Registered number
8041022

Ground Rents Income Fund plc

Half Yearly Consolidated Financial Report

for the six months ended 31 March 2014

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for the six months ended 31 March 2014
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Company Information

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Simon Paul Wombwell

Company Secretary
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8041022

Ground Rents Income Fund plc
Half Yearly Consolidated Financial Report
for the six months ended 31 March 2014
Chairman's Statement

I am pleased to present the interim results of Ground Rents Income Fund plc ("GRIF"), for the six months ended 31 March 2014.

Out of a total equity raise of £84.8 million (net of expenses and including the proceeds from the exercise of warrants), GRIF had, by 31 March 2014, invested a total of £59.8 million in ground rents, including the costs associated with their acquisition, and had a further sum of £2.4m committed to investments for which contracts had been exchanged and deposits paid.

As detailed in my previous update, we have sought to be creative in the way we make investments and in the six months ended 31 March 2014 have exchanged contracts to acquire the ground rents on properties that are currently under construction. An advantage of transacting in this way is that we have been able to influence the terms of the leases to be granted when the properties are completed. This has allowed us to link the rent reviews to the Retail Prices Index and for the review cycle to be shorter than market norms, both of which are expected to enhance the long-term value of the investment.

Since the period end, a further £2.3 million (plus acquisition costs) has been invested. This means that the Company has invested, or is committed to invest, approximately three quarters of the total equity and preference share capital raised since incorporation. The Directors had hoped to be fully invested by the end of May 2014, the target date set at the second fund-raising in May 2013, but, as explained further in the Investment Manager's report, the market for ground rents has been increasingly competitive in recent times and your directors have been cognisant of making acquisitions which would dilute the dividend below the target yield.

Revenue for the period was £1,462,358 (2013: £774,328) and profit for the period was £1,843,464 (2013: loss £1,145,140). The profit is stated after a revaluation gain of £1,065,887 (2013: reduction £1,331,648), which demonstrates the strength of the ground rents market during the period. The reduction in valuation in the prior period reflects the acquisition transaction costs and stamp duty which were expensed in the initial period of trading.

Investments Acquired
Since September 2013, the company has acquired additional Ground Rent assets for a total cost of £16m (including acquisition costs). In addition to those mentioned in the Annual Report 2013, the following have been acquired:

Candle House - an award winning development in the regenerated canal area adjacent to Leeds station. Standing at 20 storeys the building includes 160 apartments and a rooftop garden in the city centre. Purchased for £950,581 at an initial yield of 4.3% the ground rent is subject to 10 yearly reviews linked to RPI.

St Paul's - centred around Old Hall Street and Pall Mall in central Liverpool the building of 50 apartments is part of a development of 400,000 sq ft including office, retail, dining and car parking. Acquired for £174,419 at an initial yield of 4.3% the ground rent is reviewed every 25 years linked to the National Average Earnings Index.

Cargo 1 - part of the redevelopment of the Brunel docks in Plymouth this first phase includes 124 apartments and 10 townhouses in a scheme that also includes 19,000 sq ft of commercial space. It has been acquired for £315,975 at an initial yield of 6.06%. The ground rent is not subject to any reviews or uplifts.

Canning Town 1 - this is a 680,000 sq ft. mixed-use development within the Thames Gateway regeneration area. The construction of the first phase of development comprises a residential tower known as 'Vermilion' as well as 20,000 sq ft of new retail and food outlets. This was purchased for a consideration of £1.375m at an initial yield of 4.55%. The rental income is subject to review every 25 years when it doubles.

Investments Acquired (continued)

Islington Wharf 1 - located within the New Islington waterside regeneration area in Manchester, this asset consists of 200 apartments over 20 storeys and is a 5 minute walk from Piccadilly mainline rail station and the city retail core. Purchased for £960,400 at an initial yield of 4.3% the ground rent is subject to review every 20 years linked to RPI.

The Quantum building - a canal-side development of 114 residential apartments in the Northern Quarter area of central Manchester, offering easy access to transport links, the city core and local thriving bar and restaurant scene. Acquired for £1.35m at an initial yield of 4.37% the rent is reviewed to a fixed mechanism, doubling every 10 years until the third review from when the rental level remains flat.

Student Accomodation - two student accommodation blocks located in Bristol and Exeter which will be ready for September 2014, located in close proximity to campuses in both cities. These were purchased at a combined cost of £2.4m with a yield of 4.2% which subject to review every 5 years and linked to RPI.

Lumiere - developed by West Properties in the Castlefield area of Manchester city centre Lumiere totals 205 apartments with associated underground car parking. Featuring a gym and rooftop gardens the building is a 10 minute walk from the city centre. Acquired for £650,000 at an initial yield of 5.41%, the ground rent income doubles every 25 years over the term.

Dividends

The Company has paid two Interim PID dividends to Ordinary shareholders in the period to 31 March 2014. 1.056p per share (total £521,940) was paid for the period to 31 December 2013 and 1.042p per share was paid for the period to 31 March 2014 (£515,514). The preference shareholders have been paid the coupon rate of 2% per annum in the period (£385,500).

Outlook

The Directors are now preparing for the conversion of the preference shares into ordinary shares, the calculations for which will be done as at 24 May 2014. We expect to announce the conversion rates in the week commencing 23 June 2014.

At 31 March 2014, the Net Asset Value per share was 101.8 pence per Ordinary share and 94.2 pence per Preference share. We continue to focus on full investment in the sector in a timely, yet controlled manner, but are concious of the prevailing market conditions, where asset values are rising and, conversely yields are falling. We will continue to maintain dialogue with shareholders, given the changing market conditions, in order to manage expectations of the Company's performance.

Further information on the ground rents market and performance of the fund are set out in the Investment Manager's report.

RMNaish

Robert Malcolm Naish
16 May 2014
Chairman

Ground Rents Income Fund plc
Half Yearly Consolidated Financial Report
for the six months ended 31 March 2014
Investment Manager's Report

Ground Rent Market

In spite of the improving economy and a buoyant commercial and residential real estate market, the defensive, low-risk and, therefore, correspondingly lower-return niche market for the ground rents has strengthened in 2013 and into the early part of 2014. This can be seen from the increase in property values which has occurred across both share classes of the portfolio at 31 March 2014.

An expected slowing in investor demand for ground rents, in light of a possible repricing of other defensive instruments such as gilts, has yet to materialise. Investor demand for lower-risk, asset-backed investments has remained robust and gilts have been helped by a downward trend in inflation. The Retail Prices Index fell from 3.2% in September 2013 to 2.5% in March 2014, and a large reduction in perceived financial risk in the Eurozone has enabled even Greece to fund itself in the market.

The ground rents market continues to be very competitive, as the long-term, low-risk income characteristics of the asset class remain attractive. Against a backdrop of the economic downturn, ground rents' heavy collateralisation and index-linked income have provided a compelling investment case for many investors, including large-scale financial institutions and insurance companies seeking to match long-term and inflation-linked liabilities within their annuity businesses. As a consequence of this yields have fallen further in the last quarter owing to this increased demand. We estimate that there is currently more than £400 million of equity chasing an annual new ground rent investment supply of approximately £150 million.

Asset Management

The portfolio continues to perform in line with expectations and the collection of core ground rent income has not presented the property manager with any significant issues. This would be expected from the underlying characteristics of the income stream, but the large volume of small amounts of income still needs to be administered and collected, effectively and efficiently.

The income which is derived from insurance commission is managed very carefully. We endeavor to treat leaseholders fairly and appropriately at each premium renewal, ensuring value for money and competiveness of quotation through market testing. The insurance brokerage contract for the portfolio was retendered this year and the successful new broker, Lockton LLP, was appointed on 1 April 2014. It is hoped that Lockton's bespoke online systems will drive efficiency of management and its scale and collective purchasing power will benefit terms for all parties.

Outlook

The above market factors are a challenge to the Company being fully invested by May 2014, without buying assets at a level that would be potentially dilutive to net dividend yield. This position is weighted against a position of holding cash within the Company, which generates a "drag" on the performance of the net dividend yield, given the present low returns on cash deposits. Our competitors in the sector are buying ground rent assets with significantly different investment horizons or timescales to GRIF, which gives them a competitive advantage in an open-market bidding process.

Confidence and subsequent activity in the residential sector will, eventually, lead to increased availability of ground rent assets. However, the economic recovery is not yet at a pace that will result in a change to the demand-driven characteristics that prevail.

In the coming six months we expect that there will be continued institutional investor competition for large portfolios, which will, consequently, put further downward pressure on yields, and that the rest of the market will remain stable but very competitive.

James Agar
On Behalf of Brooks Macdonald Funds Limited
16 May 2014
Investment Manager

Ground Rents Income Fund plc
Condensed Consolidated Income Statement
for the six months ended 31 March 2014

	Notes	unaudited 6 months to 31 March 2014 £	unaudited 23 April 2012 to 31 March 2013 £	audited 23 April 2012 to 30 September 2013 £
Continuing Operations				
Revenue	3	1,462,358	774,328	1,881,269
Administrative expenses		(480,460)	(703,340)	(1,080,066)
Net revaluation gain / (loss) on investment properties		1,065,887	(1,331,648)	271,400
Operating profit		2,047,785	(1,260,660)	1,072,603
Finance income		188,971	118,791	339,694
Finance costs	4	(385,500)	-	(269,850)
Profit / (loss) before income tax		1,851,256	(1,141,869)	1,142,447
Income tax expense		(7,794)	(3,271)	(34,539)
Profit / (loss) for the period attributable to owners of the parent		1,843,462	(1,145,140)	1,107,908
Earnings per share				
Basic	7	3.37p	(2.37p)	2.29p
Diluted	7	2.31p	(1.98p)	2.24p

There is no other comprehensive income for the period.

The accompanying notes from pages 9 to 14 form an integral part of the interim consolidated financial statements.

Ground Rents Income Fund plc
Condensed Consolidated Statement of Financial Position
as at 31 March 2014

	Notes	unaudited 31 March 2014 £	unaudited 31 March 2013 £	audited 30 September 2013 £
Assets				
Non current assets				
Investment properties - ground rents	5	61,093,000	34,213,453	43,989,864
Total non-current assets		61,093,000	34,213,453	43,989,864
Current assets				
Trade and other receivables		3,127,921	620,557	1,964,354
Cash and cash equivalents		23,191,774	11,587,809	40,710,485
Total current assets		26,319,695	12,208,366	42,674,839
Total Assets		87,412,695	46,421,819	86,664,703
Current liabilities				
Trade and other payables		(746,031)	(879,217)	(788,053)
Corporation tax liability		(30,511)	(23,832)	(46,505)
Convertible preference shares	6	(37,780,625)	-	(37,780,625)
Total current liabilities		(38,557,167)	(903,049)	(38,615,183)
Net assets		48,855,528	45,518,770	48,049,520
Financed by:				
Equity				
Share capital	8	24,713,049	24,121,150	24,713,049
Share premium account		19,092,961	18,501,062	19,092,961
Distributable reserve		5,049,518	2,896,558	4,243,510
Total equity		48,855,528	45,518,770	48,049,520

The accompanying notes from pages 9 to 14 form an integral part of the interim consolidated financial statements.

The condensed consolidated financial statements on pages 5 to 14 were approved and authorised for issue by the board of directors on 16 May 2014 and signed on its behalf by:

RMNaish

Robert Malcolm Naish
Director
16 May 2014

Ground Rents Income Fund plc   Company registered number: 8041022

Ground Rents Income Fund plc
Consolidated Statement of Cash Flows
for the six months ended 31 March 2014

	Notes	unaudited 6 months to 31 March 2014 £	unaudited 23 April 2012 to 31 March 2013 £	audited 23 April 2012 to 30 September 2013 £
Cash flows from operating activities				
Cash generated / (used) in operations	10	(223,691)	423,536	(259,575)
Taxation paid		(31,790)	(67,218)	(65,283)
Net cash generated / (used) in operating activities		(255,481)	356,318	(324,858)
Cash flow from investing actvities				
Interest received		196,973	112,682	301,420
Purchase of ground rent assets		(16,037,249)	(22,244,194)	(30,417,557)
Payments to acquire subsidiary undertakings		-	(13,300,907)	(13,300,907)
Net cash absorbed by investing activites		(15,840,276)	(35,432,419)	(43,417,044)
Cash flows from financing activities				
Proceeds of issue of shares		-	47,122,212	86,086,635
Preference shares interest paid		(385,500)	-	(269,850)
Dividends paid to shareholders		(1,037,454)	(458,302)	(1,364,398)
Net cash (used) / generated from financing activities		(1,422,954)	46,663,910	84,452,387
Net (decrease) / increase in cash and cash equivalents		(17,518,711)	11,587,809	40,710,485
Net cash and cash equivalents at the start of the period		40,710,485	-	-
Net cash and cash equivalents at the end of the period		23,191,774	11,587,809	40,710,485

The accompanying notes from pages 9 to 14 form an integral part of the interim consolidated financial statements.

Ground Rents Income Fund plc
Consolidated Statement of Changes in Equity
for the period from incorporation to 31 March 2014

	Share capital Note 8 £	Share premium account £	Distributable reserve £	Total £
At 23 April 2012	-	-	-	-
Comprehensive income				
(Loss) for the period	-	-	(1,145,140)	(1,145,140)
Total comprehensive income	-	-	(1,145,140)	(1,145,140)
Transactions with owners				
Issue of share capital	24,121,150	24,121,150	-	48,242,300
Reserve transfer	-	(4,500,000)	4,500,000	-
Share issue costs	-	(1,120,088)	-	(1,120,088)
Dividends paid (note 9)	-	-	(458,302)	(458,302)
At 31 March 2013	24,121,150	18,501,062	2,896,558	45,518,770
Comprehensive income				
Profit for the period	-	-	2,253,048	2,253,048
Total comprehensive income	-	-	2,253,048	2,253,048
Transactions with owners				
Exercise of warrants	591,899	591,899	-	1,183,798
Dividends paid (note 9)	-	-	(906,096)	(906,096)
At 30 September 2013	24,713,049	19,092,961	4,243,510	48,049,520
Comprehensive income				
Profit for the period	-	-	1,843,462	1,843,462
Total comprehensive income	-	-	1,843,462	1,843,462
Transactions with owners				
Dividends paid (note 9)	-	-	(1,037,454)	(1,037,454)
At 31 March 2014	24,713,049	19,092,961	5,049,518	48,855,528

The accompanying notes from pages 9 to 14 form an integral part of the interim consolidated financial statements.

Ground Rents Income Fund plc
Notes to the Consolidated financial statements
for the period from 1 October 2013 to 31 March 2014

1 General information

Ground Rents Income Funds plc ("the Company") is the parent company of a group of companies ("the Group") which operates a property investment and rental business. The Group's primary activities are set out in its annual report and financial statements for the period from 23 April 2012 to 30 September 2013. A copy of the statutory annual report and financial statements has been delivered to the Registrar of Companies.

The Company is a closed-ended real estate investment trust (REIT) incorporated in England and Wales and is listed on the Channel Islands Securities Exchange Authority (CISEA) and the SETSqx platform of the London Stock Exchange.

2 Accounting policies

Basis of preparation

These unaudited consolidated results are for the six months ended 31 March 2014. They have not been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the period ended 30 September 2013.

The information in this announcement does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. The group's financial statements for the period ended 30 September 2013 have been reported on by the auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not draw attention to any matters by way of emphasis. They also did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Group continues to adopt the going concern basis in preparing its consolidated interim financial statements. This financial information for the half year ended 31 March 2014 has neither been audited or reviewed. The financial information was approved by the Board on 16 May 2014

Changes in accounting policy and disclosure

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements for the period ended 30 September 2013.

3 Segmental information

The Company is mainly concerned with the collection of ground rents. The Company receives some ancilliary income to which it is entitled as a result of its position as property freeholder.

	unaudited 6 months to 31 March 2014	unaudited 23 April 2012 to 31 March 2013 £	audited 23 April 2012 to 30 September 2013 £
By activity:			
Ground rent income accrued in the period	1,327,583	769,139	1,709,343
Other income falling due within the period	134,775	5,189	171,926
	1,462,358	774,328	1,881,269

All income of the Group is derived from activities carried out within the United Kingdom. The Group is not reliant on any one property or group of connected properties for the generation of its revenues. The board is the chief operating decision maker and runs the business as one segment.

4 Finance costs	**unaudited 6 months to 31 March 2014 £**	**unaudited 23 April 2012 to 31 March 2013 £**	**audited 23 April 2012 to 30 September 2013 £**
Preference share interest	385,500	-	269,850

The preference share interest represents the amount payable in the period at the coupon rate of 2% per annum per share. The amount paid in the six month period to 31 March 2014 was 1p per share.

5 Investment Properties - Ground rents	**Ground rent assets £**
Market value	
At 23 April 2012	-
Additions	35,545,101
Deficit on revaluation	(1,331,648)
At 31 March 2013	34,213,453
Additions	8,173,363
Surplus on revaluation	1,603,048
At 30 September 2013	43,989,864
Additions	16,037,249
Surplus on revaluation	1,065,887
At 31 March 2014	61,093,000
Net book value	
At 31 March 2014	61,093,000
At 30 September 2013	43,989,864
At 31 March 2013	34,213,453

The group's investment in Ground Rents was revalued at 31 March 2014 by Savills (UK) Limited. The valuer has confirmed to the directors that the fair value as set out in the valuation report has been primarily derived using comparable recent market transactions on an arm's length basis. The fair value is defined as "The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date".

The valuer within Savills is a RICS Registered Valuer. Most of the properties have previously been valued by Savills when they were acquired and from time to time as requested by the directors. The valuation of ground rents takes into account external factors such as interest rates and the availability of other fixed rate investments in the market. While interest rates remain low, ground rents are an attractive investment due to their secure, fixed income streams. The valuation of a ground rent depends on the future rental uplift timing and nature. The least attractive ground rents are those which are flat with no future rental increases which attract the lowest YP multiple and the highest yield. The most valuable ground rents assets are those which are RPI linked with reviews every 10 years or less. The valuation also is dependent on other factors such as whether the ownership of the ground rent gives the holder the right to insure and manage the building which can lead to additional income streams.

6 Convertible preference shares

	unaudited 31 March 2014 £	unaudited 31 March 2013 £	audited 30 September 2013 £
Net proceeds from issue of convertible preference shares	37,780,625	-	37,780,625

The Company issued 38,550,000 Convertible Preference Shares at a price of £1 each on 24 May 2013. Issue costs of £769,375 have been capitalised and deducted from the gross proceeds to arrive at the amount disclosed above. The preference shares have been classified as debt in the consolidated statement of financial position because the directors believe this to be the most appropriate classification taking into account the fixed interest cost. The Convertible Preference Shares are entitled to a fixed cumulative preferential dividend at an annual rate of 2%. The Convertible Preference Shares shall be converted into Ordinary Shares at a ratio based on the net asset value of each of the respective portfolios at the time of conversion. The preference shares will convert at the earlier of 12 months after issue or following the investment of 90% of the subscription monies.

The market price of the preference shares was at 99.0p at 31 March 2014.

7 Earnings per share

Basic Earnings per Share

Earnings used to calculate earnings per share in the financial statements were:

	unaudited 31 March 2014 £	unaudited 31 March 2013 £	audited 30 September 2013 £
Profit / (loss) attributable to equity shareholders of the Company	1,843,462	(1,145,140)	1,107,908

Basic earnings per share have been calculated by dividing earnings by the weighted average number of shares in issue throughout the period.

Basic earnings per share	4.51p	(2.37p)	2.29p

Diluted Earnings per Share

Diluted earnings per share is the basic earnings per share, adjusted for the effect of contingently issuable warrants and the preference shares issued in the period, weighted for the relevant periods.

	unaudited 31 March 2014 £	unaudited 31 March 2013 £	audited 30 September 2013 £
Profit / (loss) attributable to equity shareholders of the Company	1,843,462	(1,145,140)	1,107,908
Preference share interest paid	385,500	-	269,850
Total earnings in the period	2,228,962	(1,145,140)	1,377,758
	Number	**Number**	**Number**
Weighted average number of shares - basic	49,426,098	48,242,300	48,388,352
Effect of warrants	8,464,662	9,648,460	1,035,540
Effect of preference shares	38,550,000	-	11,983,012
Diluted total shares	96,440,760	57,890,760	61,406,904
Diluted earnings per share	2.31p	(1.98p)	2.24p

8 Share capital

		unaudited 31 March 2014	unaudited 31 March 2013	audited 30 September 2013
Allotted, called up and fully paid:				
Ordinary shares	Nominal Value	£0.50 each	£0.50 each	£0.50 each
	Number	49,426,098	48,242,300	49,426,098
	Amount £	24,713,049	24,121,150	24,713,049
Shares in issue during the period:				
Ordinary shares	Nominal Value	£0.50 each	£0.50 each	£0.50 each
	Number	49,426,098	48,242,300	49,426,098
	Amount £	24,713,049	24,121,150	24,713,049

Resolutions were passed at an annual general meeting on 24 July 2012 to authorise the directors to allot shares up to an aggregate nominal amount of £65,000,000. The Company issued 49,426,098 shares at a price of £1 each during the period to 30 September 2013.

Warrants were issued for £nil consideration on the basis of one warrant for every five subscription shares. Warrant-holders have the right to subscribe £1 per share for the number of ordinary shares to which they are entitled on 31 August in each year following admission up to and including 31 August 2022. The total number of shares issued of 49,426,098 includes 1,183,798 ordinary shares issued to warrant-holders in August 2013.

9 Dividends

It is the policy of the group to pay quarterly dividends to ordinary shareholders.

	unaudited 6 months to 31 March 2014 £	unaudited 23 April 2012 to 31 March 2013 £	audited 23 April 2012 to 30 September 2013 £
Dividends declared by the Company during the period:			
Dividends paid	1,037,454	458,302	1,364,398
Dividends not paid	-	-	-
	1,037,454	458,302	1,364,398
Analysis of dividends by type:			
Interim ordinary dividend of 0.35p per share	-	168,848	168,848
Interim PID dividend of 0.6p per share	-	289,454	289,454
Interim PID dividend of 0.7p per share	-	-	337,696
Interim PID dividend of 1.15p per share	-	-	568,400
Interim PID dividend of 1.056p per share	521,940	-	-
Interim PID dividend of 1.042p per share	515,514	-	-
	1,037,454	458,302	1,364,398

Since the period ended 31 March 2014, the Company has announced an Interim PID dividend of 0.6p per share (£296,557).

10 Gross cash flows

	unaudited 31 March 2014 £	unaudited 31 March 2013 £	audited 30 September 2013 £
Reconciliation of operating profit to net cash inflow from operating activities			
Profit / (loss) before income tax	1,851,256	(1,141,869)	1,142,447
Adjustments for:			
Non-cash revaluation (gain) / loss	(1,065,887)	1,331,648	(271,400)
Net finance income	196,529	(118,791)	(69,844)
Operating cash flows before movements in working capital	981,898	70,988	801,203
Movements in working capital:			
(Increase) in trade receivables	(1,163,567)	(620,557)	(1,660,104)
(Decrease) / Increase in trade payables	(42,022)	973,105	599,326
Net cash used in operations	(223,691)	423,536	(259,575)

11 Related party transactions

Transactions between the Company and its subsidiaries which are related parties, have been eliminated on consolidation. The captions in the primary statements of the company include the amounts attributable to subsidiaries. All amounts due to or from subsidiary companies are interest free and repayable on demand.

Simon Wombwell is also a director of Brooks Macdonald Funds Limited (BMF) and of Brooks Macdonald Group plc, the parent company of BMF and Braemar Estates (Residential) Limited (BER), both of which companies provided services to Ground Rents Income Fund plc during the financial period.

BMF provides investment advisory and administration services to the Company, the fees for which are 0.55 per cent. per annum of the market capitalisation of the Company. In addition, BMF is entitled to an agency fee of 2 per cent. of the purchase price of any property acquired by the Company, where no other agency fee is payable. Where a third party agency fee is less than 2 per cent. of the purchase price, BMF is entitled to an agency fee of 50 per cent. of the difference between 2 per cent. of the purchase price and the third party agency fee.

Prior to 24 May 2013, these services were provided by BER, on the same terms as the current arrangements with BMF.

Transactions between Brooks Macdonald Funds Limited and Ground Rents Income Fund plc during the financial period were as follows:

	unaudited 31 March 2014 £	audited 30 September 2013 £
Commission on placement of Ordinary shares	-	355,088
Commission on placement of Preference shares	-	137,349
Advisory fee payable to Brooks Macdonald Funds Limited	194,008	84,679
Acquisition fees payable to Brooks Macdonald Funds Limited	60,955	79,423
Directors fees payable to Brooks Macdonald Funds Limited	12,000	25,118
Other amounts paid to Brooks Macdonald Funds Limited	6,151	-
	273,114	681,657

£77,650 was due from Ground Rents Income Fund plc to Brooks Macdonald Funds Limited at 31 March 2014.

11 Related party transactions (continued)

Braemar Estates (Residential) Limited is also a related party by virtue of being under common control with Brooks Macdonald Funds Limited. Transactions between Braemar Estates (Residential) Limited and Ground Rents Income Fund plc during the financial period were as follows:

	unaudited 31 March 2014 £	**audited 30 September 2013 £**
Advisory fee payable to Braemar Estates (Residential) Limited	-	145,615
Acquisition fees payable to Braemar Estates (Residential) Limited	-	248,693
Other amounts due to Braemar Estates (Residential) Limited	3,755	13,816
	3,755	408,124

No amounts were owed to or from Braemar Estates (Residential) Limited at the balance sheet date.

12 Other financial commitments

The Company has a number of Ground Rent acquisitions in the pipeline. At 31 March 2014, the Company had £1,824,209 of cash held in a client account at the Company's solicitors. The Company had paid a deposit of £169,680 being 10% of purchase price at 31 March 2014, with the remaining £1,527,120 being paid to the vendor upon completion of the deal on 9 May 2014. The company has also paid a deposit of £83,000 for a building under construction. The Company is due to pay £747,000 being the remainder of the purchase price plus any acquisition costs once the property is complete in 2015.

13 Events after the balance sheet date

Since the balance sheet date, the Company has fully completed on two ground rent acquisitions investing a total of £2,311,800. The Company continues to look for Ground Rent investment opportunities.