years, risks to inflation are now more balanced



Source: Consensus Forecasts, March 2023; Refinitiv, JLL.



Inflation | The inflation story is not straightforward



- ▲ Stronger growth outturn
- ▲ Labour market tightness
- ▲ Fiscal stimulus
- ▲ China re-opening demand
- ▲ Supply chain reorganization
- ▲ Energy insecurity & transition
- ▲ Restrictions on immigration – upward pressure on wages

Short term

Medium term

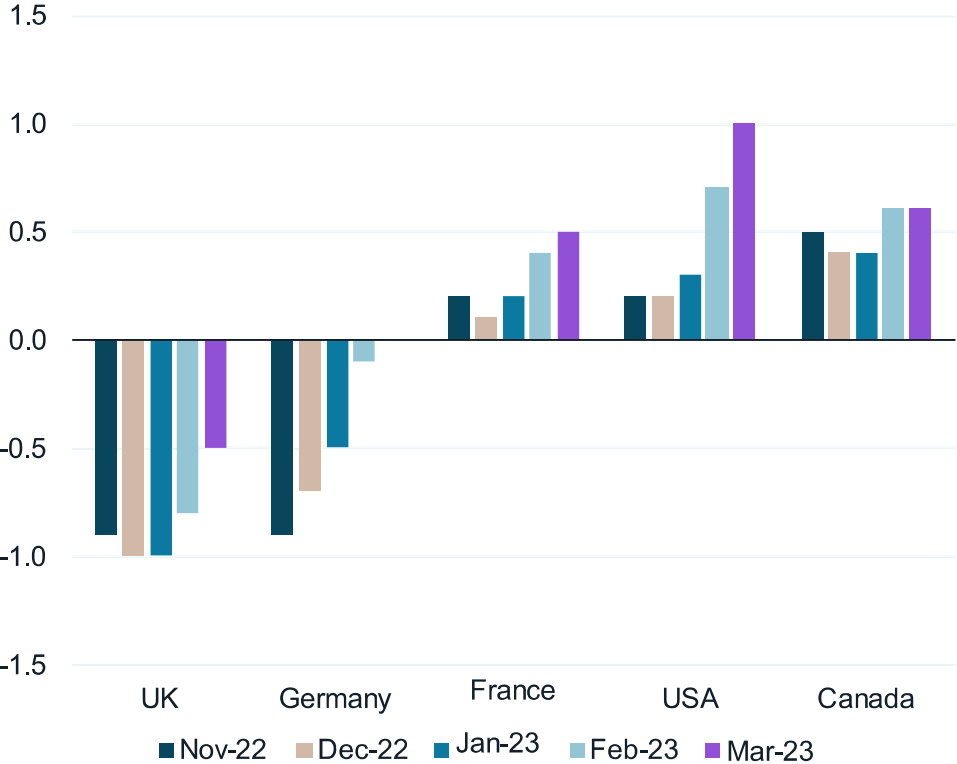
- ▼ Food and energy price growth abating / prices falling
- ▼ Tighter monetary policy
- ▼ Declining supply chain disruption
- ▼ Recession, slower consumption growth
- ▼ House price declines
- ▼ Wage growth cools as demand slows

Recession? | Forecasts have improved as the year has gone on

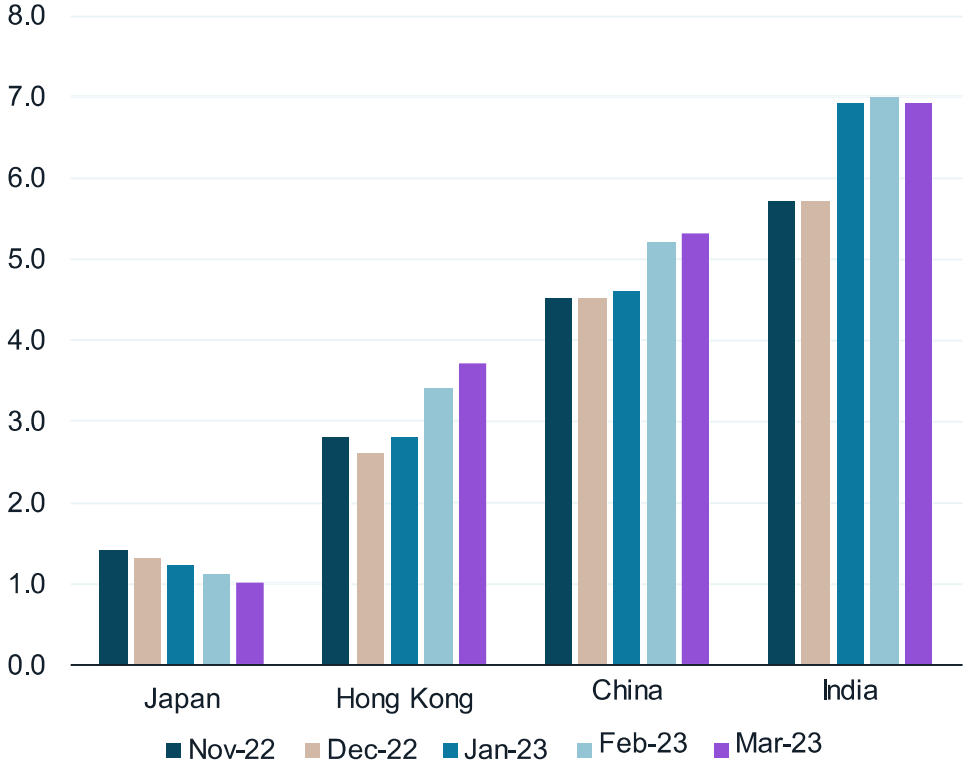


Recent wobbles may dampen the outlook slightly, but not significantly

2023 GDP forecast by month of forecast

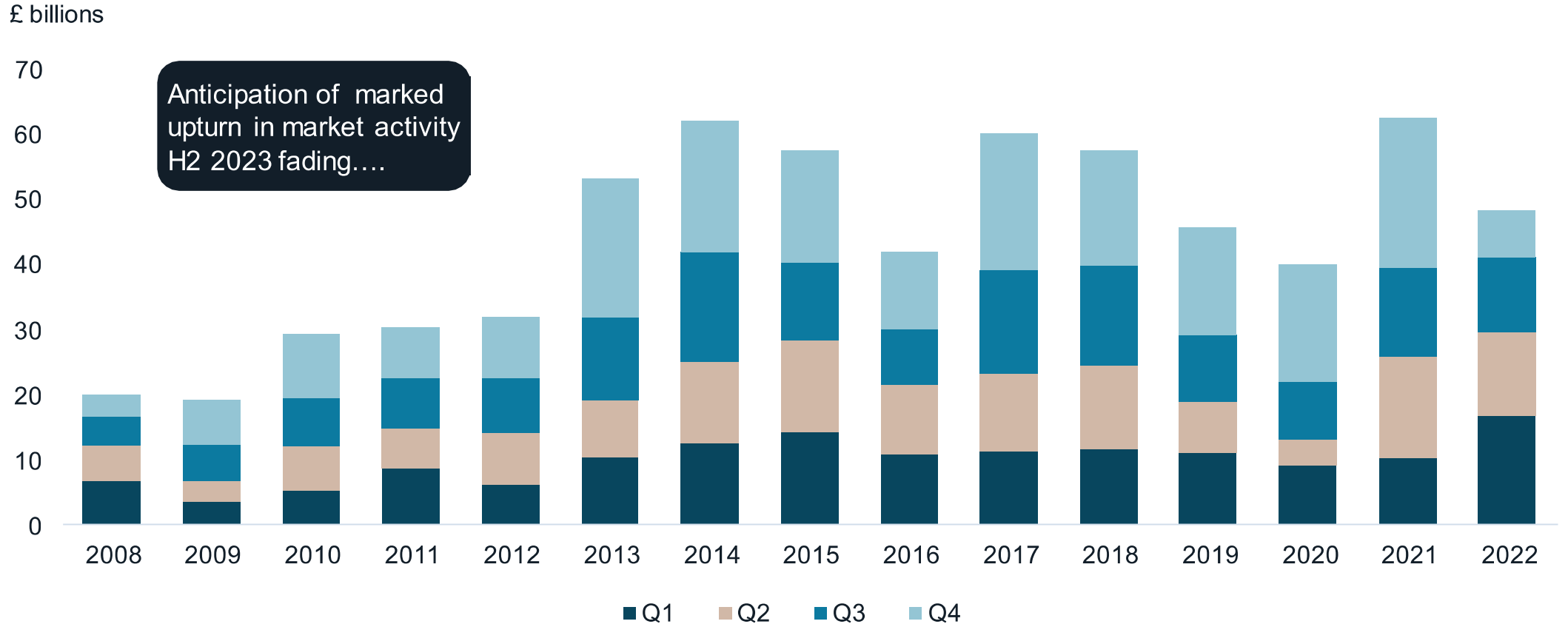


2023 GDP forecast by month of forecast



Source: Consensus Forecasts.

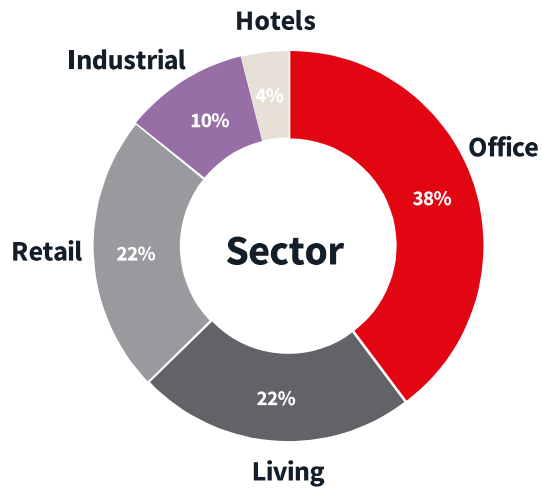
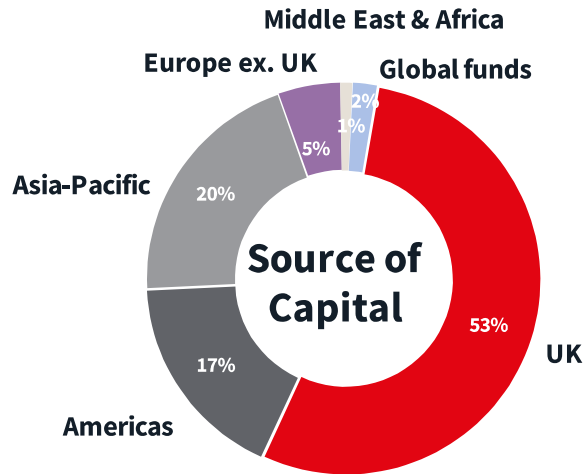
Property Investment | Volumes down 22% on record year and 8% on 10Y avg.



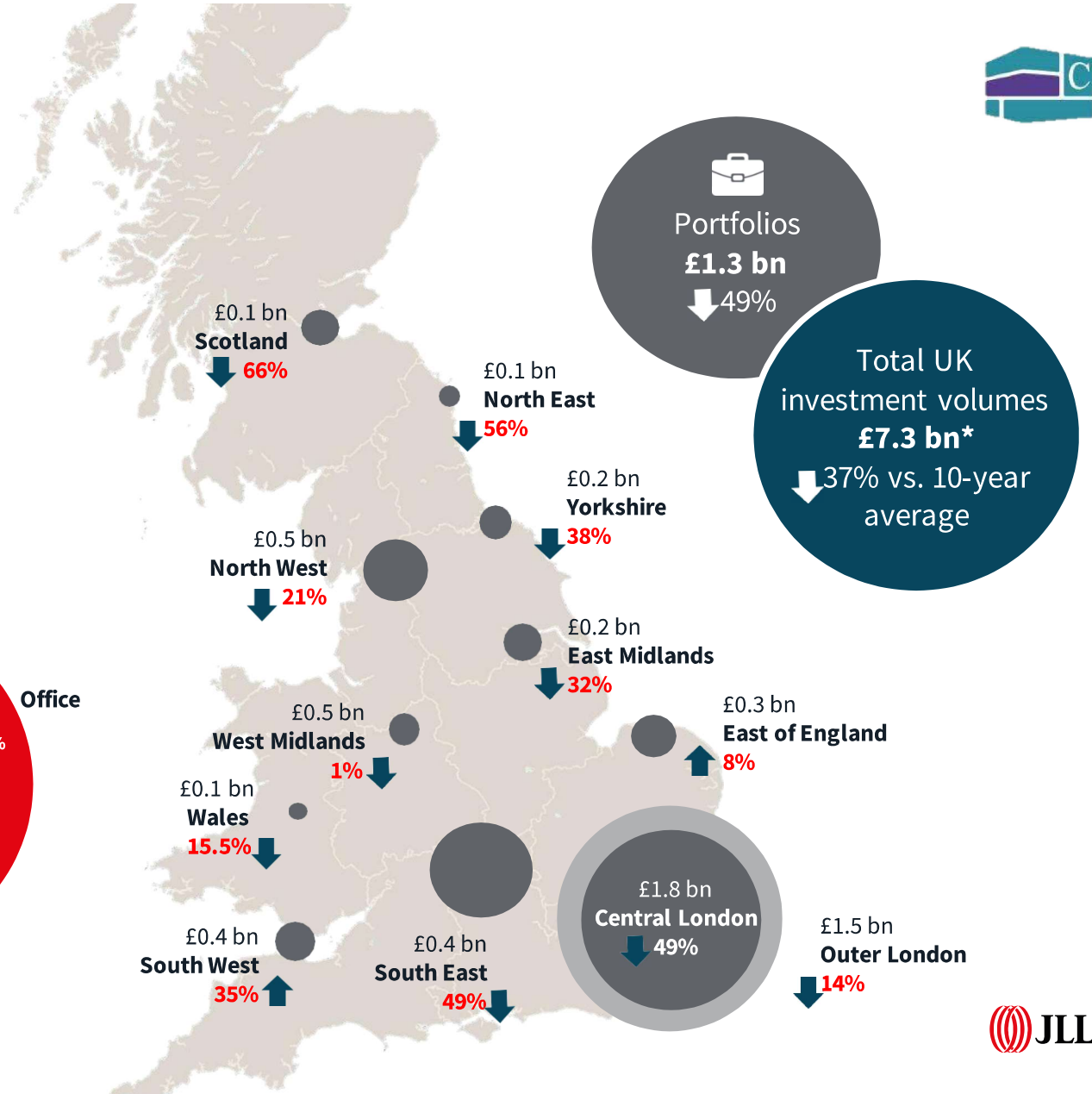
Source: JLL



UK investment – Q1 2023



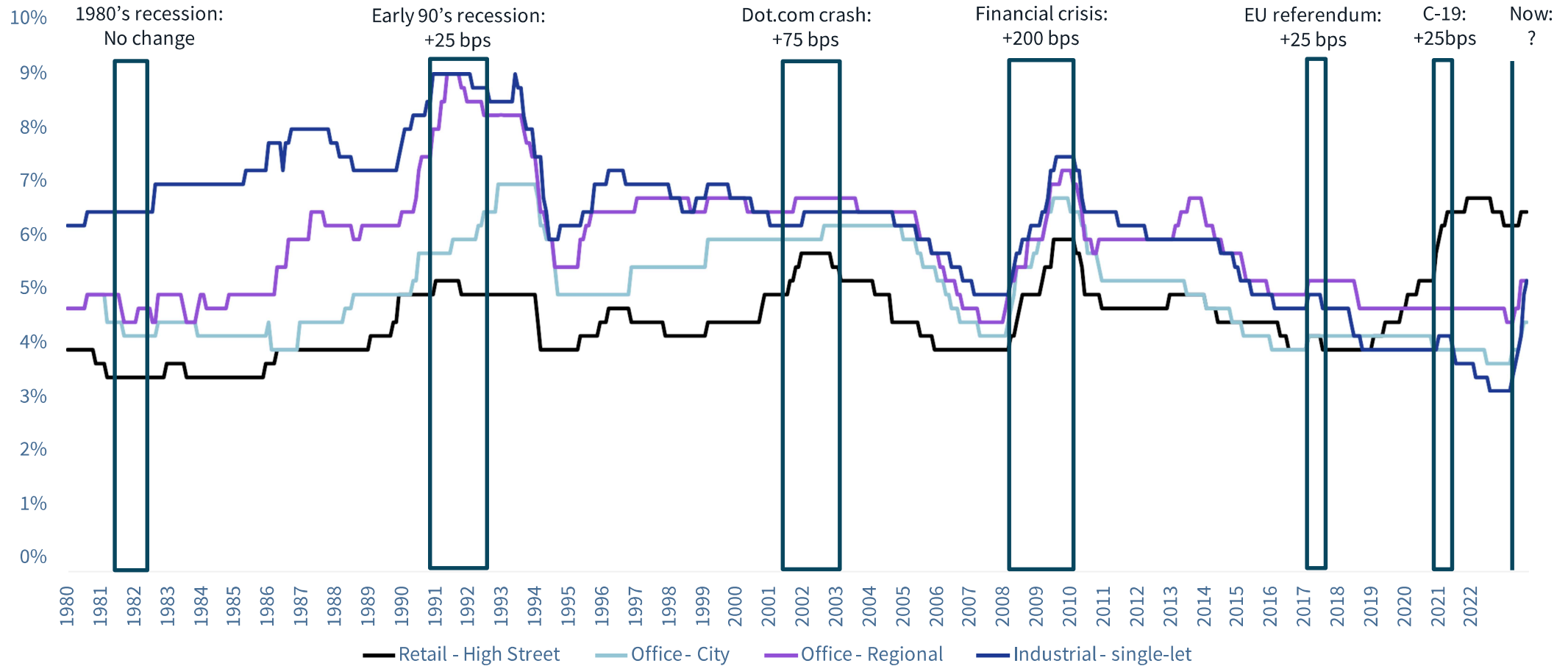
*excludes corporate finance and development deals



Rapid repricing expected to stimulate renewed interest



JLL 'best-in-class' yields, 1980 – 2022, most prime sector yield change



CIFCO Property Investment Portfolio

CIFCO Summary Update

- The Councils' investment in CIFCO completed in March 2021
- The focus and purpose of CIFCO is to continue to generate income for the long term and add value where possible
- The value of the Portfolio decreased by 12% (from £94m) **to £82.5m** by March 2023
- The Total net income received by the Councils c.**£11.5m** from 2017 to March 23
- CIFCO has made reduced **debt repayments to the Councils to fund capital works in 23/24**. The reduction equates to £511k which represents 11% of the total repayments.
- CIFCO portfolio provides a diverse portfolio of assets and tenants to mitigate over exposure to individual tenants and sectors- rental arrears consistently **below 5% target**
- Continue ESG Improvement Path – **46.4% EPC C or above**.
- VOIDS remain low at circa **3.64%** of the portfolio.

Portfolio Summary

	Q1 2020	Q1 2021	Q1 2022	Q1 2023
Total Asset Value	£52,490,000	£83,918,000	£94,110,000	£82,500,000
Contracted Rent p.a.	£3,393,112	£5,004,824	£5,355,618	£5,530,981
ERV*	£3,609,037	£5,556,641	£5,912,985	£6,545,589
Number of Assets	14	21	21	21
Number of Tenants	38	90	78	81
WAULT (years)	To break 6 years 8 months To expiry: 8 years 5 months	To break 7 years 0 months To expiry: 8 years 6 months	To break 6 years 6 month To expiry 6 years 7 months	To break 4 years 6 month To expiry 5 years 8 months
Initial Yield	5.78%	5.60%	5.00%	6.30%
Equivalent Yield	6.41%	6.16%	5.86%	6.98%
Reversionary Yield	6.40%	6.24%	6.28%	7.44%
Void Rate	3.96%	5.72%	2.01%	3.64%
Running Yield**	5.97%	5.20%	5.36%	5.75%

*Assumes vacant space is refurbished prior to re-letting

** Yield on Gross Purchase Price



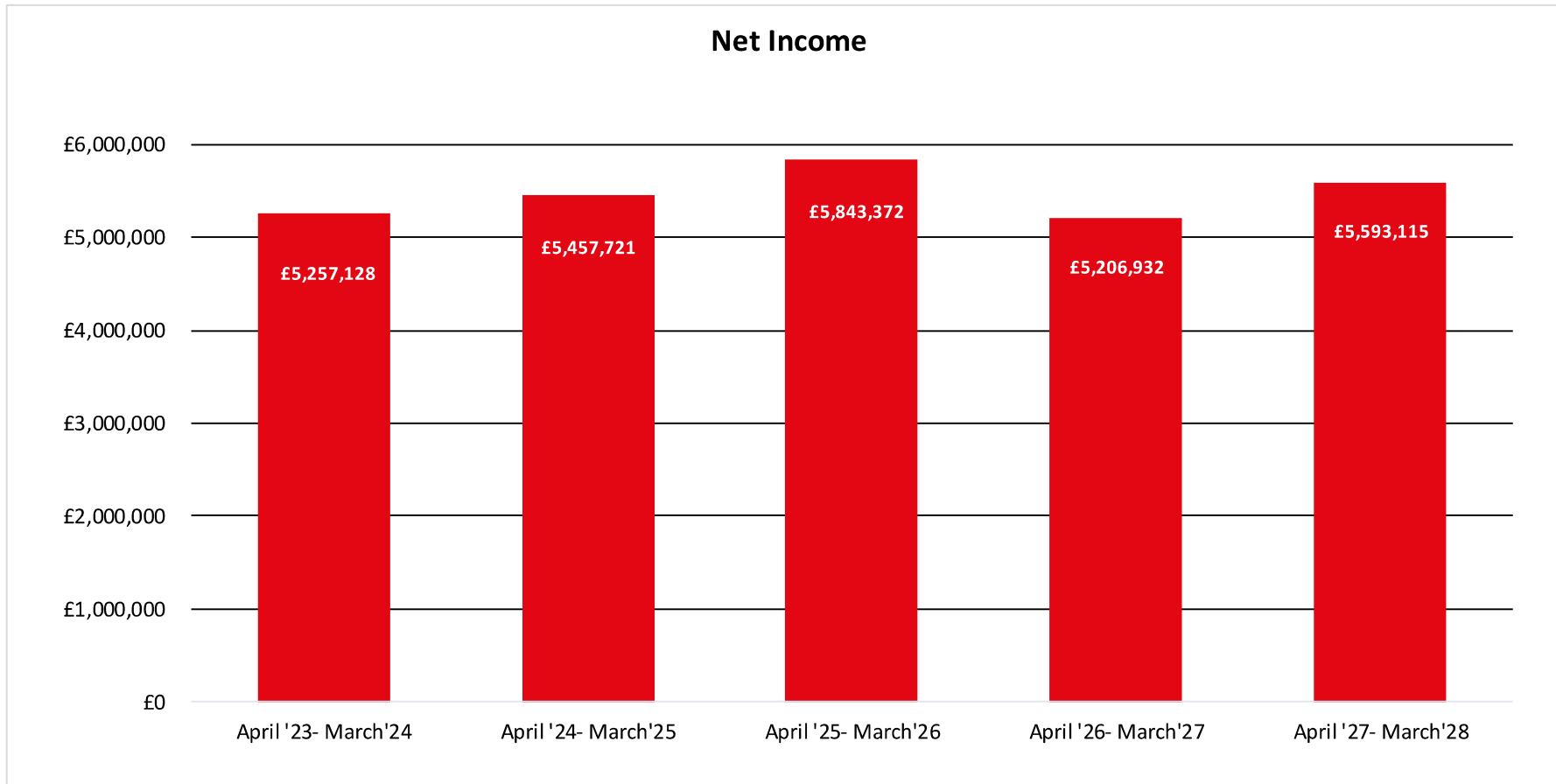
Portfolio Valuation Summary

Property	Value 2022	Value 2023	NIY	EY	RY	Value Move	%
Nottingham						£400,000	12.70%
Milton Keynes [REDACTED]						£0	0.00%
Peterborough						£0	0.00%
Harlow (Pasadena)						-£25,000	-0.83%
Lincoln						-£40,000	-2.60%
Epsom (Renaissance)						-£150,000	-5.66%
Brentwood [REDACTED]						-£250,000	-5.81%
Luton						-£275,000	-9.09%
Brentwood (Lutea)						-£550,000	-9.24%
Hemel Hempstead						-£1,100,000	-10.68%
Ipswich (Olympus)						-£425,000	-12.41%
Norwich						-£300,000	-13.04%
Coventry						-£950,000	-13.57%
Milton Keynes [REDACTED]						-£350,000	-14.00%
Ipswich (Cavendish)						-£275,000	-15.49%
Basingstoke						-£1,100,000	-15.49%
Harlow [REDACTED]						-£800,000	-15.53%
Epsom (Horizon)						-£1,220,000	-16.01%
Milton Keynes [REDACTED]						-£850,000	-19.77%
Braintree						-£2,250,000	-22.61%
Southampton						-£1,100,000	-24.18%
	£94,110,000	£82,500,000				-£11,610,000	-12.34%

Note: Table ranked by % movement in value from March 2022 to March 2023



5 Year Cashflow Forecast



Assumptions:

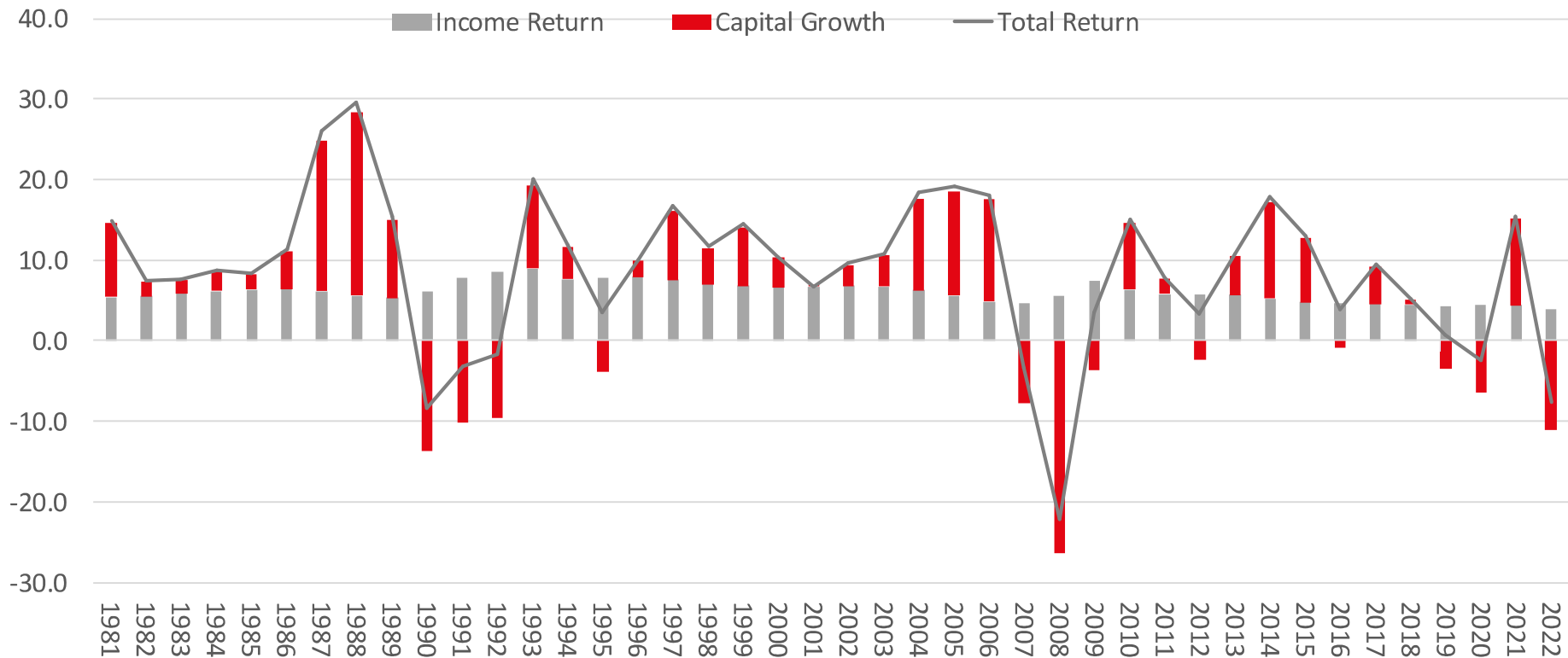
- All scheduled lease breaks and expiries are actioned by tenants
- Market void and rent-free periods until properties are refurbished and relet.

CIFCO Portfolio Performance

UK Real Estate – Components of Total Return



Income positive during periods of downturn



Portfolio Total Return Vs MSCI All Property Returns



CIFCO Portfolio – Performance ahead of benchmark

	2021	2022	2023	3 year annualised Total Return
Total Return	-0.1%	16.5%	-6.6%	2.8%
Income Return	5.4%	6.0%	5.9%	5.8%
Capital Value	-5.6%	10.5%	-12.4%	-3.0%

Benchmark (MSCI All Property)

	Annual March 2023	3 year annualised Total Return
TR	-13.1%	1.7%
IR	4.3%	4.4%
CV	-16.8%	-2.6%

Relative Performance

Relative	Annual to Q1 2023	3 year annualised Total Return
TR	7.5%	1.1%
IR	1.5%	1.3%
CV	5.2%	-0.4%



2022-2023 Performance – Top and bottom five

Rank	12 months to end Q1 2023	Region	Total Return	Weighted Contribution
	Top 5			
1	Nottingham	Midlands	21.1%	0.9%
2	Peterborough	Eastern Region	9.3%	0.2%
3	[REDACTED] Milton Keynes	South East	7.5%	0.2%
4	Brentwood	Eastern Region	2.9%	0.1%
5	Lincoln [REDACTED]	Eastern Region	5.5%	0.1%
Rank	12 months to end Q1 2023	Region	Total Return	Weighted Contribution
	Bottom 5			
5	Southampton	South East	-16.9%	-0.7%
4	Pilot Business Park, Coventry	Midlands	-10.1%	-0.7%
3	Horizon, Epsom	South East	-10.2%	-0.8%
2	*Basingstoke Business Centre, Basingstoke	South East	-14.3%	-1.0%
1	*Kestrel Park, Braintree	Eastern Region	-23.4%	-2.2%

* Performance impacted by current voids and known-future voids at these properties, would anticipate performance improving when re-let.

Portfolio Total Return Projections



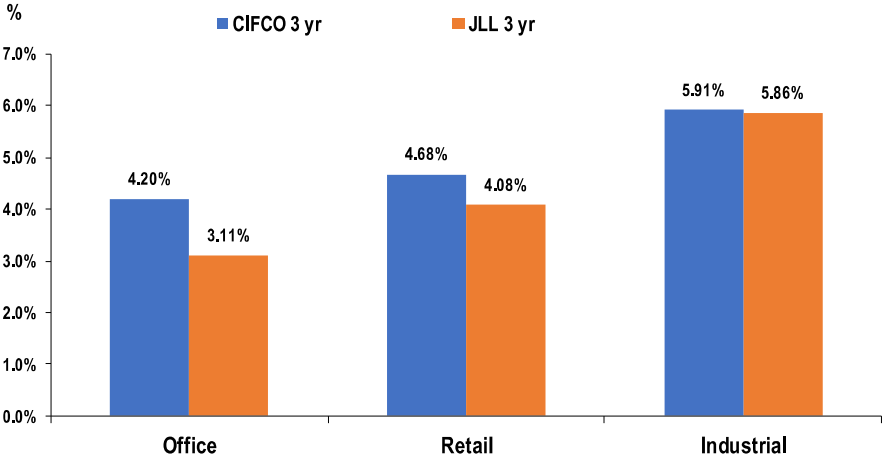
Total Return Projections

Total Return Projections	2023	3yr	5yr
Portfolio Returns	-0.61%	4.83%	5.70%
JLL ALL Property	-0.60%	4.79%	5.55%

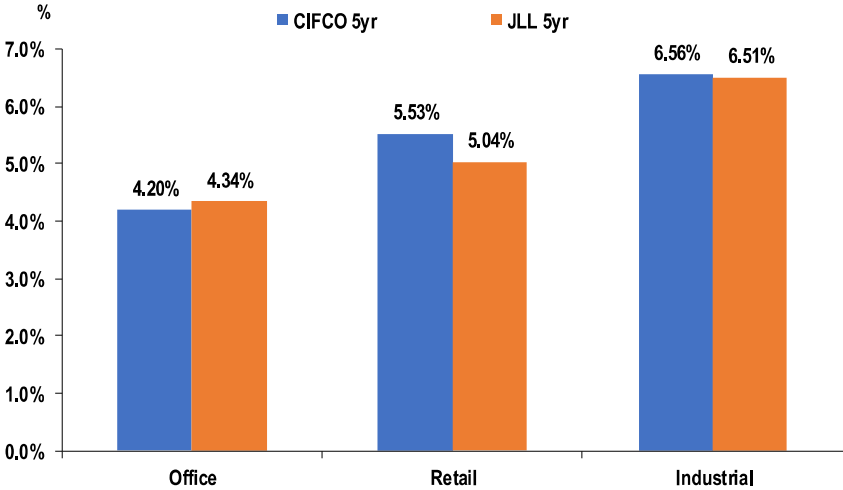
Excess Return Against Benchmark

	2023	3yr	5yr
JLL ALL Property	-0.01%	0.04%	0.15%

Sub-Sector Forecasts – 3yr avg TR



Sub-Sector Forecasts – 5yr avg TR



Market Context – Property Return Forecasts



JLL All Property Forecasts							
	2023	2024	2025	2026	2027	3yr p.a	5yr p.a
Rental growth (% pa)	0.6%	1.0%	1.6%	1.9%	2.0%	1.1%	1.4%
Capital Growth (% pa)	-5.5%	2.2%	2.9%	2.0%	2.0%	-0.2%	0.7%
Total Return (% pa)	-0.6%	7.2%	8.0%	6.8%	6.6%	4.8%	5.6%

Industrial Forecasts							
	2023	2024	2025	2026	2027	3yr p.a	5yr p.a
Rental growth (% pa)	2.9%	2.1%	2.4%	2.5%	3.0%	2.5%	2.6%
Capital Growth (% pa)	-3.7%	3.8%	3.9%	2.5%	3.0%	1.3%	1.9%
Total Return (% pa)	0.4%	8.7%	8.7%	7.5%	7.5%	5.9%	6.5%

Market Context – Property Return Forecasts



Standard Office Forecasts							
	2023	2024	2025	2026	2027	3yr p.a	5yr p.a
Rental growth (% pa)	-0.9%	0.0%	1.2%	2.0%	1.9%	0.1%	0.8%
Capital Growth (% pa)	-7.2%	0.6%	2.1%	3.0%	3.0%	-1.6%	0.2%
Total Return (% pa)	-2.7%	5.4%	6.9%	6.2%	6.2%	3.1%	4.3%

Market Context – Property Return Forecasts



Retail Warehousing Forecasts							
	2023	2024	2025	2026	2027	3yr p.a	5yr p.a
Rental growth (% pa)	-0.8%	0.6%	1.0%	1.0%	1.0%	0.3%	0.6%
Capital Growth (% pa)	-6.2%	2.6%	2.5%	1.5%	1.5%	-0.5%	0.3%
Total Return (% pa)	0.0%	9.1%	8.9%	7.5%	7.5%	5.9%	6.5%

High Street Forecasts							
	2023	2024	2025	2026	2027	3yr p.a	5yr p.a
Rental growth (% pa)	-2.3%	-0.4%	0.6%	1.0%	1.0%	-0.7%	0.0%
Capital Growth (% pa)	-7.0%	1.3%	2.2%	1.5%	1.5%	-1.3%	-0.2%
Total Return (% pa)	-1.9%	6.8%	7.6%	6.5%	6.5%	2.4%	5.0%

Performance Projections – Summary by Sector



	Benchmark	Total Return			Excess Total Return vs Benchmark			
		2023	3 Year	5 Year	2023	3 Year	5 Year	
Office	Upper Parliament Street, Nottingham	Std Office Rest of UK	-2.26%	3.38%	4.86%	0.45%	0.26%	0.50%
	Renaissance House, Epsom	Std Office Inner S Eastern	-2.65%	3.18%	4.41%	0.05%	0.06%	0.07%
	Horizon, Epsom	Std Office Inner S Eastern	-2.61%	3.18%	4.38%	0.09%	0.06%	0.04%
	Lutea House, Brentwood	Std Office Inner S Eastern	-3.01%	2.76%	3.95%	-0.31%	-0.34%	-0.37%
	Omron House, Milton Keynes	Std Office Outer S Eastern	-2.73%	2.70%	3.91%	-0.03%	-0.40%	-0.41%
	West Park House, Southampton	Std Officen Rest of UK	-2.72%	2.20%	3.75%	-0.02%	-0.88%	-0.56%
Overall Office	Office	-2.68%	2.93%	4.20%	0.02%	-0.18%	-0.13%	

	Benchmark	Total Return			Excess Total Return vs Benchmark			
		2023	3 Year	5 Year	2023	3 Year	5 Year	
Retail	██████████ Harlow	Retail Warehouse	0.26%	6.01%	6.61%	0.26%	0.09%	0.06%
	██████████ Milton Keynes	Other Retail Warehouse	-0.56%	4.83%	5.60%	0.04%	0.04%	0.05%
	██████████ Lincoln	Leisure	-0.52%	4.87%	5.60%	0.08%	0.07%	0.04%
	Peterborough	Std shop SE & Eastern	-1.93%	3.99%	5.41%	-0.03%	-0.09%	0.35%
	██████████ Milton Keynes	Other Retail Warehouse	-0.83%	3.96%	4.99%	-0.24%	-0.80%	-0.54%
	██████████ Brentwood	Std shop SE & Eastern	-1.88%	3.49%	4.50%	0.02%	-0.57%	-0.51%
Overall Retail	Retail	-0.86%	4.68%	5.53%	1.06%	0.58%	0.47%	

Performance Projections – Summary by Sector



	Benchmark	Total Return			Excess Total Return vs Benchmark			
		2023	3 Year	5 Year	2023	3 Year	5 Year	
Industrial	Basingstoke Business Centre, Basingstoke	Std Industrial Inner S Eastern	0.54%	5.96%	6.61%	0.14%	0.09%	0.09%
	Pasadena Trading Estate, Harlow	Std Industrial Inner S Eastern	0.39%	5.93%	6.60%	-0.01%	0.07%	0.08%
	Luton	Std Industrial Inner S Eastern	0.52%	5.94%	6.58%	0.12%	0.07%	0.07%
	2 Eastman Way, Hemel Hempstead	Distribution Warehouse	0.77%	5.96%	6.58%	0.37%	0.10%	0.06%
	Kingsway City Trading Est, Norwich	Std Industrial Outer S Eastern	0.46%	5.94%	6.57%	0.06%	0.07%	0.05%
	Pilot Business Park, Coventry	Std Industrial Rest of UK	0.78%	5.93%	6.57%	0.38%	0.07%	0.05%
	Cavendish Street, Ipswich	Std Industrial Inner S Eastern	0.46%	5.88%	6.57%	0.06%	0.02%	0.05%
	Kestrel Park, Braintree	Std Industrial Inner S Eastern	0.86%	5.88%	6.55%	0.46%	0.02%	0.03%
	Olympus Close, Ipswich	Std Industrial Outer S Eastern	0.43%	5.76%	6.48%	0.03%	-0.10%	-0.03%
Overall Industrial	Industrial	0.66%	5.91%	6.56%	0.26%	0.04%	0.05%	
CIFCO Portfolio		-0.61%	4.83%	5.70%	-0.01%	0.03%	0.14%	
JLL All Property		-0.60%	4.79%	5.55%				

CIFCO Board – KPI's



KPI	Description	Target		Target	CIFCO KPI Q1 2023
1	Increase contracted rent from £5,368,674 pa by 01 April 2023	£5,422,360		1%	£5,530,981 (+3.02%)
2	Equivalent Yield (EY)	MSCI All property 6.6%		Target at or above market Equivalent Yield	6.98%
3	Improve EPC Portfolio Rating	100%		All Properties have an EPC rating of C or above by 2027	46.4%
4	Quarterly Rent Arrears of less than 5.00% (Data as at 20 March 2023)	Current Arrears (£):	£57,727	Measured by the amount of rent outstanding at the end of the quarter as a percentage of the total rent due that quarter	Q1 1.63%
		Current Arrears (%):	3.63%		Q2 4.97%
		5% Target:	£79,570		Q3 4.75%
		Target:	-£21,843		Q4 3.63%
		Total Income for Quarter:	£1,591,397		

CIFCO KEY PERFORMANCE INDICATORS FOR 2023/24



KPI	Description	Target
1	Increase contracted rent from £5,530,980 per annum by 1 st April 2024	>1%
2	Portfolio Equivalent Yield (EY) aligns with or above All Property Yield (currently 6.6%)	6.6%
3	All properties have an EPC rating of	C or above by 2027
4	Quarterly Rent Arrears Measured by the amount of rent outstanding at the end of the quarter as a percentage of the total rent due that quarter.	<5%

CIFCO Business Plan 2023/24

Key Strategic Objectives 2023/24

Reduce & Mitigate Future Portfolio Void

- Continue ESG Improvement Path
- Manage Portfolio Risk
- Strategic capital expenditure to protect and enhance value and income

Management Objectives 2023/24

- Maintain tight budgetary and credit control
- Implement individual asset initiatives
- Monitor markets for opportunities to enhance value and income- maintain asset liquidity
- Work with tenants to support sustainable improvement measures.

Reduce & Mitigate Portfolio Void



Portfolio Void – Managing Existing Vacancy

Current Void		
Address	Unit	ERV (£pa)
Renaissance House, 32 Upper High Street, Epsom	First Floor	£82,910
Basingstoke Business Centre, Winchester Road, Basingstoke	Unit 17 & 18	£48,520
Basingstoke Business Centre, Winchester Road, Basingstoke	Unit 19	£24,000
Basingstoke Business Centre, Winchester Road, Basingstoke	Unit 20	£24,000
Basingstoke Business Centre, Winchester Road, Basingstoke	Unit 3	£21,140
Basingstoke Business Centre, Winchester Road, Basingstoke	Unit 8	£20,690
Renaissance House, 32 Upper High Street, Epsom	Part Third Floor Office	£16,800
Total		£238,060

Future Known Void			
Address	Unit	Break/Expiry Dates	ERV (£)
Olympus Close, Ipswich	Unit 9*	11/08/2023	13,170
Kestrel Park, Braintree	Unit 15, 19 & 21	25/12/2023	119,850
Total			133,020

Future Known Void %	5.47%
----------------------------	-------

* not including U9 Olympus as this is to complete back to back

All property void rate stands at 10.30% (April 2023)

Current Portfolio ERV (assumes refurbished)	£6,545,589
Current Void %	3.64%

* inc U8 Basingstoke as tenant in liquidation



Portfolio Transactions (2022/23)

- **New Lettings**

- 6 new lettings completed which provide a contracted rent of £301,722 p.a.

- **Lease Renewals**

- 4 lease renewals completed which increased the contracted rent by £22,180 p.a.
- % over passing rent 33.27%
- % over ERV at event date 3.00%

- **Rent reviews**

- 10 rent reviews completed which increased contracted rent by £51,889 p.a.
- % over passing rent 29.25%
- % over ERV at event date 14.93%



Unit 4 Pasadena Trading Estate, Harlow



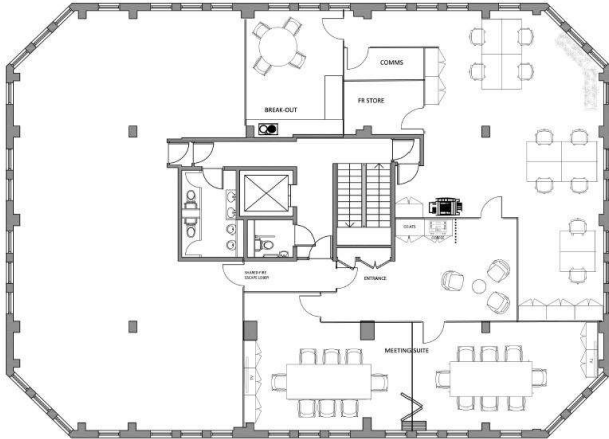
[REDACTED]



Renaissance House, Epsom

First & Part Third Floor Void

EPSOM
Sketch-up
C
Lobby created = 100 sqft
Additional 2,500 sqft
HB area = 2,109 sqft



Offices – Category B Perspective



The impacts on companies financially to utilise their office space more effectively, both in density, design and in support of staff wellbeing plus the ESG agenda is changing their future office requirements.

Growing demand for fully-fitted and furnished space is not aligned with supply across the UK

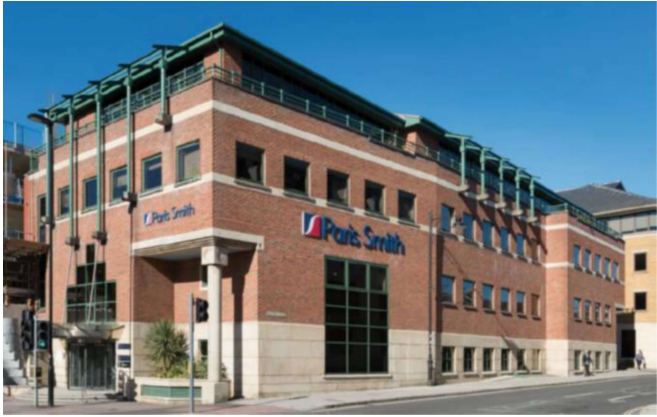
Providing tenants with fitted space has significant benefits for landlords and tenants as it can :

- Reduce rent free incentives
- Cuts occupiers key to occupation time
- Captures the occupier
- Differentiates from Standard Cat A
- Cost spread over the term
- Less add on costs than serviced space

Office Expiries 2025/2026



Omron House, Milton Keynes



West Park House, Southampton



Lutea House, Brentwood



Lincoln



Extensive tenant refurbishment of the property to includes upgrading M&E as well as rebranding.

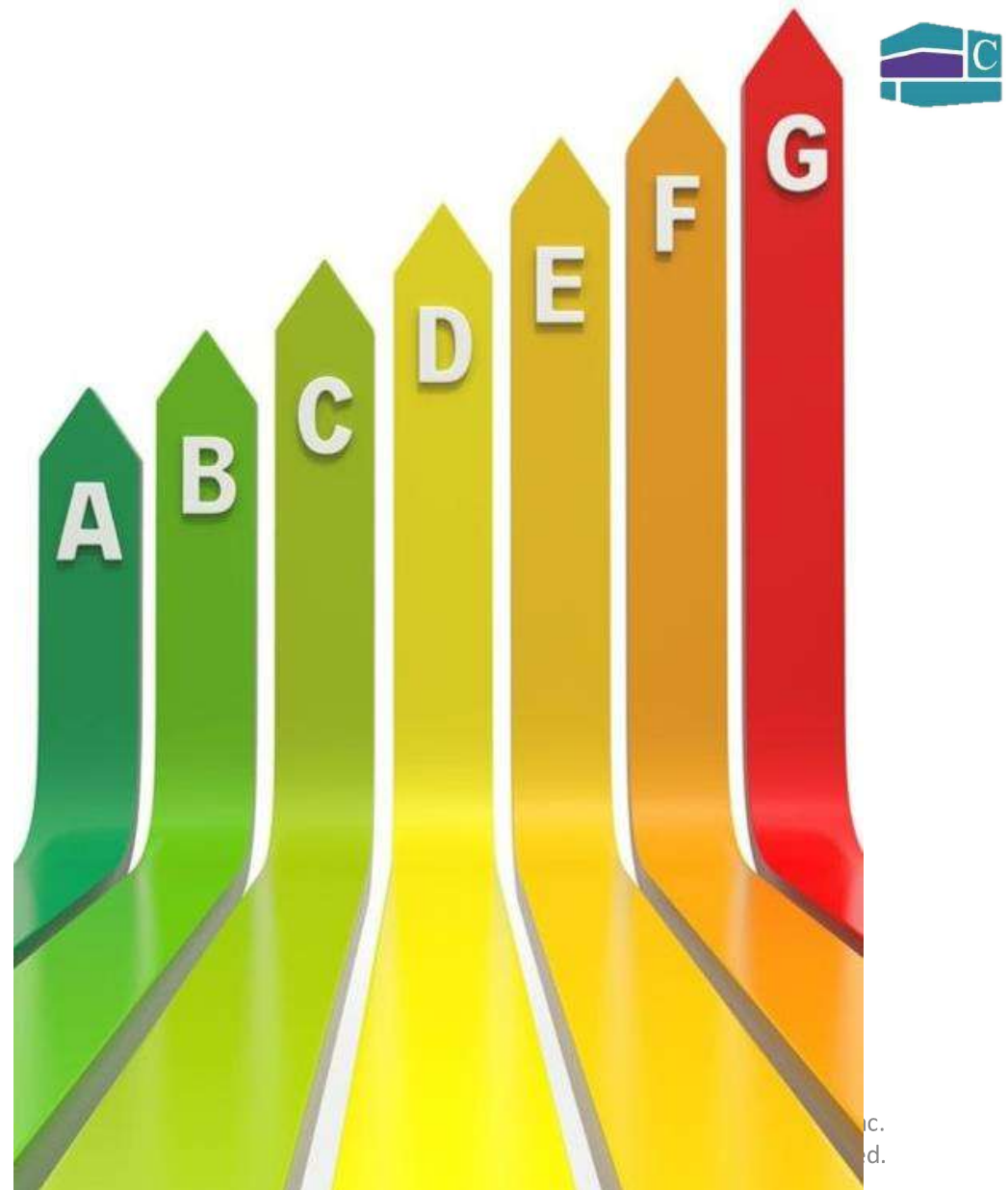
CIFCO Capital Contribution = £75,000 (on completion of the works)



Continue ESG Improvement Path

CIFCO EPC Targets

1. Remove all F & G EPC ratings by April 2023 – completed
2. On target to meet minimum C rating by 2027
3. Ensure EPC improvements are considered at every intervention point
4. All refurbishments targeting EPC C or better – removing gas supply where possible and replacing with electric alternatives



CIFCO Portfolio EPC Rating



- MEES Legislation 1st April 2023 – Minimum E EPC Rating for all existing leases - CIFCO is fully compliant
- CIFCO Portfolio EPC C or better = 46.4%



EPC Rating	Total	%
A	0	0.0%
B	18	21.4%
C	21	25.0%
D	30	35.7%
E	15	17.9%
F	0	0.0%
G	0	0.0%
Total	84	100.0%



1 st April 2023	Minimum E Rating	
Landlords must not continue letting a property that is already let if that property has an EPC rating of F or G		
1 st April 2025	Minimum C Rating	2 Year Compliance Window
(Proposed Changes) Landlords must present a valid EPC for their property. If the rating is below a C, landlords have 2 years to make improvements to the property and present a new EPC of minimum rating C or register a valid exemption.		
1 st April 2027	Minimum C Rating (Deadline)	
All applicable properties must have a minimum EPC rating of C or have registered a valid exemption.		
1 st April 2028	Minimum B Rating	2 Year Compliance Window
Landlords must present a valid EPC for their property. If the rating is below a B, landlords have 2 years to make improvements to the property and present a new EPC of minimum rating B.		
1 st April 2030	Minimum B Rating (Deadline)	
All applicable properties must have a minimum EPC rating of B or have registered a valid exemption.		

ESG & Sustainability – Initiatives



Property	Initiative	Measurement
Renaissance House, Epsom	Smart meters	Energy consumption
Olympus Close, Ipswich	Green wall on the estate	Social and environmental benefits
Renaissance, Epsom	Electric charging points in car park – feasibility for 3 EV chargers	Support use of green energy through take up
Pilot Close, Coventry	Establish use of existing solar panels	Measure take-up and energy consumption
Kestrel Park, Braintree	Consider biodiversity initiatives – bird boxes, wild flowers	Social and environmental benefits
Stanton	PV Panels on the roof	Measure take-up and energy consumption
Portfolio Wide	Working with local charities nearby to sites in the portfolio	Social value
Portfolio Wide	Remove gas from assets at appropriate lease intervention points	Improve EPC and remove use of gas
Portfolio Wide	Assess scope 3 emissions working with tenants to help reduce their energy usage	Data collection & benchmarking

Managing Portfolio Risk



Risk Management

- The Portfolio risk is balanced, diversifying risk across sector, location and tenant.
- Portfolio risk is further mitigated by expert Fund Managers, Managing Agents, Legal and financial advisers.
- CIFCO has robust governance with a board of independent Non-Executive Directors and Councillor and Officer Directors
- CIFCO risk registers are reviewed quarterly by the board and at a risk panel with the Chairs of the Holding Companies and the shareholders risk lead.

Capital & Income Spread



Capital Spread

CV Bands (£m)	No. of Assets	Total Capital Value	Weightings (%)
£1.5m to £3.0m	10	£22,900,000	28%
£3.0m to £5m	5	£18,850,000	23%
£5.0m to £7.0m	4	£23,850,000	29%
£7.0m +	2	£16,900,000	20%

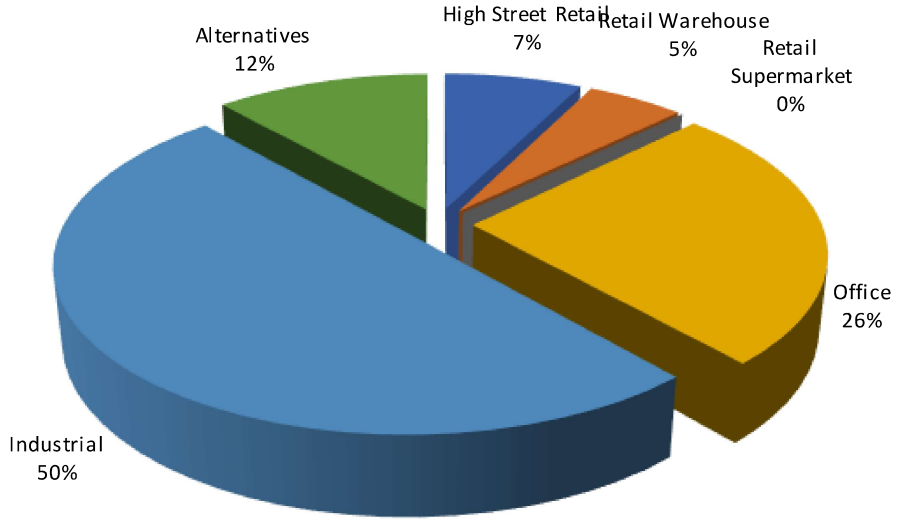
Income Spread

Income Bands (£m)	No. of Units	Total income	Weightings (%)
£1 to £10,000	16	£18,851	0.3%
£10,001 to £50,000	55	£1,201,819	21.7%
£50,001 to £100,000	10	£657,747	11.9%
£100,001 to £250,000	6	£983,245	17.8%
£250,001 to £500,000	7	£2,669,320	48.3%

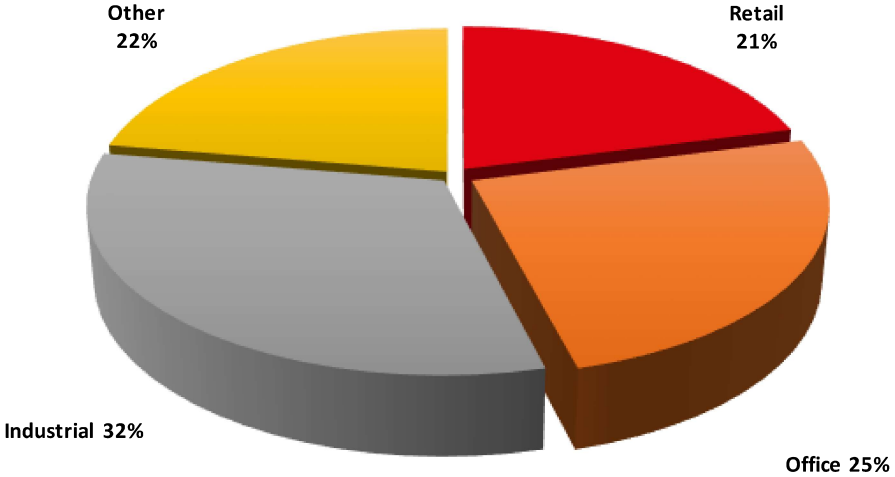
Sector Splits – 2023 versus MSCI



Portfolio Sector Splits (Q1 2023)



MSCI Sector Splits (Q1 2023)



Note: Alternatives falls under “Other” in MSCI

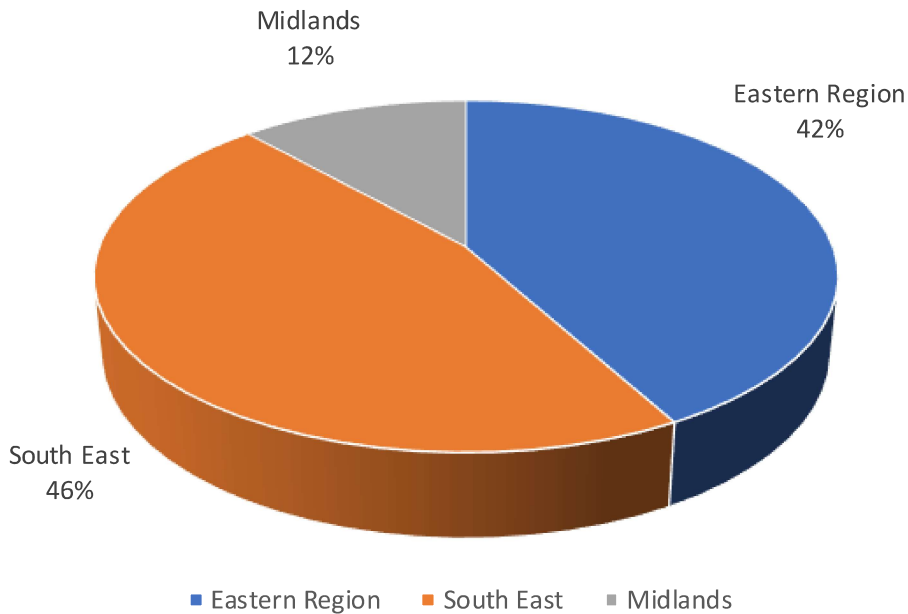
*Other includes residential, leisure and hotel



Regional Breakdown by Value

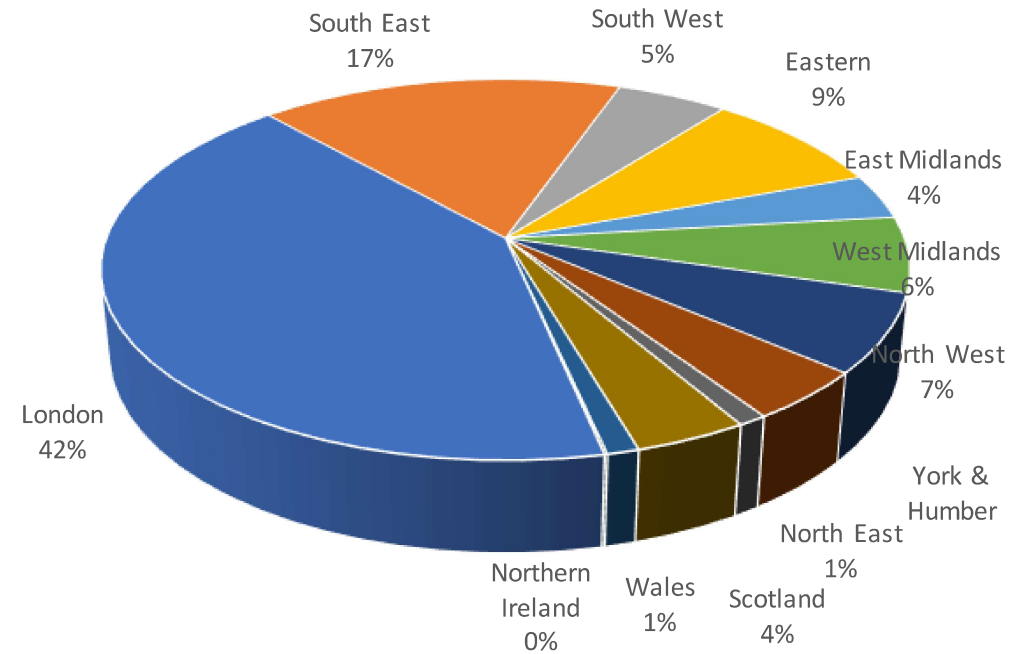
South Eastern Weighting.

Portfolio Regional Split



* Excludes Stanton

MSCI Regional Weighting



** Industrial, Retail and Office sectors only

Covenant Risk Profile



Covenant risk profile weighted towards strong covenants providing a lower portfolio risk profile.

Portfolio Risk Profile

Properties: 21

Tenants: 81

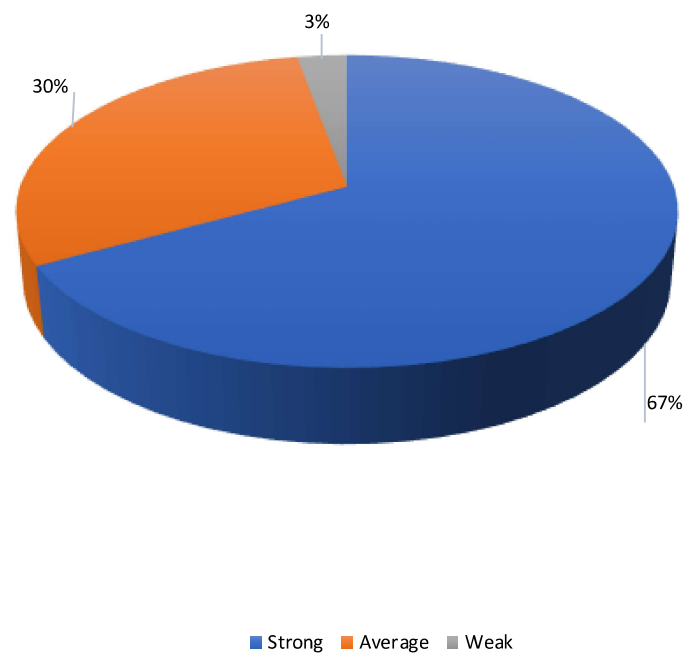
WAULT (break) 4.6 years

WAULT (expiry) 5.8 years

Average Rent per tenancy £68,284 p.a.,
with seven voids.

Note: covenant risk is assessed using Credit Safe score and JLL view of the tenant company in the investment market

Covenant Risk Profile 2023



Breakdown of 2026 Expiries



Property	Tenant	Current Rent	% of total rent (expiries in 2026)	% Annual Rent
Lutea House, Brentwood	[REDACTED]		25.1%	7.3%
Westpark House, 23 Cumberland Place, Southampton			20.2%	5.9%
Unit 1 Princes Gate, Howard Way, Harlow			15.6%	4.5%
[REDACTED], Chippenham Drive, Milton Keynes			11.2%	3.3%
Unit 2 Princes Gate, Howard Way, Harlow			4.7%	1.4%
Units 2-8C, Pilot Trade Centre, Pilot Drive, Coventry			3.8%	1.1%
36-39 Long Causeway, Peterborough			3.4%	1.0%
Units 2-8C, Pilot Trade Centre, Pilot Drive, Coventry			3.8%	1.1%
Units 2-8C, Pilot Trade Centre, Pilot Drive, Coventry			1.7%	0.5%
Units 2-5 Cavendish Street, Ipswich			1.7%	0.5%

Top 10 by contracted rent

Capital Expenditure

Capital Expenditure 2022/23



Status	Property Address	Tenant	Area	Completion Date	Cost	Payments Made	Retention	Retention Settlement
Completed	Renaissance House, Epsom	Common Parts	n/a	24/12/2021	£96,067		2.5%	23/12/2022*
Works Ongoing	Renaissance House, Epsom	External Brickwork*	n/a	Q2 2023	£12,150	Inc. below	Inc. below	Inc. below
Works Ongoing	Renaissance House, Epsom	First Floor & Part Third Floor	4,525	Q2 2023	£104,980	£102,356	2.5%	28/04/2024
Deferred	Lutea House, Brentwood	Window repairs	n/a	H2 2023	£40,000	N/A	n/a	

* Service charge item

Capital Investment 2022/23

Status	Property address	Event	Area (sq ft)	Completion Date	Cost	Paid	Legal Completion
Approved	Omron House, Milton Keynes	Break removal	22,745	Q1 2023	£100,000	£0	Withdrawn
Approved	████████ Tritton Road, Lincoln	Break removal	19,291	Q2 2023	£75,000	£0	Awaiting Completion

Capital Expenditure 2023/24



Capital Expenditure 2023/24						
Town	Property	Project Type	Event Type	Date	Status	Budget Estimate
Epsom	Renaissance House	Refurbishment	Retention	28/04/2024	Approved	
Epsom	Renaissance House	1st Floor Subdivision	Void	H2 2023	Budget Estimate	
Epsom	Renaissance House	EV Charging Points	ESG	H2 2023	Budget Estimate	
EPC	Various	EPC Upgrades	n/a	2023/24	Budget Estimate	
Southampton	West Park House	Planning and Architect	n/a	2023/24	Feasibility	
Basingstoke	U19/20 Basingstoke Business Centre	Refurbishment *	Void	2023	Budget Estimate	
Basingstoke	U17/18 Basingstoke Business Centre	Strip out/Refurbishment	Void (liquidation)	2023	Budget Estimate	
Basingstoke	U3 Basingstoke Business Centre	Refurbishment *	Void	2023	Budget Estimate	
Basingstoke	U8 Basingstoke Business Centre	Strip out/Refurbishment	Void (liquidation)	2023	Budget Estimate	
Basingstoke	Whole Estate	Measured Survey	n/a	Q2 2023	Approved	

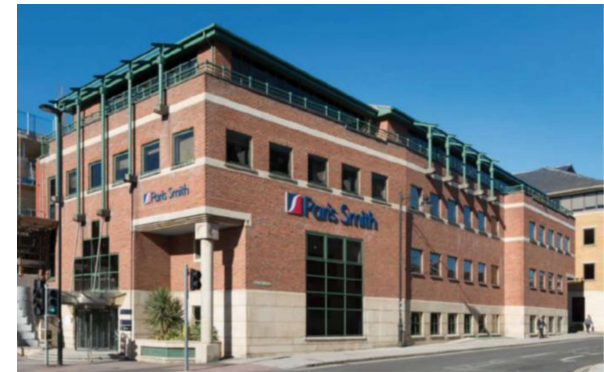
Anticipated Expenditure 2024						
Town	Property	Project Type	Event Type	Date	Status	Budget Estimate
Braintree	U15 Kestrel Park	Refurbishment *	Void	H1 2024	Budget Estimate	
Braintree	U19 Kestrel Park	Refurbishment *	Void	H1 2024	Budget Estimate	
Braintree	U21 Kestrel Park	Refurbishment *	Void	H1 2024	Budget Estimate	

* Over and above dilapidations

Future Capital Expenditure 2025/26



Future Capital Expenditure				
Year	2025	2026		Total
Property	Omron, Milton Keynes	Lutea House, Brentwood	West Park House, Southampton	
Worst	£1,000,000	£1,200,000	£1,500,000	£3,700,000
Mid	£250,000	£400,000	£500,000	£1,150,000
Best	£0	£0	£0	£0



Funding Capital 2025 and beyond



Options:

1. **Asset Sale**
2. **Refinance**
3. **Build sinking fund (5-7.5%- of rent roll pa)**



Excess Capital



Property	Gross Purchase Price	Value 2023	Excess Capital	% above Gross Purchase
Harlow (Pasadena)	£1,915,089	[REDACTED]	[REDACTED]	[REDACTED]
Hemel Hempstead	£8,194,156			
Ipswich (Olympus)	£2,367,947			
Nottingham	£2,921,893			
Norwich	£1,574,629			
Basingstoke	£5,700,491			
Coventry	£5,849,019			
Luton	£2,598,331			



Financial Strategy

Deferred Debt Repayments to meet Capital Expenditure



Financial Year	Amount of Repayments to be Deferred	Full Repayment	Adjusted Repayment	Additional Late Payment Interest Payable on deferred amount
2022/23	£538,570	£4,867,981.25	£4,329,410.93	£15,876.58
2023/24	£293,493	£4,869,970.99	£4,576,478.47	£2,982.78
			Total	£18,859.36

Total Deferred Repayment 22-24 = £832,063

Capital Expenditure Requirement 23/24 = £676,500

Capital Carry Forward 24/25 = £155,563

Capital Expenditure Requirement 25/26 = £250k - £3.7m

Capital Strategy for funding Capital Works



- Short term (2023-2024) : Deploy funds from interest deferment for capital works
- Medium term (2024- 2029): Realise capital from asset sale(s) (where excess capital is available- see slide 59) for portfolio capital works or where a sale negates the need to undertake capital works. Any surplus capital to be reinvested for income.
- Longer Term (2025 onwards): Develop a sinking fund from income collected from the portfolio for capital works –target 5% of income.

Babergh Income from CIFCO

CIFCO (Babergh)							
	£ 000						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative
Revenue Impact							
Interest Received	(86)	(782)	(1,245)	(1,551)	(2,209)	(1,942)	(7,815)
Interest Paid	11	119	316	277	235	523	1,481
Net Interest	(75)	(663)	(929)	(1,274)	(1,974)	(1,420)	(6,334)
Other income/ Recharges	(9)	(25)	(32)	(35)	(35)	(35)	(171)
Accrued interest receivable	-	-	-	-	-	(255)	(255)
Total Revenue	(84)	(688)	(961)	(1,309)	(2,009)	(1,710)	(6,761)
	£ m						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative
Capital Movement							
Capital Borrowed	12.38	13.71	4.05	19.44	-	-	49.58
Loans Repaid	-	-	-	-	-	-	-
Gross Borrowing	12.38	13.71	4.05	19.44	-	-	49.58
Loans Made to CIFCO	11.15	12.34	3.64	17.50	-	-	44.63
Loans Repaid	-	(0.08)	(0.12)	(0.15)	(0.22)	(0.24)	(0.81)
Equity	1.23	1.37	0.41	1.94	-	-	4.95
Gross Investment	12.38	13.63	3.93	19.29	(0.22)	(0.24)	48.77
Net Capital Movements	-	0.08	0.12	0.15	0.22	0.24	0.81

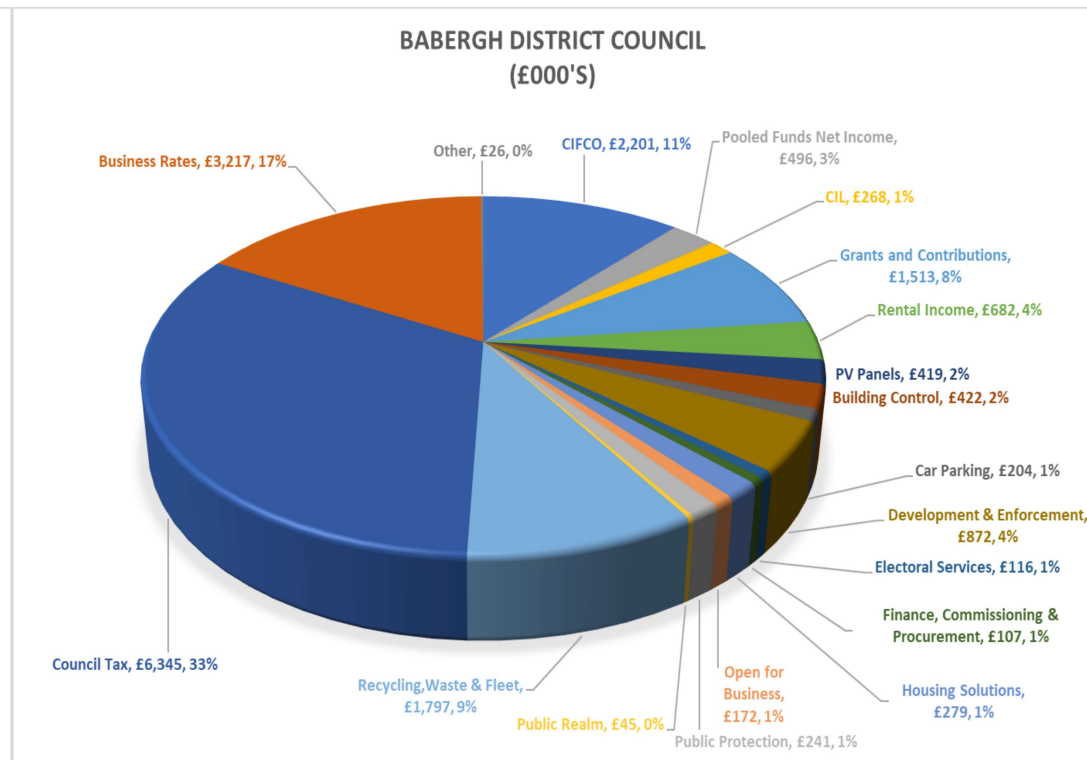
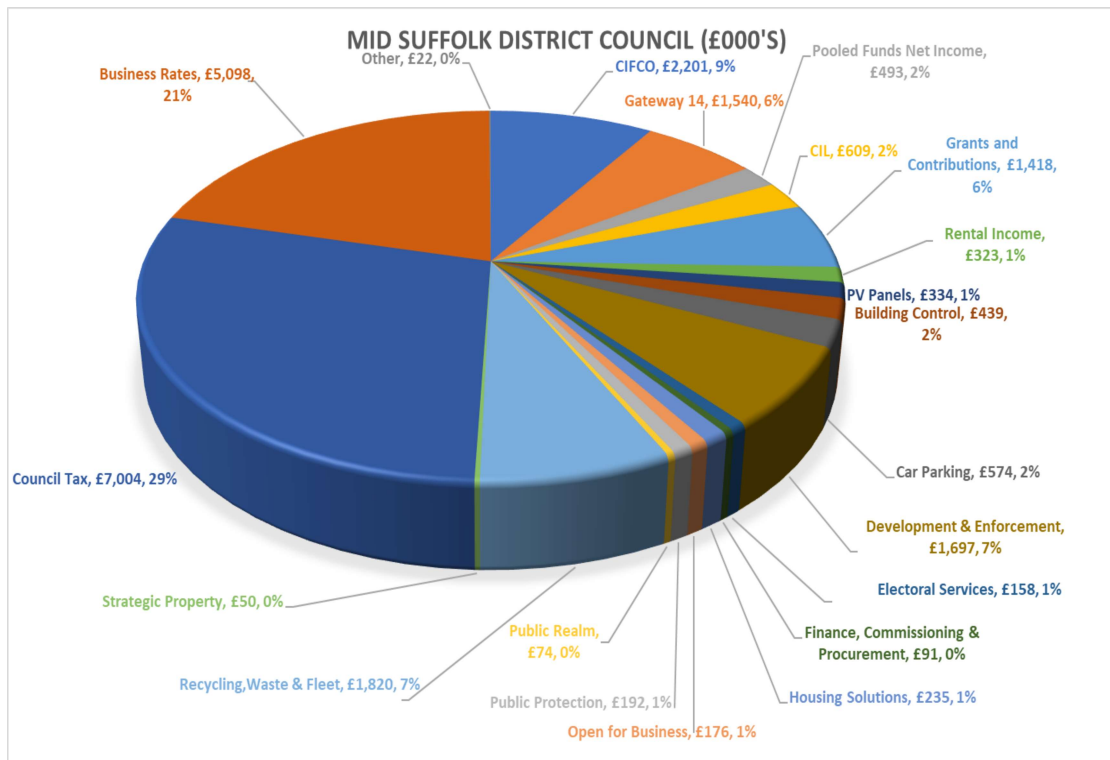
Mid Suffolk Income from CIFCO

CIFCO (Mid Suffolk)							
	£ 000						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative
Revenue Impact							
Interest Received	(86)	(782)	(1,245)	(1,551)	(2,209)	(1,942)	(7,815)
Interest Paid	11	235	541	533	468	850	2,638
Net Interest	(75)	(547)	(704)	(1,018)	(1,741)	(1,092)	(5,177)
Other income/ Recharges	(9)	(25)	(32)	(35)	(35)	(35)	(171)
Accrued interest receivable	-	-	-	-	-	(255)	(255)
Total Revenue	(84)	(572)	(736)	(1,053)	(1,776)	(1,382)	(5,604)
	£ m						
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Cumulative
Capital Movement							
Capital Borrowed	12.38	13.71	4.05	19.44	-	-	49.58
Loans Repaid	-	-	-	-	-	-	-
Gross Borrowing	12.38	13.71	4.05	19.44	-	-	49.58
Loans Made to CIFCO	11.15	12.34	3.64	17.50	-	-	44.63
Loans Repaid	-	(0.08)	(0.12)	(0.15)	(0.22)	(0.24)	(0.81)
Equity	1.23	1.37	0.41	1.94	-	-	4.95
Gross Investment	12.38	13.63	3.93	19.29	(0.22)	(0.24)	48.77
Net Capital Movements	-	0.08	0.12	0.15	0.22	0.24	0.81

CIFCO Income as a Proportion of Council Income

Mid Suffolk Gross CIFCO Income = 9% of total income (including accrued interest)

Babergh Gross CIFCO Income = 11% of total income (including accrued interest)



CIFCO Accounts 2022/23



- 22/23 Year Accounts are still being audited but draft figures and accounts show:

• Gross Income	£5.8m
• Company Costs	£5.63m
• Pre-tax loss*	£11.4m
• After-tax loss**	£10.2m

* The Loss reflects the Portfolio revaluation i.e. the c. 12% reduction in portfolio value (£11.6m). This loss would only be realised if the properties are sold.

**The After-tax loss reflects the reimbursement of corporation tax paid quarterly in advance.

Conclusions



- Business Plan Provides a Framework to manage the CIFCO portfolio
- KPIs provide a Framework to monitor CIFCO's performance and priorities.
- The Existing Portfolio is balanced, diversifying risk across sector, location and tenant and this approach proved successful during the pandemic and continues to mitigate risk for CIFCO and its shareholders.
- CIFCO Capital continues to provides the Councils with an important income stream.
- CIFCO will need to fund capital works to the portfolio over the longer term to maintain & maximise value. CIFCO to develop a longer-term plan for funding capital works but will use deferred income in immediate term and fund all other operations from rental income.

Appendices



- Investment Guidelines
- Rent Collection Stats
- 2023/24 Budget
- 2022/23 Year End Accounts
- Director Profiles

Investment Guidelines



Investment Restrictions	%	Breach
No more than 10% of the gross income of the fund shall be derived from one tenant	9.76	No
Investment in UK Real Estate	100	No
No more than 15% of the portfolio to be invested in direct development at any one time	0	No
Maximum investment in one investment shall not exceed 20% of Gross Asset Value	11.15	No
No more than 20% of the portfolio to be invested in any one town	11.12	No
No more than 35% of the portfolio to be held in a specific sector at any one time	51	Yes

Income

There are currently no tenants over the 10% threshold.

The largest tenant by income is [REDACTED] Hemel Hempstead which make up 9.76% of the total portfolio income.

Maximum Investment

The largest asset in the portfolio is Hemel Hempstead which makes up 11.15% of the portfolio by value.

Location

11.12% of the Fund's total value is currently held in Epsom.

Sector

50% of the fund is held in industrial assets. The industrial market has been the most consistent performer in recent years compared with other sectors.

Rent Collection Stats – Comparison



	March 2020 Qtr			June 2020 Qtr			September 2020 Qtr			December 2020 Qtr		
	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit
Day 0	55.35%	50.00%	49.00%	54.41%	47.01%	37.80%	63.80%	56.73%	50.50%	75.32%	64.48%	52.60%
Day 7	72.40%	59.24%	56.90%	69.10%	61.33%	50.70%	67.03%	70.82%	62.00%	81.37%	70.31%	59.50%
Day 21	73.55%	67.62%	67.00%	73.84%	71.08%	59.20%	68.99%	74.84%	67.80%	82.27%	73.34%	67.20%
Day 35	74.52%	72.89%	73.50%	74.01%	77.37%	63.30%	73.91%	83.37%	72.70%	82.60%	77.58%	71.70%
Day 90	80.57%	82.61%	81.50%	94.78%	87.89%	72.50%	93.14%	87.89%	79.10%	96.58%	82.89%	78.60%
	March 2021 Qtr			June 2021 Qtr			September 2021 Qtr			December 2021 Qtr		
	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit
Day 0	63.47%	55.49%	46.40%	58.00%	47.00%	49.10%	81.00%	63.00%	57.40%	51.90%	63.13%	62.70%
Day 7	67.59%	68.09%	60.50%	78.00%	61.00%	66.50%	86.77%	77.00%	72.10%	72.46%	72.18%	71.80%
Day 21	78.41%	77.57%	67.30%	81.00%	71.00%	73.90%	93.00%	85.00%	81.90%	80.13%	83.79%	78.90%
Day 35	88.12%	80.63%	71.80%	83.00%	77.00%	78.60%	94.89%	88.00%	85.20%	81.04%	61.09%	84.40%
Day 90	96.71%	84.70%	80.70%	100.00%	88.15%	90.70%	99.06%	90.29%	93.00%	92.92%	92.66%	94.00%
	March 2022 Qtr			June 2022 Qtr			September 2022 Qtr			December 2022 Qtr		
	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit
Day 0	43.00%	62.74%	65.00%	73.35%	58.36%	67.80%	80.83%	61.91%	68.00%	63.76%	62.55%	67.40%
Day 7	55.00%	75.41%	76.70%	88.51%	68.46%	78.90%	87.77%	79.66%	82.70%	72.75%	71.78%	77.20%
Day 21	87.10%	87.81%	86.20%	90.23%	71.38%	88.50%	91.28%	91.33%	90.60%	89.68%	87.15%	89.90%
Day 35	90.28%	90.92%	87.40%	91.60%	92.81%	91.90%	92.92%	94.28%	92.90%	91.94%	92.67%	93.80%
Day 90	98.37%	90.96%	95.60%	95.62%	95.97%	95.40%	93.94%	96.76%	96.70%	93.13%	98.70%	96.50%
	March 2023 Qtr			June 2023 Qtr			September 2023 Qtr			December 2023 Qtr		
	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit	CIFCO	Workman	Alt Remit
Day 0	76.76%	61.97%	63.10%									
Day 7	95.31%	72.95%	76.6%									
Day 21	96.88%	89.82%	91.60%									
Day 35	98.32%											
Day 90												

Director Profiles



Chris Haworth (Non-Executive Director and Chair) - BSc in Estate management from Reading University, fellow of the Royal Institution of Chartered Surveyors, and a member of the National landlords Association. Partner of Carter Jonas for 12 years, until August 2012, and Head of the National Commercial Division for 8 years.



Henry Cooke (Non-Executive Director)- Investment banking professional with over 30 years' experience in roles across research, sales, trading, structuring, origination, syndication and asset management of US, UK, Australian and European mortgage backed, asset backed, whole-business and real estate financing

Emily Atack (Managing Director) – Emily is a Member of the Royal Institution of Chartered Surveyors (RICS). She has in excess of 20 years' experience in both private and public sector, primarily in dealing with commercial property transactions and asset management.



Mark Sargeantson (Non-Executive Director) – Fellow of the Royal Institution of Chartered Surveyors, partner of Cluttons, until early 1991. Acted for a wide range of property owners and investors mostly in portfolio and asset management in London and across the UK. Joined Fenn Wright, Ipswich in April 1991 and was a partner until 2008 and a consultant to the practice to the present day.

Austin Davies (Councillor Director) - Austin Davies (MBA, MSc Uni Queensland, BSc) 25 years in commercial experience with various Multi nationals including 15 years of international business management. 10 years working for the British Government's overseas aid program. Along with 14 published scientific papers.



John Ward (Councillor Director) - After graduating from Oxford in 1980 with a BA in Chemistry, John embarked on a career in IT, working for Caggemini a major international IT services and consulting firm. John became a councillor in May 2015. Just before taking early retirement, he was appointed to cabinet as Economic Growth portfolio holder in May 2017 and has also been a cabinet member for finance during his time as a councillor. In January 2018 John became leader of the council, a position he held until this year's elections, and is currently joint Deputy Leader and Finance portfolio holder.

CIFCO YEAR END ACCOUNTS 2022/23

- To follow

CIFCO LOAN REPAYMENT SCHEDULE 2022/23

- Confidential

CIFCO OPERATING BUDGET (Confidential)

- Confidential